India's Shipbuilding Sector – Poised to Enter Global Top 5

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Shipbuilding Sector Latest News

- The Union government has announced plans to make the country one of the world's top five shipbuilding nations by 2047, with shipbuilding and repair driving the Blue Economy.

Introduction

- India's maritime strength is integral to its economic and strategic ambitions.
- Despite currently holding less than 1% share of the global shipbuilding market, the government has charted a clear path to position the country among the top five shipbuilding nations by 2047.
- With initiatives under ***Maritime India Vision 2030*** and large-scale infrastructure investments, India seeks to transform shipbuilding and repair into central pillars of its Blue Economy, generating employment, fostering sustainability, and boosting global competitiveness.

Current Status of Shipbuilding in India

- India is the world's 16th largest maritime nation, contributing around 4% to its GDP but less than 1% to global tonnage.
- Indian shipyards, both public and private, primarily cater to domestic defence and commercial shipping demands, with limited global market penetration.
- Key indicators include:
    - **Global Market Share:** India accounts for under 1% of the $200 billion global shipbuilding industry.
    - **Tonnage Contribution:** Around 18 million deadweight tonnage, ranking 16th globally.
    - **Seafarers' Share:** Indian seafarers represent 12% of the global maritime workforce.

Government Measures to Promote Shipbuilding

- The Government of India has adopted a multi-pronged approach to support the sector:
- **Financial Support Schemes**
    - **Shipbuilding Finance Assistance Scheme** to provide capital support.
    - **Shipbreaking Credit Note Scheme** to promote the recycling of ships.
    - **Upfront subsidies of up to 30%** for non-conventional (green) ships.
- **Development Funds and Missions**
    - **$3 billion Maritime Development Fund**, with 45% allocated to shipbuilding and repair, and 20% to enhance Indian tonnage.
    - **National Shipbuilding Mission** for industry-wide modernisation.
- **Policy and Infrastructure Initiatives**
    - 100% FDI under the automatic route in shipping and shipbuilding.
    - $82 billion investment plan to expand port capacity by 2035.
    - Promotion of **shipbuilding and repair clusters**.

Strategic Goals for Shipbuilding Growth

- The government has set ambitious targets for the sector:
    - **By 2030:** Enter the top 10 maritime nations globally.
    - **By 2047:** Secure a position among the top 5 shipbuilding powers.
    - **GDP Contribution:** Increase maritime sector's share from 4% to 12% of GDP.
    - **Seafarers' Expansion:** Raise India's share of the global workforce from 12% to 25%.

News Summary

- At the INMEX SMM India 2025 event in Mumbai, Shantanu Thakur, Minister of State for Ports, Shipping and Waterways, highlighted India's trajectory toward becoming a top-five shipbuilding nation by 2047.
- He emphasised shipbuilding and repair as growth engines of the Blue Economy.
- The Director General of Shipping underscored that with India's current maritime contribution at 4% of GDP, government schemes such as subsidies, financial assistance, and green shipbuilding efforts are vital to scaling up.

- Chairman of the INMEX Advisory Board noted that nearly 45% of the Maritime Development Fund is dedicated to shipbuilding and repair, showing unprecedented state commitment.
- Meanwhile, private sector engagement, supported by liberalized FDI norms and public-private partnerships, has accelerated investments in maritime infrastructure.
- MD of Informa Markets India, added that with $82 billion planned investment in ports by 2035, India’s maritime sector is poised to become a cornerstone of national economic growth.

Source: TH
