

“India Ramps Up Shipbuilding Capability to Realise PM Modi’s Vision of Viksit Bharat”: Sarbananda Sonowal

Posted On: 01 AUG 2025 8:17PM by PIB Delhi

India’s shipbuilding industry is undergoing a transformational shift, as the Union Government under Prime Minister Narendra Modi accelerates efforts to build a world-class maritime ecosystem—paving the way for a Viksit Bharat by 2047, asserted **Sarbananda Sonowal, the Union Minister of Ports, Shipping & Waterways (MoPSW)**. The Union Minister was responding to a starred question by Dr Rajeev Bharadwaj, MP from Kangra LSC at the ongoing monsoon session of the Lok Sabha.

In line with the **Maritime India Vision 2030** and the long-term strategic roadmap of **Amrit Kaal**, the Union Budget 2025 has announced a series of reforms and investments aimed at significantly enhancing the capacity and competitiveness of Indian shipyards. These initiatives are expected to strengthen India’s position as an emerging global maritime power, expressed Sonowal.

Highlighting the government's commitment, Sarbananda Sonowal underlined the “*The Shipbuilding Financial Assistance Policy which is being revamped to address cost disadvantages,*” thereby helping Indian shipyards compete on equal footing with their international counterparts. The inclusion of credit notes for ship breaking in Indian yards reinforces the push towards a circular and sustainable maritime economy.

To boost infrastructure financing, large ships above a specified size will now be classified under the **Infrastructure Harmonised Master List**, making them eligible for long-term, low-interest funding. Simultaneously, the government will facilitate the development of **integrated shipbuilding clusters**, equipped with modern infrastructure, skill development centers, and advanced technologies. This, the Budget notes, is aimed at “*increasing the range, categories and capacity of ships*” built in India.

In a landmark move to address the industry’s need for long-term capital, the government has proposed a **₹25,000 crore Maritime Development Fund**, with up to 49% government contribution. This fund will mobilise private and port-led investments to expand and modernise India's shipbuilding and repair capabilities.

Recognising the long gestation nature of the industry, tax exemptions on Basic Customs Duty (BCD) for raw materials and components used in shipbuilding and ship-breaking have been extended for another 10 years. “*Our commitment to empower and enable our maritime sector is absolute and it is with this intent we are working under the dynamic leadership of Prime Minister Shri Narendra Modi ji,*” said Sarbananda Sonowal.

These budgetary interventions come on top of ongoing reforms that are already reshaping the sector. Indian shipyards currently benefit from financial assistance for contracts signed between April 1, 2016, and March 31, 2026. The grant of **infrastructure status** to shipyards has unlocked access to institutional finance at favorable terms, and the ability to issue infrastructure bonds—critical enablers for capacity enhancement.

To give Indian shipbuilders a competitive edge in public procurement, the government has extended the **Right of First Refusal (ROFR)** for tenders floated by public sector units. As per the *Public Procurement (Preference to Make in India) Order 2017*, vessels valued under ₹200 crore must be procured from Indian yards, thereby reinforcing the goal of self-reliance in maritime assets.

“*In line with Prime Minister Modi’s call for efficiency and standardisation, five **standardised tug designs** have been released for use by major ports. These designs, to be built exclusively in Indian shipyards, are expected to streamline procurement processes and improve cost-effectiveness,*” said Sonowal.

On the ship repair front, Cochin Shipyard Limited has inaugurated a ₹970 crore International Ship Repair Facility (ISRF) in Kochi. This facility marks a significant upgrade in India's maritime infrastructure, reducing dependency on foreign repair docks and positioning India as a regional hub for ship maintenance, Sonowal responded.

Capacity-building is a core pillar of capability enhancement. Both CSL and **Mazagon Dock Shipbuilders Limited (MDL)** are registered under the **Prime Minister's Internship Scheme**, offering young Indians hands-on exposure to the latest in shipbuilding and marine engineering.

Speaking on the significance of these initiatives, Union Minister of Ports, Shipping and Waterways **Sarbananda Sonowal** said, *"Prime Minister Narendra Modi ji's vision for Viksit Bharat places the maritime sector at the heart of India's economic resurgence. A strong, self-reliant shipbuilding industry will not only generate employment but will also enhance our strategic and commercial standing on the global stage. India is not just building ships; we are building a resilient future. These reforms will unlock new opportunities for investment, innovation, and international collaboration in the maritime domain."*

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(Release ID: 2151554)