

Minutes of the 8th Electronic meeting of National Shipping Board held on 7th July, 2020 at 1430 hrs.

Attendees:

Dr. Malini Shankar, Chairperson NSB
Shri Satinder Pal Singh, JS Shipping
Shri Kumar Sanjay Bariar, Additional DG
Capt. Sarvpreet, Indian Navy
Shri AbdulganiSerang-NUSI
Shri Amar Singh Thakur-MUI
Shri Anil Devli- INSA
Shri Aditya Suklikar- ICCSA
Shri Rahul Modi- CCTA
Shri Shantanu Bhadkamkar-AMTOI
Shri Ajay Sahai, FIEO
Capt Piyush Sinha
Shri A. Balasubramanian
Shri Ishwar Achanta
Capt. Sankar Kr. Das
Shri Kshetra Nath Milli

1.0 Granting leave of absence: -

Leave of absence was granted to Capt Sanjay Prashar, IMF. The Director General of Shipping was represented by Shri Kumar Sanjay Bariar, Additional Director General of Shipping.

The Chairperson welcomed all members to the 8th meeting of NSB and requested Capt. Das to take up the agenda.

2.0 Minutes of the 6th meeting held on 16th June 2020 and 7th meeting held on 22nd June 2020 of NSB.

The minutes of the 6th meeting and 7th meeting held on 16th June 2020 and 22nd June 2020 were circulated to the members. Since there was no comment, the Minutes were approved.

2.1 Shri Anil Devli suggested that a time frame should be set by which the members of the Board should revert with their comments on the minutes circulated. The Chairperson agreed to the suggestion and advised the Board that comments on the minutes, if any, should be sent within two days from the date of receipt of the minutes.

3.0 The Chairperson informed the members that the final report with recommendations on MS Act was almost ready and would be shortly submitted to the Ministry of Shipping for its consideration. She further added that in the last one week she had raised some matters which were discussed with the group looking at recommendation on the MS Act. However she desired to also discuss the same with all the members of the Board.

3.1 Waste Management - Role and responsibility of the agent Often, the shipowners are dependent on the Agent for their activities. There have been instances wherein despite the best efforts of the shipowner, the Agent has been careless in their duties. In cases such as waste disposal, delays in loading, turnaround time etc. where it was not clear whether the liability was of the agent or the shipowner. Shri Anil Devli agreed to the point highlighted by the Chairperson. He said that locally, Indian owners were facing a lot of problems recently with regards to reception facilities at ports. The Ports were supposed to provide facilities through its nominated vendors and there were lots of cases where no one was coming forward to take the responsibility. At least Indian shipowners have their place of business here, but in case of non-resident ship-owners, the agents are the only ones who are the connection between the Port or other authorities and the shipowner. Therefore, the agents played a very important role in the entire chain. The Chairperson added that she was aware of the view expressed by Shri Ishwar

Achanta where the role of the agent is very clearly defined in the agreement between the owner and agent which were to be followed as per the international norms. However, the same was not being enforced. The chairperson also said that she was aware that the act covered for security but did not cover safety from the point of view of health and hygiene which would include disposal of waste. She enquired if this point was adequately covered in the recommendation on MS Act. Shri Devli brought to the attention of the Chairperson that currently he was in discussion with the office of the DG on the issue of reception facility. As it stands now, the rules were only enforceable against the shipowners with absolutely nothing that can be done to the Ports, while who are actually required, by law, to provide the service. It was his view that the DGS should be given the necessary power to enforce the rules even against the Ports, if they were found wanting in their duties. After a brief discussion, the Chairperson desired that there should be some enforcement of the law and responsibility fixed which should be either covered in the MS Act or the Ports Act. JSS agreed to take a look at this issue and also seek comments from the DGS office and ensure some enforcement mechanism is put into place. The Chairperson also requested Shri Balasubramanian to send this as a separate recommendation.

3.2 Facilities to be provided to the seafarers at the port. The Chairperson on earlier occasions had received feedback that the ports fell short of the facilities that were to be provided to the seafarers at the port. These facilities were covered by the law however, were not being enforced. Shri Abdulgani agreed that this point was not discussed by the group and agreed to take a look at this in the report being prepared by the group for Seafarers Welfare.

3.3 Emerging issues of cyber security in ships and ports with the growing dependence on internet and digitization, it is possible that the information that is going around the businesses could be at risk and needs to be protected. Hence it was necessary that a study be carried out first to understand this issue in greater detail. It was therefore suggested that

assistance of IT personnel from the various shipping and other maritime services companies could be sought. The Chairperson suggested that the group which is currently looking into the recommendations to the MS Act could after completion of its report look into the subject of cyber security and its ramifications on shipping.

4.0 The Chairperson requested the Sub-committee on Coastal Shipping Promotion to proceed with the presentation.

4.1 Before starting the presentation, Shri Rahul Modi informed the members that on the RO-RO Service / RO-RO Pax the group had sought comments / feedback from stakeholders and they have received some comments. Further, they had virtual meetings with a few stakeholders as well. A report on this was being prepared by the group and would be submitted to NSB as soon as it is complete.

4.2 There after the group members presented to the board a detailed presentation on the goals identified by their group. After the presentation, the Chairperson requested the board members to give their suggestion and comments on the presentation made.

4.2.1 With regards to the suggestion to work with FCI for the movement of food grains, the Chairperson suggested that an approach could be made to FCI and requested the JS(S) to facilitate a meeting with the FCI.

4.2.2 Shri Abdulgani suggested that the presentations should be circulated to the Board members at least a day in advance in order for them to go through the same. With regards to the e governance being relaxed with a view to get more ships registered in India, it was his view that this was a very good sign however the same should not be done at the cost of Indian seafarers and Indian shipowners. Further with respect to the judgement being made applicable at all ports as stated by Shri Ishwar Achanta, it was his view that unless the court judgement was gone through in detail and

also it was imperative to know the point of view of the port unions. Until this was done, it would not be appropriate for the group to put forth such a recommendation on behalf of NSB. Shri Ishwar Achanta clarified that the comments of all were taken into consideration before the Judicial Order was issued. However, the Chairperson requested that the Order be shared with the Board so that the members could go through the same.

4.2.3 Shri Ajay Shahi was of the view that if coastal shipping was to succeed in India the same should be on sound commercial lines. The support should be given in the form of investment support and private players should be given some encouragement. With respect to the issue of reversing of relaxation of cabotage, it was his view that if this has not worked, an assurance should be given that an alternative arrangement will be cost effective or more efficient.

4.2.4 Shri Balasubramanian was of the opinion that while he agreed to incentives being given, he said that there were different approaches to this. He suggested that a fund could be created, alternatively a corporate route could also be looked at since coastal shipping was a very cost-effective mode as well as environmentally friendly because of the low carbon footprint. A pilot project could be worked out with corporate companies who work towards environmentally friendly methods. Presentations could be given to such corporates highlighting cost saving, reliability and carbon footprint lowering. If this works out then the government could be approached. He also suggested that a business proposal could be made to public sector corporates whereby the benefits are shared like giving them extra cargo and would be a win-win situation. It was his opinion that instead of asking for policy first, it would be ideal to get business first. He suggested that instead of asking for a favour, we must improve our bargaining power.

4.2.5 Shri Shantanu Bhadkamkar said that he would invite Shri Rahul Modi to his group meeting as the multimodal group was also working on coastal shipping for international multimodal transport. He briefed the members on

the progress that was being made with respect to the report that his group was working on. He further added that currently the group was looking at some operational costs and would take some more time in preparing the report.

4.2.6 The Chairperson agreed that support cannot be long term basis and incentives if given, could just drag on. It was her suggestion that the recommendation should be such that the same would work for government as well as for trade. The reform suggested should be very simple and friendly to all stakeholders. However, when it comes to incentives, the same is mostly not workable. The group should brainstorm on what it could do without asking for a subsidy or incentive. The group should highlight the benefits of coastal shipping like cost effective, reduction in time or enhance business opportunity. These will have to be looked into from the view point of the trade. She said that the recommendations put forth by the group were well thought of however, she suggested that the group should further brainstorm to see how it could improve upon this. With respect to creation of fund, she brought to the notice of the Board that there was Sagarmala Development Corporation which offered funds for pilot projects. The group was requested to take a look at the Sagarmala Development Corporation. She further added that when the recommendations are made, the group should highlight cases where the movement of cargo has taken place in the last one to two years. It was her view that keeping in view the current situation, the Government may not agree to granting subsidy or incentive. The group should therefore look at other avenues.

4.2.7 Shri Aditya Suklikar agreed that as pointed out by Shri Balasubramanian and as per the general consensus of the members, long term incentive was not the right way forward. However coastal shipping industry was battling a delay in getting off the ground. Large volumes did not need any support however in case of modal shift, several industries had received support to get them off the ground. He clarified that ports give discounts based on EXIM tariffs which did not make sense. Therefore, the

suggestion for discounts are only made from the major ports that come under the purview of the government. So instead of re-inventing of the wheel of asking for dedicated coastal ports, which come under Sagarmala Development Corporation, and which accordingly to him would take a considerable amount of time he felt that some other option should be looked at. He further clarified that the industry is quite matured to understand that they have to go after the corporate cargo, logistics solutions etc. which they would do. The group was identifying the landside cost and there was need to bring this down. The group would brainstorm on how this can be achieved. This could not be left to the market forces as the same will not progress further. Today we are doing 7% of our domestic movement by sea which includes the pol movement and in case the pol movement is removed, the same would be only 2%. The same is not meaningfully moving forward and hence short term incentive was being suggested.

4.3 The Chairperson summarized the actions that were required to be taken which were as follows:-

4.3.1. The report on recommendations to MS Act was ready to go and the report would be forwarded by the NSB Secretary to the Ministry and DGS once received from Shri Balasubramanian.

4.3.2 The group after completion of the final report on MS Act, could co-opt some members and begin work on cyber security in shipping and reception facility for waste.

4.3.3 As regards facilities to be provided to the seafarers at the port, Shri Abdulgani would cover this point under the Seafarers Welfare.

4.3.4 With respect to the report of Coastal Shipping Promotion, the group was asked to deliberate on the feedback that was received from members during the meeting. The Group was also asked to set up objectives which can be achieved such as how much cargo will increase year on year.

5.0 Fixing date of the next meeting -

The chairperson suggested that the Board meetings could now be held after every three weeks. The 9th meeting of the NSB will be on Tuesday, the 28th July, 2020 at 1430 hrs. At the next meeting the group on Seafarers Welfare was asked to make a presentation to the Board.

There being no other matter to be discussed, the meeting was closed.

Approved
Dr. Malini Shankar
Chairperson

Place: Mumbai

Date: 08/07/2020