

## **YEAR END REVIEW 2019- MINISTRY OF SHIPPING**

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

Ministry of Shipping

### **Year End Review 2019- Ministry of Shipping**

**With enactment of landmark Recycling of Ships Act, 2019 and accession to IMO's Honk Kong Convention, India becomes prime destination for environment friendly Ship Recycling**

**India becomes first country in the world to Introduce Biometric Seafarers Identity Document (BSID) for Indian Seafarers**

**New initiatives for Employment and skill training of Indian seafarers, an MSDC in Maritime Logistics inaugurated at Jawaharlal Nehru Port**

**Thrust on improving connectivity with neighbouring countries, alternative connectivity route to NER via Bangladesh's Chattogram and Mongla Ports activated for first time**

**A world class National Maritime Heritage Complex to showcase India's rich Maritime Heritage approved to be built at Lothal, Gujarat**

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In the year 2019, the government has undertaken several important progressive policy interventions and new initiatives to accelerate the overall development of the shipping sector.

Enactment of the landmark *Recycling of Ships Act, 2019*; accession to IMO's Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships in November, 2019; measures to promote employment of seafarers; improved connectivity with neighbours and other countries for ease of movement of cargo and passengers; emphasis on cruise tourism; taking up new projects under flagship Sagarmala project are some of the key highlights

of achievements of Ministry of Shipping in the year 2019.

The main achievements of Ministry of Shipping during 2019 are as below:

### **Enactment of Recycling of Ships Act, 2019 & accession to IMO's Hong Kong International Convention**

India became a prime destination for green ship recycling with the passing and enactment of the landmark *Recycling of Ships Act, 2019*. India has also acceded to IMO's Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships in November, 2019. The new Act provides a legislative framework for implementation of the provisions of the Hong Kong Convention. It also contains provisions of the Convention which are not covered in the Shipbreaking Code (Revised), 2013. With enactment of this Act, ship recycling volume is expected to double by 2024.

Accession to IMO's Hong Kong International Convention will give boost to the domestic ship recycling industry in India which is one of the world's five major ship recycling countries

### **Biometric Seafarers Identity Document (BSID)**

India has become the first country in the world to issue Biometric Seafarers Identity Document (BSID) capturing the facial biometric data of seafarers. The new document will give a foolproof identification to our seafarers which will facilitate their movement across countries, providing ease of getting jobs and also helping in identification at any location in the world.

### **International Cooperation**

The year 2019 saw a series of international cooperation agreements and events. In order to boost the bilateral trade with other countries and to ensure cooperation and coordination in the maritime sector, several MoUs were signed with neighbouring, South Asian and other countries like Bangladesh, Nepal, Myanmar, Bhutan, Maldives, Denmark and Sweden. One of the significant MoUs signed between India and Maldives will pave the way for ferry and cargo services between Maldives & Kerala. Another agreement has been signed with Sweden for mutual recognition of the certificates of seafarers in December, 2019. This will enable the employment of Indian seafarers on-board Swedish flag ships.

In another significant development, to promote movement of passenger, cruise services and cargo transit to North East Region (NER), the alternative connectivity route via Bangladesh's Chattogram and Mongla Ports was first time used to North East Region. This will increase trade volumes and reduce logistic costs of the cargo. Eight routes are also provided under the Agreement which would enable access of NER via Bangladesh.



The Minister of State for Shipping (I/C) and Chemicals & Fertilizers, Shri Mansukh Mandaviya digitally flagging off the IWAI vessel carrying cargo from Bhutan to Bangladesh through NW2 and Indo Bangla Protocol Route in New Delhi.

A MoU was also signed with the Germany for technology collaboration for the Central Inland & Coastal Maritime Technology (CICMT) at IIT Kharagpur during the state visit of German Chancellor.

India and Nepal have agreed to include Inland Waterways connectivity as an additional mode of transport in the Treaty of Transit. An Indian waterway was used for transportation of cargo between Bangladesh and Bhutan, using India for transit on 12.07.2019, for the first time ever.

Three Memorandums of Understanding (MoUs) were signed between Ranong Port (Port Authority of Thailand) and the Port Trusts of Chennai, Vishakhapatnam and Kolkata. These MoUs will enhance economic partnership by cutting down the sea travel time between India and Thailand from 10- 15 days to 7 days.

### **Ease of Doing Business**

India has improved its ranking under the *Trading Across Border* (TAB) parameter of Ease of Doing business (EoDB) from 80 to 68. This impressive record has been facilitated due to various measures like Direct Port Delivery (DPD), Direct Port Entry (DPE), Introduction of RFID, Installation of scanners/container scanners, Simplification of procedures etc., taken by the major ports.

### **Cruise Operations**

Promotion of Cruise Tourism and Coastal Shipping was one of the top most priorities of the Ministry of Shipping throughout this year. As Cruise Tourism has huge potential, the Ministry has taken various steps for promotion of international and domestic cruise services in India.

The arrival of the first private premium luxury cruise liner 'KARNIKA' has added another chapter in domestic cruise tourism in India. "KARNIKA" is offering for the first time opportunity to Indians

to experience cruise tourism between Mumbai – Goa, Mumbai – Ganpatipule (Jaigad), Mumbai – Diu, Mumbai – Gulf routes.

With state of the art facilities developed at Mumbai Port, four cruise ships docked on the same day in November, 2019 at Mumbai port, a momentous occasion in its history.

Inaugural cruise services were started between Dhaka and Kolkata this year. Four cruise vessels have already travelled between India and Bangladesh in 2019.

### **Measures for Employment of Seafarers & Skill Development**

The number of seafarers increased from 1,54,349 in 2017 to 2,08,799 in 2018 and to 2,31,776 in 2019. India has seen an unprecedented growth of Indian seafarers employed on-board Indian and foreign flagged vessels, as a result of cumulative impact of decisions of the Government to improve the quality of Maritime Training, increase in the training capacity, increase in the number of training berths, standardization of course curriculum and course material, improvement in examination system and above all by ease of doing business brought through simplified processes and with e-governance modules in the year 2019.

Issuing Biometric Seafarers Identity Document (BSID) is revolutionary step in this direction.

An agreement has been also signed with Sweden for mutual recognition of the certificates of seafarers in December, 2019.



The Minister of State for Shipping (I/C) and Chemicals & Fertilizers, Shri Mansukh Mandaviya launches the World's first ever "Face Recognition Based Seafarer Identification document in India" in New Delhi.

For skill development, under the Phase 2 of Sagarmala DeenDayalUpadhyaya Grameen Kaushal Yojana (DDUGKY) for convergence for skill development in Port and Maritime Sector has been launched in Gujarat, Maharashtra, Kerala, Andhra Pradesh and Tamil Nadu. Besides this dedicated training centres have also been inaugurated in Kerala, Andhra Pradesh and Tamil

Nadu. A Multi Skill Development Centre (MSDC) in Maritime Logistics at Jawaharlal Nehru Port Trust was also inaugurated in 2019. The MSDC will provide skill development in Maritime Logistics to over 1050 students per year in the Port and Maritime sector. Multi-skill Development Centres (MSDC) are being setup at all major ports.

The foundation stone for the Central Inland & Coastal Maritime Technology (CICMT) at IIT Kharagpur was laid in March, 2019. The establishment of CICMT signifies a major leap in indigenous innovation and cutting-edge technology support to the Port and Maritime sector directly contributing to the Sagarmala programme and support 'Make in India' and is based on close collaboration amongst government, academic institutions and industry to make applied research relevant to day to day ground work in the port and maritime sector.



The Minister of State for Shipping (I/C) and Chemicals & Fertilizers, Shri Mansukh Mandaviya witnessing the signing ceremony of the Memorandum of Agreement between Ministry of Shipping and IIT Kharagpur for setting up the CICMT at IIT Kharagpur, in New Delhi.

A MoU was also signed with the Germany for technology collaboration for the centre during the state visit of German Chancellor.

### **Shipyards and Ports**

The first ever BIMSTEC Conclave of Ports was held in India in 2019. The conclave provided a platform to strengthen maritime interaction, port-led connectivity initiatives and sharing best practices among member countries.



The Minister of State for Shipping (I/C) and Chemicals & Fertilizers, Shri Mansukh Mandaviya witnessing the exchange of an MoU at BIMSTEC Ports Conclave-2019 at Visakhapatnam, AP.

In 2019, upgraded Port Community System has been introduced for all ports. The system enables seamless data flow between the various stakeholders through common interface. To move towards complete paperless regime, E-DO (Electronic Delivery Order) through PCS made mandatory along with e-invoicing and e-payment. The RFID Operation at KDS, CCTV Operations at Kolkata Dock System (KDS) and Rabindra Setu and three Truck Parking Terminals at KDS was also inaugurated in 2019. The RFID system will provide single window system to the port users for obtaining permit/ passes through cashless transactions.



The Minister of State for Shipping (I/C) and Chemicals & Fertilizers, Shri Mansukh Mandaviya dedicating the Oil Spill Recovery Vessel, MARUDHAM at Chennai Port Trust.

Two multipurpose berths at Deendayal Port, Kandla were inaugurated by in March, 2019. The

new berths would help in reducing the congestion in the port. In 2019 a 400 bedded Super Specialty Hospital at Paradip Port at an estimated cost of Rs.200 crore with an option to further develop a Medical College and expand the hospital on PPP basis.



The Minister of State for Shipping (I/C) and Chemicals & Fertilizers, Shri Mansukh Mandaviyadigitally inaugurated and laid foundation stone for various projects at Deendayal Port Trust.

### **Coastal Shipping**

The ministry has undertaken several initiatives to promote Coastal Shipping, as coastal shipping is the top most priority of the Ministry under Sagarmala. In order to continue this pace and seek further growth of coastal trade, a perspective plan up to year 2025 on development of coastal shipping in India has been prepared by Asian Development Bank. The plan takes a holistic view of the coastal shipping sector discerning its potential and challenges and addresses them with necessary infrastructure, regulatory and commercial intervention.

### **Maritime Heritage**

The Ministry of Shipping has approved setting up of a National Maritime Heritage Complex at Lothal with total cost of Rs 478.9 Cr, the first of its kind world class complex in the country to showcase India's rich Maritime Heritage dating back from Harappan times.

### **Other Significant Events**

The Prime Minister Shri Narendra Modi dedicated to the nation, the Multimodal Terminal at Sahibganj (Jharkhand) in September, 2019 at Ranchi, Jharkhand.



The Prime Minister Shri Narendra Modi inaugurates the Multi-Modal Terminal at Sahibganj, Jharkhand.

For a closer and active interaction between the Central Government and the Maritime States/UTs for augmenting the infrastructure development and safety & security of the ports, as ports play a vital role in EXIM Trade, 17<sup>th</sup> Maritime State Development Council was held in October 2019.

India was re-elected to the IMO Council under Category “B” - States with the largest interest in international seaborne trade as the Assembly of the International Maritime Organization (IMO) has elected new members for IMOCouncil for the biennium 2020-21.



The instrument of accession to the Hong Kong Convention was handed over to IMO Secretary General during 31<sup>st</sup> session of the IMO Assembly by Secretary Shipping Shri Gopal Krishna at London, UK.

Eligibility criteria have been relaxed by Government for Indian shipyards to qualify for ROFR in

2019. The Ministry of Shipping has amended the guidelines regarding Grant of Right of First Refusal to Indian shipyards by Government departments or agencies for procurement of vessels by them for own use or Government use.

A proposal regarding settlement of long pending subsidy claims for executed shipbuilding contracts under the shipbuilding subsidy scheme, 2002-2007 has been given approval in October, 2019. This would involve release of committed liability of shipbuilding subsidy through budgetary support of approx. Rs.153 crore for a total number of 51 vessels, including retained subsidy for 47 vessels and full subsidy for 4 vessels. Guidelines for release of the subsidy are being formulated by this Ministry.

Under the current financial assistance scheme on shipbuilding (2016-2026), financial assistance of Rs. 39.7 crore for seventeen vessels has been released to four Indian shipyards. Further amended and consolidated guidelines have been issued in February, 2019 to facilitate Indian shipyards to be more competitive internationally and to boost building of river water dredgers of 10 m and above.

For more details, [please click/read the link below](#)

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