

Shipbuilding – Industry Structure

Shipbuilding is an order-driven industry and highly cyclical, capital-intensive in nature. Its prospects depend upon the growth pattern in world trade and replacement demand. The Indian shipbuilding industry is largely an assembling activity which heavily relies on imported equipment to the extent of 40-50%. The lead time from placing an order till the delivery of the vessel usually ranges between three-four years.

The Indian shipbuilding industry structure can be divided into three distinct segments:

- **Public sector shipyards:** The public sector shipyards build merchant class ships. These include Hindustan Shipyard, Cochin Shipyard, Hooghly Dock & Port Engineers and Central Inland Water Transportation. Hindustan Shipyard and Cochin Shipyard have the requisite infrastructure and graving dock to build large vessels.
- **Defence shipyards:** There are three naval shipyards under the purview of the Ministry of Defence (MoD), which include Mazgaon Dock, Goa Shipyard and Garden Reach Shipbuilders & Engineers.
- **Private shipyards:** In the private sector, ABG Shipyard and Bharati Shipyard are the prominent names in the industry.

Besides, there are number of smaller shipyards and repair yards that manufacture smaller barges, tugs, patrol ships, and fishing ships. Some of the new entrants in the business of shipbuilding include Pipavav Shipyard, Larsen & Toubro, Shipping Corporation of India, Reliance Group, Ruia Group, Adani Group, Tutocorin Port Trust, Tata Group, Mercator Lines and Dolphin Offshore.