GOVERNMENT OF INDIA
MINISTRY OF SHIPPING
LOK SABHA
UNSTARRED QUESTION NO. 5324
TO BE ANSWERED ON 25TH JULY, 2019

INDIAN MERCHANDISE TRADE

5324. DR. UMESH G. JADHAV:

Will the Minister of SHIPPING be pleased to state:

(a) the number and percentage of Indian merchandise trade carried out in Indian and foreign vessels;
(b) whether most of the Indian merchandise trade is carried out in foreign vessels;
(c) if so, the details along with the reasons therefor; and
(d) the steps being taken by the Government to increase the share of Indian vessels in the trade?

ANSWER

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

(a) to (c) The Indian merchandise trade carried on Indian and foreign vessels during 2017-18 is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity carried on Indian vessels (in thousand MT)</th>
<th>% share</th>
<th>Quantity carried on Foreign vessels (in thousand MT)</th>
<th>% share</th>
<th>Total quantity (in thousand MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>69708</td>
<td>7.1%</td>
<td>905834</td>
<td>92.9%</td>
<td>975542</td>
</tr>
</tbody>
</table>

The growth of Indian fleet has been affected primarily due to lack of long term bankable cargo contracts, higher cost of capital, relatively higher tax incidence and overall global slowdown of shipping industry.

(d) Various measures have been taken in recent years to make the shipping industry more attractive and competitive. These are reduction in GST from 18% to 5% on bunker fuel used in Indian flag vessels; providing cargo support to Indian shipping industry through Right of First Refusal (RoFR) and policy of Free On Board (FOB) import is being followed for government owned controlled cargoes; allowing shipping enterprises based in India to acquire ships abroad and flag them in the country of their convenience; removal of licensing requirement for chartering of foreign registered ships by citizens of India; encouraging coastal movement of agriculture and other commodities, fertilizer, EXIM Transshipment Containers and Empty containers etc.

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