

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

RAJYA SABHA
UNSTARRED QUESTION NO. 3512
ANSWERED ON 01.04.2025

INFRASTRUCTURE DEVELOPMENT IN SHIPBUILDING CLUSTERS

3512. SMT. JEBI MATHER HISHAM:

Will the Minister of PORTS, SHIPPING AND WATERWAYS be pleased to state:

- (a) the infrastructure developments being implemented to enhance shipbuilding clusters including Kochi in Kerala, the shipbuilding unit-wise details over the last five years thereof;
- (b) specific actions taken to upgrade and modernise the shipbuilding sectors across India and the shipbuilding unit-wise details thereof;
- (c) the projected investment amount in the shipping sector under the Maritime Development Fund (MDF);
- (d) the current status of international partnerships with Indian shipyards, including details of shipyards pursuing these collaborations; and
- (e) the amount of funds allocated for green shipbuilding technologies over the last five years, and how that funding has been utilised?

ANSWER

MINISTER OF PORTS, SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

(a) to (e) The various steps taken to upgrade and modernise the shipbuilding sectors across India and the shipbuilding are as under:

- (i). Ministry has amended the Shipbuilding Financial Assistance Policy(SBFAP) guidelines on 29.01.2025 to encourage more participation in the shipbuilding activities.
- (ii). The Government, in November, 2021, has released Standard Tug Designs of five variants for use by Major Ports for procurement of tugs to be built in Indian Shipyards.
- (iii). To promote indigenous shipbuilding, the Ministry of Ports, Shipping and Waterways on 20.09.2023 has revised the hierarchy of Right of First Refusal (RoFR) to be followed in any kind of charter of a vessel which is undertaken through a tender process. The revised hierarchy of RoFR is:

- (1) Indian built, Indian flagged and Indian owned
- (2) Indian built, Indian flagged and Indian IFSCA owned
- (3) Foreign built, Indian flagged and Indian owned
- (4) Foreign built, Indian flagged and Indian IFSCA owned
- (5) Indian built, foreign flagged and foreign owned

(iv) Ministry of Ports, Shipping & Waterways has launched the Green Tug Transition Programme (GTTP) which aims to reduce carbon emissions and minimize environmental impact by encouraging adoption of environmentally sustainable tugboat operations.

(v) Government has launched the Harit Nauka guidelines for inland vessels which aim to promote the adoption of greener technologies in inland waterway vessels.

(vi). Government of India vide Gazette Notification No. 112 dated April 13, 2016 has included 'Shipyards' in the updated Harmonized Master List of Infrastructure Sub-sectors.

(vii). In order to promote indigenous shipbuilding, Government has issued guidelines on 19.05.2016 for evaluating and awarding tenders for new shipbuilding orders floated by government departments or agencies including public sector undertakings for acquisition of any type of vessel(s) used by them for Governmental purposes or for their own use. Whenever acquisition of a vessel(s) is undertaken through tendering route, the qualified Indian Shipyards will have a "Right of First Refusal" to enable them to match the evaluated lowest price offered by the foreign shipyard which is aimed at increasing ship building activities in Indian shipyards.

Further, the Government entities dealing with ship building and ship-owning are advised to ensure local content as per the Government of India Public Procurement (Preference to Make in India) Order, 2017. As per this Order, procurement of ships of less than ₹200 crores is required to be from Indian shipyards.

(viii) Government of India, in the budget speech, 2025, has made following announcements:

- The Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages. This will also include Credit Notes for shipbreaking in Indian yards to promote the circular economy.
- Large ships above a specified size will be included in the infrastructure harmonized master list (HML).
- Shipbuilding Clusters will be facilitated to increase the range, categories and capacity of ships. This will include additional infrastructure facilities, skilling and technology to develop the entire ecosystem.
- For long-term financing for the maritime industry, a Maritime Development Fund with a corpus of Rs. 25,000 crore will be set up. This will be for distributed support and promoting competition. This will have up to 49 per cent contribution by the Government, and the balance will be mobilized from ports and private sector.

- To continue the exemption of Basic Customs Duty(BCD) on raw materials, components, consumables or parts for the manufacture of ships for another ten years

Cochin Shipyard Limited, a PSU under the administrative control of MoPSW, has signed important active Memorandums of Understanding (MoUs) with international parties and the details of which are as given below:

Fincantieri, Italy: On October 27, 2020, CSL signed an MoU with Fincantieri, Italy, to collaborate on design, shipbuilding, ship repair, and marine equipment manufacturing, as well as training and skill development.

IHC Holland BV: On November 26, 2020, CSL signed an MoU with Dredging Corporation of India (DCI) and IHC Holland BV to facilitate the construction of IHC-designed Trailing Suction Hopper Dredgers (TSHDs) for DCI in India.

Robert Allan Limited, Canada: CSL entered into an MoU with Robert Allan Limited, Canada, on February 26, 2021, for design and consultancy services related to tugs, inland vessels, harbor crafts, and specialized vessels.

SeatriumLeTourneau: CSL signed an MoU with SeatriumLeTourneau, a division of Seatrium Offshore Technology (SOT), on November 20, 2024 for the development and execution of Jack-Up Rig projects in India under the 'Make in India'.

Shipbuilding financial assistance policy with a financial outlay of 4000 crore was amended in August 2023, to include flat 30% Financial Assistance for vessels where main propulsion is achieved by means of green fuels such as Methanol/ Ammonia / Hydrogen fuel cells etc. This amendment also included 'flat 20% Financial Assistance for vessels fitted with fully electric or hybrid propulsion. Under this scheme, 78.23 crore has been disbursed towards construction and delivery of hybrid vessels, till date.
