

ADVANCING INDIA'S SHIPBUILDING ECOSYSTEM

Global Shipbuilding Market: Scale, Growth, and Strategic Opportunity

The global shipbuilding market is projected to exceed two hundred and sixty billion dollars by 2029, with nearly seventy-five percent driven by commercial vessels. Post-COVID recovery has restored a steady four to five percent growth trajectory. This expanding global demand—across commercial and defence segments—presents a significant opportunity for India to strengthen its shipbuilding capacity and global competitiveness.

Scaling India's shipbuilding capacity for global competitiveness

Today, over twenty Indian shipyards collectively contribute about one percent of global tonnage, despite strong underlying capabilities. India has earlier secured a top-ten global position, supported by a skilled workforce and a proven shipbuilding track record, including in the naval sector. With commercial shipbuilding dominated by East Asia, the ongoing global super-cycle presents India a timely opportunity to scale throughput, modernise yards, and significantly strengthen its position in the global shipbuilding value chain.

National Vision for Shipbuilding

India's national vision for shipbuilding is clearly articulated through Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047. By 2030, we aim to enter the global top ten with focused growth in tonnage, employment, and investment. This ambition further accelerates towards 2047, targeting top-five global ranking, multi-fold increase in production capacity, and large-scale job creation, positioning shipbuilding as a strategic pillar of India's maritime and industrial future.

Four Pillar Approach for Shipbuilding

India's shipbuilding strategy is anchored in a four-pillar approach, supported by a total allocation of nearly seventy thousand crore rupees. The Shipbuilding Financial Assistance scheme, with an allocation of over twenty-four thousand crore rupees, strengthens competitiveness through direct support. The Maritime Development Fund, backed by twenty-five thousand crore rupees, mobilises long-term investment and capital. Nearly twenty thousand crore rupees under the Shipbuilding Development Scheme focus on capacity expansion and credit risk coverage. These are complemented by legal, policy, and process reforms to enhance ease of doing business and global competitiveness.

Pillar I: Shipbuilding Financial Assistance Scheme

Pillar One is the Shipbuilding Financial Assistance Scheme, with an allocation exceeding twenty-four thousand seven hundred crore rupees. The scheme offers graded assistance, with higher incentives for specialised and green vessels, encouraging advanced and sustainable shipbuilding. Financial support is directly linked to domestic content, promoting deeper indigenisation. A key feature is the shipbreaking credit note, which enables circularity by channeling scrap value from Indian recycling yards into new ship construction, reinforcing a closed-loop shipbuilding ecosystem.

Pillar II: Maritime Development Fund

Pillar Two is the Maritime Development Fund, designed to mobilise long-term capital for shipbuilding, ports, and green shipping. With a dedicated Maritime Investment Fund and an Interest Incentivization Fund, this pillar combines public and private capital to lower financing costs, enable infrastructure modernisation, and support fleet expansion, strengthening India's maritime ecosystem and global competitiveness.

Pillar III: Shipbuilding Development Scheme (1/2)

Pillar Three is the Shipbuilding Development Scheme, with an allocation of nearly twenty thousand crore rupees to strengthen capacity and manage risk. It supports greenfield shipyard development as well as expansion of existing brownfield yards to enhance production scale. The scheme also prioritises capability building through the India Ship Technology Centre and provides comprehensive risk coverage through pre-shipment, post-shipment, and vendor default insurance. With a ten-year validity, this pillar enables confident investment and sustained capacity growth across India's shipbuilding sector.

Pillar III: Shipbuilding Development Scheme (2/2)

This component of the Shipbuilding Development Scheme focuses on both brownfield expansion and greenfield cluster development. Existing shipyards are supported to modernise infrastructure and scale capacity, improving efficiency and competitiveness. In parallel, greenfield shipbuilding clusters are promoted with shared infrastructure, technology-enabled facilities, and regional capability centres. With defined eligibility, capped capital assistance, and anchor-shipyard-led SPV structures, this approach aims to build world-class shipbuilding ecosystems while driving growth, employment, and long-term industrial sustainability.

Pillar IV: Legal, Policy and Process Reforms

Pillar Four focuses on legal, policy, and process reforms to strengthen the shipbuilding ecosystem. Key initiatives include the Merchant Shipping Act 2025, Coastal Shipping Act 2025, Right of First Refusal for Indian-built vessels, and long-term chartering frameworks. Addressing taxation anomalies and promoting local content enhance competitiveness. Infrastructure status for large ships and reforms under GIFT-IFSC further improve access to finance and ease of doing business.

Comprehensive Shipbuilding Portal

The Comprehensive Shipbuilding Portal is envisioned as a single digital gateway to integrate India's shipbuilding ecosystem. It will centralise industry capabilities, technical resources, stakeholder collaboration, and innovation. The portal will host modules on capability insights, collaboration, training and certification, finance and insurance, innovation, regulatory compliance, and technical standards. By enabling seamless access to information, promoting workforce development, and supporting R&D, this platform will enhance global competitiveness, strengthen stakeholder coordination, and provide effective assistance across the shipbuilding value chain.