

MINUTES OF THE 116TH MEETING OF THE NATIONAL SHIPPING BOARD
HELD AT HOTEL GRAND BAY, VISAKHAPATNAM ON
22ND JUNE, 2011.

The 116th Meeting of National Shipping Board (NSB) was held under the Chairmanship of Capt. PVK Mohan on 22nd June, 2011 at Hotel Grand Bay, Visakhapatnam. List of those present in the meeting is enclosed at **Annexure-I**.

2. The meeting began with Ganesh Vandana by the staff of Visakhapatnam Port Trust which was followed by the presentation of floral bouquets by the Chairman, VPT to Hon'ble Chairman, Members of Parliament and the members of NSB. In his welcome address, the Chairman, Visakhapatnam Port Trust, thanked the Chairman, NSB for giving him an opportunity to host this meeting at Visakhapatnam and expressed his confidence that the meeting would be fruitful.

3. Chairman, NSB in his welcome address informed that he has been associated with the NSB for more than 15 years in the capacity of a Member and as Chairman, for the last 3 years. He stated that one of the main issues to be deliberated in this meeting is the problem of piracy being encountered by shipping industry all over the world. He informed that the pirates are using a new modus operandi while handling the seafarers under captivity and there are reports of incidents of torture and the inhuman treatment of innocent seafarers by the pirates. He also informed that the pirates have now developed the strategy of not releasing the seafarers even after the receiving ransom. He further stated that in a recent case, 7 of our Indian Seafarers are kept in captivity of pirates even after receiving the ransom amount and all efforts are being made to resolve the issue. He further outlined a significant development wherein the Govt. had contracted the deployment of one Emergency Towing Vessels (ETV), on the west coast and another is expected to be deployed on the east coast.

4. Confirmation of minutes of the 115th NSB meeting:

There being no comments received from members of the board, the minutes of 115th NSB meeting were confirmed in order.

5. Review of action taken report :

a) Income tax exemption for Indian Seafarers :

The income tax exemption for Indian Seafarers was deliberated in detail, and taking into account the views of the members of the Board, it was decided to appoint a Tax Consultant to look into the issue of exemption of income tax for Indian Seafarers and also to meet the Finance Minister and Prime Minister along with the delegation of Hon'ble Members of Parliament and other members of NSB, if necessary.

b) Seafarers Identity Document/Integration of Seafarers Data Base :

It was informed that the integration of all the data base pertaining to seafarers, is in the process and will be completed by the end of 2011.

c) Creating awareness about merchant navy in tier 3 and tier 4 cities :

It was informed that the DGS is separately examining the issue for supporting through Maritime Training Trust.

d) Indian Shipyards – Challenges ahead :

On the issue of Indian Shipyards, a Member of NSB stated that the Indian Shipyards are in a very bad condition and that the Government may look into the issue of considering subsidy to the Shipyards. Chairman, NSB informed that the subsidy for ship building was extended by the Government till 2007 and later on it was withdrawn and all efforts are being taken up by the Ministry to revive the same.

6. Agenda Points :

a) i) Presentation on Piracy – Shipping Perspective.

Capt. H. Khatri, Dy. Director General of Shipping (Tech) presented a paper on “Piracy – Shipping Perspective” which highlighted the reasons, ground realities of piracy (including organizational structure of pirates) and its effect on shipping industry.

ii) Presentation on Piracy – Defense Perspective.

Capt. Sandeep Beecha, Commanding Officer, INS Rajput, Indian Navy made a presentation on “ Piracy – Defense Perspective ” which highlighted the need to safeguard the Indian Seafarers on board the vessels of Indian Flag as well as on Foreign flag vessels during the piracy attacks, and the need to take pirates into judicial custody and subsequent prosecution. He also stated that due to effective patrolling by Indian Navy and Indian Coast Guard, the threat of successful piracy attacks has been substantially reduced.

b) Presentation on Coastal Shipping Policy.

Shri. Deepak Shetty, Joint Director General of Shipping, made a presentation on various issues of proposed Coastal Shipping Policy. He explained that the coastal shipping is more eco-friendly and much efficient and economical than other mode of transportation. He further stated that a separate Act for coastal shipping which may include, Fiscal and Taxation regime (Tax concessions, custom duty exemptions), separate Regulations, reduced Manning scales and dedicated Infrastructural requirements, would greatly facilitate development of the Coastal Shipping.

c) Presentation on Preparedness of Ports for Tier 1 Pollution.

Mr. M.A.Thalha, D.I.G., Indian Coast Guard made a presentation on the preparedness of ports for Tier-I pollution. He explained in detail the scope of the threat perception on oil spills near port areas, the efforts of Indian Coast Guard in assisting ports, the analysis of the effects, if 700 Ton oil spill would occur in and around the Port waters.

d) Discussion on Salient issues of proposed amendments to Indian Ports Act.

Shri. A. Janardhana Rao, Managing Director, Indian Ports Association stated that comprehensive amendments to the existing Indian Ports Act and MPT Act have been proposed. The proposed Indian Ports Bill seeks to extend its scope to non-major ports, security of ports etc. Considering the importance of subject, it was decided that a more comprehensive discussion/presentation would be held during next NSB meeting.

7. Concluding the meeting, Chairman, NSB thanked Hon'ble members of Parliament, other members and special invitees for their valuable contribution and recapitulated the deliberations in the following resolutions of the Board.

8. Resolution of the 116th meeting of NSB :

- a) Shipping Corporation of India to appoint Consultant to study various feasible arguments to support the case of income tax waiver for Indian Seafarers. A delegation of NSB members led by Hon'ble Union Shipping Minister to meet the Hon'ble Union Finance Minister for a favourable decision on waiver of income tax for Indian Seafarers.

(Action :S.C.I. / NSB)

- b) MMD Office at Visakhapatnam to be upgraded to full MMD strength under Principal Officer so that all functions including examination of all grades could be conducted at Visakhapatnam. Proposal already submitted by DG Shipping to Ministry of Shipping for upgrading the existing MMD offices and to establish new field offices to cater to ever increasing shipping traffic through new ports, to be approved expeditiously by Ministry of Shipping.

(Action : Ministry of Shipping)

- c) A sub-committee under the Chairmanship of Joint Director General of Shipping with participants of INSA and Capt. R. Tandon to be set up for taking the subject of awareness of seafaring profession, including considering to provide employment opportunities to those with fishery background but with limited formal education and financial support.

(Action :Jt. D.G / INSA / Capt. R. Tandon)