

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 1012
ANSWERED ON 08/12/2023

PROMOTION OF SHIP BUILDING

1012. SHRI P.C MOHAN:

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

पत्तन, पोतपरिवहन और जलमार्ग मंत्री

- (a) the current status of the ship building industry in India;
- (b) the measures taken by the Government to promote and support the ship building industry particularly in terms of enhancing competitiveness and innovation; and
- (c) the initiatives/regulations implemented by the Government to promote sustainable and eco-friendly practices in the ship building industry?

ANSWER

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

(a) to (c) 34 number of shipyards in the country have built and delivered 780 vessels in the last 10 years period. Under the Shipbuilding Financial Assistance Policy (SBFAP) scheme, 31 Shipyards have registered for the scheme. From 2016, the shipyards have submitted 170 online applications for financial assistance under the scheme for more than 250 vessels catering to domestic as well as international market.

(i) Revision of the criteria for Right of First refusal (ROFR):

The criteria for granting the Right of First Refusal in chartering of vessels through tender process has been revised. 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

This is to promote demand of Indian built vessels as the Indian built vessels will have the priority in chartering and also to provide additional market access and business support to ships built in India.

(ii) The Shipbuilding Financial Assistance is provided to Indian Shipyards in order to promote the Indian Shipbuilding Industry and to enable them to acquire global Shipbuilding Contracts while competing in International markets.

(iii) The Ministry has promulgated SoP for procurement/charter of Tugs by Major Ports in India as per which Tugs required for services of all Major Ports shall be built in Indian Shipyards as per standardized design.

To promote sustainable and eco-friendly practices in the ship building industry such as Green fuelled ships and to make Indian shipyards competitive in international market, SBFA policy has been revised to include a financial assistance of 30% for vessels where main propulsion is achieved by means of green fuels such as Methanol/ Ammonia / Hydrogen fuel cells and financial assistance of 20% is provided for vessels with electric means of propulsion or vessels fitted with hybrid propulsion system.

The Government has established the National Centre of Excellence in Green Ports and Shipping (NCoEGPS) with the aim to identify the technologies, alternative fuels, renewable energy sources and targets for the shipping and port sector to reduce GHG emissions in line with the Govt. of India commitment for the sector. The broad focus areas of NCoEGPS are as follows:

- i. Policy, Regulatory and Research
- ii. Human Resource development
- iii. Network- Key Partners and Strategic collaborators
- iv. Explore- Area of work, outcomes, projects and resources
- v. Engage- Past events, upcoming events, dissemination
