

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 1502
ANSWERED ON 28/07/2023

PROMOTION OF COASTAL SHIPPING

1502. SHRIMATI GOMATI SAI:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) whether the Government has formulated any new comprehensive plan to promote coastal shipping along the 7500 kilometer long coastline of the country for movement of cargo so as to reduce the overburdened roads and Railways;
- (b) if so, the details thereof along with the details of new policies and strategies envisaged in this regard;
- (c) the extent to which the success has been achieved in this regard during the last three years resulting in increase in aquatic traffic movement; and
- (d) the assistance provided by the Government to the private sector/other agencies for enhancement of coastal shipping by them?

ANSWER

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

(a) to (d) Under Sagarmala Programme, various initiatives and projects have been undertaken to facilitate shifting of cargo from conventional land-based transportation to coastal shipping mode.

The Government has taken following measures to enhance coastal shipping:

- (i) The Coastal Berth Scheme under the Sagarmala Programme provides financial assistance for creation of infrastructure to promote movement of cargo/passengers by Sea/National Waterways. Under the Sagarmala Programme, 75 projects worth Rs. 2985 Crore have been sanctioned for the

development of Coastal Berths, Ro-Ro/Ro-Pax Jetties, Passenger Jetties etc. Out of which 15 projects worth Rs 849 Crore have been completed.

- (ii) Licensing relaxation under section 407 of the Merchant shipping Act is given to container vessels for carrying EXIM containers and empty containers at transshipment ports for outbound transport; and to foreign flag vessels carrying Agricultural, fisheries, horticultural, fertilizers and animal produce commodities subject to the condition that these commodities constitute at least 50% of the cargo on board the ship at the beginning of the coastal leg.
- (iii) A discount of 40% is offered by major ports on vessel and cargo related charges to coastal cargo vessels.
- (iv) Priority berthing policy for coastal vessels has been notified to reduce turnaround time for coastal vessels and improve their utilization.
- (v) Reduction of GST on bunker fuels used in Indian Flag Vessels from 18% to 5%.
- (vi) Green channel clearance introduced for faster evacuation of coastal cargo at ports.
- (vii) Allowed reimbursement of freight subsidy on primary movement of subsidized urea and P&K fertilizers by coastal shipping or inland water transportation.
- (viii) The projects for improvement in the first and last mile road and rail connectivity with all the major and non-major ports have also been identified for faster cargo movement. Ministry of Ports, Shipping and Waterways is working with Ministry of Railways and Ministry of Road Transport and Highways to implement these projects.

The details of the coastal cargo traffic for last three years are as under:

| Coastal cargo traffic for last three years (MMTPA) | | | |
|--|---------|---------|---------|
| Coastal Cargo | 2020-21 | 2021-22 | 2022-23 |
| Total(MMTPA) | 114 | 133 | 151 |
