

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS
LOK SABHA
STARRED QUESTION NO. *288
ANSWERED ON 05/08/2022

PROMOTION OF COASTAL SHIPPING

*288. SHRI T.R. BAALU:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) whether the Government has any comprehensive plan to promote coastal shipping along the 7500 Kms long coastline of the country to harness the shipping potential to relieve excessive pressure on roads and railways for the movement of cargo;
- (b) if so, the details thereof including new policies and strategies envisaged along with the success in this regard leading to increased traffic movement in the last three years; and
- (c) the details of the Government's assistance and support to increase coastal shipping by other sectors/ agencies including the private sector?

ANSWER

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

(a) to (c) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.*288 TO BE ANSWERED ON 05TH AUGUST 2022 RAISED BY SHRI. T.R. BAALU REGARDING "PROMOTION OF COASTAL SHIPPING".

(a),(b)&(c) Coastal shipping is fuel efficient and environment-friendly mode of transport. Promotion of coastal shipping is a priority area of the Ministry. 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 Ministry of Ports, Shipping and Waterways has identified a potential of 340 MTPA cargo movement by coastal shipping. In the year 2014-15, Indian ports handled about 74.97 Million Tonnes per Annum (MTPA) of coastal cargo which has increased to 133 MTPA (increased by 77%) in 2021-22.

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 55 projects worth Rs.2565 crore has been sanctioned for the development of Coastal Berths, Ro-Ro/Ro-Pax Jetties, Passenger Jetties etc. Out of which 14 projects worth Rs 753 Cr 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.

These policy measures have resulted in the increase in coastal cargo movement. In last three years, the cargo movement by coastal shipping has increased from 105 MTPA in 2018-19 to 133 MTPA in 2021-22.
