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India’s Shipbuilding Ambitions Can Set Sail with Korea

Context

- The strengthening of **India–South Korea relations** marks a significant milestone in India’s efforts to revive its shipbuilding industry and establish itself as a major maritime power.
- The recent high-level engagement has expanded cooperation in **strategic sectors** through investments, technology transfer, and industrial collaboration.
- While South Korea provides expertise **and advanced manufacturing capabilities**, India must complement this partnership with domestic reforms to achieve its maritime ambitions.

Strategic Importance of the Partnership

- The partnership is strategically important for both countries.
- Shipbuilding strengthens commercial trade, national security, naval capability, employment generation, and technological advancement.
- South Korea contributes decades of experience in ship design, engineering, and production, while India offers a large market, skilled workforce, and growing manufacturing base. Together, they can build a resilient

maritime ecosystem.

Major Areas of Cooperation

- **Investment and Industrial Collaboration**
    - Significant investments have already been announced by leading South Korean firms.
    - Hyundai's subsidiary has partnered with **Cochin Shipyard Limited** and proposed a $4 billion green shipyard in Thoothukudi.
    - Samsung Heavy Industries has collaborated with Swan Defence and Heavy Industries.
    - **HD Korea Shipbuilding & Offshore Engineering** and Hanwha Ocean have also expressed interest in expanding operations in India.
    - These collaborations enhance industrial capacity, facilitate technology transfer, and improve India's global competitiveness.
- **Building a Comprehensive Shipbuilding Ecosystem**
    - Shipbuilding requires an integrated network of ancillary industries, suppliers, logistics, repairs, and marine equipment manufacturers.
    - The establishment of the **Korea Marine Equipment Association (KOMEA)** office in Mumbai supports this objective by encouraging supplier localization and industrial clustering.
    - India can adopt the Ulsan model, where interconnected industries, research institutions, and shipyards function as a unified ecosystem, generating economies of scale and sustained industrial growth.

Key Enablers for India's Maritime Ambitions

- **Human Capital and Technology Development**
    - A globally competitive shipbuilding industry depends on a **highly skilled workforce.**
    - Investments in marine engineering, naval architecture, digital manufacturing, automation, and maritime education will strengthen India's ability to absorb advanced technologies.
    - Universities, research institutions, and technical institutes must actively support **innovation and skill development.**
- **Policy and Financial Support**
    - Government intervention remains crucial during the industry's growth phase.
    - Initiatives such as Maritime Vision 2030, Maritime Amrit Kaal Vision 2047, **the Maritime Development Fund,** the Shipbuilding Development Scheme, the Shipbuilding Financial Assistance Policy, and the Sagarmala Finance Corporation Limited (SFCL) demonstrate India's long-term commitment to maritime development.
    - Stable regulations, legal certainty, and access to affordable long-term capital are equally important for attracting domestic and foreign investment.

Challenges and the Way Forward

- **Existing Challenges**
    - Despite encouraging progress, several structural challenges remain:
        - Regulatory bottlenecks and implementation delays.
        - Weak supplier networks and limited localization.
        - Shortage of skilled manpower.
        - Intense competition from China, which possesses a highly integrated manufacturing ecosystem.
        - Vulnerability to global supply chain disruptions.
- **Priority Reforms**
    - To overcome these challenges, India should focus on:
        - Providing sustained policy and fiscal support.
        - Developing indigenous technological capabilities.
        - Expanding supplier localization and ancillary industries.
        - Establishing dedicated maritime research and training institutions.
        - Ensuring timely project approvals through stronger Centre–State coordination.

Lessons from South Korea

- South Korea transformed itself **from a minor shipbuilder into a global leader** within fifteen years through consistent industrial planning, government support, technological investment, and workforce development.
- **India can replicate this success** by maintaining policy continuity, strengthening industrial capacity, encouraging innovation, and promoting effective public-private partnerships.

Conclusion

- The **India–South Korea shipbuilding partnership** represents a strategic opportunity to transform India's maritime economy.
- By combining foreign investment, innovation, technology transfer, skilled workforce development, and a robust industrial ecosystem with consistent policy support, **India can emerge as one of the world's leading shipbuilding nations.**
- Achieving this vision will require sustained commitment, effective implementation, and continuous collaboration between the public and private sectors.

India's Shipbuilding Ambitions Can Set Sail with Korea FAQs

Q1. Why is the India–South Korea shipbuilding partnership important?
Ans. It is important because it strengthens India's shipbuilding industry through investment, technology transfer, and strategic cooperation.

Q2. What is the Ulsan model?

Ans. The Ulsan model is South Korea's integrated industrial cluster that combines shipyards, suppliers, research institutions, and skilled workers.

Q3. What are India's major challenges in shipbuilding?

Ans. India faces challenges such as regulatory delays, weak supplier networks, skill shortages, and competition from China.

Q4. What government initiatives support India's shipbuilding sector?

Ans. Initiatives such as Maritime Vision 2030, Maritime Amrit Kaal Vision 2047, and the Maritime Development Fund support the sector.

Q5. What can India learn from South Korea's experience?

Ans. India can learn the importance of consistent policies, skilled workforce development, industrial capacity, and long-term government support.

Source: The Hindu
