

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 1964
ANSWERED ON 06.12.2024

INDIGENOUS PRODUCTION OF CONTAINER BOXES

1964. MS. S JOTHIMANI:

SHRI SRIBHARAT MATHUKUMILLI:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) the details of containers manufactured in India over the past five years including the cost of per container, year-wise;
- (b) the status of availability of containers at each major port in the country along with the number of containers currently leased from other countries, port-wise including VPT;
- (c) whether the Government has acknowledged the shortage of containers in the country;
- (d) if so, the extent to which this shortage has impacted freight costs and the strategic role of Indian ports in global logistics;
- (e) whether the Government proposes any initiatives to promote the indigenous production of container boxes in the country to boost trade;
- (f) if so, the incentives provided by the Government to boost domestic/indigenous production of container boxes, including details of direct subsidies and viability gap funding offered; and
- (g) whether the Government proposes to introduce Production Linked Incentives (PLI) in the production of containers and if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a) to (g) Container Corporation of India Limited (CONCOR), which is one of the major container operators in India, is sourcing the containers from Indian manufacturers. Total orders placed by CONCOR since 2021 are 20,890 containers. However, total orders delivered till November, 2024 are 14,607 containers.

There is limited demand of containers manufactured in India and accordingly limited manufacturing capacity for containers in India. The container manufacturing industry is dominated by economies of scale that favor established manufacturers from other countries, who benefit from lower production costs, advanced technologies, and immediate cargo loading opportunities.

The long voyage time due to ships taking longer routes through Cape of Good Hope has impacted global trade, including Indian exports. This has resulted in increased time for goods to reach international markets. No shortage of containers has been reported on account of the longer voyage time or the Red Sea conflicts issues and Russia-Ukraine War. Regular interactions are done with shipping lines, port/ terminal, and export/import associations to assess for possible interventions.

For the domestic shipping sector, following policies are there:

- i. Right of First Refusal (RoFR): It grants Indian-flagged vessels the priority to match the lowest bid offered by foreign-flagged vessels thereby raising the demand for Indian-flagged vessels.
- ii. Subsidy Scheme for the Promotion of Flagging of Merchants Ships in India: By providing subsidy support to Indian shipping companies in global tenders floated by Ministries and Central Public Sector Enterprises (CPSEs). The rate of subsidysupport is based on age of the vessel. The scheme encourages entrepreneur to register ships under Indian flag.
