

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

RAJYA SABHA
UNSTARRED QUESTION NO. 2716
ANSWERED ON 12.08.2025

UPGRADATION AND MODERNISATION OF SHIPBUILDING SECTORS

2716. SMT. JEBI MATHER HISHAM:

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

- (a) what infrastructure developments are being implemented to enhance shipbuilding clusters, including Kochi in Kerala, the details thereof, shipbuilding unit-wise, over the last five years;
- (b) the specific actions taken to upgrade and modernise shipbuilding sectors, shipbuilding unit-wise;
- (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 the shipyards pursuing these collaborations;
- (e) the funds allocated for green shipbuilding technologies over the last five years, and how the funds have been utilised; and
- (f) the details of jobs created in the shipbuilding sector over the past five years, shipbuilding unit/shipyard-wise?

ANSWER

MINISTER OF PORTS SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

(a) to (f) The various steps taken to upgrade and modernize the shipbuilding sector in India are as under:

- i. Shipbuilding Financial Assistance Policy (SBFAP) guidelines have been amended on 29.01.2025 to encourage more participation in the shipbuilding activities.
- ii. The Standard Tug Designs of five variants have been released in November, 2021 for use by Major Ports for procurement of tugs to be built in Indian Shipyards.

iii. 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 has been revised on 20.09.2023 to promote indigenous shipbuilding. 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. The Green Tug Transition Programme (GTTP) which aims to reduce carbon emissions and minimize environmental impact by encouraging adoption of environmentally sustainable tugboat operations has been launched.

v. The Harit Nauka guidelines for inland vessels have been launched which aim to promote adoption of greener technologies in inland waterway vessels.

vi. 'Shipyards' have been included in the updated Harmonized Master List of Infrastructure Sub-sectors *vide* Gazette Notification No. 12 dated 13.04.2016.

vii. In order to promote indigenous shipbuilding, guidelines have been issued 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. In the budget speech, 2025, announcements regarding shipbuilding in India have been made to:

- revamp the Shipbuilding Financial Assistance Policy to address cost disadvantages including Credit Notes for shipbreaking in Indian yards to promote the circular economy,
- include large ships above a specified size in the infrastructure harmonized master list (HML),
- facilitate Shipbuilding Clusters to increase the range, categories and capacity of ships including additional infrastructure facilities, skilling and technology to develop the entire ecosystem,
- set up a Maritime Development Fund with a corpus of Rs. 25,000 crore for long-term financing for the maritime industry, for distributed support and promoting competition,

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

Cochin Shipyard Limited, a PSU of Ministry of Ports, Shipping and Waterways, has undertaken following shipbuilding infrastructure expansion/ developmental projects in the recent past.

- i. New 310 M Dry-dock Project at Kochi, Kerala has been constructed at an estimated cost of Rs.1799 crores. With 310 M in length and 75 M width, in terms of the size of the dock and strength of the dock floor, this is one of the largest dry docks in India. Apart from ship building, this dual-purpose dry dock is also aimed to tap the market potential of repairs/ construction of specialized and technologically advanced large vessels such as LNG vessels, Jack Up Rigs, Drill Ships, large dredgers, second Indigenous Aircraft carrier and repair of offshore platforms and larger vessels. The new dry dock can comfortably handle Aircraft Carriers of 70,000 T docking displacement and Tankers and Merchant vessels of 55,000 T docking displacement. Hon'ble Prime Minister of India inaugurated the New Dry-dock project on 17.01.2024.
- ii. a state-of-the-art International Ship Repair Facility (ISRF) at Kochi, Kerala has been developed at Willingdon Island, Kochi by installing ship lift & transfer system, 6 dry berths and associated facilities at an estimated cost of Rs.970 crores. The ISRF has modernized and substantially augmented the existing ship repair capacity of CSL. The ISRF includes 6,000T shiplift for ships up to 130 m x 25 m with six workstations & allied facilities and total outfitting berth of ~1,500 meter. The shiplift facility and two workstations were inaugurated by Hon'ble Prime Minister of India on January 17, 2024.

Cochin Shipyard Limited has signed important active Memorandums of Understanding with multiple international parties viz. Fincantieri, IHC Holland BV, Robert Allan Limited, Canada, Seatrium Le Tourneau and HD Korea Shipbuilding & Offshore Engineering Co. Ltd. to collaborate in various areas of shipbuilding and repair such as design, marine equipment manufacturing, training and skill development.

Shipbuilding Financial Assistance Policy 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. and flat 20% financial assistance for vessels fitted with fully electric or hybrid propulsion.
