

LOK SABHA

UNSTARRED QUESTION NO.6313
TO BE ANSWERED ON 5th APRIL, 2018
PROMOTION OF COASTAL SHIPPING

6313. ADV. NARENDRA KESHAV SAWAIKAR:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether the Government has taken initiatives to encourage coastal shipping in the country and if so, the details thereof;
- (b) whether the Government has asked the automobile manufacturers to opt for coastal shipping mode for transportation of vehicles and if so, the details thereof;
- (c) the extent to which the coastal shipping is cheaper than road and rail transport of vehicles; and
- (d) the measures proposed to be taken by the Government for promotion of use of coastal shipping by other sectors also?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a): Yes Madam, the Government has taken steps to encourage Coastal Shipping which inter alia include reduction of GST on bunker fuels used in Indian Flag Vessels from 18% to 5%; 40% discount on cargo related and vessel related charges for Coastal Ships carrying coastal cargo except for coal, POL and Iron ore; 80% discount on Vessel Related Charges (VRC) and Cargo Related Charges(CRC) for Ro-Ro vessels for Coastal transportation of vehicle for two years with effect from 20th September, 2016; priority berthing for coastal ships without any charge; introduction of green channel clearance for faster evacuation of coastal cargo at major ports and allowing the reimbursement of freight subsidy on primary movement of subsidized urea and P&K fertilizers by rail and/or coastal shipping or inland water transportation also.

(b): The automobile manufactures were encouraged to opt for Coastal Shipping for transportation of vehicles during meetings with the manufactures. Specific steps such as relaxation of cabotage for Ro-Ro ships, increasing discount for Ro-Ro vessel from 40% to 80% for two years were taken to facilitate Coastal transportation of vehicle. The Chennai Port, Kamarajar Port and VO Chidambaranar Port have approached the automobile manufacturers to use their ports for Coastal Shipping of vehicles by offering concessional rates and other facilities.

(c): According to the National Perspective Plan of Sagarmala program, the cost of transportation of goods by road is Rs. 2-3 per tonne km and by rail it is Rs. 1.2-1.5 per tonne km. As against these two modes, the cost of transportation by coastal shipping is Rs. 0.2 - 0.3 per tonne km. However, in addition to the absolute transportation costs, other logistics costs such as handling, storage, first mile and last mile transport, packaging etc. are also incurred. These costs vary with the nature and volume of commodities / cargo being transported and the mode used for transportation

(d): The Ministry of Shipping has launched the Central Sector Scheme for providing financial support to Major/non-Major ports/State Governments for creation of infrastructure to promote movement of coastal cargo/passengers by sea/National Waterways. The major ports have been asked to have dedicated coastal berths for coastal cargo for which financial assistance is also provided under the coastal berth scheme.
