

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

RAJYA SABHA
UNSTARRED QUESTION NO. 312
ANSWERED ON 21.07.2026

SUSTAINABLE SHIP RECYCLING

312. DR. SIKANDER KUMAR:

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

- (a) the current status of the three Indian ship recycling yards being evaluated for formal inclusion in the European Union list of approved ship recycling facilities;
- (b) the progress made by the remaining six yards currently undergoing the compliance and verification process, along with details of any infrastructure gaps still being addressed; and
- (c) whether any specific fiscal incentives and technological support being provided to domestic ship breaking yards to protect and expand India's leading 35.4 percent global market share against lower-cost regional competitors, if so, the details thereof?

ANSWER

MINISTER OF PORTS SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

(a) to (b) Presently, a total of 35 Indian ship recycling yards have applied for the inclusion in the European Union (EU) list of approved ship recycling facilities. As per the EU regulation, the yards located outside the EU directly apply to EU authorities and the communications regarding evaluation process of the yard takes place directly between the yard and the EU authorities. The applications of the yards are processed and finalized by the EU authorities. This ministry has approached the EU to expedite the process of listing of the Indian ship recycling yards in the EU list.

(c) To strengthen the ship recycling ecosystem, Ministry of Ports, Shipping and Waterways has released financial assistance of Rs. 53.5 crore under the Ferrous Scrap Development Fund (FSDF) to 109 Indian ship recycling yards to support yards modernization. Assistance of Rs. 2.49 crore per annum is released from FSDF for development and operation of a multispecialty hospital at Alang, Gujarat. In addition, Rs. 12 lakh per annum under the FSDF is also released for maintenance and operation of another primary hospital at Alang, Gujarat. These measures have

helped the yards to become Hong Kong Convention (HKC) compliant and at present 115 operational ship recycling yards at Alang are HKC compliant. The HKC compliance allows India to target a larger global market share by positioning Indian ship recycling yards as safe, certified, and environmentally responsible destinations for global shipping fleets.

For enhancing competitiveness, Government of India has launched Shipbreaking Credit Note Scheme, under which ship owners receive a credit note equivalent to 40% of scrap value of recycled ship when the recycling is done at a HKC compliant Indian ship recycling yard. The credit note can be utilized towards payment of up to 5% of the value of a new ship built at an Indian shipyard, thus promoting both domestic ship recycling and shipbuilding.
