

Coastal Shipping

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It is a well known fact that shipping has always been regarded as an important transport sector of national activities in all maritime countries, and it is well suited for transportation of bulk cargoes at low cost. Coastal shipping, as a complimentary mode of transport is not only an economic necessity but also a valuable asset in times of emergency. India lies in **geographical proximity to important shipping routes which gives a natural advantage** to the country's shipping. Moreover, shipping is no longer an isolated mode of transport but **forms a part of an intermodal transport chain linking other transport modes**. Availability of dedicated infrastructure will go a long way in promoting coastal shipping as a mode of freight transportation.

Coastal Shipping in India

With a **coastline of 5560 KMS and access to the sea on three sides with 11 major and 168 minor/ intermediate ports** in INDIA, there remains a huge untapped potential for movement of cargo along the INDIAN coast without crossing an ocean.

The primary **advantages of coastal shipping** are:

- **Huge cost savings** to the shipper and government
- **Reduction of road traffic** congestion and decrease in air pollution
- Transportation of goods by coastal vessels is far more **efficient and cost-effective** than road transport and is much less prone to theft and damage
- Coastal shipping is **ideal for transportation of containers**, project cargoes; RORO cargoes such as cars, trucks, semi-trailer trucks, trailers, and railroad cars; dry bulk cargoes like grain, fertilizers, steel, coal, salt, stone, scrap and minerals; and liquid bulk

cargoes like oil products (such as petrol, diesel oil, kerosene, aviation spirit).

National Shipping helps in making the country more self-reliant and provides the necessary strategy support in critical times. It also helps in **extending the resource base of the country by enabling the harnessing of the wealth of the adjoining seawaters**. National Shipping Industry also **supports ship-building, ship-breaking, ship-repairs and other ancillary industries and business**. Shipping, therefore, generates employment both directly as well as through a number of ancillary activities. Most of these industries are labour intensive and are, thus, especially relevant for India.

Government of India has undertaken various initiatives to promote coastal shipping such as

- **Relaxation in licensing for foreign flag vessels** to transport fertilizers, agricultural products and EXIM containers for trans-shipment in India on coastal routes under section 406 and 407 of the Merchant Shipping Act
- Licensing relaxation for special vessels such as R0-R0, R0-pax, ODC etc has been extended till 2020.
- **Priority berthing policy** for coastal vessels has been notified to reduce turnaround time for coastal vessels and improve their utilization
- **A discount of minimum 40%** is offered by major ports on vessels and cargo related charges to vessels carrying coastal cargo. For the case of Ro-Ro car carriers, this discount is extended to the tune of 80%
- GST reduced on bunker fuel from 18% to 5%
- **Grant-in-aid assistance** to develop berths and associated infrastructure including dredging, break-water creation, mechanization under the coastal berth scheme has been extended till 2020