

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 1873
ANSWERED ON 06.12.2024

NEW RULE FOR INTERNATIONAL CONTAINER LINES

1873. SHRI MANICKAM TAGORE B:
SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:

Will the Minister of PORTS, SHIPPING AND WATERWAYS be pleased to state:
पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) the rationale behind the new rule requiring international container lines to reserve 5 per cent of cargo space for domestic operators;
- (b) the mechanism put in place by the Government to ensure that domestic operators have the capacity to utilize the reserved cargo space and to ensure that its implementation does not lead to increased costs or inefficiencies in shipping sector;
- (c) the benefits/impact this new rule is likely to bring to India's shipping industry and economy including trade relationships with other countries;
- (d) the manner in which the Government proposes to monitor compliance with the new rule, prevent evasion and address potential concerns from international container lines;
- (e) the support mechanisms proposed to be put in place to help domestic operators compete with international container lines; and
- (f) the timeline fixed for the implementation of the new rule and vessel-sharing agreements?

ANSWER

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

(a) to (f) The Directorate General of Shipping has put a draft notification in public domain soliciting the views of stakeholders for exempting the Vessel Sharing Agreement (VSA) of liner shipping industry from the provisions of Section 3 of the Competition Act, 2002 for a period three years. The draft notification proposes that exemption may be granted subject to the condition that at least 5% of the total space available within such VSAs is provided through Indian Vessels and at least 5% of the total space available in such VSAs is allocated to Indian Non - Vessel Operating Common Carrier (NVOCC) entity. This draft notification also proposes a mechanism for monitoring compliance through the Directorate General of Shipping, with regular reporting and oversight. Based on this draft notification, no order has been issued by Government till now.
