

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

RAJYA SABHA

UNSTARRED QUESTION NO.3658

TO BE ANSWERED ON 3rd APRIL, 2017

GUIDELINES FOR SFAP

3658. DR. T. SUBBARAMI REDDY:

Will the Minister of SHIPPING be pleased to state:

- (a) whether Government has recently approved a set of guidelines for implementing the Shipbuilding Financial Assistance Policy (SFAP);
- (b) if so, the details thereof;
- (c) whether there is a provision to provide financial assistance to Indian shipyards for shipbuilding contracts in the coming years and if so, the details thereof;
- (d) whether institutional mechanism created for redressal of grievance arising out of implementation of the policy and if so, the details thereof; and
- (e) the projection of shipbuilding activities during the next ten years in the country, as compared to the last three years?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI MANSUKH L. MANDAVIYA)

- (a) Yes, Sir.
- (b) The guidelines for implementing the Shipbuilding Financial Assistance Policy (SFAP) have been approved and uploaded on website of Ministry of Shipping on 16.06.2016 and the revised guidelines were uploaded on 02.01.2017.
- (c) Yes, Sir. Financial assistance will be granted to Indian Shipyards equal to 20% of the lower of "Contract Price" or the "Fair Price" of each vessel built by them for a period of at least 10 years commencing 2016-17. This rate of 20% will be reduced by 3% every three years.
- (d) Yes, Sir. A Committee headed by the Additional Secretary(Shipping) comprising of Director General of Shipping or representative, Joint Secretary(Shipping), Deputy Secretary/Director(Finance) and representative of Cochin Shipyard Limited has been created to redress the grievances which arise from acts of commission or omission of the designated competent authority under the aforesaid guidelines.
- (e) The demand for shipbuilding depends on various global factors. However, it is expected that with the introduction of the New Financial Assistance Policy, domestic shipbuilding will get a boost.
