

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

LOK SABHA
UNSTARRED QUESTION NO 1973
TO BE ANSWERED ON 5TH May 2016

CABOTAGE RESTRICTIONS

1973. SHRI ASHOK SHANKARRAO CHAVAN:
SHRI BIDYUT BARAN MAHATO:
SHRI GAJANAN KIRTIKAR:
DR. J. JAYAVARDHAN:
SHRI S.R. VIJAYAKUMAR:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether the Government proposes to relax the cabotage restrictions and decrease the dependency on neighbouring ports particularly Colombo and Singapore ports for trans-shipment and if so, the details thereof;
- (b) whether the Government has allowed the coastal trade for foreign vessels by relaxing the cabotage restrictions for ports and if so, the details and the objectives thereof;
- (c) whether the said measures are likely to reduce the dependency on neighbouring hub ports and if so, the details thereof; and
- (d) the steps taken/being taken by the Government to protect the national shipping industry?

ANSWER

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

- (a)to(c): Yes Madam. The Government has relaxed cabotage for all ports which tranship at least 50% of the EXIM and empty container handled w.e.f 7th March, 2016. The cabotage has been relaxed with the objective to reduce the dependency on neighbouring hub ports.
- (d) To encourage coastal shipping through domestic operators, it is stipulated in section 407 of Merchant Shipping Act, 1958 that a foreign ship can engage in coasting trade in India only after obtaining a licence from the Directorate General of Shipping. The grant of such licences is governed by guidelines which confer the first right of refusal to Indian ships or ships chartered by a citizen of India.
