India's Maritime Policy

India's maritime sector has re-emerged as a central pillar of national development and strategic policy. The announcement of a ₹69,725 crore package for shipbuilding and maritime infrastructure during India Maritime Week 2025 marks a decisive moment in revitalising a sector long neglected despite India's vast oceanic advantages. As global geopolitics shifts towards the Indo-Pacific and economies increasingly depend on maritime logistics, India's maritime policy has acquired new urgency and strategic relevance.

Introduction - India's Maritime Policy and Its Renewed Focus

India's maritime policy encompasses initiatives aimed at strengthening the country's shipbuilding capacity, upgrading ports, enhancing maritime logistics, expanding the Indian shipping fleet, and integrating India firmly into global supply chains. With 95% of India's trade by volume and 70% by value transported through the seas, maritime security and capacity-building are foundational to national growth.

The government's recent policy thrust—developing a stronger Indian-flagged fleet, reducing dependence on foreign vessels, incentivizing shipbuilding, and modernizing port infrastructure—reflects a long-term vision to transform India from a maritime user to a maritime power.

Significance of the Maritime Sector for India

a) Economic Lifeline - Maritime trade underpins India's integration with global markets. A strong shipping industry lowers logistics costs, enhances export competitiveness, and reduces foreign exchange outflow currently paid as freight to foreign ships.

b) Energy and Food Security - India imports most of its crude oil, LNG, and fertilizers. Dependence on foreign-flagged vessels exposes India to supply disruptions during geopolitical shocks.

c) Strategic and Geopolitical Leverage - Control over sea lanes is essential in the Indo-Pacific region where global power rivalries are intensifying. Strengthening India's maritime capacity enhances deterrence and supports national security objectives.

d) Employment and Industrial Growth - Shipbuilding, port logistics, marine engineering, and allied sectors are major employment generators. Developing marine equipment supply chains also boosts domestic manufacturing.

India's Historic Maritime Depth

India's maritime heritage is centuries old,

Indus Valley Civilization - The dockyard at Lothal (2400 BCE) is considered one of the world's earliest known dock systems.

Chola Naval Expansion - One of the greatest maritime powers in medieval Asia, they maintained naval dominance over Sri Lanka and Southeast Asia.

Bombay Dockyard - Built by the Wadia shipbuilders in the 18th and 19th centuries, it produced some of the finest wooden ships of the British Empire.

This rich heritage, however, declined over the 20th century. Post-Independence industrial focus shifted inland, and India lost momentum in commercial shipbuilding.Today's maritime revival seeks to reconnect with this historical strength and match modern technological standards.

Why Maritime Policy is Strategically Important Now

a) India's Low Share in Global Shipbuilding - Despite an 11,000 km coastline, India contributes just 0.06% of global shipbuilding. This is negligible compared to China, South Korea, and Japan, who together command over 95% of the market.

b) Ageing Indian Fleet - Many Indian ships are old, inefficient, and expensive to maintain. This creates an over-dependence on foreign-flagged vessels.

c) Global Order Backlogs - Leading shipbuilding countries are saturated with orders. This gives India a rare opportunity to attract global shipbuilding contracts.

d) Indo-Pacific Security - India must enhance naval and commercial maritime capabilities to safeguard trade routes and counterbalance China's growing naval expansion.

e) Decarbonization of Maritime Transport - The world is shifting to green propulsion. India risks falling technologically behind if it does not invest in next-generation shipbuilding.

Government Measures to Revive the Sector

1. ₹69,725 crore Maritime Revitalization Package

Includes - ₹25,000 crore Maritime Development Fund (MDF) for long-term, low-cost financing. ₹24,736 crore Shipbuilding Financial Assistance Scheme (SFAS) to support domestic shipyards. This aims to remove the biggest barrier in shipbuilding—high capital cost.

2. Vision 2047 for Shipbuilding - India aims to become one of the top five shipbuilding nations. Focus areas include,

1. Advanced propulsion technologies
2. Digital navigation systems
3. Autonomous shipping capabilities

3. Technology Partnerships - Collaboration between Cochin Shipyard Ltd (CSL) and HD Korea Shipbuilding and Offshore Engineering is a major step toward absorbing global expertise.

4. Single-Window Clearance Mechanism (proposed) - To tackle the current maze of regulatory approvals that slow down shipbuilding.

5. Expansion of Indian-Flagged Fleet - Policy incentives aim to,

1. increase the size of India's merchant fleet
2. ensure ships carrying Indian cargo are owned and flagged by India

6. Maritime Skill Development - Training institutes and seafarer skilling initiatives are being expanded to meet global demand for Indian maritime professionals.

Conclusion

India's maritime transformation is not simply another industrial revival project; it is a strategic necessity. As global trade patterns shift and competition intensifies in the Indo-Pacific, India must build both economic and security capabilities. The recent government package marks one of the most ambitious maritime reform programmes since Independence. India now stands at a crossroads. Its historical maritime legacy, geographical advantage, and demographic potential provide a strong foundation. Yet success will depend on coordinated implementation, technological modernisation, institutional efficiency, and sustained political commitment. If executed well, India's maritime policy could transform the nation into a major shipbuilding hub, strengthen economic sovereignty, and establish India as a leading maritime power by 2047.

Main Practice Question

1. "India's maritime policy is shifting from a trade-supporting framework to a strategic, industrial, and geopolitical instrument. Analyse the key drivers of this shift and evaluate the government's recent measures to revive shipbuilding." (30 words)

Answer Guidelines

I. Introduction (10–15% of answer) - Briefly define India's maritime policy. Mention why maritime capabilities matter for a coastal nation that moves 95% of its trade by sea. Indicate the recent policy push (₹69,725 crore package).

Keywords - Maritime revival, shipbuilding, strategic autonomy, Indo-Pacific.

2. Body

A. Key Drivers Behind the Shift (35%)

1. Economic Drivers

1. India's negligible share (0.06%) of global shipbuilding.
2. High dependence on foreign vessels for energy and trade.
3. High freight outflow in foreign exchange.

4. Job creation potential in maritime manufacturing.

2. Geopolitical & Security Drivers

1. Indo-Pacific power competition; need for maritime deterrence.
2. Countering China's naval and shipbuilding dominance (95% with Korea & Japan).
3. Ensuring energy and supply-chain security.

3. Technological Drivers

1. Global shift towards green propulsion, digital navigation, autonomous shipping.
2. India must modernize to stay relevant.

4. Strategic Opportunity Drivers

1. Overloaded Chinese/Korean shipyards create space for India.
2. India's Vision 2047 and global re-shoring trends.

B. Government Measures to Revive Shipbuilding (35%)

1. Massive Financial Push

1. ₹25,000 crore Maritime Development Fund for low-cost capital.
2. ₹24,736 crore Shipbuilding Financial Assistance Scheme.

2. Capacity Expansion & Modernization

1. Upgrading shipyards like Cochin, Goa, L&T, Hindustan Shipyard.
2. Collaboration with HD Korea for tech transfer.

3. Regulatory Reforms

1. Planned single-window clearance.
2. Streamlining environmental and procurement norms.

4. Expanding Indian-Flagged Fleet

1. Incentives for owning and operating Indian ships.
2. Reducing foreign vessel dependency.

5. Maritime Skill Ecosystem - Seafarer training, marine engineering courses, logistics skilling.

6. Vision 2047 Roadmap

1. Target - Top five global shipbuilders by 2047.
2. Focus on propulsion tech, indigenous marine equipment, digital systems.

C. Critical Evaluation (10%)

Strong financial push but challenges remain -

1. Long gestation period
2. Global competition
3. Execution delays
4. Need for clearer industrial strategy

Partnerships and technology adoption will be critical for success.

3. Conclusion (5–10%) - India's maritime policy marks a strategic shift aligning economic growth with national security. With sustained investment, institutional reform, and technological modernization, India can reclaim its historic maritime strength and become a major Indo-Pacific maritime power by 2047.