

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING

LOK SABHA

UNSTARRED QUESTION NO.3373

TO BE ANSWERED ON 15th MARCH, 2018

SHIPBUILDING IN INDIA

3373. SHRIMATI JAYSHREEBEN PATEL:

Will the Minister of SHIPPING be pleased to state:

पोत परिवहन मंत्री

- (a) whether it is a fact that during the 11th Five Year Plan the Government of India had targeted to build 5 million DWT per annum to share global shipbuilding by 2.2 percent which was less than 1 percent at that time;
- (b) if so, the details thereof;
- (c) whether the said target was achieved; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

- (a)&(b): Yes, Madam. Nearly 400-500 small and medium size ships in the entire plan period were expected to be built. The Indian Shipbuilders Association (ISBA) had carried out an assessment of the growth trend of the industry and were of view that this industry could grow at a rate of more than 30% and the momentum could be maintained for the next 10 years to reach a level of XIth Plan of 5 million DWT order book. It was expected that with the setting up of new shipyards on the anvil, extension of the subsidy scheme through the XIth Plan period, and suitable investment climate, the industry would achieve the targets of the 11th plan.
- (c) No, Madam.
- (d) There was a shipbuilding subsidy scheme of Government of India from 2002-2007, which provided 30% subsidy to all Indian shipyards for construction and delivery of vessels. This scheme had boosted the order book from 0.02% in 2002 to 1.24% of global order share in 2007. This scheme was, however, not extended through the XIth Plan period. Ship building is a cyclical industry and is dependent on demand of global as well as domestic shipping industry. The recession that started in 2009 as a result of the global economic meltdown is still continuing for the shipbuilding industry. The combined effect of global recession and expiry of shipbuilding subsidy policy resulted in decline in the shipbuilding order book position.
