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大伊万：印度“梭哈”造船业，真的能如愿以偿?

Da Yiwan: Can India's "Bet it All" Shipbuilding Industry Really Fulfil its Desires?

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Focus on India's Development in the Chinese Media Series – II

Editor's Note:

Many in China look at India with contempt and believe India is no match for China. Some Chinese even believe India's current development level is somewhat similar to that of China in the 1990s. While some experts in China have pointed out that even if all export data for agriculture, services, etc. are included, India's export volume is probably only at the level of China's Jiangsu Province. This attitude of looking down upon India has also been called "strategic contempt" in China. The so-called strategic contempt for India is essentially confidence in China's own hard-earned "prosperity." It is in this backdrop, one observes a deliberate, consistent, and relentless media focus in China on India in general and "Made in India' in particular in recent months. The first translation in this series was published on 28 September 2025, https://icsin.org/publications/ai-mao-keji-in-the-ai-era-india-is-still-a-supporting-role-rather-than-a-protagonist. This is the second publication in the series.

Translation

The Indian government recently announced a support plan for the shipbuilding industry worth a total of 700 billion Indian rupees (INR) (equivalent to approximately 8 billion US Dollars) as a way of replicating the 1980s "Maruti-Suzuki" model of cooperative mechanism between Indian and foreign capital. The objective of the plan is to secure an entry for India among the top 10 shipbuilding industries by the year 2030 and, among the top 5 by the year 2047. While ambitious, realising this grand objective is a long road.

印度造船业：曾经辉煌
The Splendour that was the Indian Shipbuilding Industry

The development of the shipbuilding industry has been very slow since India got its independence, with the ships produced being both of low quality and small tonnage[1] for a long time.

It was only during the first decade of the century that the Indian shipbuilding industry enjoyed a good developmental phase, thanks to the advancement of globalisation. As a result, the total export volume rose exponentially from less than 100 million USD to 1.1 billion USD.

1 Tonnage refers to a ship's cargo carrying capacity.

But even at its zenith in the year 2011, before facing a gradual decline, the Indian shipbuilding industry constituted a mere 3.7% of global shipbuilding.

One can only describe the current state of the Indian shipbuilding industry as having "good potential". India holds less than 0.2% of global orders in shipbuilding, severely outcompeted by the three shipbuilding powers China, South Korea and Japan. However, in terms of the categories of ships it can build, albeit reliant on foreign technical support, India already possesses the ability to build large combat naval vessels such as aircraft carriers, destroyers and frigates. It particularly possesses the technology to not just licence and build conventional submarines but even build its own nuclear submarines.

India's technical ability to build civil naval vessels, however, remains low; for it can only build vessel types requiring low technical ability such as bulk freighter and fishing vessels. It entirely lacks the ability to build giant oil tankers over 150,000 tonnage, LNG ships[2], deep sea workboats and cruise ships. At present, the Very Large Crude Carrier oil tanker vessels (VLCC) built by India have less than 100,000 tonnage.

The Modi government briefly put forth the slogan of "Shipbuilding Sector Revitalisation" after assuming power in 2014. Since 2015, the Modi government has recurrently reached out to countries such as China, Japan and South Korea with the hope of attracting shipbuilders in these countries to settle in India and promote the so-called "Make in India" strategy in shipbuilding. However, results have for long been slow to yield, and effect, inconspicuous. Before being elected to power in the 2024 Lok Sabha elections, Prime Minister Modi reiterated the strategic objective of making India a global "shipbuilding power" in the "Developed India by 2047 vision" (*Viksit Bharat 2047*), even putting forth the objective of ensuring India's entry into the top five shipbuilding powers in the world by 2047. Thus, the Modi government's new "shipbuilding vision" for India once again set off.

Since 2025, and right before the announcement of the 700 billion INR support plan for shipbuilding, India had been successively putting forth some beneficial support policies for the

[2] Ships carrying Liquified Natural Gas.

shipbuilding and shipping industries such as the establishment of the Bharat Container Shipping Line (BCSL) in early 2025, which is equivalent to China's COSCO Shipping. Operating over a hundred container ships through leasing and procurement, BCSL dominates the global shipping market, reflecting strong ambitions.

造船业扶持：内容有哪些?
What does the Shipbuilding Support Plan Constitute?

According to the information shared by India's Ministry of Ports, Shipping and Waterways (MoPSW), the core objective of this support plan is to stimulate India's shipbuilding capabilities by improving the long-term financial channels of the shipbuilding industry, supporting the construction of new shipyards, enhancing technical ability and formulating legal safeguards. It is under this line of thought that India intends to holistically enhance its shipbuilding capabilities on the following aspects:

The first part is the Shipbuilding Financial Assistance Scheme (SBFAS) which invests a total sum of 247.36 billion INR (equivalent to 19.8 billion RMB) in direct financial support to shipyards. As per the disclosed information, this scheme will remain in operation till March 2036. As per relevant information, vessels pegged below the cost of 10 billion INR will receive a 15% subsidy, while those above this threshold will receive a 20% subsidy. Besides, eco-friendly ships with 30% domestic added value will receive subsidies as high as 25%. Additionally, the Indian government has also launched corresponding policy support for the “ace” ship breaking industry as financial incentives to domestic shipbuilding.

The second part is the Maritime Development Fund (MDF) which provides the shipbuilding industry with effective financial channels and low debt costs, including 200 billion INR (equivalent to 16 billion RMB) in maritime investment funds and 50 billion INR (equivalent to 4 billion RMB) in interest incentive funds. It directly addresses the long term financial issues castigating the Indian shipbuilders by providing long term capital support to the shipbuilding industry and reducing their costs, etc.

The third part is the Shipbuilding Development Scheme (SbDS) which plans to invest a total sum of 199.89 billion INR (equivalent to 16 billion RMB) with the objective of promoting the development of shipping clusters and enhancing the operational efficiency and basic infrastructure within the industry. As per the plan, India is preparing to expand the deadweight tonnage[3] of its domestic ships to 4.5 million tons, build large scale shipbuilding clusters, establish a naval technical center under the Indian Maritime University, and fully promote the technical transformation and upgradation of the Indian shipbuilding industry.

The fourth part is formulating relevant legal and systemic safeguards. The Indian government plans to imitate the military industry in establishing a unified National Shipbuilding Mission to ensure the holistic promotion and implementation of the plan, better the relevant legal frameworks and break free from the roadblocks and difficulties in the industrial chain.

In short, as per the Indian government's plan, this giant shipbuilding upgradation plan is estimated to create 3 million jobs, absorb 4.5 trillion INR in funds, and boost the completion of the Indian shipbuilding industry's “2047 vision”.

However, India once again aims at Japan and South Korea in terms of attracting foreign capital and technological upgradation in shipbuilding. India has reportedly once again extended an “olive branch” to Japan and South Korea with the hope of getting them to build factories in India and transfer shipbuilding technology. Of course, these discussions are only in the nascent stage.

To a certain level, the shipbuilding support plan of India's Ministry of Ports, Shipping and Waterways has accurately identified its strengths and roadblocks. The reason why the development of the Indian shipbuilding industry has for long faced a slowdown resides in, and is not limited to, shipyards as assets and technology driven industries, that necessitates extremely high level of policy support, financial channels and capital flow, or else fulfilling the demands of the international shipping market is very difficult. Therefore, the Indian government's present package of the shipbuilding support plan which majorly invests (497.36 billion INR) in subsidies for shipbuilding and facilitating financing of shipyards is indeed an effective measure.

Concurrently, the Indian government’s shipbuilding development plan addresses India’s low technical capabilities not only by elevating technical levels in shipbuilding through the Indian Maritime

[3] Deadweight tonnage refers to the maximum weight a ship can safely carry in cargo and non-cargo related weight.

University but also through plans of obtaining shipbuilding technology from Japan and South Korea, replicating the Modi government's “Make in India” plan in the military sector. The combination of these factors reveal that the Indian government is indeed committed to revitalising its shipbuilding industry.

印度造船：现实很骨感?
Indian Shipbuilding: A grim reality?

The chasm in attaining success for India remains too wide, despite the government investing vigorously in the shipbuilding industry and many of its policies indeed targeting the difficulties.

First of all, India's comparative advantage remains fairly unitary. From the perspective of the Indian government, one of the comparative advantages of the development of its shipbuilding industry is its relatively young population structure, with the average population aged 28 years. Comparatively, the average population of the workers in the shipbuilding industries of Japan and South Korea has moved beyond 40 years of age. From the angle of the population structure, the shipbuilding industries of Japan and South Korea have already stepped into their twilight phase. The advantages brought by a young population structure and low labour costs results in Indian shipbuilding industry’s deadweight tonnage costs being a meagre 3500 USD, while it remains 4500 USD for Vietnam and the Philippines, and as high as 11,000 USD for the United States and Europe.

Due to this reason, India thinks it can depend on its price advantages to dominate the shipping market but countries like Japan and South Korea can absolutely enhance labour productivity and reduce costs through measures such as introducing automated equipment. Hence, relying merely on its labour advantage can at most help India replace Southeast Asian nations in the same league, but the strategic position of major shipbuilding powers remains unsusceptible to change.

Second is the backwardness of India's technical capabilities. So far, India lacks the capability to build high-tech and high added value ships. For instance, ships such as VLCC and LNG continue to remain absent from India's shipbuilding industry. Even the MoPSW can at present only think of building bulk freighter and container ships on its own. This signifies that India has never genuinely considered climbing the zenith of shipbuilding technology.

As for the diesel engine, navigation equipment, etc. required for shipbuilding, India completely lacks the ability in building these and has to rely on imports. Once reliance on imports is established for such critical subsystems, factors such as supply chain security, delivery schedule or costs, all are faced with uncertainty which might influence the speed of delivery of Indian shipping.

Another issue is India's investment in Research and Development. To tell the truth, the funds of India's 600 billion INR shipbuilding support plan is not at all enough. A 20% (4 billion INR) subsidy on a ship that costs 20 billion INR does not offer much. Moreover, using a meagre sum of 199.89 billion INR to upgrade the base of the whole nation's shipbuilding is an utterly inadequate measure.

In contrast, the official website of the Shanghai Municipal People's Government officially launched the "Implementation plan to focus on the Lin-Gang core area to build Shanghai into a "Global Power City"" in June 2022, with plans of developing our own engines for large vessels, building a shipping R&D base and a national-level power manufacturing innovation centre. It demands that by 2025, the cumulative investments in major power industry projects will cross 100 billion RMB; attract and nurture over 5 key enterprises valued at over 10 billion RMB and over 50 "specialised" industrial chains supporting enterprises to build a safe and resilient industrial chain; assist the industry accelerate self-innovation in key core technologies, build 3 to 5 national-level or municipal-level manufacturing innovation centres, over 10 industrial innovation platforms, and achieve a cumulative R&D investment of more than 100 billion RMB. Meaning, for the research and development of marine engines, a single city of ours (China's) plans to invest at least 100 billion RMB within four years, while India plans to invest 200 billion INR (16 billion RMB) to achieve a holistic industrial upgradation of the shipbuilding industry. This is simply a pipe dream.

To summarise, while India's shipbuilding upgradation plan to a certain extent embodies the Indian government striving hard to catch up with the advanced international standard in the shipbuilding industry and compete for market share. Which is to say the aspirations are plentiful, but the reality bleak. It is highly probable that the expected results will not be achieved.

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ICS Translations *Back Issues*

Issue No/ Month	Title	Translator
No. 63 | Sept 2025	Mao Keji: In the AI Era, India is Still a 'Supporting Role' Rather than a 'Protagonist'	Hemant Adlakha
No. 62 | Jan-Feb 2025	Exclusive Interview with Wang Xiaoming: How do we Read Lu Xun in the AI Era?	Snigdha Konar
No. 61 | Jan-Feb 2025	Confucianism Cannot Replace Marxism-Leninism in China	Hemant Adlakha
No. 60 | Dec 2024	Restore People's Commune and Return to Mao Zedong's Correct Line	Hemant Adlakha
No. 59 | Dec 2024	The Girl Jumped off the Building as Onlookers Jeered — Has Lu Xun's 'Spectator' Evolved to a New Level?	Snigdha Konar
No. 58 | Nov 2024	'Dedicated to the Warrior of the Third World War'	Madhurendra Jha
No. 57 | Nov 2024	How to Wield AI - The "Double-edged Sword"?	Saranya
No. 56 | Oct 2024	How to Make China an S&T Education Powerhouse?	Saranya
No. 55 | Oct 2024	Liu Jiming: The Revolution is Dead, Long Live the Revolution	Hemant Adlakha
No. 54 | Sept 2024	AI Arms Race in Full Swing: Who Will Create a "Digital God" First?	Saranya

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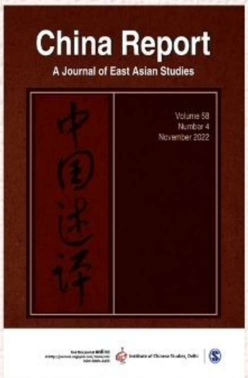

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