

# Govt moots new shipping firm to expand fleet

The government plans to set up a new shipping company to expand its fleet by at least 1,000 ships in the next decade, as Asia's third-largest economy seeks a bigger chunk of revenue from surging trade, two government officials said. The yet-to-be-named firm will be jointly owned by state-run companies in the oil, gas and fertiliser industries, which would provide it with business, along with the state-run Shipping

Corporation of India and foreign companies. The oil and shipping ministries did not respond to requests for comment. The aim is to reduce freight outgoings to foreign firms by at least a third by 2047, said the sources, who sought anonymity as they were not authorised to speak to the media.

“Current estimates show freight costs will rise to \$400 billion as we boost our exports and imports by

2047,” said one of the sources.

Indian companies paid freight costs of \$85 billion in the financial year 2019-20, of which \$75 billion was paid for use of foreign vessels, the source added. The turn to foreign carriers comes as country's shipping fleet has not kept pace with its surge in trade, including imports of energy and exports of refined oil products.

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