

GOVERNMENT OF INDIA  
MINISTRY OF SHIPPING  
**LOK SABHA**  
**STARRED QUESTION NO. \*189**  
TO BE ANSWERED ON 4<sup>TH</sup> JULY, 2019

**GROWTH OF SHIPPING INDUSTRY**

\*189. SHRIMATI SUPRIYA SULE:  
SHRI SUNIL DATTATRAY TATKARE:

Will the Minister of SHIPPING be pleased to state:

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- (a) the growth registered by the domestic shipping industry in the country during each of the last three years along with the present status of the ship-building industry in the country;
- (b) whether the Government has any specific schemes for improving the overall infrastructure in various shipyards of the country and if so, the details thereof;
- (c) the initiatives taken/being taken by the Government for upgradation of infrastructure in the ports and augmentation of Indian tonnage in the shipping industry;
- (d) whether many Indian shipping companies are heavily in debt during recent years and if so, the details thereof along with the remedial measures being taken by the Government in this regard; and
- (e) the other steps taken by the Government to boost the growth of the shipping industry in the country?

**ANSWER**

MINISTER OF STATE(INDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

- (a) to (e) A statement is laid on the Table of the House.

**STATEMENT WITH REFERENCE TO PART (a) TO (e) OF THE STARRED QUESTION No. 189 TO BE ANSWERED ON 04.07.2019 REGARDING 'GROWTH OF SHIPPING INDUSTRY' RAISED BY SHRIMATI SUPRIYA SULE AND SHRI SUNIL DATTATRAY TATKARE, HON'BLE MEMBERS OF PARLIAMENT**

- (a) The growth registered by the Domestic Shipping industry in the country during each of the last three years is as follows:

Growth of Indian tonnage:

Years (As on 31 <sup>st</sup> March)	No. of Vessels	Gross Tonnage (GT)	% of increase
2016-17	1316	115,61,608	6.5
2017-18	1384	125,81,592	8.8
2018-19	1407	127,88,813	1.6

Source: DG(Shipping)

India has 28 shipyards out of which 20 shipyards are in the private sector and 8 shipyards are in the public sector. As per the Shipyards Association of India, out of these 20 private owned shipyards, seven are currently non-functional. Out of the remaining 8 public sector Shipyards, 2 Shipyards are under Ministry of Shipping, 4 shipyards are under Ministry of Defence, and 2 shipyards are under the State Government.

Ship building Industry in India is in general in development stage. India's share in global shipbuilding industry is less than 1%. The industry is facing a lot of competition from international shipbuilding yards located in Japan, South Korea, and China. The Indian shipbuilding Industry is facing acute financial stress as a result of the on-going global recession in the international shipping and shipbuilding industry and the lack of working capital support from lenders. ABG Shipyard and Bharati Defence & Infrastructure have gone into liquidation, under the NCLT Procedure.

- (b) Government of India has, on April 13, 2016, notified inclusion of stand-alone shipyards undertaking activities such as Shipbuilding and Ship-repair under the Harmonized list of Infrastructure Sectors. This would enable availability of cheaper Long-Term loans to Shipyards. The government also has a scheme for providing financial assistance for shipbuilding. Under this scheme, Rs. 4000 crore assistance has been approved between 1-04-2016 and 31-03-2026. Financial assistance is provided @ 20% to Indian shipyards. This rate will be reduced by 3% every three year.
- (c) Expansion and modernization of Major Ports in the country is an on-going process to keep the ports abreast with new technologies and also to meet cargo traffic requirements. The process,

inter-alia involves construction of new berths and terminals, mechanization of existing berths and terminals, capital dredging for deepening of drafts for attracting large vessels in port channels, development of road and rail connectivity etc. In order to make the shipping industry more attractive and competitive, the Government has reduced GST from 18% to 5% on bunker fuel used in Indian flag vessels. Indian shipping industry has been provided cargo support through Right of First Refusal (RoFR). Shipping enterprises based in India have been allowed to acquire ships abroad and flag them in the country of their convenience. Parity has been brought in the tax regime of Indian seafarers employed on Indian flag ships vis-à-vis those on foreign flag ships. Licensing requirement has been removed for chartering of foreign registered ships by citizens of India, companies incorporated in India and Registered Societies, to encourage coastal movement of agriculture and other commodities, fertilizer, EXIM Transshipment Containers and Empty containers.

- (d) Shipping is a highly capital-intensive industry. The shipping industry has seen a down turn in business since 2008 due to global recessionary trends and over capacity. The freight rates have been low over a long period of time due to demand and supply mismatch and the tonnage exceeding the demand. There have been instances of bankruptcies of international ship owners and the Indian industry is also struggling to cope with the worldwide downturn. In order to support the Indian shipping industry and to make it internationally competitive, the Government has allowed 100% Foreign Direct Investment (FDI) in the shipping sector, acquisition of all types of ships through import has been brought under the Open General License, Indian shipping industry has been provided cargo support in the form of right of first refusal, and policy of Free On Board (FOB) import is being followed for government owned/controlled cargoes.
- (e) To promote coastal shipping in India, Cabotage has also been relaxed under section 407 of the Merchant Shipping Act, 1958 for specialized vessels such as RO-RO, Ro-PAX, Hybrid Ro-Ro, Pure Car carriers, Pure Car and Truck carriers, LNG vessels and Over-Dimensional cargo or Project cargo carriers for 5 years with effect from 2<sup>nd</sup> Sept., 2015. Subsequently, with effect from 21 May, 2018, cabotage has been relaxed for coastal movement of EXIM transshipment containers and empty containers, with effect from 22 May, 2018, cabotage has been relaxed for coastal movement of agriculture, horticulture, fisheries and animal husbandry commodities and with effect from 22 June, 2018, cabotage has been relaxed for fertilizers. The Government has also taken a number of steps to boost cruise shipping in India.

GOVERNMENT OF INDIA  
MINISTRY OF SHIPPING  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2037**  
TO BE ANSWERED ON 4<sup>th</sup> JULY, 2019

**CONVERSION OF PORTS AS MAJOR PORTS**

2037. SHRIMATI RATHVA GITABEN VAJESINGBHAI:

Will the Minister of SHIPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether the Government is aware that many ports in the country including Dahej, Veraval, Mangrol and Porbandar in Gujarat have the capacity to become major port;
- (b) if so, the details thereof;
- (c) whether the Government has any plan to convert any such ports as major port out of them in the country particularly Gujarat; and
- (d) if so, the details thereof along with the time by which the work is likely to commence in this direction?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

(a) to (d) The capacity of a port is not a criteria for it to be a non-major port or a major port. A port under the administrative control of Ministry of Shipping, Government of India is called a Major Port. At present, there is no plan to convert a non-major port into a major port in Gujarat.

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GOVERNMENT OF INDIA  
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**LOK SABHA**  
**UNSTARRED QUESTION NO.2044**  
TO BE ANSWERED ON 4<sup>TH</sup> JULY, 2019

**DEVELOPMENT OF WATERWAYS**

2044. SHRI M. BADRUDDIN AJMAL:

Will the Minister of SHIPPING be pleased to state:

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- (a) whether the Government proposes to have a dredge plan for river Brahmaputra;
- (b) if so, the details thereof;
- (c) the time by which the aforesaid waterway is likely to become operational;
- (d) whether any study has been conducted for the development of waterway between Dhubri and Sadiya via Guwahati on the river Brahmaputra; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

(a) to (c) National Waterway-2 (NW-2) (River Brahmaputra) from Dhubri to Sadiya (891 km) in Assam is an operational waterway for shipping and navigation. Regular maintenance dredging is undertaken by Inland Waterways Authority of India (IWAI) annually for maintaining the navigable channel of 2.5 m depth between Dhubri and Neamati; 2.0 m depth between Neamati & Dibrugarh; and, 1.5 m depth between Dibrugarh and Oriumghat. IWAI also undertakes regular works for fairway maintenance, river training and river conservancy.

(d) & (e) A Detailed Project Report (DPR) for the development of Inland Water Transport (IWT) on NW-2 from Dhubri to Sadiya was prepared in 1989 at the time of declaration of Brahmaputra river as a National Waterway. Based on the DPR, developmental actions were taken by IWAI for shipping and navigation in the NW-2. Further, IWAI undertook a study on 'Modal shift of cargo passing through Siliguri Corridor destined for North-East and neighboring countries to IWT' and 'Pre-feasibility study for the proposed Multi Modal Logistics Park (MMLP) at Jogighopa' in 2017 to assess the traffic potential for the North-East Region through IWT.

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GOVERNMENT OF INDIA  
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**LOK SABHA**  
**UNSTARRED QUESTION NO. 2143**  
TO BE ANSWERED ON 4<sup>th</sup> JULY, 2019

**MECHANISM FOR IMPLEMENTATION OF PORT DEVELOPMENT PROJECTS**

2143. DR. MANOJ RAJORIA:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether the Government has evolved a mechanism to supervise the implementation of various port development projects of the country;
- (b) if so, the details thereof;
- (c) whether there is any delay in the implementation of these projects;
- (d) if so, the details of the cost and time overrun; and
- (e) the measures taken by the Government to complete the projects in a time bound manner?

**ANSWER**

MINISTER OF STATE (NDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

(a)to(e) Expansion, modernization and upgradation of Major Ports in the country is an ongoing process to keep the ports abreast with new technologies and also to promote trade and cargo. This is done through various infrastructure projects conceived by the ports. Most of these projects, after award are executed as per the relevant contractual timelines. These projects are monitored regularly at various levels in the concerned organisations as well as in the Ministry to ensure timely completion of the projects. However, a few projects could not progress as per the contractual timelines for various reasons like delays in environment clearance, non-fulfillment of the conditions precedent, lack of funds with the concessionaire etc. Major Ports send a status report on Projects to be awarded and Projects to be completed every month to the Ministry, which is reviewed on a monthly basis.

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GOVERNMENT OF INDIA  
MINISTRY OF SHIPPING  
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**UNSTARRED QUESTION NO.2208**  
TO BE ANSWERED ON 4<sup>TH</sup> JULY, 2019

**PERFORMANCE OF SHIPPING SECTOR**

2208. SHRI RAVNEET SINGH BITTU:

Will the Minister of SHIPPING be pleased to state:

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- (a) whether the Government is aware that World Bank has ranked performance of India in shipping sector at 35<sup>th</sup> position out of 160 countries and if so, the details thereof;
- (b) the steps taken to reduce Indian ships' turnaround time;
- (c) whether the Government has invested in procuring high-tech navigational aids system and if so, the details thereof; and
- (d) whether the Government has invested in improving the volume capacity of Indian ports and if so, the details thereof?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

- (a) The World Bank publishes the Logistics Performance Index (LPI) in every two years which includes the shipping sector as one of the sub-elements and India's LPI ranking in 2016 was 35.
- (b) Government has taken various measures to reduce Turn Around Time, which are as under:
  - (i) Berthing Application for allotment of a suitable berth through Port Community System (PCS) message "BERMAN" made mandatory with penalty clause.
  - (ii) Submission of Documents, Funds Transfer and berth allotment made online.

- (iii) E-Entry clearance and E-Port clearance.
  - (iv) Mechanization of berths for higher berth productivity.
  - (iv) Adequate handling equipments and evacuation equipment to make available prior to berthing.
  - (v) Procurement and installation of container scanners.
  - (vii) Installation of RFID.
- (c) Directorate General of Lighthouses and Lightships has established several hi-tech marine aids to navigation. The details are at Annexure.
- (d) Infrastructure development and capacity augmentation of Major Ports is an ongoing process. The process inter-alia involves construction of new berths and terminals, mechanization of existing berths and terminals, capital dredging for deepening of drafts for attracting large vessels in port channels, development of road and rail connectivity etc. A number of projects involving a total project cost of Rs. 13,308.41 Cr. have been sanctioned in the last three years on upgradation/ capacity augmentation of the Major Ports. As a result, the cargo handling capacity of the Major Ports has been steadily going up. The installed capacity of the Major Ports as on 31.03.2019 is 1514.09 MTPA which is sufficient to handle the existing cargo traffic at the Major Ports.

ANNEXURE

**Annexure referred to in reply to Part (c) of Lok Sabha Unstarred Question No. 2208 for 04.07.2019**

DGLL has established following hi-tech marine aids to navigation:

(i) RACON (Radar BeaCON) [64 Nos.] - A radio equipment transmits its identity in Morse Code when interrogated by Radar. It is used to mark new and uncharted hazards.

(ii) Differential Global Positioning System (DGPS) – [23 Nos.] - A system where errors in Global Positioning System (GPS) are accurately computed and then broadcasted by MF beacon to fix the position to a sub meter accuracy. DGLL has established 23 DGPS along the coast of India. 13 DGPS has been upgraded to Differential Global Navigation Satellite System (DGNSS) which are able to respond to the signals of other constellation like GLONASS (Russia), Galileo (European Union), Beidou (China) including IRNSS of India.

(iii) Automatic Identification System (AIS) – AIS is a ship to ship and ship to shore based data broadcast system for maritime safety and collision avoidance. DGLL has established a network of 87 Physical Shore Station (PSS) along the coastline of India known as National Automatic Identification System (NAIS).

(iv) DGLL has Vessel Traffic Service (VTS) in Gulf of Kachchh, Gujarat to improve the safety and efficiency of vessel traffic and to protect the marine environment.

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GOVERNMENT OF INDIA  
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**UNSTARRED QUESTION NO. 2214**  
TO BE ANSWERED ON 4<sup>TH</sup> JULY, 2019

**ROAD/RAIL CONNECTIVITY AT PORTS**

2214. SHRI KAPIL MORESHWAR PATIL:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) the status of the implementation of coastal security initiatives at Indian ports in view of the threat of global terrorist activities;
- (b) the details of the ports where security cover has been provided by the Union Government and the State Governments separately;
- (c) whether the Government is aware of the lack of road and rail connectivity at non-major ports of the country;
- (d) if so, the details thereof; and
- (e) the remedial steps taken/being taken by the Government in this regard?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

(a) The coastal security plan at all the major ports is in place. The ports are also under the cover of Central Industrial Security Force (CISF) and Indian Coast Guard (ICG). International Ship and Port Facility Security (ISPS) Code, of the International Maritime Organization (IMO), requires assessment of Port Facility Security (PFSA) and the development of the Port Facility Security Plan (PFSP). Implementation of ISPS code ensures that the security of ships and port facilities is as per the requirement of the international instrument. Accordingly, all Major ports and Non-major ports handling EXIM cargo and having interface with ships with international voyages comply with requirements of the ISPS code and audits of the same are carried out at regular intervals. Regular mock-drills and exercises are also conducted to ensure that the ports are in a state of readiness to handle any security threat.

(b) The Union Government provides security cover to all the twelve major ports. All non-major ports are, however, under the administrative control of respective State Governments. The details in respect of non-major ports are not maintained in the Ministry of Shipping.

(c) to (e) The Road and Rail connectivity at Non-major ports of the country does not come under the purview of Ministry of Shipping. Such information is not maintained/compiled in the Ministry of Shipping.

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GOVERNMENT OF INDIA  
MINISTRY OF SHIPPING  
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**UNSTARRED QUESTION NO.2257**  
TO BE ANSWERED ON 4<sup>TH</sup> JULY, 2019

**SETTING UP OF DEEP SEA PORT**

2257. SHRI KALYAN BANERJEE:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether the Government proposes to set up deep sea port in the Bay of Bengal;
- (b) if so, whether the Government has made any agreement with Bangladesh Government to set up the same in joint venture;
- (c) if so, the details thereof; and
- (d) whether the Government proposes to connect Chittagong port with Kolkata or Haldia and also revive the Tajpur project and if so, the details thereof?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR SHIPPING  
(SHRI MANSUKH MANDAVIYA)

- (a) No, Sir.
- (b)&(c) There is no proposal for an India-Bangladesh Joint Venture to set up a deep sea port in Bay of Bengal.
- d) Chittagong Port is already connected to Kolkata and Haldia Ports through waterways and coastal shipping agreement between India and Bangladesh. Currently, there are 5 container feeder vessels regularly plying between Kolkata/Haldia and Chittagong Ports. There is no proposal for revival of Tajpur Project.

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