

Development of Shipping Sector

Under the Government of India's Sagarmala Programme to promote port-led development, a master plan has been formulated for the 12 Major Ports. 142 port capacity expansion projects with an estimated cost of Rs. 91,434 Crore and capacity creation of 884 MMTPA have been identified in this master plan for implementation over the next 20 years. Out of these, 58 projects with project cost of approximately Rs. 28,767 Crore have been approved.

In 2015, an international benchmarking consultant conducted a study of the Major Ports which recommended 116 initiatives to enhance their efficiency and productivity to international benchmarks and unlock their capacity. Of the 116 initiatives, 85 initiatives have already been implemented.

In order to strengthen the shipping and ports sector and make it internationally competitive, the Government of India has taken various steps which include the following :

(i) Exemption of Customs and Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of mix of EXIM, domestic and empty containers between two or more ports in India.

(ii) Abatement of service tax of 70% for transportation of goods by Coastal shipping and Inland Waterways transportation.

(iii) In April 13, 2016, the Ministry of Finance notified inclusion of stand-alone shipyards undertaking activities such as shipbuilding and ship-repair in the Harmonized List of Infrastructure sectors.

(iv) To promote manufacture of sea-going vessels by Indian shipyards, Shipbuilding Financial Assistance Policy was approved for contracts signed during a ten year period, viz. 2016-2026.

(v) Customs and Central Excise duty exemption on inputs used in manufacture of ships to provide a level playing field between indigenously built ships vis-à-vis imported ships.

(vi) Shipping enterprises based in India have been permitted to acquire ships abroad and also flag them in the country of their convenience. This policy initiative of "Indian Controlled Tonnage (ICT)" has facilitated Indian ship-owners to gain access to cheaper funds abroad and also save on costs of setting up subsidiaries abroad to acquire and maintain such tonnage.

This information was given by Minister of State for Shipping and Road Transport and Highways Shri Pon. Radhakrishnan in a written reply to a question in the Lok Sabha today.

NP/MS