

MINUTES OF THE 129TH MEETING OF THE NATIONAL SHIPPING BOARD
HELD ON 22.07.2016 AT INDIA HABITAT CENTRE, NEW DELHI

The 129th Meeting of the National Shipping Board (NSB) was held under the Chairmanship of Shri Nitin Jairam Gadkari, Hon`ble Minister of Shipping, Road Transport & Highways on 22nd July, 2016 at India Habitat Centre, New Delhi.

The list of participants is enclosed at Annexure – I

1. Dr. Vishwapati Trivedi, Chairman, NSB, welcomed the Hon`ble Minister of Shipping, Road Transport & Highways and the members & special invitees of NSB and apprised the Hon`ble Minister regarding the activities performed by the NSB for the development of Indian Shipping after its reconstitution in November 21014 and gave details of the various recommendations of NSB that have been submitted to the Ministry of Shipping.

2. Thereafter, a presentation on '*Initiative towards Enhancing Skills of Seafarers in Maritime Sector*' based on the inputs of Mr. L.S. Shukla, Member NSB and his team was made. The presentation highlighted the low share of Indian Seafarers (excluding Officer category) in the global seafarer community and emphasized a need to increase the share. It was suggested that the common perception about the Indian ratings is that they lack multi-tasking skills as opposed to the Phillipino, Malaysian and other nationalities. As a result of this pre-conceived notion about the Indian seafarers, their international employability is low. To ameliorate such a situation, it was suggested that there has to be target groups and a strategy to increase the employability of these target groups. The presentation suggested that there could be two groups of seafarers who could be taken up for multi-skilling. One is the group of those seafarers who are at the training institutes and working towards a degree. And the others are those who are seafarers already on employed.

2.1 One of the first things that needs to be done, it was suggested, is to formally recognise and include 'Shipping' in the Logistics Sector Council of the Skill India Mission. By including Shipping in the sub-sectors of the Logistics Sector Skill Council, a variety of avenues will open to take the broad objective of multi-task oriented skilling of seafarers. Some of them are; the benefit of integrating the training with other logistics sub-sectors under the umbrella of Logistics Sector; enable several approved Indian Maritime Training Institutes to access funds and project advice from the National Skill Development Corporation (NSDC). It was advised by the Chair that it could be taken up with the Ministry of Skill Development.

[Action; NSB, DGS, MoS]

2.2 Moving further, the presentation suggested that multi-skilling should be made a mandatory part of the training schedules. Students in the training institutes must be given an option of choosing from a menu of modules for basic skills. This could be kept as a qualifier, not counted for overall percentage. The Chair agreed and advised that this issue should be studied by DG Shipping, who is overall in-charge of designing course curriculums, and suggest ways for implementing it.

[Action: DGS. NSB]

2.3 For the seafarers who are already in employment, some skills that help them move laterally to tankers, cruise ships, OSV's can be considered. It was suggested that training facilities for willing seafarers could be arranged by private training Institutes and internships could be worked out for them on Indian flag tankers and OSV's. It was suggested that DG Shipping should look into the possibility and send a report to NSB.

[Action: DGS, NSB]

2.4 During the discussions on enhancing the skill of seafarers, Shri Ajit Khot, Member NSB proposed that permission for opening up of new training institutes for ratings should be accorded. He also informed that his employer M/s Great Eastern Shipping Company would be willing to mount a training course for 'ratings', if granted permission. The Hon'ble Minister considered the views of the officials and directed that the Directorate General of Shipping should allow fresh training institutes and courses considering the liberalized and facilitative environment of the Government. He also directed that sufficient safety precautions must be put in place to ensure that sub-standard institutes are not opened. The Hon'ble Minister also directed that the decision in the matter be implemented immediately in a time bound manner. The Hon'ble Minister was also of the view that Public Private Participation (PPP) models should also be encouraged in the shipping industry to provide Maritime Training and Education. He asked NSB to also suggest some mechanisms to implement these ideas.

[Action: MoS, NSB, DGS]

2.5 Copy of the presentation is enclosed as Annexure-1.

3 The next presentation made was by Shri Ajit Khot, Member NSB, regarding '*Ease of Doing Business*'. The presentation focused attention on several operational irritants which were necessary to be rationalised for ease of doing business. Of these points, the ones with regard to the payment of salary to seafarers by Indian shipping companies through Indian Bank Accounts without affecting seafarers' ability to get tax exemption; no prepayment of loans facility; no refinancing; no escrow account for ship purchases, since these were all related to the Reserve Bank of India and the Ministry of Finance, the Hon'ble Minister directed that Shri Ajit Khot may give details of the issues along-with the required clarifications to the officials of the Ministry of Shipping, so that it could be taken-up by them with the Reserve Bank of India and Ministry of Finance.

[Action: MoS, Mr. Khot, NSB]

3.1 With regard to difficulties and delays including unethical practices in availing shore leave at ports for Indian seafarers, the Hon'ble Minister directed that the details be provided to the Ministry of Shipping, so that it can be taken-up with Bureau of Immigration and Ministry of Home Affairs.

[Action: MoS, Mr. Khot, NSB]

3.2 With regard to recognition of CoCs of obtained from foreign countries, the Hon'ble Minister desired that the Directorate General of Shipping [DGS] needs to recognise the foreign COCs from such countries maintaining high standards. He however cautioned that adequate safeguards should be incorporated to ensure that CoCs of competing countries like Bangladesh and other African countries etc., do not affect the employment opportunities Indian seafarers.

[Action: MoS, DGS]

3.3 With regard to cumbersome process and delays in issue of clearance to offshore vessels operating in the 'Mumbai High Region' by the Ministry of Defence and Indian Navy, the Hon'ble Minister desired the Indian Navy and Ministry of Defence to examine the matter so that such clearances are expeditiously given in a time bound manner, thereby improving the ease of doing business without compromising security issues.

[Action: MoS, MoD, Indian Navy]

3.4 The Hon'ble Minister also requested the Member, NSB to have meeting with Dr. Alok Srivastava, the Additional Secretary (Shipping), MoS with regard to the issues so that it could be examined by the Ministry, and if necessary, the matter would be taken up with Ministry of Finance, RBI & Ministry of Defence as applicable in the matter to resolve the issues.

[Action: Mr. Khot, MoS]

4 The next presentation was to be on the PPP report. The Chairman, NSB, apprised the Hon'ble Minister regarding Kelkar Committee report and brief recommendations on PPP. The Hon'ble Minister advised that the report may be submitted to the Ministry for consideration.

[Action: NSB]

5 Thereafter, the Secretary NSB, apprised the Hon'ble Minister and members present that the NSB Secretariat had advertised in the National Newspaper with the approval of the Chairman NSB inviting participations for designing the logo for NSB, as the NSB did not have its own logo, even though it was set-up in 1959. The advertisement received large number of entries. A Committee shortlisted the entries and the best entry was selected by the Chairman NSB. The Chairman, NSB apprised the Hon'ble Minister regarding the concept of logo of the NSB. The logo was thereafter released during the meeting by the Hon'ble Minister.

6 Subsequently, the Hon'ble Minister addressed the gathering. In his address, the Hon'ble Minister thanked the Chairman and all the Members of the NSB for bringing out suggestions and recommendations to the Government for the development of the Indian Shipping and appreciated the activities of the National Shipping Board. The Hon'ble Minister also desired that all departments under the Ministry of Shipping should render their services in the e-governance mode and appreciated the initiatives taken by the Ministry of Shipping and the Directorate General of Shipping. He was also of the view that the stakeholders need to discuss all issues at grass root level and bring out the final suggestions with solutions to the National Shipping Board, as all stakeholders cannot be accommodated in the Board. The Hon'ble Minister suggested that National Shipping Board should act as catalyst between the stakeholders and the Government.

7 The Hon'ble Minister also suggested that the National Shipping Board may consider looking into the following aspects and after consultation with the respective shareholders prepare advise for the Ministry of Shipping;

- Study the movement of coal cargo from Paradip Port to the west coast of India, which was estimated to be about 300 Million Tons per year.

- Methods to promote cruise shipping and Ro-Ro ships.
- Design of barges in the Inland Waterways to increase the DWT from 2500MT to 5000 DWT.
- Use of LNG fuel on coastal ships and Inland vessels
- Why is the ship building industry not picking up in spite of the incentives declared by the Government? Proposals for boosting the Ship Building Industry.
- Economy and ecology should be the motto. NSB to study methods to reduce pollution in ports and optimization of resources by recycling water etc., in the ports. This may be studied in active consultation with the stakeholders.
- What are the real problems for the cruise ship operations in India?
- What are global best practices in mechanization and modernization of the shipping industry and ports etc?

[Action: NSB]

8 Subsequent to the address of the Hon'ble Minister, the inaugural session of the NSB concluded with the Secretary, NSB thanking the Hon'ble Minister and the dignitaries and members of the media.

9 The meeting resumed after the departure of the dignitaries and the remaining agenda items were taken up for discussion by the Board as under.

10 Confirmation of the last minutes of the Meeting

The Member Secretary, NSB, informed that the minutes of the last meeting were circulated on 13th May, 2016 and no comments were received till date. Since no comments were raised by the participants, the minutes of 128th meeting of NSB were confirmed.

11 Review of Action Taken Report [ATR] on Minutes of 128th meeting of NSB –

11.1 Enhancement of Skill for Seafarers –

This matter was discussed during the inaugural session. Hence, the matter was treated as discussed and subsequent steps will be as decided.

11.2 P&I Club –

The Member Secretary NSB, informed that INSA and ICSSA submitted their joint views, wherein they were of the view that the current situation was not conducive for formation of Indian P&I Club. After discussions, the Chairman NSB, directed that a small group may need to be formed to consider the various aspects and suggest way forward for formation of Indian P&I Club to cover third party liabilities to minimise insurance cost and ensure that all parties in the Maritime Sector are able to obtain liability insurance at reasonable cost.

[Action: NSB]

11.3 Quota in Railway Reservation for Seafarers –

The matter was discussed and it was felt that it would be difficult for Ministry of Railways to make provision for quota / priority for railway reservation for seafarers. It was

suggested that the Unions may consider making advance reservation for their members in booking railway tickets as per their requirement or taking it up directly with the Railways. Accordingly, the Chairman, NSB directed that this agenda item may be treated as closed.

11.4 Handling of Classified Documents –

The Indian Navy response was forwarded vide letter No. OP/OM/0306/NSB dated 22.6.2016 to the Directorate General of Shipping. This was being examined by Directorate General of Shipping. After discussions it was decided that the DGS will discuss the matter with INSA and ICSSA & take up the matter with Naval Authorities. The matter was therefore deferred to the next NSB meeting.

[Action: INSA, ICSSA, Indian Navy, DGS]

11.5 Scheme of PPP in Major Port Trust –

This matter was discussed during the inaugural session. Hence, the matter was treated as discussed and subsequent action will be as directed therein.

11.6 Ease of Doing Business –

This matter was discussed during the inaugural session. Hence, the matter was treated as discussed and subsequent actions will be as directed therein.

11.7 Issue Regarding Welfare of Seafarer –

The setting of a seafarers welfare centre at all ports was discussed. The matter of allotment of land for seafarers welfare centre suggested by BNSU was forwarded by Chairman NSB to the Ministry of Shipping for consideration. The matter was therefore deferred to the next NSB meeting.

[Action: NSB, MoS]

12 Agenda points of 129th Meeting –

12.1 Facilities in all ports for visiting seafarers/seafarers club submitted Capt. Piyush Sinha Member NSB, NUSI & BNSU –

This matter was discussed during the discussions of ATR and accordingly a formal proposal will be sent by the Capt. Sinha, Member NSB & Unions to NSB for consideration and forwarding to the Ministry of Shipping.

[Action: Capt. Sinha, NUSI, BNSU, NSB, MoS]

12.2 Seafarers Welfare Levy to be charged on ships calling at Indian Ports submitted by NUSI –

NUSI suggested the model of the levy charged on the ships calling at Kandla Port and utilization of the same for seafarer's welfare centre to be considered. After discussions it was decided that the seafarers unions may study the model used in the different ports currently providing welfare activity for seafarers and thereafter it could be submitted to NSB for discussion during the subsequent meeting.

[Action: NUSI, INSA, BSNU]

12.3 Shore leave for seafarers in ports submitted by NUSI –

The difficulties faced by the seafarers for obtaining shore leave in Indian ports were discussed. The matter was already taken up during the inaugural session and further discussion in the matter could be taken up during the next meeting

12.4 Tonnage tax benefit if Trainee Ratings are employed on board Indian flagships submitted by NUSI –

The proposal of extending tonnage tax benefits to the Indian shipowners in case of employment of trainee ratings in lieu of trainee officers was suggested by the unions. It was decided that this would be examined by the DG Shipping.

[Action: NUSI, BSNU, DGS]

12.5 Additional agenda items are taken with the permission of Chairman, NSB –

12.5.1 Fixing of responsibility on ship's agents at ports –

The representative of Indian Coast Guard informed that the responsibility of vessels at ports be fixed on their shipping agents, as it was experienced by them that ship's agents disowned their liabilities towards ships by giving reasons such as non-receipt of their agency commission, their agreement with the principals lapsed, etc. the Chairman advised to examine the issue in detail by the DGS and comments thereof be submitted to NSB for discussion in the subsequent meeting.

[Action: DGS]

12.5.2 Income Tax Tribunal ruling regarding seafarers submitted by NUSI / MUI –

The recent decision of the Kolkata Income Tax Tribunal imposing income tax on Indian seafarer was highlighted by representative of NUSI & MUI. It was decided that the details would be ascertained by the unions regarding the tribunal rulings in the matter and it would be discussed with the DGS. Thereafter, NSB could consider it during the subsequent meeting.

[Action: NUSI, MUI, DGS]

12.5.3 Use of satellite phone in Indian waters proposed by MUI –

The representative of MUI stated that the use of VSAT is not allowed on Indian ships, whereas foreign flag ships calling in Indian ports are allowed to use the VSAT. The Chairman, NSB directed that MUI may submit the proposal with its solution and may be examined by the DGS in consultation with Ministry of Communication. Thereafter, NSB could discuss it during the subsequent meeting.

[Action: MUI, DGS]

The meeting concluded with a vote of thanks to the Chair.

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