

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

LOK SABHA
UNSTARRED QUESTION NO. 3292
ANSWERED ON 07.08.2026

SHIPBUILDING AND SHIP REPAIR CLUSTERS IN ANDHRA PRADESH

3292. SHRI APPALANAIDU KALISETTI:

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

पत्तन, पोत परिवहन और जलमार्ग मंत्री

- (a) the details of shipbuilding and ship repair clusters approved across the country, including their locations, key features and funds allocated and released for their development;
- (b) the specific details of the shipbuilding and ship repair cluster approved in Andhra Pradesh, including the estimated investment, expected employment opportunities and key stakeholders involved;
- (c) the major upcoming investments aimed at enhancing container handling capacity and generating employment at ports in Andhra Pradesh;
- (d) the key shipbuilding and repair companies that have established or are planning to set up facilities within the shipbuilding and repair clusters in Andhra Pradesh; and
- (e) the current operational capacity of the shipbuilding and ship repair sector in Andhra Pradesh, key challenges being faced and the policy initiatives or incentives under consideration?

ANSWER

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

(a) to (b): Under the Shipbuilding Development Scheme (SbDS), the Ministry of Ports, Shipping and Waterways (MoPSW) has accorded in-principle approval for development of greenfield shipbuilding clusters at Dugarajapatnam in Andhra Pradesh, Kuchhadi in Gujarat and Thoothukudi in Tamil Nadu, based on the applications submitted by the Special Purpose Vehicles (SPVs) formed between the respective State Government entities and the corresponding Major Port Authority under MoPSW. The details of the proposed clusters as per the preliminary Techno-

Economic Feasibility Report (TEFR) are at Annexure-1. At present no funds has been allocated or released for their development as DPRs for these projects are under preparation.

The total indicative project cost for the shipbuilding cluster at Dugarajapatnam is ₹29,254 crore, as per the preliminary TEFR, comprising investment in the shipyard and port facilities, marine infrastructure, common infrastructure, land development, utilities and associated facilities.

The estimated investment and employment potential of all these proposed clusters is contingent upon finalization of detailed project report (DPR) by respective SPVs. The key stakeholders include SPV concerned and the prospective anchor shipyard.

(c) As informed by the Govt. of Andhra Pradesh, development of a container terminal at Ramayapatnam Port in Andhra Pradesh is a major upcoming investment envisaged for enhancing container handling capacity and to generate direct and indirect employment.

(d) Government of Andhra Pradesh has entered into non-binding MoUs with Hindustan Shipyard Limited (HSL) and M/s J M Baxi Marine Services Private Limited for establishment of shipbuilding and ship repair facilities in the State.

(e) As informed by the Government of Andhra Pradesh, the current operational capacity of the shipbuilding and ship repair sector in Andhra Pradesh is concentrated at HSL in Visakhapatnam which features facilities such as a 80,000 deadweight tonnage (DWT) covered building dock, two slipways of 30,000 DWT capacity each and a 70,000 DWT dry dock. In addition, Kakinada has a number of private shipyards undertaking construction and repair of tugs, barges, fishing vessels, offshore support vessels and other small commercial vessels, catering primarily to the coastal and offshore sectors.

The key challenges include high capital investment requirements, availability of contiguous waterfront land, development of common marine infrastructure, availability of skilled manpower and development of a supporting ancillary ecosystem. To address these challenges, the Government of Andhra Pradesh has notified the Andhra Pradesh Maritime Policy, 2024-29, under which shipbuilding and ship repair have been identified as focus sectors by providing incentives for eligible projects. Further shipbuilding and ship repair yards in Andhra Pradesh are also eligible to claim benefits under Shipbuilding Financial Assistance Scheme, Maritime Development Fund and Shipbuilding Development Scheme of Government of India.

Annexure-1

Cluster	Approximate land area	Waterfront length
Dugarajapatnam, Andhra Pradesh	3,488 acres	2.1 km
Thoothukudi, Tamil Nadu	2,049 acres	2.4 km
Kuchhadi, Gujarat	2,290 acres	5 km
