



पत्तन, पोत परिवहन  
एवं जलमार्ग मंत्रालय  
MINISTRY OF  
PORTS, SHIPPING  
AND WATERWAYS



# Ship Building & Repair - Catalyst for Economic Growth

INMEX | SMM

## Director General of Maritime Administration

10-12<sup>th</sup> September 2025 | Bombay Exhibition Centre, Mumbai





# India's Economic Growth

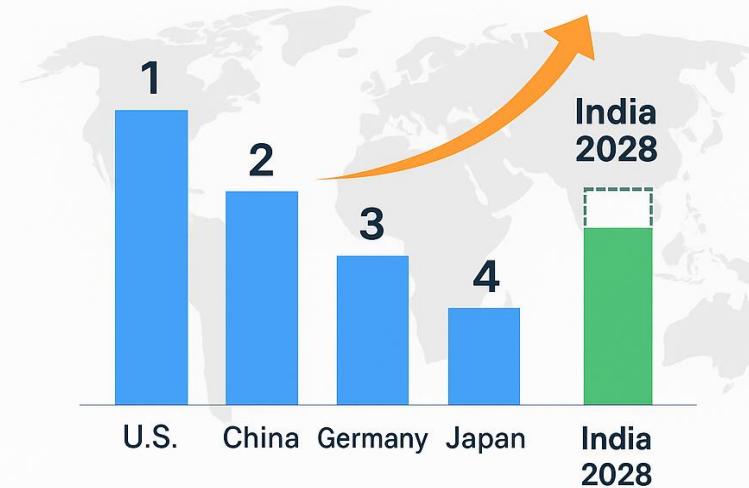


India **became the world's 4th largest economy** in **August 2025** with **\$4.19 Trillion GDP**, 6.5% growth in FY25, and projected 6.3–6.7% annual growth through coming years.

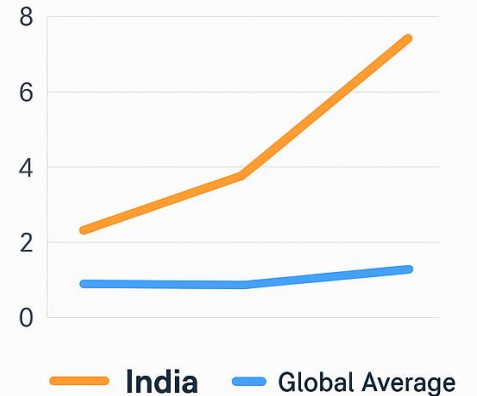
India's economic outlook remains strong, driven by record infrastructure spending, reforms, improved logistics, and green initiatives, with **policymakers targeting \$5 Trillion GDP by 2027–28**, sustaining high growth and global economic influence.

India's GDP growth is fueled by **consumption, demographics, exports, FDI, and infrastructure**; IMF projects **India will surpass Germany by 2028**, becoming the world's 3rd largest economy with sustained reforms.

## Global GDP Rankings & Growth Trends



### GDP Growth (%)





# India's Economic Growth



## Cumulative Exports

**US\$277.63**

bn shipped in Apr-Jul 2025,  
up **5.23%** y/y

India's economy surged with

**6.5%** GDP growth in FY25, reaching

**₹187.97**  
lakh crore

## Consumer Price Index

CPI inflation at just

**3.16%** in Apr-2025, the **lowest** since 2019

per-capita GDP climbed to

**₹133,501**

in FY25,

## Foreign Direct Investment

US\$81.04 bn FDI inflow in FY25

**14%** increase.

**Towards Viksit Bharat 2047**



# Contribution of the Blue Economy



Towards Viksit Bharat 2047

## India and its Blue Economy

95%

By trade volume

65%

By trade value

## India's Infrastructure Leverages

12

Major Ports

200+

Non-major Ports

11,098 km

Total length of India's coastline

## India's Vessel Advantage



India has 1,520+ merchant vessels with 13 mn+ GT capacity



India ranks 18<sup>th</sup> globally in flag registration and 19<sup>th</sup> globally in carrying capacity

***India is emerging as the leader of the Blue Economy in the world with multiple initiatives focusing on infrastructure, business and the overall economy***

Port-led Development

Ports for Prosperity

Policy reforms driving EoDB, modern infrastructure and multi-modal logistics



# India's Vision for the Maritime Sector



## MARITIME INDIA VISION 2030



### Maritime India Vision (MIV) 2030

- Position India Globally in the Top 10 Shipbuilding, repair nations
- Production Targets: Increase from current 30k GT to 500k+ GT annually by 2030
- Investment: INR 20,000+ Crores
- Employment Generation: 1,00,000+ additional jobs (direct and indirect)



### Maritime Amrit Kaal Vision 2047

- Advanced phase targeting Top 5 global position in shipbuilding and maintaining 1 position in ship recycling
- 69% Indian-Built Ships Share (up from current 5%)
- 300+ Strategic Initiatives across 11 key maritime areas
- Financial Assistance: 20-30% assistance for green vessels (including retrofitting)



# Why Shipbuilding is Critical?



**Mother Industry for  
Heavy Engineering**



**Employment  
Generation**



**Creation of Strategic  
Assets**



**Increasing Indian  
Tonnage in Energy  
imports**



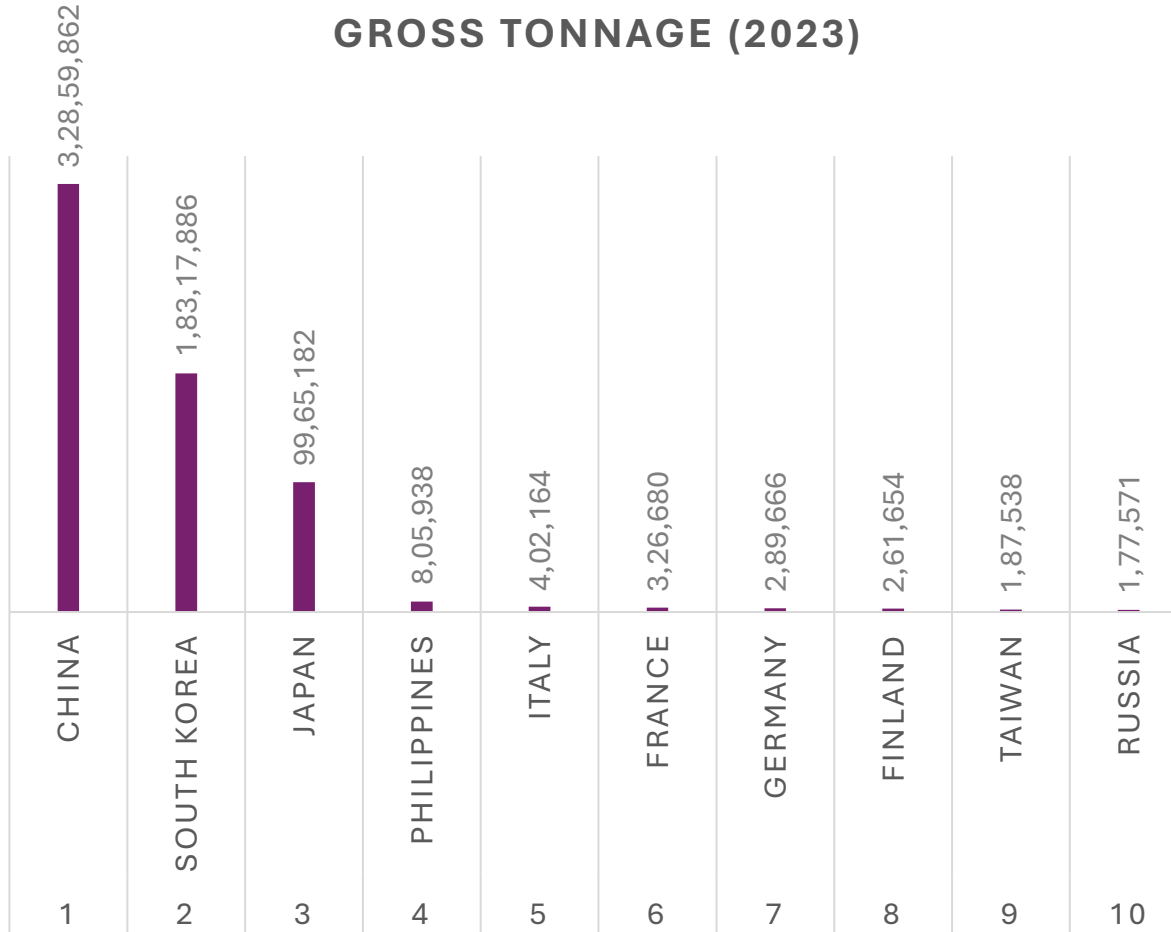
**Reduce Dependability  
& Outflow of FOREX**








# Global Shipbuilding Scenario



**GROSS TONNAGE (2023)**



- ✓ Global ship building market is estimated to be approx. USD 70 Billion.
- ✓ Primary dominance is shown by China, South Korea and Japan.
- ✓ India currently ranks 16th among global shipbuilding nations

Vessel Type	Approx. Share of Global Orders (2024)
Container Ships 	~38–40%
Gas Carriers (LNG/LPG) 	~15–18%
Tankers 	~20–22%
Bulk Carriers 	~18–20%
Passenger & Cruise 	~5%



# Shipbuilding Scenario in India



30,000  
GT

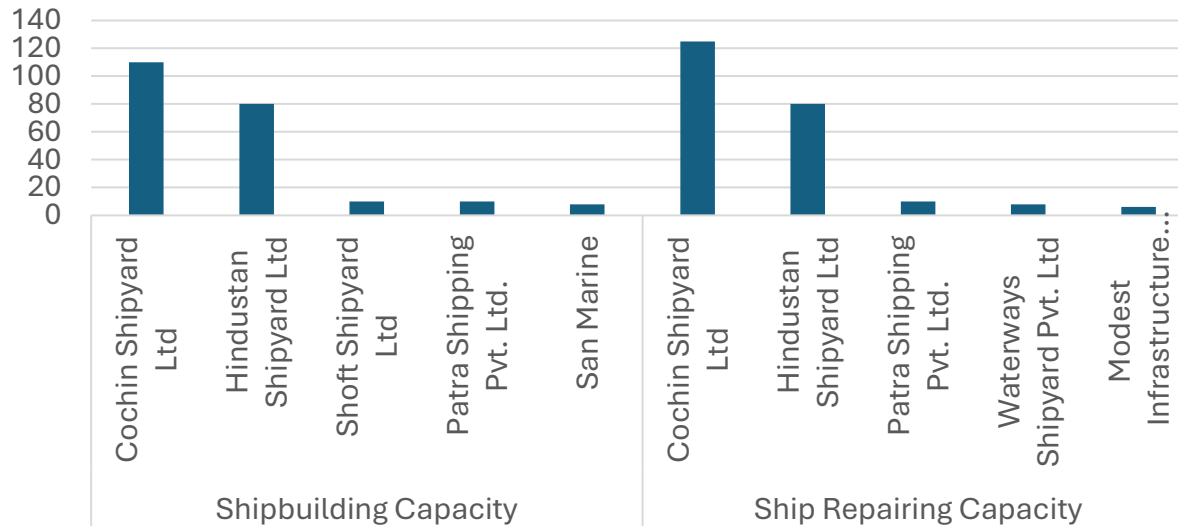
**Annual Tonnage  
Produced**

53\*

**Total Number of  
Shipyards**

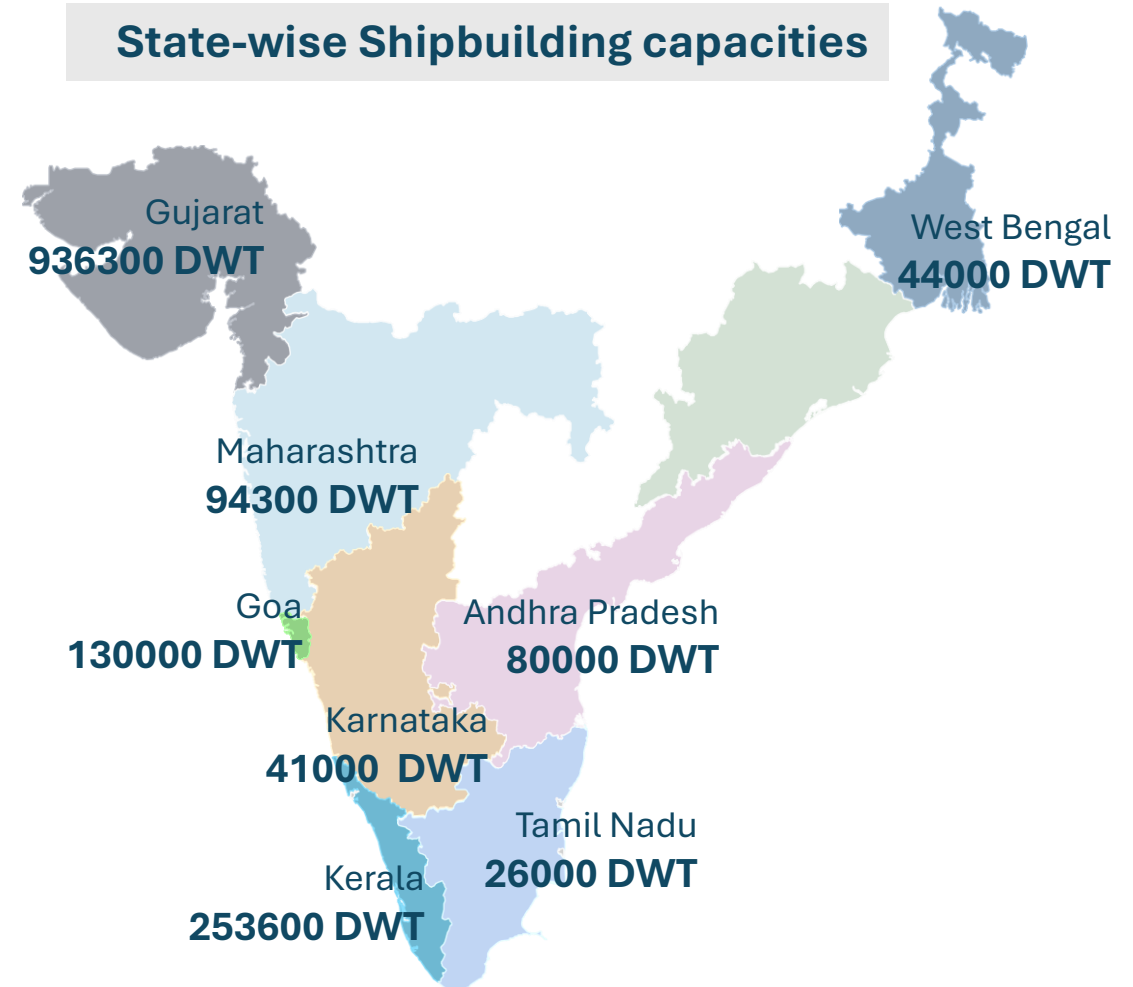
*\*Annual Report, MoPSW*

Capacity (in '000 DWT)



*\*Top 5 Reporting companies*

## State-wise Shipbuilding capacities







# Challenges faced by Indian Shipbuilding Industry



## Structural and Financial challenges



- Lack of access to low-cost, long-term capital; high cost of working capital (~10.5% interest).
- Inverted GST duty structure leading to blocked input tax credits.
- Restoration of customs duties increasing shipbuilding costs by 4.5-5.25%.
- Limited number of shipyards focused on commercial shipbuilding.

## Operational gaps



- Weak ancillary industry; 50-60% of components still imported.
- Lack of standardized indigenous ship designs and design repositories.
- Shortage of skilled labour across technical disciplines.
- Absence of a centralized shipyard database for visibility and planning.

## Market & Policy Limitations



- Low domestic demand; preference for second-hand foreign vessels.
- No dedicated maritime financing institutions or credit schemes.

## Strategic & Emerging Issues



- High cost and lack of support for green vessels and decarbonization.
- Cybersecurity vulnerabilities and outdated digital infrastructure.

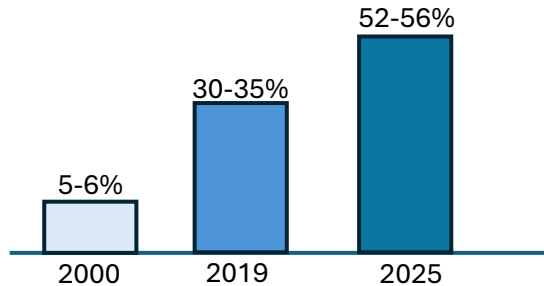


# Global Leaders



## China

% global SB market share



Cabotage only for Chinese flag, Chinese-built vessels

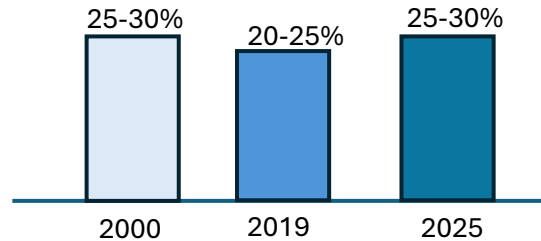
- Foreign flag, Chinese built vessels allowed in Shanghai Free Trade Zone

17% subsidy on prices for Chinese Ship buyers

Soft-loans, tax exemptions for local shipbuilders

## South Korea

% global SB market share



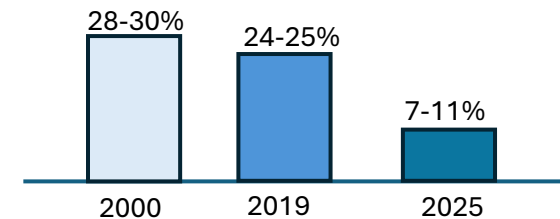
Cabotage only for South Korean flag vessels

Financial support to promote new ship demand - reimbursement up-to 60% of cost of new vessels (2018)

Easy financing options for shipbuilders, bailout support

## Japan

% global SB market share



Cabotage only for Japanese flag vessels

Subsidy for scrapping old vessels given to owners/operators

Tax benefits to promote shipbuilding, fleet modernization e.g. depreciation up to 60% in 5 years on Japanese owned ships



# Proposed Interventions to boost Shipbuilding



**Shipbuilding Financial Assistance Policy (SBFA)**



**Developing shipbuilding clusters**



**Maritime Development Fund (MDF)**



**National Ship Building Mission**



**Comprehensive Ship Building Portal**



**Strategic Business Unit for Ship Building**



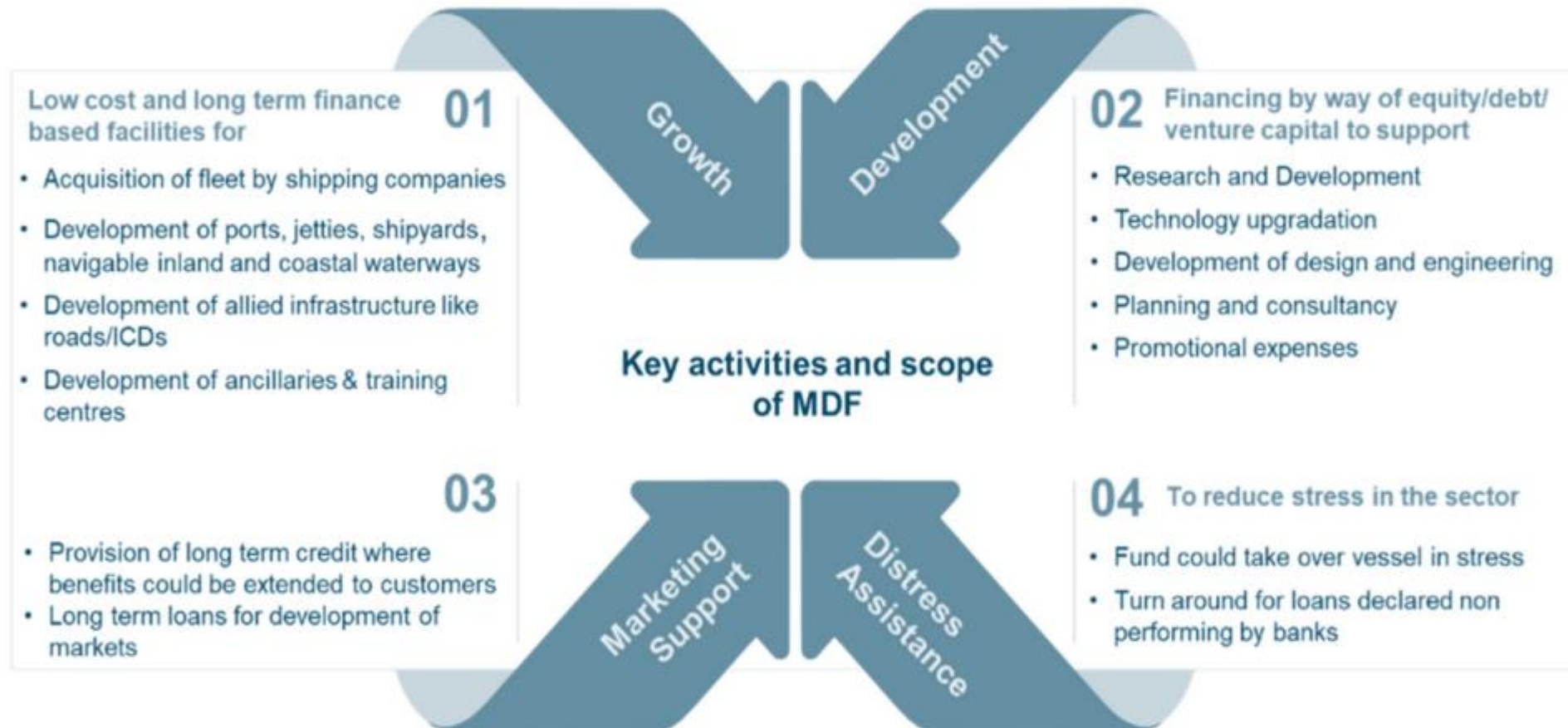
**Subsidies for green conversion**



**Removal of Operational & Taxation Hurdles**



# Maritime Development Fund







# Sagarmala Projects



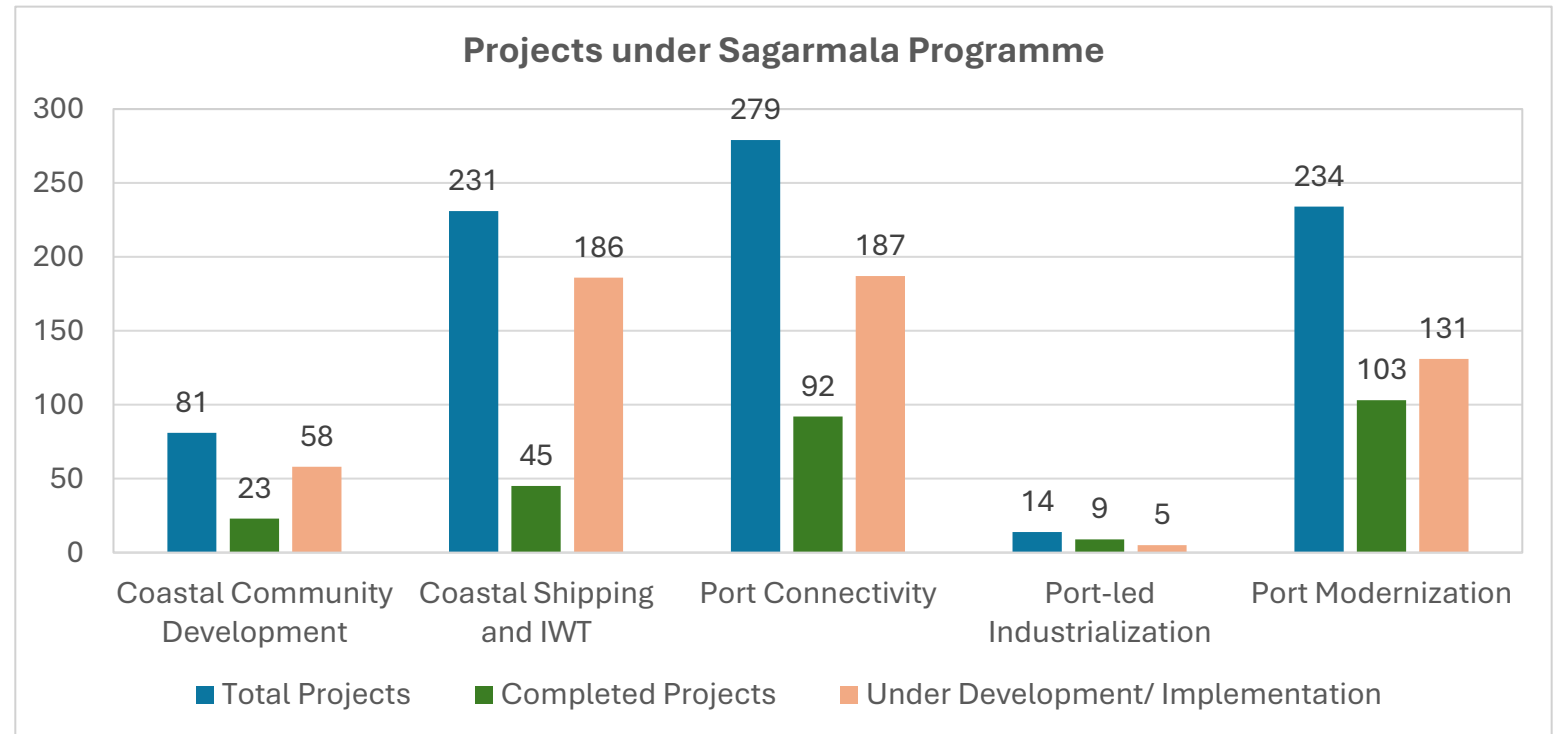
**Objective:** Reduce logistics costs for both domestic and EXIM cargo.

**Total Projects:** 839

**Investment Value:** ~INR 5.79 Lakh Crore

**Timeline:** Implementation targeted by **2035**

**Project Status:** 272 projects worth ~INR 1.41 Lakh Cr. have been completed and 214 projects worth ~INR 1.62 Lakh Cr. are under implementation.



5 Pillars



Coastal Community Development



Coastal Shipping & (IWT)



Port Connectivity



Port-led Industrialization



Port Modernization



# Ship Building Finance Assistance Scheme



## SBFA - Key Highlights

### SBFAP 1.0 (2016 – 2026)

#### Financial Assistance:

- 20% of the lower of Contract Price, Fair Price, or Actual Payment
- Rate reduces by 3% every 3 years

#### Green Vessel Incentives:

- 30% for Methanol/Ammonia/Hydrogen-fueled vessels

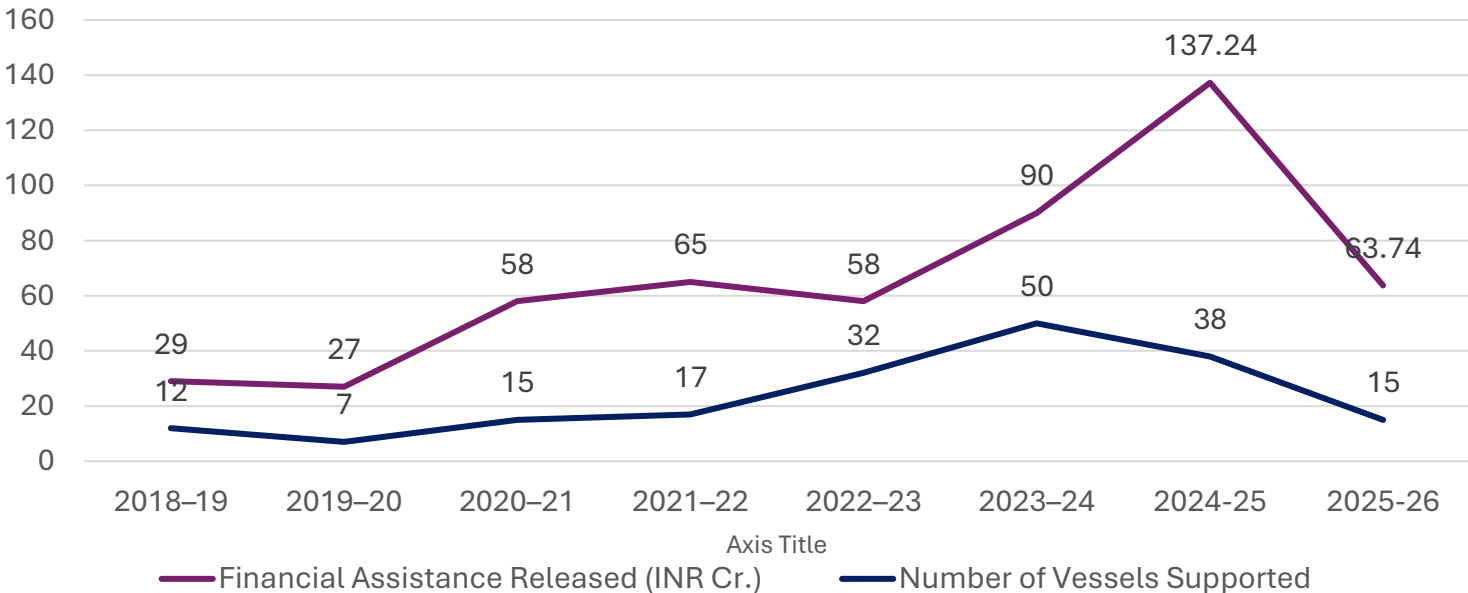
### SBFAS 2.0 (2026 – 2036)

**Total Allocation: ₹18,090 crore**

#### Subsidy Rates:

- Standard vessels: 14–15%; Large vessels (>₹100 crores): 20% ; Green fuel: 30% ; Electric/ hybrid: 20%

SBFA amount released (in Cr) and No. of vessels supported



For FY 2025-26, the figures presented are as of 09 September 2025

Total amount released

527.98  
Cr

Total Vessels Supported

186



# Removal of Operational & Taxation Hurdles



Below mentioned are the Taxation anomalies hampering Indian Tonnage vis a vis Global Maritime.

Sr. No.	Operating Parameters for a coastal voyage	Indian flag ship	Foreign flag ship
1	Direct Tax - Seafarers' wages taxation	Wages of Indian seafarers working on Indian flag ships in coastal waters are subject to Income tax and TDS provisions.	No tax on wages earned by Indian or Foreign seafarers working on foreign flag ships operating in coastal waters of India even for Indians working on foreign flag ships on the coast
2	Direct tax – Tonnage Tax Rate	Rate of tonnage tax is higher under the Indian Income tax High rate of tax on income OR Tonnage tax + training obligation	Lower rate of tonnage tax
3	Direct Tax – Cadet Training Cost	Free Cadet training provided by Indian Ships under Tonnage Tax Scheme – We train 1.5 cadets for every 10 persons on board our vessels	No such training obligation on foreign ships by their maritime administration
4	IGST on import of ships	5% on the value of the ship	No GST on the acquisition of ships in their country Even if the foreign ship is operating in India no GST applies
5	Inability to offset input GST on goods procured	5% of the value of the goods (Bunkers, stores, spares) gets blocked in the Indian shipping company	Does not apply
6	GST on (freight) transport of cargoes between two Indian ports	5% on the value of the service	Does not apply – no GST is payable on coastal provided by foreign flag vessel



# Removal of Operational & Taxation Hurdles



Below mentioned are the Taxation anomalies hampering Indian Tonnage vis a vis Global Maritime.

Sr. No.	Operating Parameters for a coastal voyage	Indian flag ship	Foreign flag ship
7	GST payable on maintenance, repair or overhaul (MRO) services procured overseas	From June 2021, the Indian flag shipping industry must pay 5% GST on Reverse charge basis on the dry docking and repair services procured abroad.	In most countries Ships are exempt from application of GST - Does not apply.  Foreign ships are able to get MRO services in India without payment of levy.
8	5% IGST payable to Customs on the sum of (a) dry docking expenditure incurred outside India, plus (b) cost of insurance (c) freight (to & fro)	Despite paying GST on Reverse charge basis on MRO services availed overseas, Customs require Indian ship to pay this amount again under IGST. This levy is payable a second time on the same MRO service on conversion of the vessel to coastal and this amounts to double taxation.	Does not apply – since almost all maritime nations do not apply GST to Ships.
9	GST on Export freight services	Export freight services provided by Indian ship is liable to 5% GST	Does not apply.
10	GST on Import freight services	Export freight services provided by Indian ship is liable to 5% GST	Does not apply.



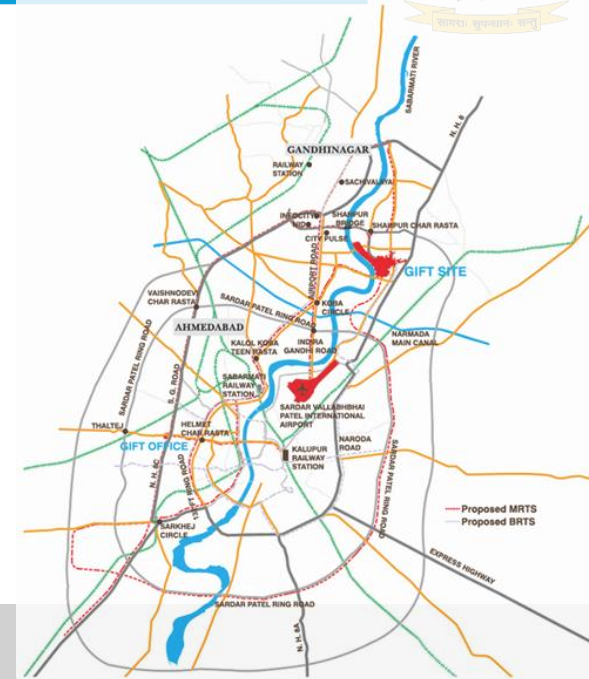


# GIFT City: Opportunities for Maritime Sector



## GIFT IFSC - Key Highlights

- ✓ **India's First IFSC:** GIFT City is a pioneering smart city and the country's first operational International Financial Services Centre.
- ✓ **Strategic Location:** Positioned between Ahmedabad and Gandhinagar, with access to major trade corridors and international airport.
- ✓ **Unified Regulation:** IFSCA streamlines oversight across financial sectors, enhancing ease of doing business.



## Strategic Advantage of GIFT City in the Maritime Sector

### 10-Year Tax Holiday

Maritime entities in GIFT IFSC enjoy full income tax exemption for any 10 consecutive years within the first 15 years of operation, boosting profitability and long-term investment.



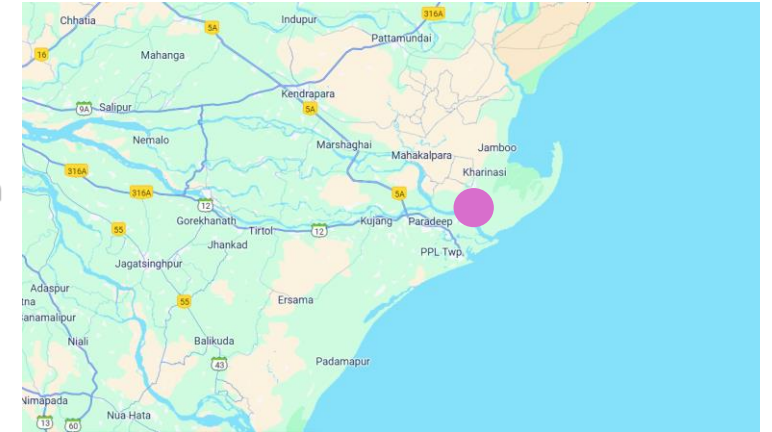
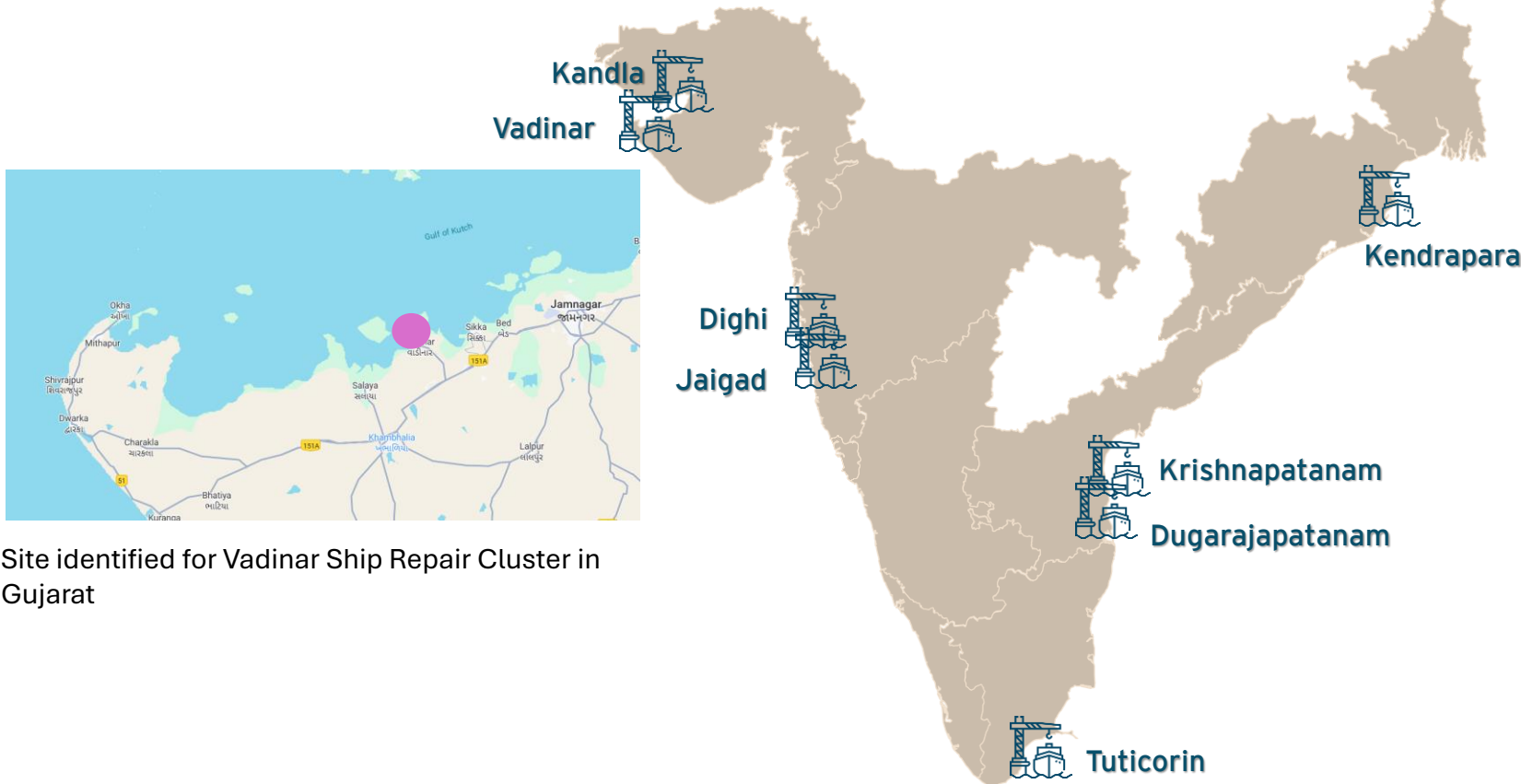
### Capital Gains Exemption:

GIFT IFSC entities enjoy exemption on capital gains from ship sale and lease transactions, reducing asset turnover costs and encouraging fleet reinvestment.



# Proposed Shipbuilding and Ship repair Clusters

The locations shown have been identified for potential shipbuilding cluster development, and preliminary site visits are currently underway to assess feasibility and infrastructure readiness.



~ 2,000 acres of land identified on the northern bank of Mahanadi river for Shipbuilding and Repair Cluster in Kendrapara, Odisha

Site identified for Vadinar Ship Repair Cluster in Gujarat



# Business Development Unit for Ship building



## Scope

**Stage One - Blueprinting- Design the roadmap for attracting investments and set up the shipbuilding cell**

- ✓ **Baseline Assessment for:**
  - Shipbuilding and ship repair market in India.
  - Policies and supply market drivers.
  - Investments
  - Technological collaborations, capacity building interventions, inter-departmental initiatives and regulatory support.
  - Central & State Gov. initiatives.
- ✓ **Analysis of emerging market opportunities in Shipbuilding.**
- ✓ **Socio-economic benefits.**

**Stage Two - Implementation support- Handhold the shipbuilding cell to deliver the Objectives of Project**

- ✓ **Setup and operationalize the working model of the shipbuilding cell.**
- ✓ **Assistance in investment attractions.**
- ✓ **Evaluation of proposals / counter-proposals and key business terms.**
- ✓ **Strategic support to the Shipbuilding on emerging trends, geopolitical shifts, or investment realignment opportunities.**
- ✓ **Refine the investment blueprint and institutional roadmap.**



# Comprehensive Shipbuilding Portal



## Vision

*Establish a state-of-the-art portal as a central hub for information, collaboration, and innovation in Indian shipbuilding and repair industry*

## Objectives



1. Increase global competitiveness of Indian shipbuilding industry



2. Enhanced collaboration between stakeholders (design agency, shipyards, ancillaries and equipment suppliers, regulators etc.).



3. Workforce development through training and certification.



4. To promote R&D and innovation.



5. To provide centralized access to technical information, standards, and guidelines.



6. To provide assistance on financial schemes.

## Modules

### Capability Insights

Display capabilities, projects & achievements, CAF

1

2

### Collaboration Hub

Interactive tools for industry professionals to network.- QnA, Posts & Closed Groups

### Training & Certifications

Information on Training courses and Institutes

3

4

### Finance & Insurance

Information on funding schemes and insurance solutions

### Innovation Centre

Showcase innovative technologies and R&D projects.

5

6

### Technical Library

Repository of technical documents, standards, and guidelines.

### Regulatory & Compliance

Updates on maritime regulations and safety standards.

7

8

### Industry Directory

Comprehensive listing of shipbuilding stakeholders.





# Role of State Government and Maritime Boards



## Policy Framework and Incentives



- Maharashtra approved a shipbuilding policy in 2025 aimed at creating 40,000 direct jobs in the sector by 2030 through financial incentives and infrastructure grants totalling over ₹4,000 crore.
- Gujarat and Andhra Pradesh have announced plans to develop shipyard infrastructure with investments exceeding ₹3,000 crore.

## Land Management and Facilitation



- Maritime Boards manages leases covering more than 200 hectares dedicated to shipbuilding and repairs.

## Employment and Skill Development



- Sagarmala Programme and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), targeting to train and employ over 10,000 coastal youth annually in maritime skills.

## Promotion of Innovation and R&D



- In 2025, around 25% increase in patent filings related to shipbuilding technologies driven by coordinated government and Maritime Board initiatives.



# Coastal Shipping and possibilities



***“Coastal Shipping Bill, 2025 aims to boost coastal cargo up to 230 million metric tonnes by 2030”:***  
***Sarbananda Sonowal***

***“National Coastal and Inland Shipping Strategic Plan to Steer Future Infrastructure and Policy Under new Act”:***  
***Sarbananda Sonowal***

- ▶ In a landmark move to strengthen India's coastal economy, the **Coastal Shipping Bill, 2025** was passed by the **Rajya Sabha**, marking a significant step toward unlocking the vast potential of India's **11,098 km coastline**, which spans **nine coastal states and four union territories**.
- ▶ The bill was introduced by **Sarbananda Sonowal**, Union Minister of Ports, Shipping & Waterways.
- ▶ Previously approved by the **Lok Sabha on April 3, 2025**, the legislation aims to **modernize and simplify** the legal framework governing coastal shipping.
- ▶ It replaces **Part XIV of the Merchant Shipping Act, 1958** with a **progressive, globally aligned law** that reflects contemporary cabotage standards and supports the growth of coastal trade.





# Coastal Shipping and possibilities



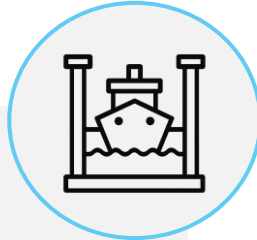
- ▶▶ The **Coastal Shipping Bill, 2025**, passed by both Houses of Parliament, marks a major reform in India's maritime sector.
- ▶▶ It replaces outdated provisions of the **Merchant Shipping Act, 1958**, introducing a modern legal framework aligned with global cabotage standards.
- ▶▶ The Bill includes **6 chapters and 42 clauses**, simplifying licensing and regulating foreign vessels in coastal trade.
- ▶▶ It mandates a **National Coastal and Inland Shipping Strategic Plan** to guide infrastructure and policy development.
- ▶▶ A **National Database for Coastal Shipping** will provide real-time, transparent data to support investment and planning.
- ▶▶ The legislation aims to boost **Indian ship participation**, reduce reliance on foreign vessels, and curb foreign exchange outflow.
- ▶▶ It supports the vision of **Atmanirbhar Bharat** and **Viksit Bharat**, promoting local economic growth and employment in coastal regions.
- ▶▶ With this Bill, India completes a trio of key maritime reforms alongside the **Merchant Shipping Bill** and **Carriage of Goods by Sea Bill**, paving the way for a **modern, efficient, and self-reliant maritime ecosystem**.



# Success Stories – Cochin Shipyard



## International Ship Lift Facility



- One of the largest ship-lift facilities in Asia, enabling multiple ship repairs simultaneously.

## Cochin Water Metro



- Built a first-of-its-kind electric-hybrid ferry system in India.
- Provides eco-friendly urban transport across Kochi backwaters.
- A model for sustainable public transport in coastal cities

## Hybrid & Green Vessels



- Designed and built hybrid-electric vessels, supporting India's green shipping agenda.

## Promotion of Innovation and R&D



- Collaborated with global players (e.g., HD Hyundai, Fincantieri).
- Exported specialized vessels to Norway, Germany, and other European markets.
- Expanding footprint in offshore support vessels and fishing vessels



# Role of DGMA and stakeholders cooperation solicited



## **Regulatory Oversight:**

DGS ensures maritime safety, security, and compliance with international regulations and standards.



## **Policy Implementation:**

DGS facilitates the execution of national maritime policies and supports modernization of the sector.



## **Industry Collaboration:**

Private shipyards and maritime industries are encouraged to partner with DGS to drive innovation and improve operational efficiency.



## **Institutional Support:**

Industrial and financial institutions play a key role in funding maritime infrastructure and promoting sustainable development



## **Academic Engagement:**

Academia supports the sector through research, skill development, and specialized training for maritime professionals.





# सागराः सुपन्थानः सन्तु।

*“Let the oceans have  
safe passages”*