

## Government approves cruise shipping policy, lifts taxes

The Cabinet Committee on Economic Affairs Thursday approved the Cruise Shipping Policy of India that envisages a zero-tax regime for cruise ship operators.

Under the policy, cruise operators will be exempted from income-tax, excise duty, customs duty, corporate tax and service tax that accounts for almost a third of their total revenues.

A mini-township on the high seas, cruise shipping is one of the most dynamic and fastest growing components of the leisure industry worldwide, fast emerging as a new marketable commodity.

Growing globally at the rate of 12 percent annually, this sector has witnessed some activity in India as well of late. However, it is still in its infancy in the country.

The cruise ship industry annually generates \$14 billion worldwide and enjoys a passenger base of over 10 million, which is expected to almost double by 2009.

India's share is only 2 percent, despite its vast coastline of over 7,000 km.

"Cruise shipping would be a path-breaking development in India's effort to carve a prominent space in world tourism, showcasing India as a major source and destination of world tourism", Minister of State in the Prime Minister's Office Prithviraj Chavan told reporters after the CCEA meeting.

The policy is aimed at attracting foreign cruise ship operators, which have so far avoided India because of its restrictive tax regime.

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