

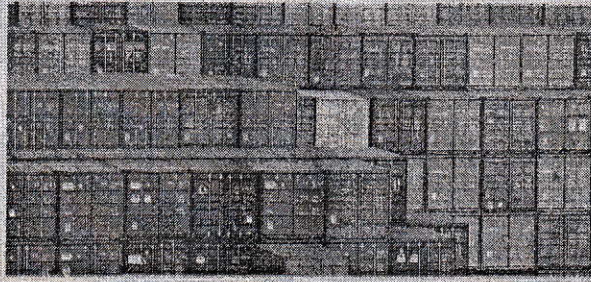
Centre mulls PLI for shipping containers

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The Centre is evaluating the need for a Production-Linked Incentive (PLI) scheme for shipping containers in a post-pandemic situation where shipping costs have come down and shortages have eased but the capacity for domestic production exists, sources tracking the matter said.

"In principle, the Shipping Ministry's proposal for a PLI scheme for containers has been discussed within the government. It is acknowledged that India has steel plants and there are existing capacities. So we can make containers very easily in the country. What is now being evaluated is its economic sustainability and the quantum of funds to be allocated, if the scheme is approved," the source said.

While the industry felt a pressing need for containers



GROWING DEMAND. According to estimates, the global shipping containers market size is around \$8 billion and is likely to cross \$12 billion in the next five years REUTERS

during the acute shortages experienced during the Covid-19 times, the situation has somewhat eased now.

EASING COSTS

"Shipping costs had zoomed during the Covid-19 pandemic when the shortage of containers was hurting traders globally, including in India. But, now shipping costs have come down to a tenth. The container shortage has also relatively eased. Business opportunities may

come at a particular time but one needs to see if they are sustainable," the source said.

For instance, if a company is making containers, it is important to see what agreement it can get into with a shipping line for containers supply. "The options the manufacturers would have should be economically feasible for the PLI scheme to succeed. It is also important to anticipate the level of demand from prospective investors for the proposed PLI

scheme so that an appropriate allocation could be done," the official said.

FUNDS AVAILABLE

According to industry estimates, the global shipping containers market size is around \$8 billion and is likely to cross \$12 billion in the next five years.

If the proposed PLI scheme for containers was found feasible, funding would not be a problem despite the fact that Budget 2024 did not allocate additional funds for it. "There are enough savings from the PLI funds already allocated. These savings would be used to fund new schemes, including the one for containers, once they are approved by the Cabinet," the official said.

The PLI scheme, announced in Budget 2020-21 with an outlay of Rs ₹1.97 lakh crore outlay, to create global champions in manufacturing, is so far available for 14 sectors.