

**Encouragement of local shipping industry**

938. SHRI TAPAN KUMAR SEN: Will the Minister of SHIPPING be pleased to state:

- (a) the present status of domestic shipping industry in the country;
- (b) whether the current fiscal policy and the absence of a level playing field have dented the growth of domestic shipping industry and if so, the Government's reaction thereto;
- (c) whether Government proposes to encourage local shipping industry including permission to raise foreign currency loans/bonds through financial institutions and if so, the details thereof; and
- (d) the other initiatives taken by Government to encourage shipbuilding industry?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI RADHAKRISHNAN P.): (a) The ports in India handled 172.7 million tonnes of cargo in the year 2014-15.

(b) Domestic shipping industry has shown growth of 7.01 % in the year 2014-15 against -0.4 % in the year 2013-14 in the coastal cargo.

(c) Government has not placed any restrictions on the domestic shipping companies to raise foreign currency loans/bonds through financial institutions and hence the issue of granting permission for the same does not arise.

(d) The Government of India has taken the following steps to encourage shipbuilding industry:

- (i) To promote shipbuilding and repair in Indian shipyards, the Union Cabinet has on December 9, 2015 approved Shipbuilding Financial Assistance policy for Indian shipyards for contracts signed during a ten year period, viz. 2016-2026. The Union Cabinet has also approved that all government departments or agencies including CPSUs have to provide Right of First Refusal to Indian shipyards while procuring or repairing vessels meant for governmental or own use till 2025 after which only Indian shipyards would build and repair vessels.
- (ii) The Institutional Mechanism on Infrastructure working under the Department of Economic Affairs, Government of India has, on December 21, 2015, recommended inclusion of stand-alone shipyards undertaking shipbuilding and ship-repair in the Harmonized List of Infrastructure sectors.

- (iii) To provide a level playing field for indigenously built ships *vis-a-vis* imported ships, the Government has on November 24, 2015 exempted Customs and Central Excise duty on inputs used in manufacture of ships and relaxed the limitation to operate shipyards under customs control in terms of Section 65 of the Customs Act, 1962.
- (iv) To promote ease of doing business in the sector, in the Union Budget 2016-17, Government has issued simplified procedure for tax compliance for the shipyards while procuring duty free goods for shipbuilding and ship repair.
- (v) To bring down the cost of construction of barges, river sea vessels (RSV Types 1 and 2) and port and harbour crafts and to meet demand for steel by ship and barge builders, the Government has, on February 9, 2015, decided that re-rolled steel obtained from re-cycling yards/ship breaking units would be certified for use in construction of these vessels.

**Development of capacity cargo handling at ports**

939. DR. V. MAITREYAN: Will the Minister of SHIPPING be pleased to state:

- (a) whether Government has taken adequate steps to develop and improve the capacity of cargo handling at various ports in the country;
- (b) if so, the details thereof;
- (c) whether Government has provided funds for development of adequate infra facilities at various ports in the country;
- (d) if so, the details of amount allocated, provided and utilized in these ports during the last five years, year-wise, port-wise; and
- (e) the performance of private ports and their capacity handling in comparison with Government ports?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI RADHAKRISHNAN P.): (a) and (b) Yes, Sir. Development and improvement of capacity of cargo handling at Major Ports are continuous process and for improvement of capacity in Major Ports, various activities such as augmentation of berths/terminals, mechanisation of berths, installation of State of art equipment, capital dredging, improving rail-road connectivity to ports etc. are regularly carried out to meet the demand of the market.

- (c) and (d) Yes Sir. Port-wise fund released by Government of India