

Reduction in Port Tariff for Cruise Ships

August 18, 2020

The shipping ministry said it has rationalized tariff rates for cruise ships to support the domestic industry that has been severely hit by the outbreak of coronavirus pandemic. **The rationalized tariff will be applicable for a year**, starting 14 August.

Reduction in Port Tariff for Cruise Ships

The net effect of the rate relaxation would be an **immediate reduction in port charges ranging from 60% to 70%**, which will give substantial relief to the cruise industry in India, in line with the government policy to support the economy in covid-19 pandemic situation. The port charges-a fixed charge paid by shipping operators to port authorities for using its facilities-for a cruise ship will be \$0.085 per gross registered tonnage (GRT) instead of \$0.35 now, for the first 12 hours it is stationed at the port. While there will be a \$5 per passenger tax, **other rates such as berth hire, passenger fee, among others will not be levied.**

In case the ship is stationed at the port for more than 12 hours, the fixed charges on cruise ships will be equal to the berth hire charges payable as per applicable rates. **There will be a 40% discount for cruise ships. Berth hire charge is paid to port authorities for parking the cruise vessel.** Besides, there will be a rebate ranging 10-30% for cruise ships making calls or the number of visits at the port.

Cruise ships making 1-50 calls per year will get 10% rebate, 51-100 calls per year will get 20% rebate and above 100 calls per year will get 30% rebate. This means that the **rebate is directly proportional to the number of cruise visits at the port.** Due to policy support by the Shipping Ministry since

2014, the number of calls made by cruise ships in India has increased from 128 in 2015-16 to 593 in 2019-20. This rationalization would also help to ensure that cruise calls at Indian ports do not dry up completely. It will also provide the **opportunity to earn a huge amount of foreign exchange and generate sizable direct and indirect onshore employment in the cruise tourism sector** of India.