

Impact of cabotage relaxation will be reviewed: Nitin Gadkari



Mumbai, Oct 25, 2018 (Issuewire.com) - Impact of cabotage relaxation will be reviewed: Nitin Gadkari

Union Minister for Road Transport Highways & Shipping & Water Resources, River Development, & Ganga Rejuvenation, Nitin Gadkari assured that he will first assess and then review the impact of cabotage relaxation after one year. He said this at Free Press Journal organized event on 'India's coastline- Engine and wheel of economic growth', held at **ITC Grand Central, Parel**.

Gadkari said, "This (cabotage relaxation) is a controversial issue. Somewhere Indian shipbuilders don't want relaxation in cabotage law. Keeping wider interest in mind, we have taken the decision to relax cabotage. But in view of the pain Indian ship owners have experienced, I am willing to review this. I know Indian ship owners are not happy about it."

He added that he is not convinced by the argument of the Indian ship owners. "But I am looking at it in a wider interest of the economy, I feel the relaxation in cabotage law is important for the Indian economy."

But he stressed that the government was looking at giving some relaxation. "We want to give some

concession to you (Indian ship owners)," stated Gadkari.

In respect of the need to modify tax laws which hurt Indian ship owners, the responsibility lies with the finance ministry and GST Council (as GST on capex is 5 percent). Indian ship owners have to pay more taxes compared to foreign flag vessels. "These are the problems, but I am not the right person to address these issues." He said he will talk to the finance ministry. He stated this in presence of Indian ship owners and delegates at the conference.

Gadkari added that the Indian ship industry can attract around Rs 16 lakh crore of investments. "This is the best time for Indian entrepreneurs to enter the field." He pointed out that for the last ten years, private shipyards have faced a lot of problems and this is the case for shipyards around the world. "The crisis is big but we will find a way out."

From Left To Right

1. Gautam Dey, Senior Deputy Traffic Manager, Business Development, Mumbai Port Trust
2. Sandeep Mehta, President, APSEZ
3. R N Bhaskar, Consulting Editor
4. Rajiv Agarwal, CEO, and MD, Essar Ports
5. Abhishek Karnani, Director, Free Press Journal Group



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