

GOVERNMENT OF INDIA
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

RAJYA SABHA
UNSTARRED QUESTION NO. 1759
ANSWERED ON 10.12.2024

INCENTIVES TO DOMESTIC SHIPYARDS

1759. SHRI ASHOKRAO SHANKARRAO CHAVAN:

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

- (a) whether Government proposes to provide additional incentives to encourage domestic shipyards to develop fuel-efficient and technologically advanced vessels;
- (b) if so, the details thereof;
- (c) whether Government proposes to provide subsidy for specialised and green vessels under Shipbuilding Financial Assistance Policy (SBFAP) 2.0 and if so, the details thereof;
- (d) whether Government proposes to increase its share of global shipbuilding market from one percent to five percent in the next ten years; and
- (e) if so, the details thereof and the funds sanctioned and released for the said purpose?

ANSWER

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

(a) to (c) Government has provided additional incentives to encourage domestic shipyards to develop fuel-efficient and technologically advanced vessels as part of its ambitious plans to transform the country's shipping industry. The details are presented below:

Shipbuilding financial assistance policy was amended in August 2023, to include 'flat 30% financial assistance for vessels where main propulsion is achieved by means of green fuels such as Methanol/Ammonia/Hydrogen fuel cells etc'. This amendment also included 'flat 20% financial assistance for vessels fitted with fully electric or hybrid propulsion'.

(d) & (e) Yes. As per the Maritime AmritKaal Vision (MAKV 2047), India aspires to be in the top 5 countries in commercial shipbuilding by 2047. Further, to promote "Make in India" policy and to support shipbuilding industry in India, Ministry has brought in Shipbuilding Financial Assistance Policy (SBFAP) scheme for Indian shipyards to procure orders from domestic as well

as international market and to be competitive in international market for securing global orders. The scheme offers financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 and March 31, 2026 with rate of financial assistance starting from 20% in 2016 and diminishing to 11% in 2026. Till date, 45 shipyards have registered, and 19 shipyards have utilized the scheme by availing financial assistance. Further, an amount of Rs. 385.16 crore has been released towards construction and delivery of 144 vessels.
