

GOVERNMENT OF INDIA  
MINISTRY OF PORTS, SHIPPING & WATERWAYS  
LOK SABHA  
UNSTARRED QUESTION NO. 508  
TO BE ANSWERED ON 22<sup>ND</sup> JULY, 2021

**TONNAGE CAPACITY OF INDIAN SHIPPING INDUSTRY**

508. SHRI HEMANT TUKARAM GODSE:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) whether the Government proposes to increase the tonnage capacity of Indian shipping industry;
- (b) if so, the details thereof; and
- (c) the tonnage capacity of the shipping industry in the country during the last three years, year-wise?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF PORTS, SHIPPING AND WATERWAYS  
(SHRI SHRIPAD NAIK)

(a) & (b) Yes sir. The various steps taken by the Government, to increase the tonnage capacity of Indian Shipping industry are as below:

1. The Directorate General of Shipping has issued a Circular vide DGS Circular No. 02 of 2021 which deals with the Right of First Refusal (RoFR). Through this circular, it was stated clearly that the order of grant of RoFR shall be (i) Indian built, Indian flagged (Indian owned), (ii) Foreign built, Indian flagged (Indian owned) and (iii) Indian built, Foreign flagged (Foreign owned). This attracts the business entities to build their vessel in India and to get them registered under Indian flag, which leads to increase in India's Tonnage Capacity.
2. Further, to increase Indian Shipping tonnage, Government has started 'Make in India' programme, which encourages domestic ship-building by providing a level playing field vis-à-vis foreign ship-building yards. The Government has been implementing, the Shipbuilding Financial Assistance Policy for Indian ship-building yards, since December 2015. This policy has a provision for providing financial assistance to shipyards over a period of 10 years for contracts secured between 01.04.2016 and 31.03.2026.
3. Indian and Foreign entities, intending to engage foreign flag vessels, for coastal trade of India/Exim trade, need to have a license under section 406 of MS Act, 1958, from, DG Shipping, Gol. The license is issued to such foreign flag vessel, only after ensuring that no matching Indian vessel is available, for such trade/function, intended to be performed by foreign flag vessel. Accordingly, Indian ships are given priority above any foreign ships for such transportation. Because of this facility, the business entities

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and even shipping companies, are intended to make efforts, to build own (or register) their vessels under Indian flag. This helps to increase the Indian shipping tonnage.

4. Indian Shipping enterprises have also been allowed to acquire ships abroad and also flag them in the country of their convenience, under the Indian Controlled Tonnage [ITC] scheme.

(c) The details of tonnage capacity of the country in the last three years, are as below:

Year	Coastal		Overseas		Total	
	Ships	Gross Tonnage	Ships	Gross Tonnage	Ships	Gross Tonnage
31.12.2018	945	14,79,343	456	1,12,04,598	1401	1,26,83,941
31.12.2019	972	14,79,692	457	1,12,66,341	1,429	1,27,46,033
31.12.2020	998	16,72,581	465	1,13,37,811	1463	1,30,10,392
30.06.2021	1021	15,44,522	467	1,14,18,526	1488	1,29,63,048

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