

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 4158
ANSWERED ON 20.12.2024

DEVELOPMENT OF INFRASTRUCTURE FOR SHIP BUILDING

4158. SHRI P P CHAUDHARY:
SHRI DULU MAHATO:
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SHRI LUMBA RAM:
SHRI YOGENDER CHANDOLIA:
SHRI ANURAG SHARMA:
SHRI DILIP SAIKIA:
SHRI ANURAG SINGH THAKUR:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) the steps taken/proposed to be taken by the Ministry for developing/enhancement of ship building infrastructure and creating all allied facilities in the country;
- (b) the total amount of financial allocation sanctioned for maritime infrastructure development during the last three years, project, port and year-wise;
- (c) whether any assessment has been made regarding gaps in existing ship building capabilities, if so, the steps taken/proposed to be taken by the Government to address them;
- (d) whether any timeline has been fixed for completion of ongoing infrastructure projects, if so, the details thereof along with the progress achieved so far in this regard;
- (e) whether there is any plan to include the North Eastern States of the country for the said project; and
- (f) if so, the details thereof?

ANSWER

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

(a) to (f) The steps taken/proposed to be taken by the Ministry for developing/enhancement of ship building infrastructure and creating all allied facilities in the country are as under:

(i). To increase indigenous shipbuilding with regard to modern technologies and machinery, the Ministry has amended the Shipbuilding Financial Assistance Policy(SBFAP) guidelines vide letter no. SY-16023/6/2015-SBR, Part-I to include:

- a) Wind Turbine Installation Vessel, Windfarm Service and Maintenance Vessel and Self-Propelled Dredgers as specialized vessels which are eligible to get higher financial assistance, over and above ₹40 Crores which is upper limit for non-specialized vessels.
- b) Flat 30% Financial Assistance for vessels where main propulsion is achieved by means of green fuels such as Methanol/ Ammonia / Hydrogen fuel cells etc.
- c) Flat 20% Financial Assistance for vessels fitted with fully electric or hybrid propulsion system.

(ii). Funds allocated under SBFAP for shipbuilding contracts signed between April 1, 2016 to March 31, 2026 in Indian Shipyards is Rs. 4,000 crore and the utilization till date is Rs 385.16 crore.

(iii). Government of India vide Gazette Notification No. 112 dated April 13, 2016 has included 'Shipyards' in the updated Harmonized Master List of Infrastructure Sub-sectors.

(iv). In order to promote indigenous shipbuilding, Government has issued guidelines on 19.05.2016 for evaluating and awarding tenders for new shipbuilding orders floated by government departments or agencies including public sector undertakings for acquisition of any type of vessel(s) used by them for Governmental purposes or for their own use. Whenever acquisition of a vessel(s) is undertaken through tendering route, the qualified Indian Shipyards will have a "Right of First Refusal" to enable them to match the evaluated lowest price offered by the foreign shipyard which is aimed at increasing ship building activities in Indian shipyards.

Further, the Government entities dealing with ship building and ship-owning are advised to ensure local content as per the Government of India Public Procurement (Preference to Make in India) Order, 2017. As per this Order, procurement of ships of less than ₹200 crores is required to be from Indian shipyards.

(v). The Government, in November, 2021, has released Standard Tug Designs of five variants for use by Major Ports for procurement of tugs to be built in Indian Shipyards.

(vi). To promote indigenous shipbuilding, the Ministry of Ports, Shipping and Waterways on 20.09.2023 has revised the hierarchy of Right of First Refusal (RoFR) to be followed in any kind of charter of a vessel which is undertaken through a tender process. 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

(vii) In order to achieve the objective of Atmanirbhar Bharat, the Union Cabinet in 2021 had approved a scheme to provide Rs. 1,624 crore as subsidy over a period of five years to Indian Shipping Companies in global tenders floated by Ministries/Department and CPSEs for import of Government Cargo. The CPSE, concerned have provided subsidy amounting Rs. 213.54 crore upto 08.10.2024.

(viii) Ministry of Ports, Shipping & Waterways has launched the Green Tug Transition Programme (GTTP) which aims to reduce carbon emissions and minimize environmental impact by encouraging adoption of environmentally sustainable tugboat operations.

(ix) Government has launched the Harit Nauka guidelines for inland vessels which aim to promote the adoption of greener technologies in inland waterway vessels.

(x) Further, Government of India has released Maritime India Vision 2030 and Maritime Amrit Kaal vision 2047, which have assessed gaps in the existing shipbuilding capabilities.
