

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

LOK SABHA

UNSTARRED QUESTION NO.1962

TO BE ANSWERED ON 27th JULY, 2017

SHIPBUILDING INDUSTRY

1962. SHRIMATI SUPRIYA SULE:
SHRI SATAV RAJEEV:
SHRI DHANANJAY MAHADIK:
DR. HEENA VIJAYKUMAR GAVIT:
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:
SHRI P.R. SUNDARAM:

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government proposes to introduce a new shipbuilding, breaking and repair policy with an aim to double the size of the industry to Rs. 20,000 crore by the year 2022;
- (b) if so, the details thereof;
- (c) whether it is a fact that the Indian shipyards have less than 1% share in global shipbuilding and repair market and if so, the details thereof and the reasons therefor;
- (d) whether the Government proposes to set up a maritime development fund to financially assist the domestic shipbuilding industry in the country and if so, the details thereof; and
- (e) the other steps taken/being taken by the Government for the growth of Indian Ship-breaking industry?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

- (a)&(b): In order to promote shipbuilding and ship-repair industry in India, Government of India has formulated a policy on financial assistance for shipbuilding for a period of ten years for shipbuilding contracts signed between 01.04.2016 and 31.03.2026. Financial assistance at the rate of 20% of the contractual price of a vessel, fair price, or actual payments received by the shipyard, whichever is lower, is payable after delivery of vessel and as per the guidelines issued by Ministry of Shipping. Further, GOI has relaxed the Domestic Eligibility Criteria for orders to be placed by Government Departments/PSUs in respect of shipbuilding as well as repair of vessels for their own use or government use for Indian Shipyards with right of first refusal.
- (c): Yes, the share of Indian shipyards in global shipbuilding market is around 0.66% and around 0.9% in global ship-repair market during 2015-16. The above measures are aimed to promote these activities.
- (d): A proposal for setting up a Maritime Development Fund has been received.
- (e): Government of India has agreed to support the Gujarat Maritime Board's project for upgradation of the ship recycling yards at Alang-Sosiya, which will augment the capacity of the ship recycling yards for environmentally sound and safe ship recycling.