

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS
LOK SABHA

UNSTARRED QUESTION NO. 548

ANSWERED ON 04/02/2022

LOSS OF FOREIGN EXCHANGE ON DRYDOCKING OF SHIPS

548. SHRI SUSHIL KUMAR SINGH:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) whether the Government proposes to gauge the magnitude of revenue generated in India through dry-docking activities in the shipping sector;
- (b) if so, the details thereof;
- (c) the details regarding loss of foreign exchange caused as Indian ship-makers are taking their vessels to different countries for drydocking; and
- (d) the steps being taken by the Government to promote drydocking of ships in India?

ANSWER

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

(a) & (b) As per the estimates, India has an annual domestic ship repair market potential of Rs.7,000 crores (Approx.) excluding foreign flag vessel and conversions and the same is expected to reach to Rs. 13,000 crores (Approx.) by the year 2030.

(c) Currently there are several ship repair facilities on the East coast and West Coast of India which provide ship repair and drydocking facilities. However, there are times when the drydocking facility may not be available if there is a sudden requirement of drydocking facilities. While a majority of the IV, Coastal and RSV vessels only use drydocking and ship repair facilities in India, sometime a very small number of such vessels may need to get dry-docking facility out of India since the vessels have to complete their dry-docking by a fixed date. Mainline vessels operate internationally in international waters. Such vessel may use dry-docking facilities outside India depending on where the vessel is at the time of the requirement of the dry-docking cycle. Further, Ministry of Ports, Shipping and Waterways has a policy according to which all government departments or agencies including CPSUs have to provide Right of First Refusal to Indian shipyards while drydocking of ships meant for governmental or own use. Foreign yards are awarded contracts only when there is no participation from Indian yard or when Indian yards do not qualify.

(d) As part of infrastructure augmentation dry-dock ship repairs, Cochin Shipyard Limited (CSL), a PSU under the administrative control of this Ministry, is embarking on substantial infrastructure expansions the details of which are detailed below:

(i) International Ship Repair Facility (ISRF) at Cochin Port Trust Premises: CSL had taken over on 30 years lease the existing ship repair facility of Cochin Port Trust (CoPT) located at Willingdon Island, Kochi and is in the process of developing it into a state-of-the-art International Ship Repair Facility (ISRF) by installing ship lift, & transfer system, 6 dry berths & associated facilities at an estimated cost of RS.970 crores. The ISRF will modernise, expand and substantially augment the existing ship repair capacity of CSL. The ISRF includes 6000T shiplift for ships upto 130 x 25 m with six work stations and allied facilities. Total outfitting berth of 1500 meters approx. The facility is expected to be completed by July 2023.

(ii) CSL-Mumbai Ship Repair Unit (CMSRU): CSL commenced operations of its Mumbai Ship Repair Unit in October 2018 through an agreement with the Mumbai Port Trust to upgrade, operate and manage Ship Repair Facility at Hughes dry-dock and berth nos. 5, 6, 7 and 8 of Indira Dock of Mumbai Port. Subsequent to the execution of the agreement, CSL has commenced the ship repair operations in Mumbai. The facility undertakes repairs of both Defence and Commercial Ships.

(iii) CSL-Kolkata Ship Repair Unit (CKSRU): CSL commenced operations of its Kolkata Ship Repair Unit in March 2019 through an agreement with Kolkata Port Trust for operations and management of ship repair facility at NetajiSubhas Dock (NSD) for a period of 30 years. The new venture is being managed by separate unit of CSL known as "CSL-Kolkata Ship Repair Unit (CKSRU). The Honourable Prime Minister of India, Shri Narendra Modi formally inaugurated the CKSRU facility on January 12, 2020. The facility undertakes repair to both Defence and commercial ships.

(iv) CSL-Andaman & Nicobar Ship Repair Unit (CANSRU): CSL commenced operations of its Andaman Unit at Port Blair through an agreement with the Andaman & Nicobar (A&N) Administration for ship repair at the Marine Dockyard, a facility that is currently being operated directly by the A&N Administration. Under the ambit of this agreement, CANSRU shall assist the Administration in developing an overall ship repair ecosystem at Andaman & Nicobar Islands. CANSRU shall also assist & associate in augmentation and modernization of existing facilities. Focus on skill development in consultation with the Administration and technical institutions located in the Islands, is also part of the mandate of the agreement. The agreement is for a period of 30 years, during which CSL is expected to spruce up the operational efficiency of the dockyard as well as improve the overall ship repair ecosystem in the island to ensure faster turnaround and minimise downtime of the vessels, which are the lifeline for the Islands.
