

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

LOK SABHA
UNSTARRED QUESTION NO.2094
TO BE ANSWERED ON 10th MARCH, 2016

EXEMPTIONS TO SHIP-BUILDING INDUSTRY

2094.SHRI JAYADEV GALLA:

Will the Minister of SHIPPING be pleased to state:

पोतपरिवहनमंत्री

- (a) whether the ship-building industry has demanded some exemptions and if so, the details thereof ;
- (b) whether the Government has recently extended some exemptions to shipbuilding industry on raw materials and parts used in ship-building and if so, the details thereof;
- (c) the extent to which this is likely to make Indian ship-building industry competitive with other ship-builders in the world; and
- (d) the rank of Indian ship-building industry as compared to other major shipbuilding countries in the world?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

- (a) Yes, Madam. Ship-building industry has demanded following exemptions:
 - i) Exemption of Central Excise and Customs duty on all inputs used in shipbuilding and ship-repair industry as well as correction of inverted duty structure, wherever it exists.
 - ii) Exemption of Service Tax on Subcontractors of Shipbuilding.
 - iii) Exemption of Service Tax on Ship Repair.
 - iv) Exemption of Custom Duty on Capital Goods.
- (b) Yes, Madam. Government of India has extended exemptions to shipbuilding industry on raw materials and parts used in shipbuilding vide Notification Nos. 54/2015-Customs, 55/2015-Customs, 44/2015-Central Excise and 45/2015-Central Excise all dated November 24, 2015.
- (c) Exemption of Central Excise & Customs duty on inputs would reduce the cost of shipbuilding in India and to that extent Indian shipbuilding industry would be competitive vis-à-vis global shipyards.
- (d) Indian shipbuilding industry ranks 11th in the global shipbuilding industry. [Source: Directorate General of Shipping]
