

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 747
ANSWERED ON 29.11.2024

DEPENDENCE ON IMPORT OF MERCHANT SHIPS

747. SHRI VISHNU DATT SHARMA:

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

- (a) whether the Government has taken cognisance of the fact that India is heavily dependent on import for commercial or merchant ships and containers;
- (b) if so, the details thereof;
- (c) the efforts being made by the Government to address this issue and make the country Atmanirbhar in ship building and container sector;
- (d) whether the Government has any proposal to launch PLI for shipping and container sector;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

ANSWER

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

(a)&(b) Yes. Factors for this include competitive pricing offered by foreign shipyards, particularly in East Asia, high production capacity and efficiency of these yards.

(c) to (f) The Government has initiated several measures in shipbuilding:

(i) Shipbuilding Financial Assistance Policy.

(ii) Implementation of the 'Make in India' initiative to boost local manufacturing of shipbuilding.

(iii) Government of India vide Gazette Notification No. 112 dated April 13, 2016 has provided infrastructure status to Shipyards. It would enable Indian shipyards to avail cheaper long-term source of capital and to reduce their cost disadvantage and invest in capacity expansion thereby giving a boost to the Indian shipbuilding industry.

(iv) The Government, in November, 2021, has released Approved Standards Tug Designs Specification of five variants for use by Major Ports for procurement of tugs to be built in Indian Shipyards.

Further for the domestic shipping sector, following policies are there:

(v) 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.

(vi) No Objection Certificate is to be obtained from Ministry of Ports, Shipping and Waterways: When any Government Department/ Public Sector Undertaking (PSU) imports its cargo other than Free on Board/ Free alongside Ship (FOB/FAS) term, so that the Indian shipping has the opportunity to participate in this trade.

(vii) 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 subsidy support is based on age of the vessel. The scheme encourages entrepreneur to register ships under Indian flag.
