

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS
RAJYA SABHA
UNSTARRED QUESTION NO- 3179
ANSWERED ON 28/03/2023

IMPACT OF RESTRAINT ON SHIPS

3179. SHRI ELAMARAM KAREEM:

Will the Minister of PORTS, SHIPPING AND WATERWAYS be pleased to state:

- (a) whether Government or any competent agency has carried out any study about the impact and implications likely to be caused in strategic sector of shipping and EXIM Trade because of immediate restraint on Ships above the age of 20 years;
- (b) whether any statistics is available with Government about number of ship vessels bearing Indian Flag & Foreign Flags likely to affect operation in the country as a consequence of this inadvertent change; and
- (c) the details of any relief measures being planned for seafarers who are serving onboard these vessels including their job replacement, being a lockdown like situation in the sector?

ANSWER

MINISTER OF PORTS, SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

(a) to (c) A DGS Order No. 06 of 2023 dated 24.02.2023 has been issued by the Directorate General of Shipping regarding the Age Norms and other Qualitative parameters for registration/ operation of vessels under Indian flag and foreign flagged vessels that are required to apply for licence under Sections 406 & 407 of the Merchant Shipping Act, 1958 (MS Act, 1958), in consultation with the Indian National Ship Owners Association (INSA), other Shipping Agencies and the other stakeholders.

This order prescribes an entry age, qualitative requirements with regard to the maintenance of the vessel and exit age. However, for Indian flag 'Existing Vessels' regardless of its age on the date of issuance of this Order, affected by the maximum age prescribed, has been allowed to operate up to three years from the date of the issue of this Order in order to give sufficient time for transition. Further, Foreign flagged vessels requiring licence under Sections 406 & 407 of the MS Act 1958 and already engaged in

charter on the day of this order, shall also be allowed to operate up to three years from the date of issue of this Order or until the charter period, whichever is earlier. Thus, the above provisions under the Order, ensure that there is no immediate restraint on ships above the exit age already under Indian flag or already operating under existing Charter & permitted under Sections 406 & 407 of MS Act.

The average age of Indian fleet is higher than that of the world fleet in most of the vessel categories. Further, in order to achieve the goal under International Maritime Organization – Sustainable Development Goals embracing technological innovation along with the transition to low- and zero-carbon fuels and/to alternative energy sources will be required to achieve these modernization of the Indian fleet is pertinent.

In addition to above, the order dated 24.02.2023 is expected to foster the growth of quality Indian Tonnage, as the Order creates an entry age criterion for registration. This would be applicable to foreign flag vessels required to apply for the licence under the Sec 406 & 407 of the MS Act. However, an Indian Flag vessel would continue to enjoy the cabotage after entry age until the prescribed exit age. No foreign flag vessel can compete under the same age category, thus, creating more demand for Flagging of vessel under Indian flag.
