



**Maritime Awareness Program Society (MAPS)** is a non-profit organization created and established for the awareness of the maritime industry. The MAPS founding committee is an association of maritime industry members who are like minded with a common vision, purpose and goal. Together they will work towards the betterment of the maritime industry, through constructive awareness of this noble industry.

**MAPS**, has been formed with the primary objective of promotion and awareness of the maritime sector. Under the aegis of MAPS, many initiatives and activities have been planned. Each of these initiatives will be targeted towards establishing the maritime sector as the leading sector that contributes to the growth of the nation and to spread positive image and highlight the progressive nature of the maritime sector. Seafaring contributes significantly to global and sustainable development and prosperity by carrying the world's cargo safely and efficiently at the fraction of the environmental impact and cost of other modes of transport. MAPS aims to connect with the general public and highlight these aspects and improve the way the sector is perceived. We will no longer be known to the public just for pictures of dead birds lying in a pool of oil or a ship stranded on the beach!

The world is shrinking, with the remarkable expansion in the maritime industry. From a leisure cruise trip to a business enterprise the maritime industry is one of the fastest growing businesses. **Maritime is considered to be the backbone of any country's development.** In India, or rather the world as a whole, approximately, 90 per cent of the country's trade by volume (70 per cent in terms of value) is moved by sea. As we all know, Trade and development are closely interlinked. Without development, there is no trade and without trade, there isn't any development either.

Basically, the entire existence of development depends on the shipping or maritime industry, indirectly, of course. As per the World Trade Organisation (WTO) projection, the shipping volumes may experience an escalation to 4.5% in 2014.

Think of the GUCCI bag or the PRADA shoes which got everybody's eyeballs rolling at the party last night or even a casual shirt or jeans that you're wearing for your date last weekend. Ever wondered how did it get to the store where you purchased it from? Ever wondered how did those AUDIS and the British manufactured BENTLEY managed to kiss the Indian roads? Ever thought where your food at the KFC's or the McD's comes from? That's the irony with all of the commoners, for whom ignorance is bliss, but certainly not anymore. That's practically the main reason the shipping industry is mainly misunderstood. No one ever tends to even think about it. Shipping is the Invisible Industry That Puts Clothes on Your Back, Gas in Your Car, and Food on Your Plate.

Today almost no nation is fully self-sufficient. In order to grow and prosper every country's needs to sell what it produces and acquire what it lacks. None can depend on domestic resources alone. Ships have always provided the only really cost-effective method of bulk transport over any great distance.

There are more than 45,000 merchant ships trading internationally today, transporting every kind of cargo. The world fleet is registered in over 150 nations, and manned by over one and a quarter million seafarers of virtually every nationality. Without shipping, the world would have extinguished because grains would not be distributed from the points of origin to the points of consumption. Even after having such a profound effect on the world, it is still chosen to be ignored or rather treated as a non-existent mode of transport.

With the introduction of the container in the mid 1960's, global trade grew two times faster than that of the production rates, and two and a half times faster than global economic output. Recently, two independent sources looked at the economic contribution of the liner shipping industry and concluded that it is indeed a global economic engine for two reasons: the significant amount the industry contributes directly to the global economy, and the role of the industry as a facilitator of economic growth for other industries.

So how much stuff can a ship actually carry? With the largest container ship being about five times the size of the biggest Plane ever made in the history of mankind, I don't think I need to say anything more. With a huge capacity to transport shipments and with a cost productive element adding to it, shipping surely is a profitable decision to make. At the very same time, shipping also provides job opportunities and employment for the millions.

With all these facts and figures and advantages of containerization, calling the shipping industry a driver of the world economy isn't a justified statement. We would rather call it the entire economy itself.

### **SHIPPING AS A REVENUE GENERATOR FOR THE ECONOMY**

Indian shipping sector plays an important role in India's economy. In fact, transport, trade and economic development are mutually supportive. The overwhelming share of shipping in the carriage is about 95 per cent in terms of volume and almost two thirds of the total value of international trade. This establishes its predominance and importance as an international mode of transport.

The importance of shipping, over the period, has also increased due to the technological developments in transport. Especially since the advent of containerization culminating in multimodal transportation, majority of the containers move by this mode of transport.

India's national flagships provide an essential means of transport for the import of crude oil, petroleum products, coal and fertilisers, export of iron ore and exports and imports of various general (liner) cargoes. National shipping also provides for a second line of defence in times of emergency – merchant ships help in transporting supplies, men and material for the navy. Indian shipping makes significant contributions to the foreign exchange earnings of the country as well.

Thus we can see the vital role played by shipping industry in expanding the growth of overseas trade, and is also a direct earner and saver of foreign exchange. Shipping is a valuable invisible export or foreign exchange earner for any country. Without shipping the import and export of goods on the scale necessary for the modern world would not be possible.

Recognising the role of the shipping industry in the context of overall growth strategy, in general, and the promotion of trade and foreign exchange earnings, in particular, the Indian government has made several amendments to the Merchant Shipping Act to encourage the modernisation and diversification of this industry.

Since the 1990s, the government has simplified the regulatory procedures for raising resources from commercial markets and external borrowing in order to facilitate the acquisition of new and second hand vessels at competitive prices. The shipping companies are now allowed to retain sales proceeds of their ships abroad and utilise them for fresh acquisition.

Government approval is no longer required for raising foreign exchange loans from abroad by mortgaging the vessels with the lender. The government has also granted automatic approval for foreign direct investment up to a limit of 74 per cent and non-resident Indians (NRIs) are permitted to invest up to 100 per cent with full repatriation benefits. While challenges exist, with proper regulation India's potential as an international maritime service provider can be exploited.

The shipping sector is so global in nature that it will continue to be a foreign exchange revenue generator in the years to come.