

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

LOK SABHA
UNSTARRED QUESTION NO. 2049
TO BE ANSWERED ON 22ND SEPTEMBER, 2020

PROCUREMENT OF TUG BOATS

2049. SHRI SUNIL DATTATRAY TATKARE:
SHRI GAUTAM GAMBHIR:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether it is a fact that all major ports are directed to procure or charter tug boats manufactured in India;
- (b) if so, the details of financial implication and the quantum of funds allocated for it, so far;
- (c) whether the Government is envisaging to create an ecosystem for shipbuilding, ship repair, ship recycling and flagging in India, if so, the details thereof; and
- (d) whether it is also a fact that the Government is planning to set up a Standing Specifications Committee and if so, the details thereof?

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

(a) In compliance with para 3 (b) of the Public Procurement (Preference to Make in India) Order, issued by the Department of Promotion of Industry and Internal Trade on 4-06-2020, no Global tender enquiry is to be issued by the Major Ports, for either procurement or chartering of tugs, with estimated value of purchases less than Rs. 200 crores. To assist the Major ports in expeditious implementation of the Make in India Order, Ministry of Shipping has issued a Standard Operating Procedure (SoP) pertaining to Procurement/Chartering of Port Crafts by the Major Ports.

(b) No funds have been allocated in this regard. As far as Government of India is concerned, there is no financial implication.

(c) To promote shipbuilding in Indian shipyards, the Government of India is implementing the New Shipbuilding Financial Assistance policy for Indian shipyards for contracts signed during a ten year period, viz. 2016-2026. A web portal for processing the applications of shipyards by Director General of Shipping has also been launched. Further, the Government of India has directed that all government departments or agencies, including CPSUs, have to provide Right of First Refusal to Indian shipyards while procuring or repairing vessels meant for governmental or own use till 2025, after which only Indian shipyards would build and repair vessels for these organisations.

As far as ship recycling is concerned, the Government has enacted the Recycling of Ships Act, 2019 to regulate the ship recycling activity in India. In November 2019, India acceded to the Hong Kong International Convention on Safe and Environmentally Sound Recycling of Ships, 2009.

In order to promote flagging of ships and development of shipping in India, Indian ships are given priority above foreign ships for such transportation. In all global tenders for engaging ships by Indian companies/entities, the Right of First Refusal is given to Indian flag vessels in terms of requirements/conditions specified by the DG Shipping.

(d) The Government has set up a Standing Specifications Committee under the chairmanship of Managing Director, Indian Ports Association and comprising members from Directorate General of Shipping, Shipping Corporation of India, Cochin Shipyard Limited and Indian Register of Shipping.
