

New shipbuilding policy soon

Shipping minister says policy will help India become one of the top five shipbuilding nations by 2047

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A day after Finance Minister Nirmala Sitharaman, in her budget speech, announced the Centre's push for indigenous shipbuilding, Union Minister for Ports, Shipping and Waterways Sarbananda Sonowal on Wednesday said that a new policy will be unveiled soon, giving a push to India's ambitious plan to be part of the top five shipbuilding nations by 2047.

From being 22nd in the world right now, India will endeavour to be among the top 10 shipbuilding nations by 2030 and top five by 2047, with a new shipbuilding policy which will be unveiled soon, Sonowal said in a post-budget interaction.

The ministry has been working on a shipbuilding policy, for which it had sought stakeholder comments on broad-based policy directives in the first week of July. In a presentation prepared by KPMG for the ministry, it suggested a host of measures to boost indigenous shipbuilding.

Business Standard reported earlier this month that the ministry has proposed to put a mandatory Make In India clause for manufacturing of coastal vessels starting 2030.

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Union minister for ports, shipping and waterways

custom duty changes which will help the industry and bring export competitiveness and cost reduction. There have also been custom duty relaxations for components and consumables for manufacturing of vessels," said Shipping Secretary T.K. Ramachandran, who was present with the minister with other senior officials from the ministry.

"Earlier, we had a short timeframe in which to complete ship repairs, which has now been extended to one year. Similarly, warranty being extended from three to five years and time limit for import of replacements in ship repair has been liberalised," he added.

The industry had shown several concerns about the policy, which are now being deliberated on by the ministry before it unveils the final policy.

Under the shipbuilding policy deliberations, the ministry had proposed a shipbreaking credit note scheme, under which issue of credit note amounting to 40 per cent of the scrap value of ship undergoing breakage at Indian shipbreaking shipyard would be issued, with the credit note being reimbursable for construction of a new commercial ship.

It had also proposed single window operations for the setting up of new shipyards, setting up of Common Facility

Centres through public private partnership, establishment of common maritime assets that facilitate modular multi-location construction of pre outfitted hull blocks of ships, and an empowered committee to oversee shipbuilding reforms.

MSC to start domestic cruises in India

"Foreign shipping companies have expressed interest in operating domestic cruises in India, and the simpler tax regime announced will bring a slew of players into India.

Mediterranean Shipping Company (MSC) has expressed its willingness to run cruise ships on the domestic circuit," said Sonowal.

The ministry is looking for more investors in the cruise tourism industry, and expects cruise operators which had shown interest during the Global Maritime India Summit in 2023 to follow through.

"The announcement introduces a new clause for income of foreign companies which will help in capping presumptive tax at 20 per cent. In terms of lease rentals, multiple stakeholders would earlier exchange leases at a tax, adding costs, which has now been exempted. This will give a fillip to the cruise industry and generate a lot of employment," Ramachandran said.