

‘No port, vessel related charges for 6 months’

Minister also asks States to lower VAT on diesel used by shipping sector

PRESS TRUST OF INDIA

New Delhi, July 24

To provide respite to waterway transportation from high fuel prices, the Shipping Ministry has directed all major ports to exempt coastal shipping operations from port and vessel charges for the next six months with immediate effect, an official statement said on Sunday.

Union Minister of Ports, Shipping and Waterways Sarbananda Sonowal has also asked the State governments to lower VAT on diesel used by the shipping sector, the statement said.

“In order to provide quick respite to this sector from the impact of global increase in price of fuel, MoPSW has directed all major ports to exempt all berth hiring and vessel-related charges being currently levied to the Ro-Pax (roll-on/roll-off passenger) for the next six months with immediate effect,” the statement said.

The cost of marine fuel ‘Low Sulphur High Flash High-Speed Diesel’ (LSHFHSD) has increased from ₹76,000 per kilolitre to ₹1,21,000 per kilolitre. Similarly, the cost of



Sarbananda Sonowal, Minister for Ports, Shipping and Waterways

‘Very Low Sulphur Fuel Oil’ (VLSFO) has increased from ₹40,608/KL to ₹80,917/KL. Hence, effectively the rise is more than 40 per cent, the statement noted.

MoPSW also requested MoPNG and MoF to reduce the rates and taxes on fuel to ferries.

Cascading effect of taxes

The statement noted that marine fuel prices inclusive of taxes have cascading effect on the full value chain of the mass surface water transport system and ecosystem, the burden of which the ferry operators cannot pass on to the common public who has the option of using other government subsidised public transport system of rail or road.

These operational hurdles will ultimately act as a stumbling block in establishing this budding ecosystem of surface water transportation in the country, it said.