

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
STARRED QUESTION NO. *184
ANSWERED ON 01.08.2025

REVIVAL OF SHIPBUILDING INDUSTRY

*184. DR. PRADEEP KUMAR PANIGRAHY:

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

पत्तन, पोत परिवहन एवं जलमार्ग मंत्रालय

- (a) whether the Government has taken note of India's low share in global shipbuilding and ship repair; and
- (b) if so, the steps taken by the Government to revive the shipbuilding industry, attract private investment and develop skilled manpower to position India as a competitive maritime hub by 2030?

ANSWER

MINISTER OF PORTS SHIPPING AND WATERWAYS
(SHRI SARBANANDA SONOWAL)

- (a) to (b) A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (b) OF THE LOK SABHA
STARRED QUESTION NO. *184 FOR 1st AUGUST, 2025 RAISED BY DR. PRADEEP
KUMAR PANIGRAHY REGARDING “REVIVAL OF SHIPBUILDING INDUSTRY”**

(a) to (b) Yes. Reviving the shipbuilding industry and attracting private sector investment in shipbuilding are in line with the objectives of Maritime India Vision 2030 and Maritime Amrit Kaal vision 2047.

The Union budget speech, 2025 mentions the following, with respect to shipbuilding:

Para 63: “The Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages. This will also include credit notes for shipbreaking in Indian yards to promote the circular economy.”

Para 64: “Large ships above a specified size will be included in the infrastructure harmonized master list (HML).”

Para 65: “Shipbuilding Clusters will be facilitated to increase the range, categories and capacity of ships. This will include additional infrastructure facilities, skilling and technology to develop the entire ecosystem.”

Para 66: “For long-term financing for the maritime industry, a Maritime Development Fund with a corpus of INR 25,000 crore will be set up. This will be for distributed support and promoting competition. This will have up to 49 per cent contribution by the Government, and the balance will be mobilized from ports and private sector”

Para 125: “Considering that shipbuilding has a long gestation period, I propose to continue the exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships for another ten years. I also propose the same dispensation for ship breaking to make it more competitive”.

The Government has taken the following measures to promote the shipbuilding activities:

- i. Government is providing Ship building financial assistance (SBFA), to Indian shipyards to provide them a level playing field vis-à-vis Foreign Shipyards. Shipyards receive financial assistance for shipbuilding contracts signed during the dates, April 1, 2016 to March 31, 2026 including the said dates.
- ii. The government has granted infrastructure status to the shipbuilding yards. This status helps the shipyards to pick up debt at favorable terms and lower interest rates. They will also be able to issue infrastructure bonds.
- iii. Government has issued guidelines 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). Whenever acquisition of a vessel(s) is undertaken through tendering route, the qualified Indian Shipyards will have a “Right of first refusal” (ROFR) to enable them to match the evaluated lowest price offered by the foreign shipyard.

- iv. To increase ship-building activities in Indian shipyards, 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 Rs 200 crore is required to be from Indian shipyards.
- v. The government has released Standard Tug Designs of five variants for use by Major ports for procurement of tugs to be built in Indian Shipyards.
- vi. Cochin Shipyard Limited (CSL), a public sector enterprise under Ministry of Port, Shipping & Waterways (MoPSW), has also undertaken several initiatives for shipbuilding and ship repair, they are as follows:
 - a. For shipbuilding, CSL has commissioned a New Dry Dock (NDD) in its Kochi facility. Built at a cost of about Rs 1,800 crores it is a flagship project reflecting New India's engineering prowess. This one-of-a-kind 310-meter-long stepped dry dock, with a width of 75/60 meters, depth of 13 meters and a draught of up to 9.5 meters, is one of the largest marine infrastructures in the region. This is able to handle strategic assets as well as large commercial vessels, thus eliminating India's dependency on foreign nations.
 - b. For ship repairs, CSL has developed a state-of the-art International Ship Repair Facility (ISRF) at Kochi at an estimated cost of Rs.970 crores. The ISRF aims to modernize, expand and substantially augment the existing ship repair capacity of India.
- vii. To provide internships in the shipbuilding sector, two of the public sector shipyards Cochin Shipyard Limited (CSL) and Mazagon Dock Shipbuilders Limited (MDL) have registered under the Prime Minister Internship Scheme (PMIS).
