

Ministry of Shipping waives waterways usage charges to promote Inland water transport

The eco-friendly and cheaper mode of transport will promote ease of doing business: Shri Mansukh Mandaviya

Posted On: 24 JUL 2020 3:12PM by PIB Delhi

Ministry of Shipping has decided to waive waterway usage charges with immediate effect considering the Government of India's vision to promote inland waterways as a supplementary, eco-friendly and cheaper mode of transport. The charges are waived initially for three years.

Union Minister of State for Shipping (I/C) Shri Mansukh Mandaviya said that currently only 2% of total cargo traffic moves through waterways. Decision of waiving waterway charges will attract the industries to use the national waterways for their logistical needs. As the mode of transport is eco-friendly and cheaper, it will not only reduce the burden on other transport mode but also promote the ease of doing business the Minister added.

Water usage charge was applicable on use of all the national waterways by vessels. It was a hindrance in administration of traffic movement and collection of traffic data. Presently, Inland Waterways Authority of India (IWAI) levies the waterway usage charges at a rate of Rs 0.02 per gross registered tonnage (GRT) per kilometer for plying of Inland cargo vessels and Rs. 0.05 per gross registered tonnage (GRT) per kilometer for plying of Cruise vessels on national waterways.

The decision is estimated to increase the inland waterway traffic movement to 110MMT in 2022-23 from 72MMT in 2019-20. It will benefit the economic activities and development in the region.

YB/AP/JK

(Release ID: 1640881)