



CELEBRATING 250 YEARS



ENHANCING INDIA'S SHIPBUILDING INDUSTRY — THROUGH OFFSHORING —

A “MAKE BY INDIA, MAKE FOR THE WORLD” STRATEGY



A RESEARCH PROJECT UNDERTAKEN BY
NATIONAL MARITIME FOUNDATION
WITH THE SUPPORT OF
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ACRONYMS AND ABBREVIATIONS

A\$	Australian Dollar
ABS	American Bureau of Shipping
ADF	Australian Defence Force
ADSB	Abu Dhabi Ship Building
AED	United Arab Emirates Dirham
AHTS	Anchor Handling Tug Supply
AMC	Australian Marine Complex
AMGECO	African Marine & General Engineering Co. Ltd
APSEZ	Adani Ports & Special Economic Zone Ltd.
ARO	Aramco Rowan Offshore Drilling Company
ASD	Azimuth Stern Drive
ASEAN	Association of Southeast Asian Nations
ASIMAR	Asian Marine Services
ASRY	Arab Shipbuilding & Repair Yard
ASSL	Ananda Shipyard & Slipways Ltd.
AWD	Air Warfare Destroyer
BBEE	Broad-Based Black Economic Empowerment
BD	Bahraini Dinar
BDT	Bangladeshi Taka
BETA	Bottom-Up Economic Transformation Agenda
BHIC	Boustead Heavy Industries Corporation
BNS	Boustead Naval Shipyard
BOI	Board of Investment
BRT	Brutto Register Tonnage
BWTS	Ballast Water Treatment System
CAGR	Compound Annual Growth Rate
CFIUS	U.S. Committee on Foreign Investment
CGT	Compensated Gross Tonnage
CNC	Computer Numerical Control

CNOI	Chantier Naval de l'Océan Indien
CPPI	Container Port Performance Index
CSL	Cochin Shipyard Limited
CSSC	China State Shipbuilding Corporation
Cu-Ni	Copper-Nickel Alloy
DBS	Development Bank of Singapore
DCAN	Direction des Constructions Navales
DCNS	Direction des Constructions Navales Services
DDW	Drydocks World
DIP	Defence Industrial Participation
DMG	Dar es Salaam Merchant Group
DND	Duqm Naval Dockyard
DNV	Det Norske Veritas
DP2	Dynamic Positioning Class 2 Diesel-Powered Ship
DPFZA	Djibouti Ports and Free Zones Authority
DRU	PT Daya Radar Utama
DSME	Daewoo Shipbuilding & Marine Engineering
DSRY	Djibouti Ship Repair Yard
DWT	Deadweight Tonnage
E&P	Exploration and Production
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EETs	Energy Efficiency Technologies
EGP	Egyptian Pound
ENS	Egyptian Navy Ship
EOT Crane	Electric Overhead Traveling Crane
EPC	Engineering, Procurement, and Construction
ESIA	Environmental and Social Impact Assessment
EU	European Union
FBA	Foreign Business Act
FDI	Foreign Direct Investment
FLNG	Floating Liquefied Natural Gas
FPSO	Floating Production Storage and Offloading

FRP	Fiber-Reinforced Plastic
FSO	Floating Storage and Offloading
FSRU	Floating Storage and Regasification Unit
FSU	Floating Storage Unit
FTV	Fast Troop Vessels
FY	Financial Year/ Fiscal Year
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GDSC	Green and Digital Shipping Corridor
GoI	Government of India
GRP	Glass Reinforced Plastic
GRSE	Garden Reach Shipbuilders & Engineers Limited
GSL	Goa Shipyard Limited
GST	Goods and Services Tax
GT	Gross Tonnage
GTT	Gaztransport & Technigaz
HHI	Hyundai Heavy Industries
HMAS	His Majesty's Australian Ship
HMS	His Majesty's Ship
HSL	Hindustan Shipyard Limited
HTMS	His Thai Majesty's Ship
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
IBL	Ireland Blyth Ltd
IDRO	Iran Industrial Development & Renovation Organisation
IKI	Industri Kapal Indonesia
IMC	International Maritime Company
IMEC	India-Middle East-Europe Economic Corridor
IMI	International Maritime Industries
IP	Intellectual Property
ISL	Israel Shipyards Ltd
ISO	International Organisation for Standardization

ISOICO	Iran Shipbuilding & Offshore Industries Complex
JV	Joint Venture
KAEC	King Abdullah Economic City
KIZAD	Khalifa Industrial Zone Abu Dhabi
KM	Kapal Motor
KRI	Kapal Republik Indonesia
KSA	Kingdom of Saudi Arabia
KSL	Kenya Shipyards Limited
LCH	Landing Craft Heavy
LCM	Landing Craft Medium
LCS	Littoral Combat Ship
LCS	Littoral Combat Ship
LHD	Landing Helicopter Dock
LNG	Liquefied Natural Gas
LOA	Length Overall
LoI	Letter of Intent
LPG	Liquefied Petroleum Gas
LSE	Labuan Shipyard & Engineering
LST	Landing Ship Tanks
LUNAS	Lumut Naval Shipyard
LVFO	Lake Victoria Fisheries Organisation
MACEMP	Marine and Coastal Environment Management Project
MAHASAGAR	Mutual and Holistic Advancement for Security and Growth Across Regions
MDL	Mazagon Dock Shipbuilders Limited
MEKO	Mehrzweck-Kombination
MGIC	Musandam Global Investment Company
MHB	Malaysia Marine and Heavy Engineering Holdings Berhad
MIASO	Marine Industries and Services Organisation
MIV	Maritime India Vision
MMEA	Malaysian Maritime Enforcement Agency

MMHE	Malaysia Marine & Heavy Engineering
MODU	Mobile Offshore Drilling Units
MoPSW	Ministry of Ports, Shipping and Waterways
MoU	Memorandum of Understanding
MPL	Maldives Ports Limited
MPTA	Million Tonnes Per Annum
MRO	Maintenance, Repair, and Overhaul
MSC	Mediterranean Shipping Company
MT	Motor Tanker
MTCC	Maldives Transport and Contracting Company
MTP IV	Fourth Medium Term Plan
MV	Motor Vessel
NASICO	Nam Trieu Shipbuilding Company
NDSQ	Nakilat Damen Shipyards Qatar
NIP	National Industrial Participation
NNSE	National Naval Shipbuilding Enterprise
NM	Nautical Mile
NSIC	National Shipbuilding Industries Company
O&G	Oil and Gas
OEM	Original Equipment Manufacturer
OGSE	Oil & Gas Services Expo
OPV	Offshore Patrol Vessel
OSV	Offshore Support Vessel
P&L	Profit and Loss
PCL	Public Company Limited
PCTC	Pure Car & Truck Carriers
PDRM	Polis Diraja Malaysia (Royal Malaysia Police)
PIWTT	India-Bangladesh Protocol on Inland Water Transit and Trade
PPA	Perusahaan Penjamin Aset
PPP	Public-Private Partnership
PSU	Public Sector Undertaking

PSV	Platform Supply Vessels
PT	Perseroan Terbatas
QSTS	Qatar Shipyard Technology Solutions
R&D	Research and Development
RAN	Royal Australian Navy
RM	Ringgit Malaysia
RMN	Royal Malaysian Navy
RN	Royal Navy
RO	Omani Rial
ROFR	Right of First Refusal
RO-PAX	Roll-on/Roll-off Passenger
RO-RO	Roll-on/Roll-off
S\$	Singapore Dollar
SAN	South Africa Navy
SAR	Saudi Riyal
SAS	Sandock Austral Shipyards
SAS	South African Ship
SbDS	Shipbuilding Development Scheme
SBIC	Shipbuilding Industry Corporation
SBSR	Shipbuilding and Ship Repair
SCA	Suez Canal Authority
SCZONE	Suez Canal Economic Zone
SECO	Southern Engineering Co. Ltd
SECREN SA	Société d'Études, de Construction et de Réparation Navales
SETIS	Système de Télémétrie et d'Information de Surface
SEZ	Special Economic Zone
SME	Small and Medium-sized Enterprise
SMT	Songoro Marine Transport Ltd
SOE	State Owned Enterprise
SOT	Seatrium Offshore Technology
SOV	Service Operation Vessel

SPM	Single Point Mooring
SS	Stainless Steel
SSA	Strategic Shipbuilding Agreement
SSI	Saigon Shipbuilding Industry Co Ltd
SYS	Shin Yang Shipyard
TASHICO	Tanzania Shipping Company Limited
TEU	Twenty-Foot Equivalent Unit
TF	Tanker Ferry
THB	Thai Baht
THI	Tsuneishi Heavy Industries
Ti	Titanium
TIC	Tanzania Investment Centre
TLC	Total Lifting Capacity
TPC	Tsao Pao Chee
TPI	Thai Petrochemical Industry
TSNS	Taylor Smith Naval Services
TZS	Tanzanian Shilling
UAE	United Arab Emirates
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar
USE	Unithai Shipyard & Engineering
UT AHTS	UT Class Anchor Handling Tug Supply Vessel
VLCC	Very Large Crude Carrier
WA	Western Australia
WMS	Western Marine Shipyard
WTIV	Wind Turbine Installation Vessel

PREFACE

This research document has been prepared by the National Maritime Foundation, New Delhi, as part of an educational (research) project under the aegis of MDL's CSR grant to assess the potential of enhancing India's shipbuilding and ship-repair footprint in the Indian Ocean Region. This research project assesses the shipbuilding and ship-repair capabilities in the maritime nations of the Indian Ocean in five broad sub-regional groups, namely, Southeast Asia, East Africa, West Asia, South Asia, and Australia.

The report identifies potential investment destinations, driven by specific commercial and technical criteria, and based upon the financial health of the foreign shipyards, their existing commercial viability, strengths and weaknesses in shipbuilding and ship-repair, etc. As a separate but interrelated research objective, the report also identifies potential investment destinations based on geopolitical and geoeconomic criteria such as relations of these countries with India, whether such facilities would lie in the proximity of major International Shipping Lanes (ISLs), whether these facilities lie in the proximity of India's own major trade routes, the potential for repair of foreign warships that routinely deploy to these regions, the potential for repair of Indian warships deployed in these regions, etc.

This study advocates a **“Make by India, Make for the World”** strategy (as against Make in India, Make for the World) to enhance India's shipbuilding capacity. It is hoped that this report would be useful to the Government of India (Ministry of Ports, Shipping, and Waterways, and the Ministry of Defence), State Governments, which own shipyards, Indian shipyards (both public and private), and the academia and think-tanks with the objectives of:

Providing a comprehensive information on opportunities for investment in shipbuilding and ship-repair facilities overseas.

Making a preliminary assessment of the impact of India's overseas investment in shipbuilding and ship-repair facilities on the growth of Indian shipyards and towards achieving the objectives outlined in MIV 2030.

EXECUTIVE SUMMARY

1. India has entered the current decade as a large maritime trading nation with a disproportionately smaller shipbuilding and ship-repair footprint, ranking around 16th globally with less than 1 per cent share in shipbuilding and an even smaller share in ship repair. Government roadmaps such as Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047 set ambitious targets to transform India into a top-10 shipbuilding nation and expand ship-repair revenues several-fold, but the gap between current capacity and stated goals is stark. The report argues that conventional domestic-only approaches will not be sufficient to bridge this gap within the envisaged timelines and that India must complement its domestic reforms with a deliberate offshore expansion strategy.

2. An analysis of India's domestic shipbuilding sector shows that the problem is not a lack of orders but chronically low delivery against existing capacity. Between 2015-16 and 2023-24, Indian yards carried an average order book more than their rated DWT capacity, yet actual deliveries averaged only about a tenth of that capacity, indicating severe execution bottlenecks. Official data from the Ministry of Ports, Shipping and Waterways (MoPSW) reveals that despite the introduction of schemes such as the Ship-Building Financial Assistance Policy and the Shipbuilding Development Scheme, utilisation of available financial assistance has been modest so far.

3. On the demand side, the global shipbuilding market is projected to grow steadily from around USD 149 billion in 2024 to approximately USD 228 billion by 2035, driven by fleet renewal, environmental regulation and growth in specialised vessel segments. The composition and age profile of the world merchant fleet point towards an impending replacement wave: more than half the fleet is already over 20 years old, and by 2030 roughly 70 per cent of vessels are expected to be in the replacement window, with particular growth in gas carriers, offshore support vessels, and other specialised tonnage. Having missed the 2021-25 "shipbuilding super-cycle", India needs to position itself to exploit the next demand peak around the mid-2030s, especially in 'green' and specialised vessels.

4. Against this backdrop, the report advances an alternative strategic concept – *"Make by India, Make for the World"* – which shifts the focus from building exclusively "in" India to building "by" Indian entities wherever it is commercially and strategically optimal. The core idea is that Indian shipyards, public and private, should invest in, launch joint ventures with, or co-develop foreign shipyards and greenfield facilities in countries across the Indian Ocean Region (IOR), thereby expanding India's effective shipbuilding capacity via offshoring. This is framed not as a substitute for domestic capacity building, but as a complementary line of effort.

5. Methodologically, the study surveys shipbuilding and ship-repair assets across five IOR sub-regions – Southeast Asia, Eastern Africa, West Asia, South Asia and Australia – through a common evaluative lens. For each identified yard, it assesses political and strategic context,

foreign-investment regime and ownership patterns; economic and financial health, including listing status, profitability and scale; and technical infrastructure, workforce profile and vessel compatibility with current and prospective Indian requirements. This granular, yard-by-yard analysis is then synthesised into a consolidated set of recommendations in the final chapter, identifying specific candidates for Indian investment or partnership.

6. Southeast Asia emerges as a mature and versatile offshoring theatre, with a dense ecosystem of shipyards across Thailand, Malaysia, Indonesia, Singapore and Vietnam that collectively span commercial, offshore and naval segments. The report highlights ASIMAR in Thailand as a profitable, micro-cap repair-centric yard suitable for joint-venture entry; Bangkok Dock as a state-owned defence yard best approached via G2G arrangements; and MMHE and Shin Yang in Malaysia as attractive partners to plug India into LNG, FPSO and Malaysian energy/offshore value chains. In Indonesia, PT PAL—is assessed as a strong co-production platform for naval and commercial vessels, complemented by mid-tier private yards such as DRU and Dumas Tanjung Perak that offer scalable newbuilding and repair capacity near key ports. At the high end, Seatrium (Singapore) is identified for project-based collaboration rather than equity acquisition, while Vietnam’s SBIC is seen as a distressed but industrially capable holding where Indian entities should selectively target individual subsidiary yards instead of the parent. Taken together, Southeast Asia offers India a spectrum of partnership modes—from minority stakes and JVs to project alliances—that can rapidly extend India’s shipbuilding and repair footprint without assuming disproportionate financial or political risk.

7. East Africa presents both long-horizon strategic prospects and nearer-term, niche opportunities, shaped by fragile political economies but rising coastal and inland shipping demand. The report treats Mogadishu and Berbera in Somalia as greenfield-heavy, high-risk but geopolitically significant locations where any Indian investment would be capital-intensive and justified mainly by long-term strategic considerations rather than immediate returns. In Kenya and Tanzania, facilities such as KSL, AMGECO, SECO and SMT offer varying combinations of modest infrastructure, thin or opaque financials, and demonstrable track records in small-to-medium vessels, riverine and lake ferries, particularly suited for partnerships that support India’s inland/coastal and small-craft export ability. South Africa’s Sandock Austral and Dormac stand out as African leaders: Sandock for Panamax-class newbuilds and conversions aligned with Indian defence PSUs, and Dormac for an expanded Indian repair footprint at the Cape of Good Hope, albeit without major newbuilding upside. Mauritius’s CNOI, in a politically close and low-risk setting, rounds out the East African cluster as an ideal candidate for a minority stake or structured JV focused on small- and medium-vessel construction and repair, offering a stable platform.

8. West Asia is characterised by capital-rich, State-driven yards that sit astride India’s vital energy and trade routes, making the region critical for collaborative access rather than control. International Maritime Industries (IMI) in Saudi Arabia anchors India’s prospects in VLCCs, large bulkers, rigs and OSVs, where joint projects in newbuilds, conversions and MRO can directly support Indian shipowners and E&P operators in the Gulf. In the UAE, ADSB’s strong pipeline of naval contracts and openness to foreign programme partners offers India a gateway

into Gulf and African defence markets via co-production and export-oriented patrol and combatant programmes, rather than equity investment. ASRY in Bahrain is assessed as a prime candidate for JV or minority-stake collaboration in commercial, offshore and naval repair and recycling, where Indian expertise in recycling could be particularly valuable, while ISOICO in Iran—with modern infrastructure but opaque finances and sanctions exposure—is best approached through carefully ring-fenced, project-based cooperation. Collectively, these West Asian yards enable India to secure assured high-end repair and construction capacity close to key sea lanes, provided engagement is calibrated to political risk and structured around partnerships instead of ownership.

9. In South Asia, Western Marine Shipyard in Bangladesh, despite its high leverage and mixed execution record, is recognised for its export-oriented small-to-medium vessel capabilities and skilled workforce, making it a candidate for carefully structured JVs. In the Maldives, MTCC's evolving Thilafushi yard is assessed as too small to materially expand India's capacity, but highly relevant geopolitically; the report recommends selective partnerships by smaller Indian yards to transfer designs and know-how, and suggests that India consider supporting the Ihavandhoo dockyard project as part of a broader maritime-connectivity agenda. Overall, South Asia offers India a pathway to offer targeted partnerships that bind its neighbourhood into Indian shipbuilding & repair value chains. On the other hand, Australia is portrayed as a strategically important but structurally distinctive partner: a major maritime trading nation with sophisticated defence shipyards yet minimal commercial shipbuilding capacity. High labour and tax costs have driven Australian yards like Austal, BAE Systems' Osborne facilities and others to focus almost exclusively on defence programmes, leaving a paradoxical gap between Australia's status as a leading trading nation and its negligible presence in commercial builds.

10. At the policy level, the report recommends that the Government of India and key PSUs develop an explicit offshoring and overseas-investment framework for shipbuilding and ship-repair, harmonised across MoPSW, MoD, MEA, and other concerned ministries. This should cover risk assessment, sovereign guarantees or credit support where warranted, facilitation mechanisms for outbound FDI, and clarity on how overseas assets will be integrated into national maritime-industrial planning. Specific reference is made to leveraging schemes such as the Maritime Development Fund and existing export-finance tools to support commercially viable overseas acquisitions and JVs aligned with strategic objectives. Overall, the central message of the report is that enhancing India's shipbuilding industry cannot rely solely on expanding and reforming domestic yards, important though that is. A calibrated offshoring strategy – *"Make by India, Make for the World"* – that combines targeted foreign yard investments, project-based partnerships and greenfield ventures in carefully selected IOR locations offers a realistic and potentially faster route to scaling India's effective capacity and strategic presence. Implemented with clear prioritisation, disciplined capital allocation and strong policy backing, such a strategy can transform India from a peripheral player into a meaningful contributor to global shipbuilding and ship-repair value chains over the next two decades.

CHAPTER 1

INTRODUCTION

Background

1. Despite its favourable geographic location, India currently ranks 16th in the global shipbuilding industry with a paltry 0.06 per cent share in the global shipbuilding market that is dominated by China, Japan, and South Korea, which, taken in aggregate, account for 95 per cent of the global market share.¹ Similarly, in the case of the ship-repair industry – a market that is expected to reach more than USD 40 billion by 2030 — India’s share is less than one per cent.² In this case, the market is dominated by shipyards in China, Japan, Singapore, Korea and West Asia, largely due to the availability of skilled workforce and induction of latest technology. However, the Government of India’s maritime vision (*Maritime India Vision 2030* and *Maritime Amrit Kaal Vision 2047*) seeks to radically transform India’s shipbuilding and ship-repair industry. It envisions Indian ship-building becoming competitive and achieving high volumes of production to reach “*Make in India, Make for World*” levels, and being one of the top 10 shipbuilding nations in the world.³ This leap from the 15th position to the 10th position (at least) entails a four-fold increase in production from 40923 GT to 160460 GT.⁴ In the case of the ship-repair industry, the Government of India (GoI) seeks to increase India’s market-share from the current ₹2,000 crore level to a ₹14,000 crore-plus level in the next ten years, a seven-fold jump.⁵ It is apparent that this transformation will require a substantial impetus in terms of policy as well as in areas such as financing, the identification of new market opportunities, HR development, etc. As such, these are issues that must be addressed collectively by the Government of India and the shipbuilding industry, which is the most important stakeholder in this transformation.

2. Admittedly, substantial research has been carried out over the past several years by various agencies to identify measures for boosting India’s shipbuilding and ship-repair industry. This research has then informed policy-making, resulting in several incentives by the government to Indian shipyards. At a fundamental level, growth in India’s shipbuilding and ship-repair industry requires two things: (a) an increase in total shipbuilding capacity and efficiency, and (b) an increase in orders from clients. Consequently, the government’s policies have targeted these two aspects. As far as increasing the capacity of shipbuilding is concerned, the GoI had introduced the Ship-Building Financial Assistance Policy (2016-2026) to encourage domestic shipbuilding and to provide a level playing field vis-à-vis foreign shipyards. Towards this, the

¹ UNCTAD, Data Hub, “Ships built by country of building, annual (analytical),” updated Jun 2025, <https://unctadstat.unctad.org/datacentre/dataviewer/US.ShipBuilding>.

² Government of India, Ministry of Ports, Shipping, and Waterways, *Annual Report 2024-25*, 54-55, <https://shipmin.gov.in/sites/default/files/Annual%20Report%202024-25%20-%20English.pdf>.

³ Government of India, Ministry of Ports, Shipping, and Waterways, *Annual Report 2024-25*, 52.

⁴ In 2024, Singapore was ranked at the 10th position with about 160,000 gross tons built (0.22% market share), while India was ranked at the 15th position with about 40,000 gross tonnage (0.06% market share).

⁵ Government of India, Ministry of Ports, Shipping, and Waterways, *Annual Report 2024-25*, 55.

government had pledged to provide financial assistance up to 20 per cent⁶ of the contract price⁷ of a ship to the shipyard.⁸ This Shipbuilding Financial Assistance Scheme was extended in September 2025 until 31st March 2036 with a total corpus of Rs. 24,736 crores.⁹ In addition, the government has also approved a Maritime Development Fund (MDF) with a corpus of Rs. 25,000 crores to provide long-term financing for the sector. This includes a Maritime Investment Fund of Rs. 20,000 crores with 49 per cent participation from the Government of India and an Interest Incentivisation Fund of Rs. 5,000 crores to reduce the effective cost of debt and improve project bankability. A third initiative, that targets increasing the capacity of shipyards, is the Shipbuilding Development Scheme (SbDS) with a budgetary outlay of Rs.19,989 crore, which aims to expand domestic shipbuilding capacity to 4.5 million Gross Tonnage, support mega shipbuilding clusters, infrastructure expansion, establish the India Ship Technology Centre under the Indian Maritime University, and provide risk coverage, including insurance support for shipbuilding projects.

3. The increase in orders from clients is sought to be achieved indirectly by introducing a Right of First Refusal (ROFR) by Indian-built and Indian-owned ships as a condition for chartering of vessels through the tender process. By prioritising Indian-built, Indian-flagged, Indian flagged and Indian owned vessels in the tender process, it aims to encourage charterers to choose Indian-built ships, thereby spurring demand for such ships. Although earlier government policy also prioritised Indian-flagged vessels, it was reviewed in 2020 specifically in favour of 'Indian-built, Indian-flagged, and Indian-owned vessels'.¹⁰ Subsequent amendments to this policy have since been carried out.

Current Status of the Shipbuilding Sector in India

4. **Number of Shipyards.** The Standing Committee of the Parliament on Transport, Tourism, and Culture, in its 368th report (presented on 08 February 2024) entitled '*Status of Ship building, Ship Repair and Ship breaking industries in the Country*', noted that there are 45 Shipyards in the country, 7 under Central Public Sector, 2 under State Governments and 36 under private sector. However, the MoPSW's Statistics of India's Ship Building and Ship Repairing Industry 2023-24 reports a total of 41 shipyards, of which three have closed down, and five have not reported information for the year 2023-24.¹¹ Therefore, this report considers the following **26 shipyards** which have built at least one ship/ craft in the last six years:

⁶ This rate of 20 per cent was reduced by 3 per cent every three years and currently stands at 11 per cent at the end of FY 2025-26.

⁷ This financial assistance is actually the lower of "Contract Price" or the "Fair Price" or the amount actually paid to the shipyard by the customer, for each vessel built by them.

⁸ Maritime Amrit Kaal Vision 2047, 203

⁹ Government of India, Press Information Bureau, 'Comprehensive 4-Pillar Approach to Strengthen Shipbuilding, Maritime Financing, and Domestic Capacity', 24 September 2025, accessed

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170573®=3&lang=2>

¹⁰ Government of India, Press Information Bureau, 'To boost shipbuilding in India, Ministry of Shipping amends Right of First Refusal (ROFR) licensing conditions', 22 October 2020,

<https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1666728®=3&lang=2>.

¹¹ Transport Research Wing, "Statistics of India's Ship Building

Table 1.1: Indian Shipyards That Have Built At Least One Vessel in the last Six Years (2019-24)

Name of Shipyard	2019		2020		2021		2022		2023		2024	
	No.	DWT ('000)	No.	DWT ('000)	No.	DWT ('000)	No.	DWT ('000)	No.	DWT ('000)	No.	DWT ('000)
CSL	3	0.15	16	1.03	13	2.29	12	36.47	14	2.88	7	0.34
GRSE	4	0.71	4	0.85	3	0.33	0	0	1	0.06	2	1.4
GSL	3	2	1	0.46	2	0.92	3	0.94	1	0.03	12	0.04
HSL	6	0.4	5	0.2	1	3.35	4	0.51	3	0	0	0
HDPE(CSL)	0	0	0	0	0	0	0	0	2	0.17	0	0
MDL	0	0	1	0	1	0	2	0	2	0	1	0
Shalimar	1	0.05	0	0	2	0.6	1	0.01	4	0	1	0.51
Udupi	0	0	0	0	0	0	2	0.02	9	0.14	9	0.42
A.C.Roy	2	1.01	17	0.6	1	0.1	0	0	8	0.76	6	0.57
AH Wadia	0	0	0	0	2	0.01	18	0	86	0	110	0
Bristol Boats	0	0	2	0.002	8	0	11	0	3	2.05	0	0
Chowgule	2	0	5	8.44	4	8.44	3	8.44	6	2.5	1	5.42
Dempo	3	0.1	0	0	1	0.74	0	0	0	0	1	0.03
L&T	1	1.91	0	0	0	0	10	0	5	0	0	0
Mandvi	4	12.97	7	9.7	7	5.57	5	4.62	14	13.4	8	6.94
Marine Frontiers	4	0.03	0	0	0	0	0	0	0	0	0	0
Modest	0	0	1	0.4	1	1.66	6	0.14	7	0.59	2	0.64
Neptunus	0	0	0	0	0	0	0	0	3	0	5	0
Patra	0	0	0	0	1	0.02	3	0	0	0	0	0
San Marine	0	0	0	0	5	1.36	7	10.29	10	3.63	0	0
Sea Blue	0	0	14	5	6	1.3	16	45.16	17	5.4	0	0
Sadbhav	0	0	0	0	0	0	0	0	0	0	1	0.04
Shoft	3	2.43	0	0	3	0.08	8	0.2	5	0.3	11	0
Titagarh	3	2.78	3	1.67	1	0.19	0	0	2	0.53	5	0.07
Vijay Marine	1	0.2	2	2.9	7	0.86	0	0	4	0.1	7	9.4
Waterways	0	0	0	0	1	2.5	4	2.86	0	0	6	1.2
Total	41	24.74	78	31.25	70	30.32	115	109.66	206	32.54	195	27.02

Notes:

(a) The data in Table 1.1 has been compiled from the annual shipbuilding statistics reports published by the Transport Research Wing (TRW) of MoPSW.

(b) Most shipyards report only the number of ships, and not the DWT in their figures. Therefore, a direct comparison of DWT with the number of ships built can be misleading.

5. An examination of the Indian shipbuilding industry in the last ten years would offer an insight into whether the supportive measures by the government have been adequate to enhance its capacity. The Standing Committee of the Parliament on Transport, Tourism, and Culture, in its 368th report (presented on 08 February 2024) entitled '*Status of Ship building, Ship Repair and Ship breaking industries in the Country*', noted that "India's share in the global ship building and ship repair market remains meagre, hovering around 1-2%. In fact, India's position in both sectors has witnessed a decline in the past decade."¹² The Committee also observed that a mere 6 to 7 per cent of the Rs 4000 crore corpus (which is equal to Rs 269 crore) allocated for the Shipbuilding Financial Assistance Scheme had been utilised in six years (2019 to 2024) and that the targets set by the MoPSW appeared "rather unrealistic".¹³

6. A further element of 'over-optimism', if not 'unrealism', appears in the aspiration to build 500,000 GT shipbuilding capacity by 2030, and 4.5 million GT by 2047. The reason for this is that the current total ship-building capacity of Indian shipyards (as sourced from the annual reports on *Statistics of India's Ship-Building and Ship-Repairing Industry* published by the Transport Research Wing of the MoPSW, between the period 2014 to 2024) is 311160 DWT.¹⁴ This is shown in **Figure 1.1**. The addition of 4,000,000 DWT capacity in the next 20 years, therefore, appears to be a challenging task.

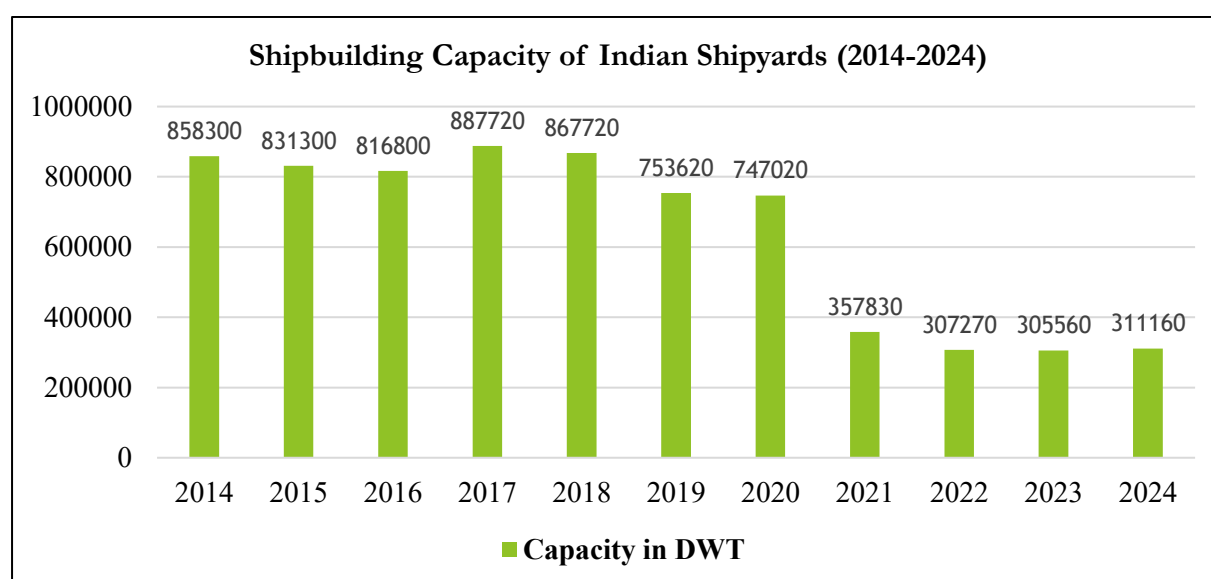


Figure 1.1: Capacity of Indian Shipyards (2014-2024) in DWT

¹² Rajya Sabha Secretariat, 368th Report on 'Status of Ship building, Ship Repair and Ship breaking industries in the Country', 1, accessed https://sansad.in/getFile/rsnew/Committee_site/Committee_File/ReportFile/20/193/368_2024_2_14.pdf?source=rajyasabha.

¹³ As per the MoPSW Annual Report 2024-25 (see page 53), the cumulative financial assistance rendered under this scheme between 2018 and 2024 (seven years) was Rs 411.6 crore, for 152 ship-building projects.

¹⁴ This figure is itself inaccurate as the MoPSW's report does not include the shipbuilding capacities of some of the major shipyards such as MDL and GRSE. In earlier reports, GRSE reported its capacity as 550 DWT and MDL reported its capacity as 0.97 Effective Frigate Unit (EFU), and sometimes as 40,000 DWT. However, in the latest figures given in the 2023-24 report, both these shipyards have been excluded.

7. It is also apparent that this data poses a fundamental problem in the analysis of the Indian shipbuilding industry because GT and not DWT is the appropriate measure of shipbuilding capacity. In fact, the most accurate measure of shipbuilding capacity is the Compensated Gross Tonnage (CGT), published by the OECD Council Working Party on Shipbuilding (WP6).¹⁵ The latest edition of this publication was revised in 2006 following a proposal submitted by shipbuilder associations to replace the existing compensated gross ton (cgt) system, which was sponsored by the OECD since the 1970s, and which was last revised in 1994.

8. There is no formula for converting DWT to GT accurately, and vice versa, because these two units measure entirely different attributes – DWT measures the cargo carrying capacity of a vessel, whereas GT measures its total internal volume. Nevertheless, rough rules of thumb do exist that allow approximate conversions.¹⁶ Using the equivalence of 1 GT = 1.7 DWT, the total shipbuilding capacity of Indian shipyards would be 183035 GT. Clearly, therefore, increasing the existing capacity to 500000 GT by 2030 appears as an extremely ambitious target. Similarly, achieving a target of 4.5 million GT by 2047 would also be unrealistic as it requires shipbuilding capacity to grow by a multiple of 25, which would require huge capital investment, creation of a substantial manpower pool (which could take several years), acquisition of land (including on the waterfront), creation of a whole range of ancillary and feeder industries, and a corresponding need for raw material.

9. A related and significant question that arises in this connection is whether there would be a market for Indian shipyards as and when such an ambitious target is achieved. **Tables 1.2** and **1.3** present data on the order book of Indian shipyards and the deliveries made by them, respectively, between FY 2016-16 and FY 2023-24.

Year	Public Shipyards		Private Shipyards		Total No of Ships on Order	Total DWT on Order	Max Capacity of Indian Shipyards in that year	Order Book as % of capacity in DWT
	Order Book		Order Book					
	No of ships	DWT	No of ships	DWT				
2023-24	168	293840	242	307240	410	601080	311160	193.2
2022-23	125	134550	308	115390	433	249940	305560	81.8
2021-22	130	103760	208	105270	338	209030	307270	68
2020-21	125	56240	155	222660	280	278900	357830	78
2019-20	128	69290	121	49010	249	118300	747020	15.8
2018-19	111	123680	77	48060	188	171740	753620	22.8
2017-18	69	148630	162	852830	231	1001460	867820	115.4
2016-17	78	206740	170	1982070	248	2188810	887720	246.5
2015-16	104	173070	192	2568980	296	2742050	816800	335.7

Table 1.2: Order Book of Indian Shipyards (2016-2024)

¹⁵ 'A New Compensated Gross Ton System', OECD, 25 October 2006, [https://one.oecd.org/document/C/WP6\(2006\)7/En/pdf](https://one.oecd.org/document/C/WP6(2006)7/En/pdf).

¹⁶ For tankers 1 GT = 1.75 DWT; bulkers 1 GT = 1.7 DWT; container carriers 1 GT = 1 DWT.

Year	Public Shipyard Deliveries		Private Shipyard Deliveries		Total No of Ships Delivered	Total DWT Delivered	Max Capacity of Indian Shipyards in that year	Deliveries made as % of DWT
	No of ships	DWT	No of ships	DWT				
2023-24	32	2710	163	26300	195	29010	311160	9.4
2022-23	36	3260	170	29270	206	32530	305560	9.0
2021-22	24	37940	89	71730	113	109670	307270	14.6
2020-21	22	7490	47	22790	69	30280	357830	4.0
2019-20	27	2540	51	28720	78	31260	747020	3.6
2018-19	17	3310	24	21460	41	24770	753620	2.8
2017-18	15	5010	49	105350	64	110360	867820	13.5
2016-17	23	47450	13	80540	36	127990	887720	14.4
2015-16	32	48510	23	94530	55	143040	816800	17.5

Table 1.3: Deliveries Made by Indian Shipyards (2016-2024)

10. The shipbuilding capacity at the end of FY 2023-2024 stood at 311160 DWT (**Figure 1.1**). Against this figure, the order book of Indian shipyards was 193 per cent of their total capacity (**Table 1.2**), which at first glance reflects a shortage of capacity, and consequently suggests increasing the capacity of Indian shipyards. However, **Table 1.3** indicates that a mere 10 per cent of deliveries were made in that year. **In fact, during the nine years represented in the tables, the average order book was 128 per cent of the total capacity while the deliveries were a mere 10 per cent of the same.** Thus, the following deductions emerge:

10.1. There has been a **decline** in India's shipbuilding capacity in the last decade. This is admittedly a macro view, which does not consider several factors such as problems associated with individual shipyards, including insolvency and technological issues. This is also a somewhat misleading conclusion because it is possible that some of the dry-docks, ship-lifts, and slipways belonging to insolvent yards, which are currently lying idle, could be revived with a suitable infusion of capital.

10.2. **Capturing orders from the market is not the major problem** since the order books of shipyards have been consistently high.

10.3. The problem is more about **shipyard efficiency**, as India can deliver only a tenth of its shipyard capacity. Once again, this macro view does not account for the possibility that a large shipyard might not be getting any orders and is therefore lying underutilised. Swan Defence shipyard,¹⁷ which has a capacity of 400000 DWT, is one

¹⁷ It has been reported that Swan Defence and Heavy Industries (SDHI) has signed a \$227 million contract for six chemical tankers with European shipowner Rederiet Stenersen AS. The company termed it as one of India's largest single commercial shipbuilding orders and the first & the largest chemical tanker order awarded to an Indian

such example; however, this shipyard was removed in 2020 from the list (**Figure 1.1**), resulting in a sharp decline in total shipbuilding capacity.

10.4. Since Indian shipyards are unable to deliver even 10 per cent of their rated capacity (whereas the most efficient ones, such as Hyundai Heavy Industries (HHI), are reported to deliver as high as 85 per cent of their capacity), it is evident that **expansion of shipbuilding capacity alone is unlikely to result in higher ship production** in the country.

11. **Export Orders for Indian Shipyards.** Table 1.4 below illustrates the percentage of export orders in the combined order book of Indian shipyards. It is seen from this table that exports have constituted a substantial part of the order book of Indian shipyards over the last nine years. In fact, in terms of DWT, export orders have comprised an average of 51 per cent of the Indian order book. In terms of the number of ships, exports have comprised an average of 13 per cent of the order book, which also implies that export orders consisted of larger ships.

Year	Total Order Book		Export Orders		Exports as % of Total Orders	
	No of Ships	DWT	No of Ships	DWT	% of Ships	% of DWT
2023-24	410	601080	57	371150	14	61.7
2022-23	433	249940	35	146760	8	58.7
2021-22	338	209030	25	102420	7	49
2020-21	280	278900	19	188520	6.7	67.6
2019-20	249	118300	12	23340	4.8	19.7
2018-19	188	171740	14	31780	7.4	18.5
2017-18	231	1001460	50	588590	21.6	58.8
2016-17	248	2188810	64	1698480	25.8	77.6
2015-16	296	2742050	69	1358150	23	49.5
Average number of ships/ DWT (%)					13	51

Table 1.4: Exports as Part of the Order Book of Indian Shipyards

A Scan of the Global Shipbuilding Scenario

12. As stated earlier in this report, almost all the global shipbuilding industry is concentrated in three countries, namely, China, South Korea, and Japan. In 2024, these three countries had a share of 54.5%, 28% and 12%, respectively. However, data from a single year does not faithfully capture shipbuilding trends because the shipbuilding output in consecutive years is likely to vary greatly, as is evident from the deliveries made by Indian shipyards in the last nine years (Table

shipyard. See https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/swan-defence-heavy-industries-bag-chemical-tanker-deal-worth-227-million/articleshow/127231476.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

1.3). Accordingly, the performance of top-20 shipbuilding countries has been examined, as represented in **Fig. 1.2** below.

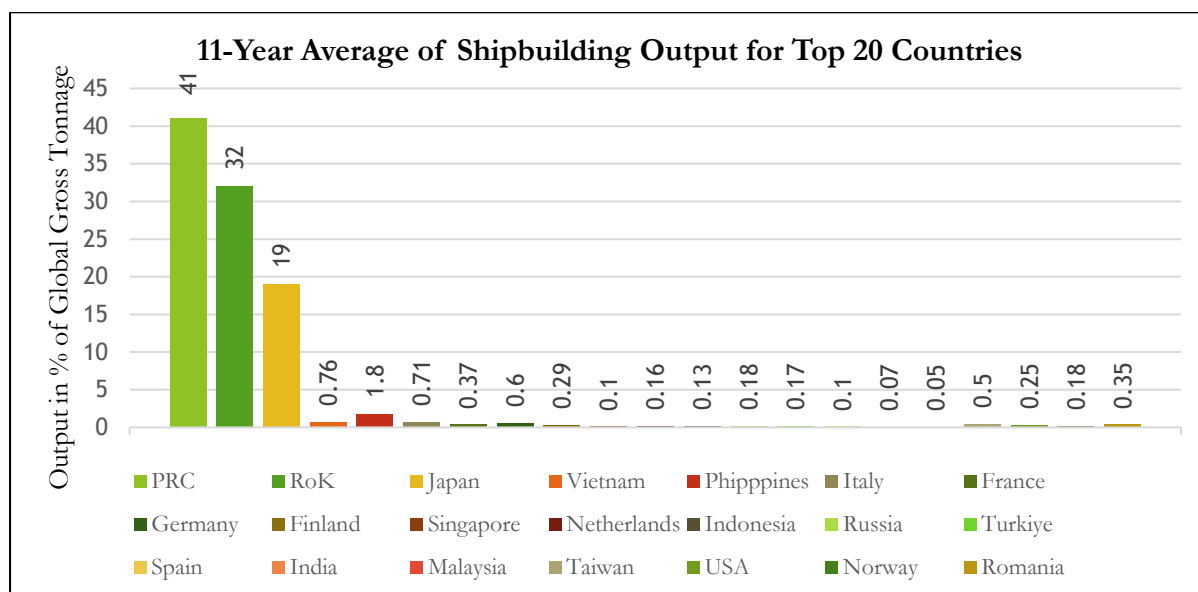


Fig 1.2: Shipbuilding Output of Top 20 Countries as % of Global Gross Tonnage

13. It can be seen in **Figure 1.2** that the global shipbuilding production in the last 11 years (2014 to 2024) was dominated by China, South Korea, and Japan, which together produced over 92 per cent of ships in the world. India's share – not discernible in the figure – was 0.07 per cent at the 20th position, producing an average of 47,268 GT per year. It must be highlighted that the UNCTAD has positioned India among the top-10 shipbuilding countries in its publication *Review of Maritime Transport 2025*; However, this contradicts the facts given in UNCTAD's own database.¹⁸

14. **Global Shipbuilding Market.** The global shipbuilding market, valued at USD 149.12 billion in 2024, is expected to grow at a compound annual growth rate (CAGR) of 4.06% over the forecast period from 2024 to 2035¹⁹, reaching ~USD 228 billion by the next decade. However, this is only a macro view of the market because for Indian shipbuilders, it is important to know the specific market for specific types of ships, which could then enable them to formulate strategies to penetrate these markets. Several aspects must be considered in this regard:

14.1. **Composition of Mercantile Fleet.** The composition of the merchant fleet is a principal factor in the formulation of the shipbuilding and ship repair (SBSR) strategy.

¹⁸ United Nations Trade and Development (UNCTAD), *Review of Maritime Transport*, 45, https://unctad.org/system/files/official-document/rmt2025ch2_en.pdf.

¹⁹ Spherical Insights, "Top 50 Companies in Shipbuilding Market Worldwide in 2025: Market Research Report (2024–2035)," (August, 2025). <https://www.sphericalinsights.com/blogs/top-50-companies-in-shipbuilding-market-worldwide-in-2025-market-research-report-2024-2035>.

As of 01 January 2025, the composition of the global merchant fleet was as depicted in **Figure 1.3** below.

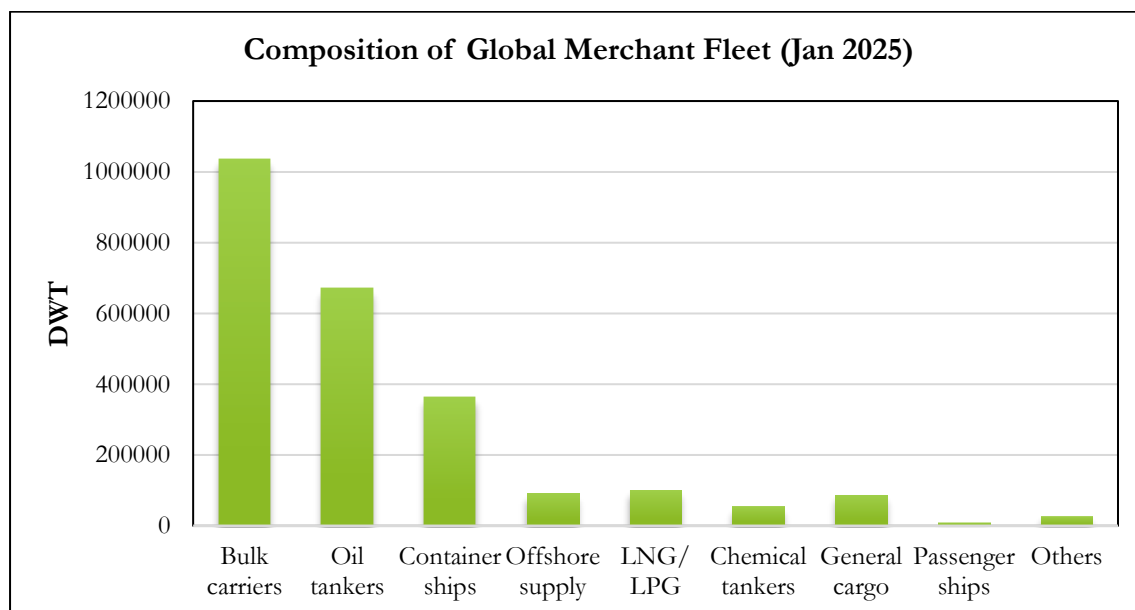


Fig 1.3: Composition of Global Merchant Fleet (Jan 2025)²⁰

14.2. Growth of Global Merchant Fleet. The global merchant fleet has also grown substantially over the years. As **Figure 1.4** below indicates, the growth has been especially high since 2010 and has hardly slowed down during COVID-19. It may also be noted that the greatest growth has been in the number of ‘other’ ships, which includes gas carriers, OSVs, barges, tugs, etc., even as bulk carriers too have seen a robust growth of 148 per cent, followed by container ships (115 per cent).

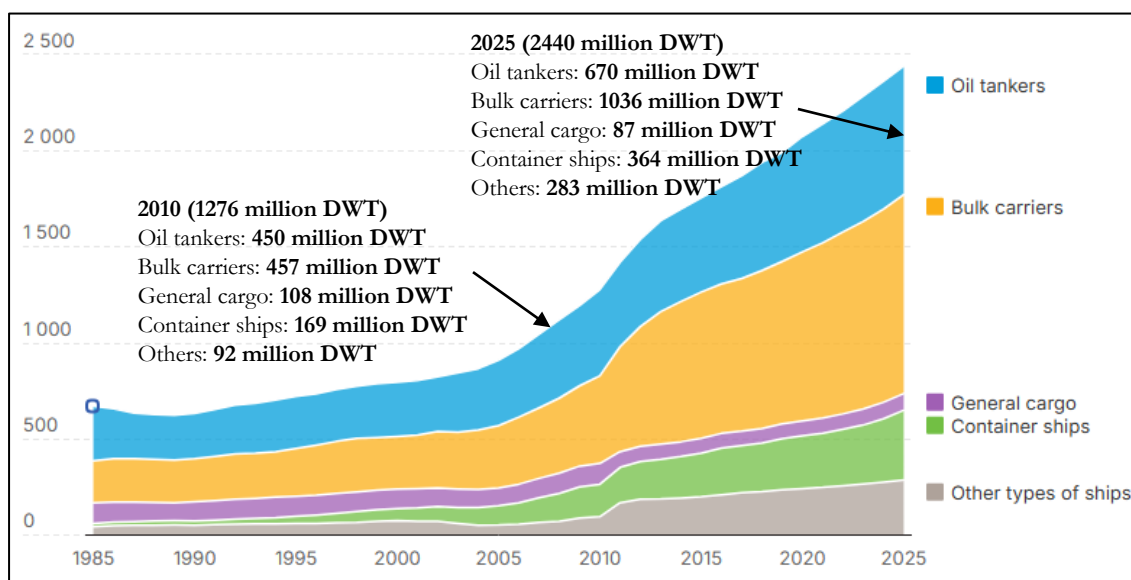


Fig 1.4: Growth of Global Merchant Fleet (1985 to 2025)²¹

²⁰ United Nations Trade and Development (UNCTAD), *Review of Maritime Transport*, 54, https://unctad.org/system/files/official-document/rmt2025ch2_en.pdf.

²¹ UNCTAD, Maritime and other transport, Data insights, <https://unctadstat.unctad.org/insights/theme/107>

14.3. **Ownership.** Another factor in assessing opportunities in shipbuilding markets is ownership – that is, “who is buying ships?” As per UNCTAD, over half of the world’s shipping fleet is concentrated in five countries (**Figure 1.5**), with Greece owning 16.4 per cent.

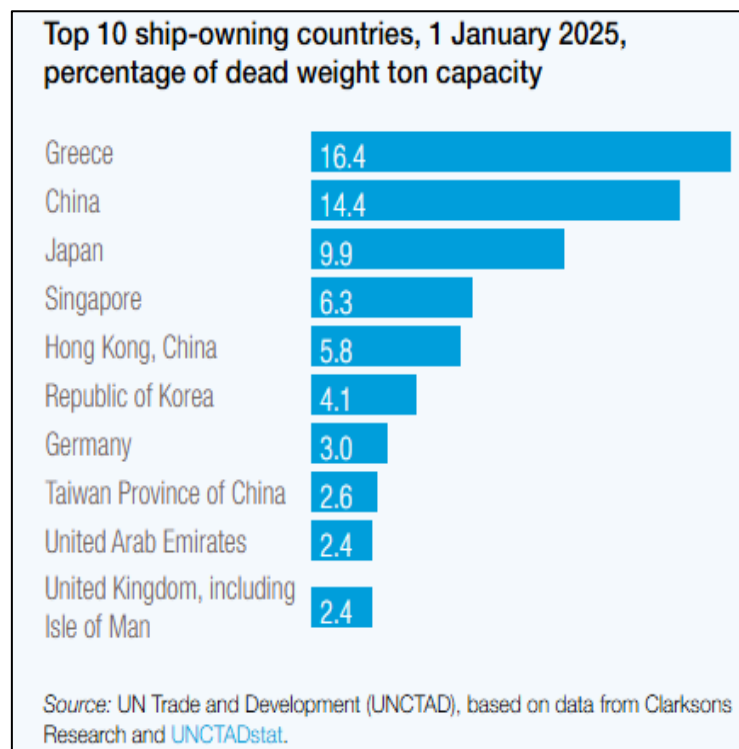


Fig 1.5: Top 10 Ship-owning Countries²²

14.4. **Age of Shipping Fleet.** Another factor that influences shipbuilding strategies is the age of the merchant fleet. Normally, the shipbuilding industry experiences cyclical growth and regression. According to one source, shipbuilding cycles have lasted 20-30 years, driven by the replacement cycle of ships, which usually have a lifespan of the same length. The last peak in global ship deliveries occurred in 2011, resulting in more ships nearing retirement age now. Currently, roughly 53 per cent of ships in operation are over 20 years old. By 2030, this number is expected to reach 70 per cent. This trend will continue to drive the demand for fleet renewal.²³ For India, which aspires to develop its shipbuilding industry, the timing is particularly important. Having missed the **2021-25 “shipbuilding super-cycle”**, India must now target the next peak in demand for new ships, which is likely to occur towards 2035. More importantly, the next peak in demand would be for ‘green ships’ for which Indian shipyards must prepare. **Figure 1.6** below indicates the next peak in shipbuilding demand, which is likely to occur by the middle of the next decade.

²² United Nations Trade and Development (UNCTAD), <https://unctadstat.unctad.org/insights/theme/107>

²³ “Revelation from Shipbuilding: The Power of Cycles”, Golden Pine Investments, <https://www.goldenpineinv.com/en/single-post/revelation-from-shipbuilding-the-power-of-cycles>

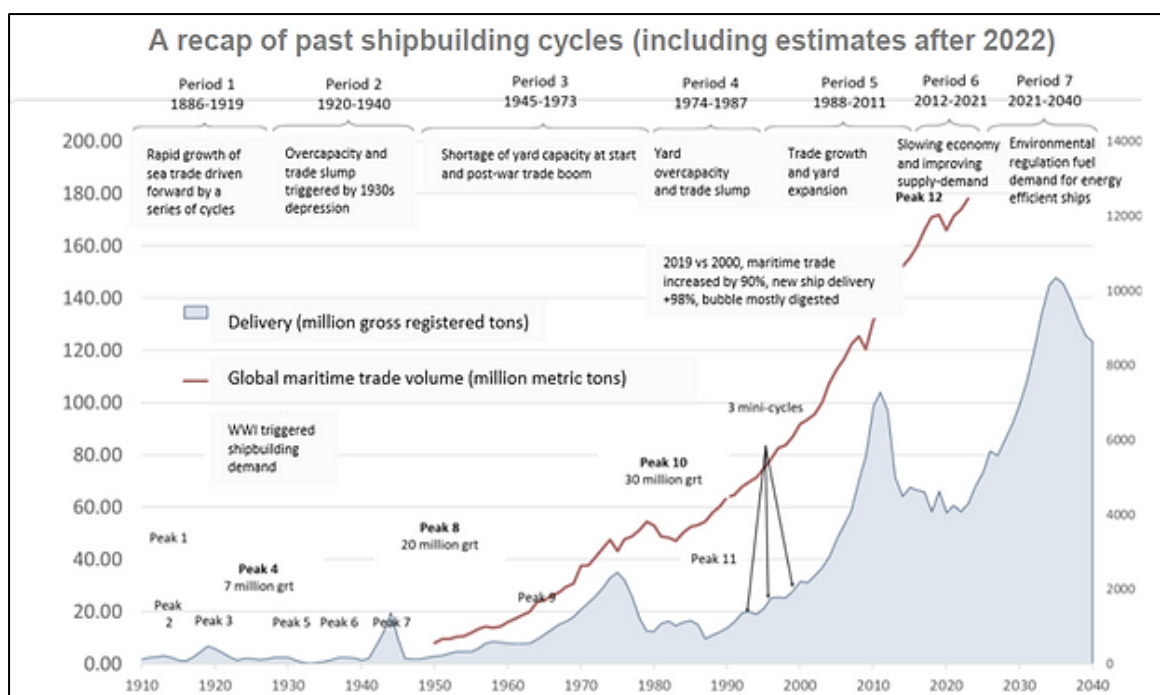


Fig 1.6: An Overview of Past Shipbuilding Cycles²⁴

Need for Additional Measures to Boost Shipbuilding Sector in India: An Offshoring Strategy

15. Although brief and abridged, the above analysis of the Indian shipbuilding industry and the global shipbuilding market indicates that while measures instituted by the GoI to boost shipbuilding have not had the desired effect thus far, there exists an opportunity to capitalise on the growing demand for ships. While a major expansion of existing Indian shipbuilding capacity and improving productivity of Indian shipyards are probably the surest ways of achieving the targets set out in the MAKV 2047, this study proposes that it is also essential to explore additional measures that would supplement the main line-of-effort. Towards this, the study advocates a **“Make by India, Make for the World”** strategy (as against Make in India, Make for the World) to enhance India’s shipbuilding capacity. This study shows that several major shipbuilders have adopted this strategy. For instance, UNCTAD’s Review of Maritime Transport 2025 notes that the three leading global shipbuilders – China, Japan and the Republic of Korea – face a mismatch between their respective capacity and shares of the global orderbook. To tide over this problem, the document notes that in 2024, the Government of the Republic of Korea set up a shipbuilding training centre in Indonesia, while shipbuilders in the Republic of Korea are also investing abroad and outsourcing production to China, the Philippines and Viet Nam to expand their production base.²⁵

²⁴ “Revelation from Shipbuilding: The Power of Cycles”, Golden Pine Investments.

²⁵ United Nations Trade and Development (UNCTAD), *Review of Maritime Transport*, 46, https://unctad.org/system/files/official-document/rmt2025ch2_en.pdf.

16. **Make by India, Make for the World.** This strategy encourages overseas investment by Indian shipyards (and other entities) in order to enhance India's shipbuilding industry. The acquisition of a controlling stake by the Mazagon Dock Shipbuilders Ltd in Colombo Dockyard plc in 2025 is an innovative approach that offers a potentially fast-track means to achieve the goals set by the Government for India's shipbuilding and ship-repair industry. Overseas investment — whether by way of investment in an existing shipyard or building a greenfield facility — is a promising strategy for the growth of Indian shipyards. This is because of the following reasons:

16.1. The first reason is that, as noted in the Ministry of Ports, Shipping and Waterways (MoPSW)'s Annual Report (2024-25), the *“untapped potential in the Indian ship repair market can be attributed to the presence of competing international ship repair yards in Singapore, Middle East (Dubai, Bahrain) and Colombo on major trade routes and a capability gap of Indian yards in repairing certain kinds of vessels.”* Therefore, the logical approach for India would be to take its business where it is needed. The new strategy suggests exactly such an approach, that is, establish ship-building and ship-repair (SBSR) business closer to potential clients.

16.2. The second reason is that — as also acknowledged in the same report of MoPSW — the GST (which is an additional tax burden) and other cost-related disadvantages such as the high cost of financing, lack of supply of ship spares in India and technology related issues which increase ship repair execution cycle, make Indian ship repairers uncompetitive as compared to foreign ship repairers. Offshoring, therefore, circumvents this issue. In fact, it also holds promise of benefitting from liberal financial policies adopted by many States.

16.3. A third reason is the potential capture of market share in the countries where such investments are made. Many smaller countries do not have shipyards, but they do need vessels of all kinds. By investing in such countries, Indian shipyards can capitalise on this yet untapped market.

16.4. Overseas investment in shipyards also has many intangible benefits, such as brand-building of Indian shipbuilders, enhancing India's 'strategic footprint' in areas where national interests lie, and creating dependencies for long-term sustained growth. Given India's renewed maritime policy impetus by way of MAHASAGAR, shipbuilding and ship-repair are effective instruments with which to engage friendly foreign countries while simultaneously denying similar access to countries that are inimical to India.

16.5. Finally, partnering with foreign shipyards also offers opportunity to Indian shipyards to diversify their existing portfolio of ships. For instance, Colombo Dockyard has the ability to build cable-laying and cable-repair ships, which is a capability lacking among Indian shipyards. Similarly, certain shipyards excel in ship-conversion tasks, which in itself is an attractive business proposition.

17. The strategy of offshoring to enhance India's shipbuilding industry requires an examination of existing shipyards in foreign countries as well as an assessment of their suitability for partnership with- or investment by- an Indian entity. This is the subject of this research.

Structure of the Report

18. This research project aims at exploring the feasibility of expanding India's shipbuilding footprint overseas in order to position India as a leading shipbuilding nation in the world. The rationale for adopting this approach has been explained earlier in this chapter.

19. The report addresses the following broad issues:

19.1. An assessment of shipbuilding and ship-repair capabilities in the maritime nations of the Indian Ocean. This assessment includes countries in:

19.1.1. Southeast Asia – Chapter 2

19.1.2. Eastern Africa – Chapter 3

19.1.3. West Asia – Chapter 4

19.1.4. South Asia – Chapter 5

19.1.5. Australia – Chapter 6

19.2. **Recommendations (Chapter 7).** The report ends with recommendations on:

19.2.1. Investment potential in specific foreign shipyards, country-wise.

19.2.2. Potential greenfield projects of interest to Indian shipyards.

19.2.3. Policy-changes, as required, to enable overseas investments.

19.2.4. Other recommendations pertaining to Indian shipbuilding industry.

CHAPTER TWO

SOUTHEAST ASIA

Introduction

1. This chapter evaluates publicly listed shipyards across Southeast Asia and examines: (a) political factors, (b) economic viability of the yard and foreign investment frameworks, and (c) technical infrastructure and vessel compatibility with Indian requirements. Taken together, these three dimensions provide an integrated framework for identifying and prioritising shipyards in Southeast Asia that can serve as potential partners, subsidiaries, or acquisitions for Indian shipyard investors.

THAILAND

2. **Overview.** This section focuses on Thailand's principal medium-to-large commercial and defence-related shipyards that are relevant for foreign — specifically Indian — shipyard investors. It covers political/strategic positioning, economic and ownership structures, technical capacities, and labour/operational feasibility. Very small fishing/coastal yards or unlisted yards are not treated individually, but the main clusters are noted.

3. Thailand has an established but mid-tier shipbuilding and repair industry, oriented toward small and medium vessels (patrol craft, support vessels, tugs, ferries, offshore/service craft) and repair of larger commercial ships.¹ From an investment standpoint, Thailand combines a relatively open FDI regime with targeted restrictions under the Foreign Business Act (FBA). Foreign majority ownership is generally allowed in activities not explicitly restricted; for restricted sectors — including some transport and services — foreigners can still obtain licences from the Board of Investment (BOI) promotion.² However, defence-linked entities operate under separate political and security constraints, with equity investment opportunities, if any, likely to be tightly controlled and routed through state-to-state arrangements rather than pure commercial FDI.

4. On the policy and tax side, Thailand's regime is generally supportive of industrial investors: corporate income tax at 20 per cent and the possibility of Board of Investment (BOI) promotion (with tax holidays, duty exemptions and facilitation of foreign ownership) can materially improve project-level returns for expansion or modernisation investments in ship repair and offshore fabrication.

¹ 6Wresearch. Thailand Ship Building Market (2025–2031, Outlook & Trends. September 2024; updated September 2025. <https://www.6wresearch.com/industry-report/thailand-ship-building-market>.

² Benoit & Partners, Foreign Direct Investment in Thailand: Legal Framework, Opportunities, and Tax Incentives for 2025, 07 November 2025, accessed 15 February 2026, <https://benoit-partners.com/foreign-direct-investment-thailand>.

5. Under the scope of this report, the following shipyards have been identified:

Ser	Shipyards & Location	Ownership / Listing	Primary Focus
(a)	Unithai Shipyard & Engineering Ltd Laem Chabang, Chonburi	Part of the larger Unithai Group, a private Thai maritime, logistics and industrial conglomerate	Large commercial repair, conversion, offshore fabrication, and some newbuilding
(b)	Asian Marine Services PCL (ASIMAR) Samut Prakan (main), plus yard in Surat Thani	It is a publicly traded company listed on the Stock Exchange of Thailand, meaning its ownership is distributed among shareholders who hold its publicly issued shares.	Ship repair & shipbuilding (tugs, OSVs, small cargo, government craft)
(c)	Bangkok Dock Company Ltd , Bangkok & Mahidol Adulyadej Naval Dockyard, Sattahip	Predominantly State-owned, it functions as a state enterprise under the oversight of the Ministry of Defence.	Naval shipbuilding and repair, some commercial MRO
(d)	Ital Thai Marine Ltd Samut Prakan	Subsidiary of Ital Thai Group (construction conglomerate)	Shipbuilding and heavy refit

Table 2.1: Shipyards in Thailand for Potential Partnership with India

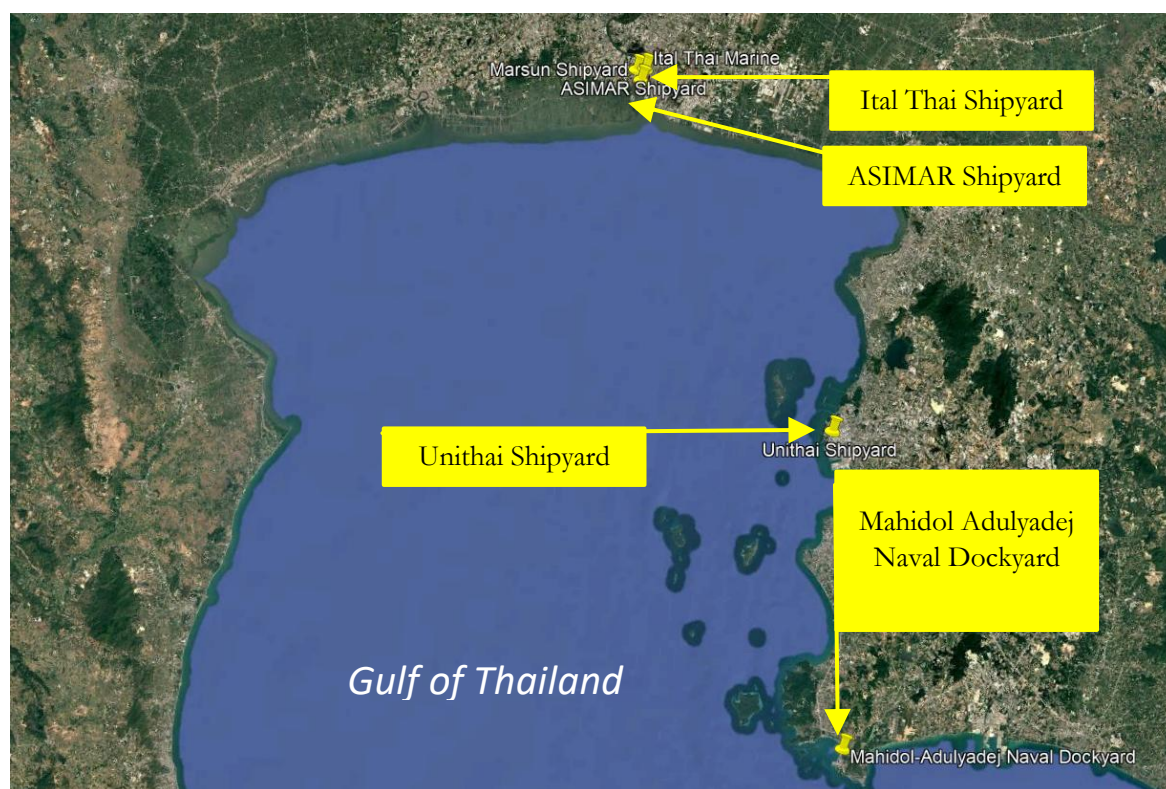


Figure 2.1: Shipyards in Thailand for Potential Partnership with India

Unithai Shipyard & Engineering Ltd

6. Unithai Shipyard & Engineering (USE) operates Thailand's largest shipyard, located inside Laem Chabang, the country's main international deep-sea port and a core node for chemical, oil, container, dry bulk, automotive and offshore trade. In 1976, United Thai Shipping Corp. Ltd was established to serve the Thai government's vision in founding a 'Thai National Flag Carrier'. The shipyard business was started in 1990 as Unithai Shipyard & Engineering Ltd.

7. From a strategic perspective, USE offers the following benefits:

7.1. **Location within Indo-Pacific trade flows:** Laem Chabang is one of Southeast Asia's key container and bulk ports, on routes connecting India's west and east coasts with East Asia and the Pacific. This offers opportunities for the repair of Indian vessels transiting the Gulf of Thailand.

7.2. Its proximity to Singapore (*"within two days of sailing"*) places the yard directly adjacent to one of the world's busiest maritime routes.³ Thousands of vessels transit this route annually. Being only a short diversion from main shipping lanes means shipowners can schedule repairs or maintenance without significant loss of time or disruptions.

7.3. **Proximity to energy and petrochemical hubs:** The yard's access to Map Ta Phut and other industrial ports situates it close to regional petrochemical and energy value chains, relevant for offshore and LNG-related structures.⁴

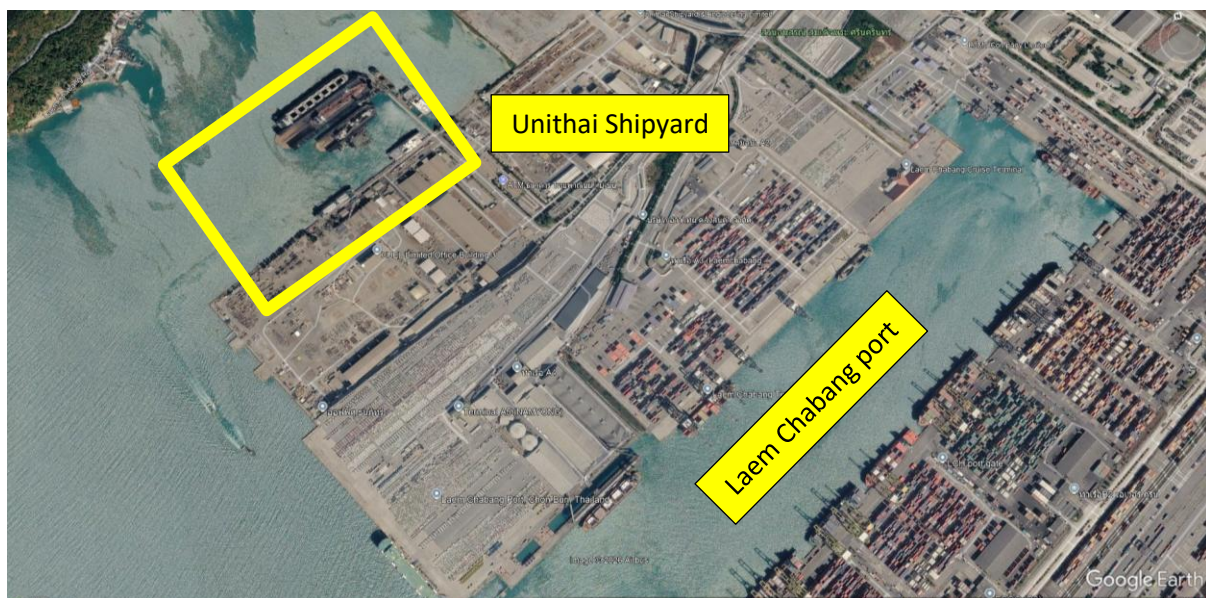


Fig 2.2: Unithai Shipyard

³ Unithai Company Limited. "Shipyard Business." <https://www.unithai.com/marine-offshore-engineering/shipyard-business>.

⁴ Ibid.

8. **Economic Factors.** Unithai Group is owned by TPC (Tsao Pao Chee) Group, whose industrial and logistics arm is IMC Industrial Group. IMC Industrial Group is headquartered in Singapore and functions as a regional integrated maritime and industrial solutions provider (dry bulk, logistics, chemical shipping, shipyard & marine engineering, etc.).⁵ Thus, any partnership with USE is indirectly a partnership with the Singapore-based maritime group. Consequently, any stake in USE would have to be negotiated with the IMC, which may or may not be open to selling equity. It is more realistic to envisage project-based JVs or contract-based partnerships than an equity acquisition.

9. The 2024 partnership between USE and UK-based Newport Shipping offers a blueprint for Indian shipyards seeking international collaboration by demonstrating how complementary strengths can be leveraged without full equity integration. In this model, Unithai contributes physical infrastructure, regional location advantages near major Southeast Asian shipping lanes, and operational capacity, while Newport provides project management, expertise in ship repair, and access to international shipowner networks.⁶

10. From a revenue perspective, USE's core revenue streams are from:⁷

10.1. Ship repair and maintenance for tankers, bulkers, containerships, car carriers and other merchant tonnage.

10.2. Modification and conversion, including life-extension, retrofits, and specialist conversions.

10.3. Offshore oil and gas fabrication: topside modules, jack-up and fixed-platform structures, FPSO modules, subsea stations, jackets and floating power plants.

10.4. Project engineering and onshore industrial fabrication for infrastructure, power plants, chemical plants, tank farms and steel structures.

10.4. Unithai's principal economic risks stem from limited financial transparency as a private subsidiary, making independent assessment of profitability and leverage difficult without due diligence; exposure to cyclical shipping and offshore energy markets, where downturns in tanker, bulker, or oil and gas investment can sharply reduce yard utilisation; and intensifying regional competition from highly automated Chinese yards, premium Singapore facilities, and emerging Southeast Asian players. Sustaining competitiveness will likely require continuous capital expenditure in productivity, technology, and environmental compliance upgrades. India can mitigate these risks through a structured, phased engagement strategy rather than immediate full-scale equity exposure. Such an

⁵ Unithai Company Limited. "Shipyard Business." <https://www.unithai.com/marine-offshore-engineering/shipyard-business>.

⁶ "Newport Announces New Partner Yard in Thailand." *Ship & Offshore Network*, 11 December 2024, <https://www.shipandoffshore.net/news/shipbuilding/detail/news/newport-announces-new-partner-yard-in-thailand.htm>.

⁷ IMC Industrial Group. "Unithai Shipyard & Engineering." <https://imcindustrialgroup.com/marine-and-offshore-engineering/unithai-shipyard-engineering>.

engagement strategy also needs to be positioned as part of a broader India-Thailand maritime cooperation, integrating supply chains between Indian yards and Thai facilities.

11. **Technical Factors.** Unithai Shipyard & Engineering Ltd's infrastructural capacity reflects its status as Thailand's largest shipyard, with extensive facilities tailored for ship repair, shipbuilding, conversion, and offshore fabrication: the yard covers approximately 693,000 m² of prime water frontage adjacent to Laem Chabang Port, with protected deep-water access and excellent land links. The shipyard can accommodate vessels of up to 180,000 DWT with a 580-meter quay and pier, two floating docks, and workshop areas for ship repair and steel fabrication. It operates two major floating docks:⁸

Floating Dock	Length (m)	Width (m)	Max Depth over Blocks (m)	Lifting Capacity (tons)
Unithai 2	190	36	7	13500
Unithai 3	300	52	8	40000

Table 2.2: Specifications of Unithai Shipyard's Floating Dock

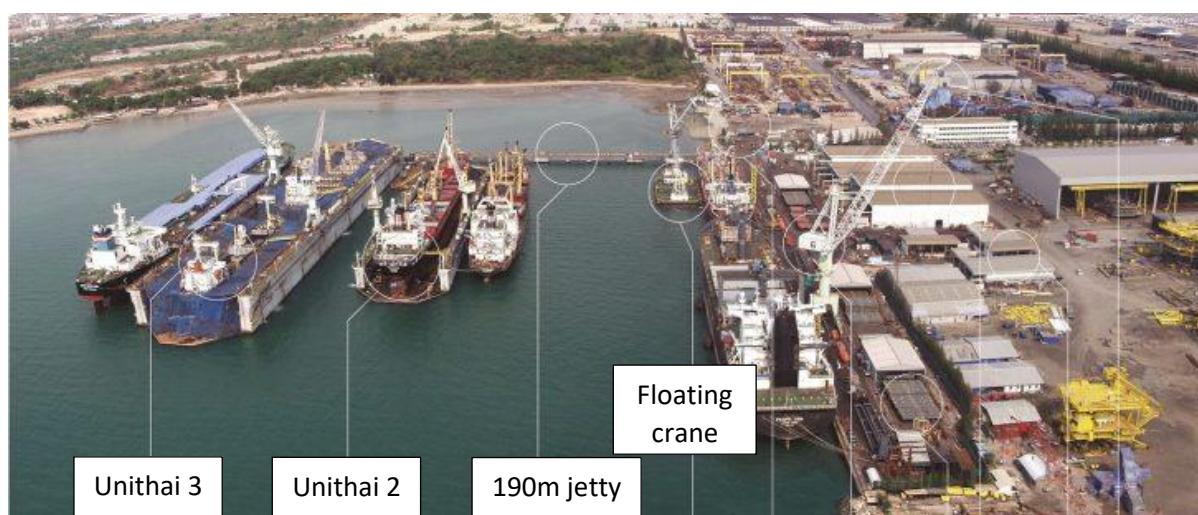


Fig 2.3: Unithai Shipyard Facilities

12. Additionally, the shipyard has a 190m long jetty equipped with two tower cranes and a 380 m quay with a 45-tonne shore crane; a 100-tonne floating crane; two well-equipped workshops, heavy fabrication bays, blasting and painting facilities, and extensive assembly areas, with significant steel fabrication throughput and assembly load-out capability via jetty infrastructure.

⁸ Unithai, "An Introduction to the Unithai Group", *Unithai Brochure*, Last Updated 2024, https://www.unithai.com/wp-content/uploads/2024/01/Brochure-Unithai-Group_Update_Jan-2024.pdf.

13. Although USE does not list every vessel type that it can handle, the combination of capacity and marketing language indicates regular handling (implying repair and NOT new building) of:

- 13.1. **Oil tankers** – including Aframax-size crude/product tankers.
- 13.12. **Bulk carriers** – Panamax and potentially Post-Panamax, within the earlier stated DWT and dimensional limits.
- 13.3. **Container and general cargo ships** – up to Panamax/Post-Panamax size compatible with the dock dimensions.
- 13.4. **Car carriers and Ro-Ro/Ro-Pax** – typical DWT and beam of many car carriers fall within the floating dock capacity envelope.
- 13.5. **Offshore units** – jack-up rigs, accommodation barges, power barges and topside modules, given Unithai’s offshore fabrication specialisation.
- 13.6. **Some military vessels** – Unithai refers generically to repair services for “military vessels up to Aframax tanker and Panamax class,” which likely includes auxiliaries and support ships.⁹

14. The yard builds small- to medium-sized vessels up to 120 meters, including Anchor Handling Tug Supply (AHTS), offshore support vessels (OSV), Platform Supply Vessels (PSV), container ships, navy vessels, tugs, and barges, with capacity for up to four ships concurrently. However, details of the number and type of ships built by Unithai are not available publicly. Recent fleet lists on their site show vessels built mostly pre-2016 (e.g., Uniwise series up to 2013), indicating limited emphasis on publicity for new construction. However, as per the details on the company’s website, a hydrographic survey vessel HTMS *Paruehasabordee* (1600-tonnes displacement) was built by this shipyard in 2008, with the assistance of Damen Schelde naval shipyard of the Netherlands. Some of the ships built by this yard are tabulated below:

Year Built	Name and Type of Vessel	Dimensions/ Tonnage
2019	Unithai Samui AHTS 80-T bollard pull	50 m x 15 m x 5 m
2019	Unithai Chumporn AHTS 80-T bollard pull	
1998	Laem Chabang Marine 3, barge	55 m x 25 m; 3152 DWT
2008	<i>Mermaid Challenger</i> , OSV	60 m x 16 m; 1854 GT; 1700 DWT
2017	Utility vessel	50 m length
2002 to 2012	17 crew utility vessels Uniexpress 2,9,10,11,12,13, 14,15,16,17,18,19,20,21,22,23,24	Approx. 34 m x 7.6 m x 3.3 m; 280 GT, 70 DWT

Table 2.3: Ships Built by Unithai Shipyard

⁹ Unithai Company Limited. “Shipyard Business.” Accessed February 09, 2026, n.d., <https://www.unithai.com/marine-offshore-engineering/shipyard-business>.

15. Unithai Shipyard does not publicly disclose an exact total for ships repaired over the last 10 years (2016–2026), and no precise statistics appear in available sources. In 2015, Unithai reported its 2,000th repair order since starting operations in 1993, with an average of about 100 vessel repairs per year up to that point (reaching the 1,000th in 2006).¹⁰ Extrapolating this rate suggests roughly 1,000 additional repairs from 2016 to 2026, but recent data is unavailable, and the yard’s focus has shifted towards complex conversions and offshore work.

16. **Assessment.** Although it is the largest shipyard in Thailand, Unithai has not built new ships in the recent past. Instead, its expertise lies in repairing jack-up rigs, FSOs, FPSOs, and platforms, plus heavy fabrication for oil/gas, rather than full platform construction. Shipbuilding, as such, remains limited to vessels up to 120m. Since Newport Shipping has already partnered with Unithai, it is assessed that Indian shipyards would have a limited scope of investment in this yard.

Asian Marine Services PCL (ASIMAR)

17. Asimar shipyard is located in Samut Prakan at the mouth of the Chao Phraya River, with easy access to the Gulf of Thailand. This places it directly on important maritime routes used by Indian-linked coastal and regional traffic, and within Thailand’s principal shipbuilding cluster near Bangkok. The yard is recognised for work on commercial, offshore-service and government vessels, including projects for the Royal Thai Navy, the Port Authority of Thailand and the Marine Department, which indicates that it is an established player in both civil and State-related markets without being a defence enterprise. The company was established in 1981 as a marine survey company. The Company later reviewed its original corporate objective in view of the growing demand for ship repair services of the required standard and purchased its first floating drydock, Asimar 1, from Japan in 1981. In 1995, the Company purchased its second floating dock, Asimar 2, from Germany and increased the registered capital to THB 120 million and THB 170 million, respectively.¹¹

¹⁰ Eric Luan, ‘Unithai Shipyard Awarded 2,000th Ship Repair Order’, *Marine Link*, 18 May 2015, <https://www.marinelink.com/news/shipyard-unithai-awarded391438.aspx>

¹¹ Ecomarine, ‘About Us’, *Ecomarine*, n.d., <https://www.ecomarine.co.th/en-aboutus>.

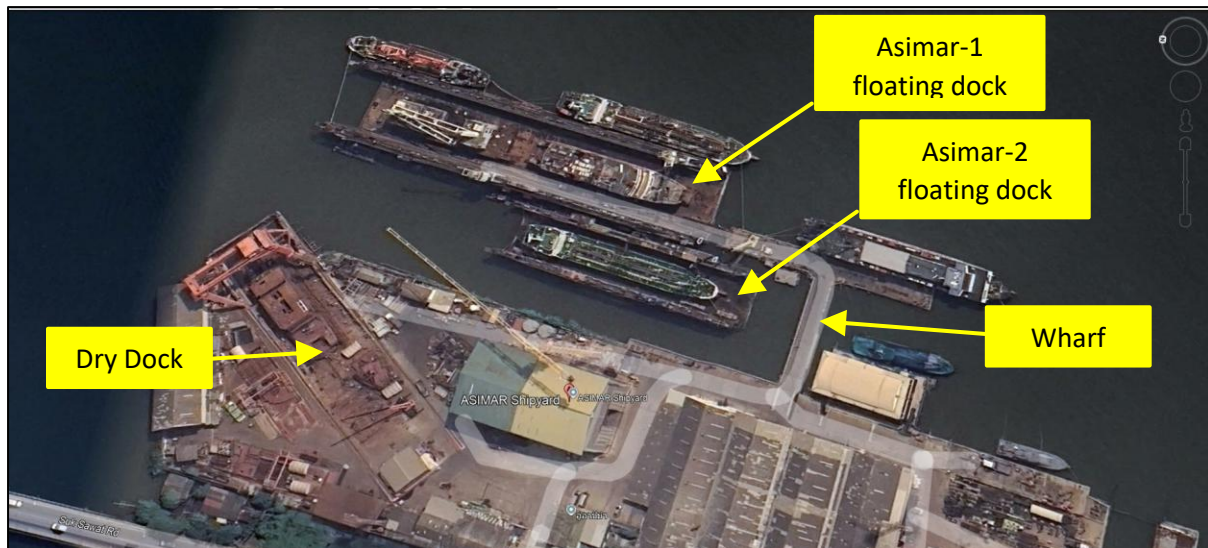


Fig 2.4: Asimar Shipyard (Chhao Praya River)

18. **Economic Factors.** From a financial-scale perspective, ASIMAR is clearly a micro-cap industrial company. The Stock Exchange of Thailand factsheet reports that the company has paid-up capital of 258.29 million baht (~ USD 7.4 million), meaning this is the total amount shareholders have formally invested in exchange for shares. Its market capitalisation is 410.68 million baht (~ USD 11.7 million), which reflects the company’s current market value. In practical terms, this is a small asset relative to even a mid-sized Indian shipyard, which makes financial entry feasible but also limits the impact such an investment can have on India’s overall shipbuilding and repair capacity.

19. Operating revenue increased from about USD 13.4 million in 2020 to USD 14.3 million in 2021, surged to USD 20.8 million in 2022, dipped to USD 15.5 million in 2023, and then rebounded strongly to around USD 29.1 million in 2024.¹² For an Indian investor, this suggests the company is profitable and exhibits strong revenue growth, but earnings can fluctuate due to the project-based nature of shipyard contracts. Overall, published financial and economic data suggest that ASIMAR is a moderately profitable and a financially sound small Thai yard.

20. **Technical Factors.** Asian Marine Services PCL (ASIMAR) is configured as a small-to-medium ship repair and construction yard, with infrastructure optimised for workboats, coastal tonnage and offshore support vessels. Its primary yard at Samut Prakan has a total area of about 36,000 m², with 300 metres of waterfront and a wharf of roughly 126 metres in length at 14 metres depth. The company reports a permanent workforce of around 350 people and states that it can repair vessels up to about 25,000 DWT and build new vessels up to 120 metres in length overall (LOA).¹³ The yard has two floating dock whose specifications are given at **Table 2.4**.

¹² StockAnalysis, “Asian Marine Services PCL (BKK: ASIMAR) Income Statement,” <https://stockanalysis.com/quote/bkk/ASIMAR/financials>.

¹³ Asian Marine Services Public Company Limited. “Facilities.” <https://www.asimar.com/facilities>.

Floating Dock	Length (m)	Width (m)	Lifting Capacity (tons)	Maximum Vessel Size (DWT)
Asimar 1	97	19.6	2000	6000
Asimar 2	161	28.5	6500	20000

Table 2.4: Specifications of ASIMAR'S Floating Docks

21. In addition, it has a dry dock (125 x 28 m) and a small slipway (60 x 18 m). There are three fabrication shops, and one each of building, machine, pipe, and CNC shops. The yard has two mobile cranes of 80-ton and 50-ton capacity, an overhead gantry crane (100-ton capacity), and other smaller cranes. It also has a 146 m long wharf with 14 m depth alongside.

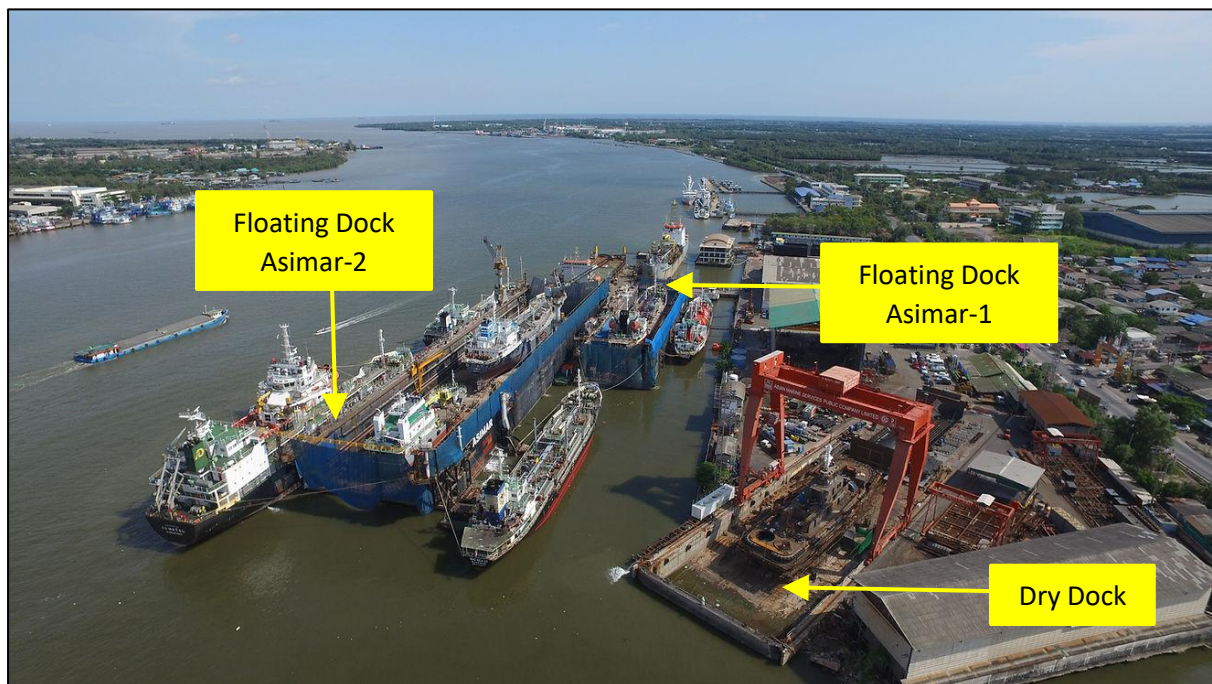


Fig 2.5: Asimar Shipyard (Chhao Praya River)

22. On the services side, ASIMAR positions itself as a full-service repair yard for commercial, offshore-service and government vessels. The company describes a broad range of repair activities: general steel and metal repairs; external hull blasting, surface preparation and coating; tank blasting and coating; tail shaft, propeller and rudder work; maintenance of azimuth units, bow thrusters and Voith-Schneider drives; overhaul of main and auxiliary engines, air compressors and boilers; servicing of winches, valves and pumps; hydraulic and other pipework; and electrical wiring, alternators, motors and switchboards.¹⁴

¹⁴ Asian Marine Services Public Company Limited. "Facilities." <https://www.asimar.com/facilities>

23. Shipbuilding Track-Record.¹⁵

Year Built	Name and Type of Vessel	Dimensions/ Tonnage	Customer
2008	<i>Gati Pride</i> ; container ship	442 TEU cargo ship 100 m x 19 m x 7 m; 7000 DWT; 5015 GT	Gati Limited, India
2009	MV <i>Azzam</i> , a multi-purpose supply vessel	50 m x 12 m; 333 DWT; 885 GT	Al Mansoori Production Service, UAE
2011	30 T and 40 T tugs		
2013	M.V. <i>Adams</i> Nomad, Diving Support Vessel	60 m x 13 m; DWT – 795; GT – 1592	Khalifa Al-Gosaibi Diving and Marine Services Company of Saudi Arabia
2015	M.V. <i>Kobtakten</i> 40 Tons Bollard Pull Tugboat		Port Authority of Sihanoukville
2015	<i>Tarna</i> 123, Buoy Tender vessel		Port Authority of Thailand.
2017	<i>Tarna</i> 304, 50 Tons Bollard Pull Tug		Laem Chabang Port, Port Authority of Thailand
2019	1 x canal cleaning boat		to Toyota Motor Thailand Co. Ltd.
2020	4 x Catamaran Passenger Boats		Chao Phraya Express Boat Co., Ltd.
2021	2 x Canal Cleaning Boat		Department of Marine and Coastal Resources, Thailand
2021	5 x Electric Passenger Boats		Mine Mobility Research Co., Ltd.
-	4 x Pollution Control Vessel		ESSO (Thailand) Public Co., Ltd., Shell (Thailand) Co., Ltd., Marine Department
	6 x Oil tankers	800 tons	TPI OIL Co., Ltd.
	3 x Patrol Gun Boat		Royal Thai Navy
	3 x Catamaran Passenger Ferry		Khaolak Enterprise Co., Ltd.
	6 x Passengers Ships		Aqua Co. Ltd. / Seatrans Travel Co. Ltd./ Pattaya Pakarang Semi-Submarine Co. Ltd.
	Landing Craft Utility and a number of tugboats		Royal Thai Navy

Table 2.5: Ships Built by Asimar Shipyard

¹⁵ ASIMAR, “History”, <https://www.asimar.com/history>.

24. Asimar is equipped with major facilities for ship repair with the size of vessels ranging from 8,000 DWT to 20,000 DWT. These facilities are two U-Groove floating docks, to serve both domestic and international demands, together with other supporting facilities, e.g., a warehouse, giant cranes, and high-skilled workforces capable of producing high-standard outputs.

25. **Assessment.** Asimar's revenue model has gradually shifted from shipbuilding to ship-repair. An analysis of the past annual reports of the company indicates that the revenue from ship repair has dominated (60 to 70 per cent) the revenue from shipbuilding (30 to 40 per cent). The shipyard is profitable and holds promise for a future joint venture or investment by an Indian shipyard.

Bangkok Dock Company Ltd

26. Bangkok Dock Company (1957) Limited is structurally different from Unithai or ASIMAR, and that shapes its fit for an Indian shipyard. It is primarily a defence-industrial asset of the Thai State. Official and reference sources consistently describe Bangkok Dock as a State enterprise under the oversight of Thailand's Ministry of Defence. As such, the scope of investment within this yard is limited, and any relationship with it is likely to be framed through a government-to-government channel and not through a simple corporate equity investment by an Indian shipyard.

27. **Economic Factors.** On the economic and financial side, the information available in open sources is sparse and underlines why a conventional financial investment case is hard to build. Neither the Thai State enterprise registry nor English-language financial databases provide detailed public accounts; Bangkok Dock does not feature its market capitalisation, earnings or balance-sheet data in mainstream equity or bond markets. For an Indian shipyard, this implies that the usual levers of financial compatibility — transparent earnings, valuation multiples and dividend policies — are not readily accessible.

28. **Technical and Infrastructural Analysis.** Bangkok Dock's infrastructure is tailored to small- and medium-sized naval and auxiliary ships rather than to very large combatants or major commercial tonnage. It has the facility for turnkey shipbuilding as well as repair projects, project management and supervision, and system integration. This shipyard is at two locations:

28.1. The Bangkok Dock Company at the East bank of the Chao Phraya River.

28.2. Royal Thai Navy Dry Dock (Mahidol Adulyadej Naval Dockyard – leased area), which is located about 70 nautical miles SSE of the Bangkok Dock company.

29. **The Bangkok Dock Company.** Bangkok Dock Company has two dry docks and a slipway:

	Length (m)	Width (m)	Depth (m)	Max Displacement of Vessels (tonnes)
Dry Dock 1	103	19	7	3000
Dry Dock 2	114	17	8	4000
Slipway	105	n.a.	n.a.	1,500-tonne lifting capacity

Table 2.6: Specifications of Infrastructure at The Bangkok Dock Company

30. These dimensions are consistent with dock sizes suitable for offshore patrol vessels, corvettes, small tankers, landing craft, support ships and superyachts, but they are clearly below the scale needed for large destroyers, frigates, or big commercial bulkers or tankers.¹⁶

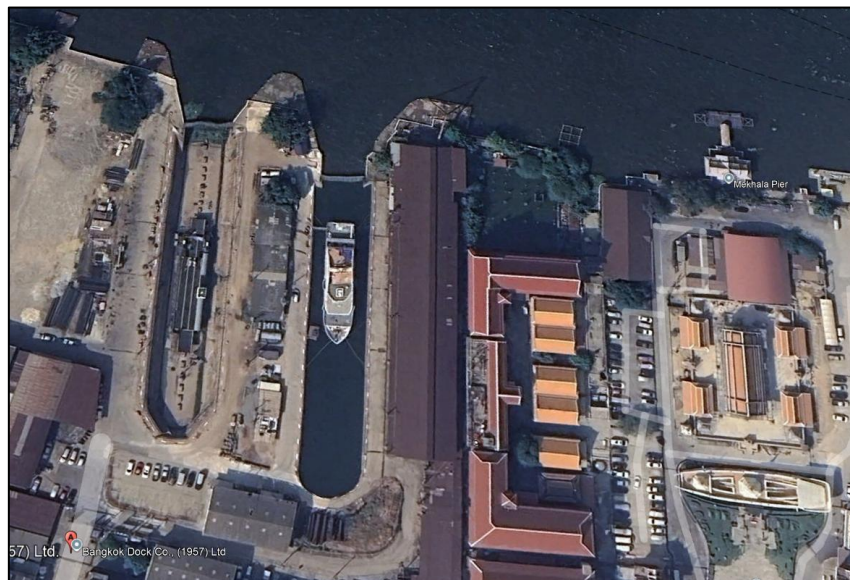


Fig 2.6: Bangkok Dock Company (Chhao Praya River)

31. **Royal Thai Navy Dry Dock (Mahidol Adulyadej Naval Dockyard – leased area).** The Royal Thai Navy’s dockyard had good ship-repair and shipbuilding facilities. HTMS *Krabi* and HTMS *Prachuap Khiri Khan* were built at this dockyard, while several Royal Thai Navy ships have been repaired and refitted here.

¹⁶ Shipyards Directory, “Bangkok Dock Company (1957) Limited – Thailand.” Accessed February 10, 2026. <https://www.shipyards.gr/component/mtree/ships-repairs-shipyards/Shiprepairs-fareast-pacific-ocean/Shiprepairs-FarEast-China/thailand/bangkok-dock-company-1957-limited-thailand>.

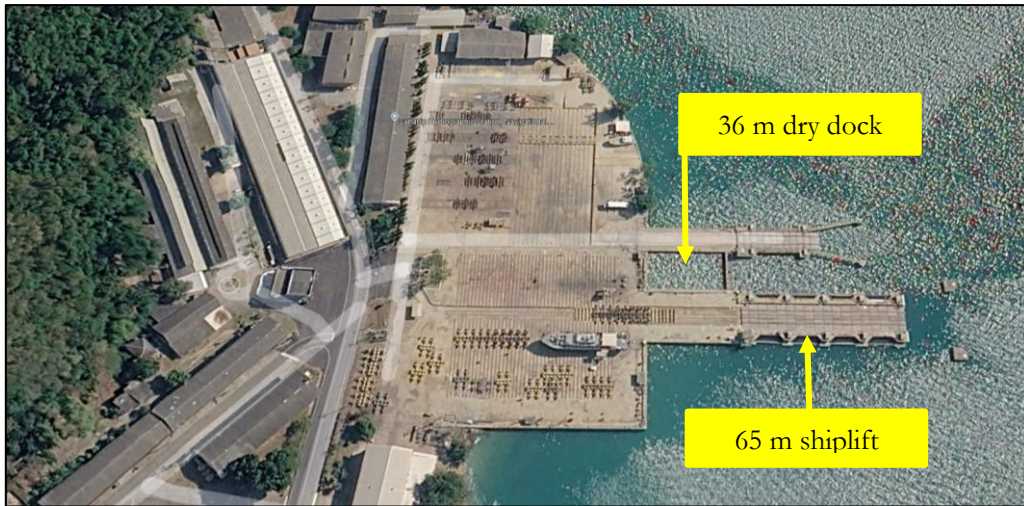


Fig 2.7: Ship-Lift and Dry Dock at Sattahip Naval Base

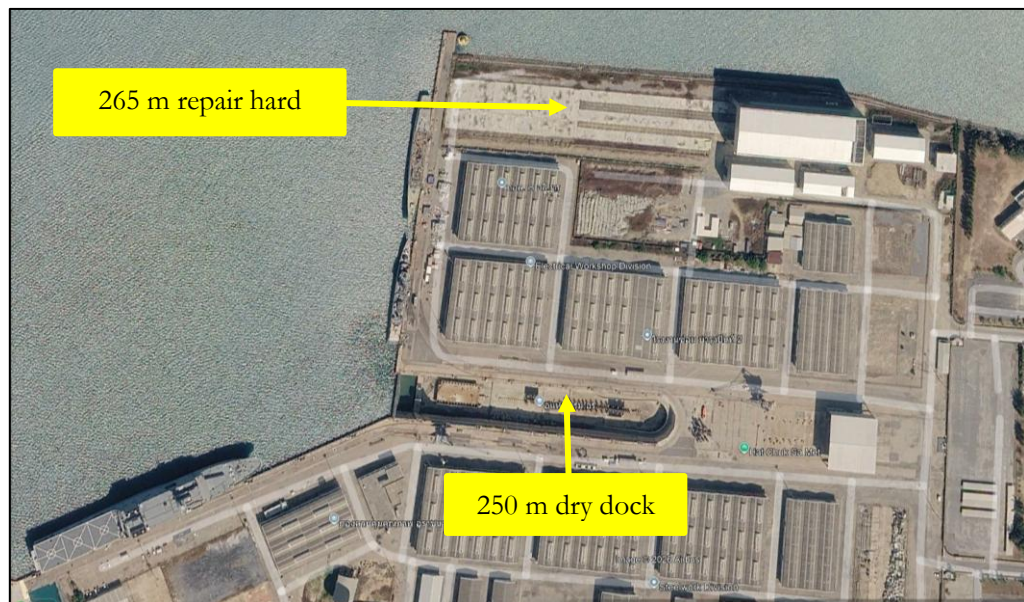


Fig 2.8: Slipway and Dry Dock at Sattahip Naval Base

32. **Assessment.** From a compatibility perspective, it is opined that Bangkok Dock's technical profile does not fill India's main capacity gaps. On the naval side, India's strategic priority is indigenous design and construction for its own warships and submarines. On the commercial side, the dock sizes and other limits at Bangkok Dock are too small to meaningfully address India's chronic shortage of large-vessel repair capacity.

ItalThai Marine Ltd

33. **Strategic Factors.** ItalThai Marine Ltd is a private shipbuilding and repair company under the ItalThai Group, itself a major Thai construction and engineering conglomerate, which gives ItalThai Marine access to substantial capital and project-management expertise without

being a State-owned enterprise. Politically, this positioning is favourable for foreign investment: there is no sovereign defence-yard status discouraging equity, and ItalThai Marine can be treated as a commercial industrial asset rather than a sensitive national-security facility. Geographically, the yard is in Samut Prakan at the mouth of the Chao Phraya River, within the dense Thai shipbuilding and marine services cluster near Bangkok and the Gulf of Thailand, giving convenient access to the country's main port and industrial infrastructure while remaining close to regional shipping routes.

34. **Economic Factors.** ItalThai Marine Ltd is a mid-sized, privately owned Thai shipbuilding and repair yard embedded within the ItalThai Group, a large Thai construction and industrial conglomerate. Financial data for ItalThai Marine is not publicly disclosed on a stand-alone basis, but its parent, ItalThai Group, provides useful financial context. The privately held group operates across construction equipment, contracting, hospitality, food and beverage, and marine services, employing over 5,000 people regionally.

35. According to a 2021 roadmap reported by Nation Thailand, the yard's parent group targeted annual revenue of about USD 480 million, with a five-year goal of reaching roughly USD 840 million. Overseas revenue was around 10 per cent at the time, with a target of 25 per cent in the longer term. The group also planned annual investments of about USD 84 million with 90 per cent directed toward hospitality expansion.¹⁷ While this does not provide a direct valuation of ItalThai Marine, it indicates that the yard operates within a financially substantial and diversified conglomerate capable of absorbing cyclical fluctuations in marine construction activity.

36. Partnerships and collaborative arrangements further underline the yard's economic role and its relevance to Indian investors. Since 2013, ItalThai Marine has operated a dedicated superyacht-refit facility in Bangkok in partnership with Yacht Solutions, a British-owned superyacht services company, under the banner "Yacht Solutions at ItalThai Marine." This JV has handled a sequence of 40–60 m superyachts and charter vessels, including 43–62 m motor and charter yachts, and is positioned as Thailand's first major dedicated superyacht facility in the capital.¹⁸

37. **Technical and Infrastructural Factors.** ItalThai Marine Ltd is a mid-sized shipyard whose infrastructure is optimised for small-to-medium commercial, offshore and naval-auxiliary vessels, as well as high-end superyacht refit. The yard occupies a 112,000 m² site at Taiban, Samut Prakan, at the mouth of the Chao Phraya River, with 300 metres of alongside berthing, a bonded warehouse and in-house design capability. Its core dry-dock and lifting infrastructure includes two 115-metre dry docks, 300 metres of alongside wharfage, and a floating dock up to 160 metres in length and 5,000 tonnes lifting capacity, with a maximum lifting span of 95 metres and about 3,500 tonnes capacity at that span. This combination allows the yard to handle both

¹⁷ The Nation, "ItalThai aims to double revenue, 02 March 2017, <https://www.nationthailand.com/business/30307770>.

¹⁸ Zuzana Bednarova, "Superyacht Shipyard Expansion for Yacht Solutions at ItalThai Marine," *CharterWorld*, December 20, <https://www.charterworld.com/news/superyacht-shipyard-expansion-yacht-solutions-italthai-marine>.

large-superyacht refits and routine or heavy-maintenance work on medium-size commercial and offshore vessels, but it is not configured for very large crude carriers, big bulk carriers or major deep-sea liners.¹⁹

38. **Assessment.** While ItalThai Marine’s facility can technically accommodate small-to-medium naval and offshore vessels, India’s policy prioritises expanding domestic shipbuilding and repair capacity for larger commercial and defence tonnage, which exceeds ItalThai Marine’s scale. Moreover, the yard’s focus on superyacht refit positions it more as a lifestyle-oriented facility than a strategic industrial asset. Therefore, ItalThai Marine Ltd does not present itself as a suitable opportunity for India.

MALAYSIA

39. **Overview.** Malaysia has a vibrant shipbuilding industry with about 100 companies – small and large – in the business of Shipbuilding and Ship Repair (SBSR). In 2023, 323 ships were being built by Malaysian shipyards (data from 38 shipyards only), with a cumulative GT of 57235.²⁰ 71 per cent of these builds were for domestic clients, and 30 per cent for foreign clients. In comparison, Indian shipyards delivered 206 ships (32500 DWT), which is significantly less than Malaysia, although India’s order book was much higher at 433 ships (250000 DWT). The following shipyards have been selected for in-depth analysis due to their capacities to be able to undertake the construction/repair of medium to large vessels, in line with the demands from the Indian market:

Ser	Shipyard	Ownership / Listing	Location	Primary Focus
(a)	Lumut Naval Shipyard (Formerly Boustead Naval Shipyard)	State-owned	Lumut, Perak	Naval vessels, offshore support, repair & maintenance
(b)	Malaysia Marine & Heavy Engineering (MMHE)	Private / Part of MISC group	Pasir Gudang, Johor	Commercial vessels, offshore structures, repairs
(c)	Labuan Shipyard & Engineering	Private	Labuan, East Malaysia	Shipbuilding and repair, offshore oil & gas support
(d)	Shin Yang Shipyard	Private	Sibu, Sarawak	Medium commercial vessels

Table 2.7: Shipyards in Malaysia for Potential Partnerships with India

¹⁹ Zuzana Bednarova, “Superyacht Shipyard Expansion for Yacht Solutions at ItalThai Marine,” *CharterWorld*, 20 December 2013, <https://www.charterworld.com/news/superyacht-shipyard-expansion-yacht-solutions-italthai-marine>.

²⁰ Malaysia SBSR Report 2025-26, 46, <https://www.mylunas.com.my/wp-content/uploads/2025/06/Malaysia-SBSR-Report-20252026-Final-compressed.pdf>.

Lumut Naval Shipyard (LUNAS)

40. **Overview.** LUNAS is located within the premises of the Royal Malaysian Navy base in Lumut, Perak, about 160 km from Kuala Lumpur. The core business of LUNAS is the maintenance and manufacturing of ships, as well as the construction of heavy engineering structures and offshore structures. The company began operations in 1984 and was known as the Royal Malaysia Navy Dockyard. It was later incorporated in 1991 and privatised in 1995 as PSC-Naval Dockyard. In 2005, management and fiscal crisis led to it being taken over by Boustead Holdings, which renamed it the Boustead Naval Shipyard (BNS). In 2024, BNS was fully taken over by the government through the Ministry of Finance's company Ocean Sunshine Sdn Bhd and rebranded as Lumut Naval Shipyard (LUNAS). In the same year, LUNAS assumed control of Boustead Langkawi Shipyard from BHIC and renamed it LUNAS Langkawi.

41. Geographically, the shipyard is located in the western part of the Strait of Malacca, about 450 nm from Campbell Bay. From an Indian perspective, this location on Malaysia's west coast, astride one of the world's busiest and most strategically important sea lanes, carrying a large share of India's trade and energy flows, is a core attraction.

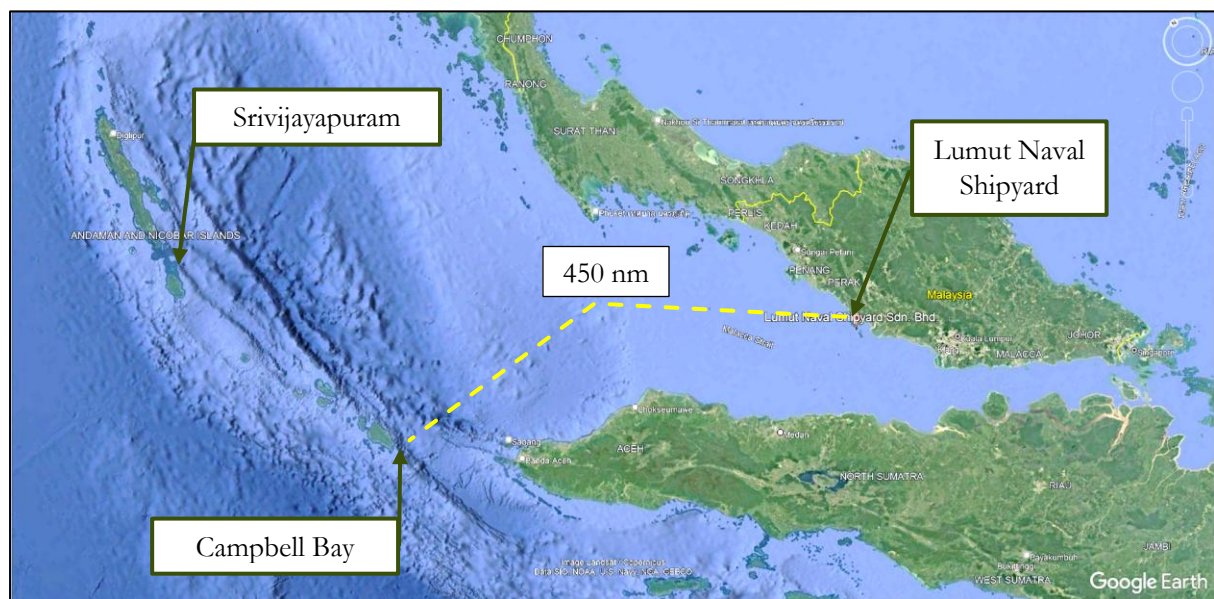


Fig 2.9: Location of Lumut Naval Shipyard

42. LUNAS also has a deep, long-standing international partnership framework with France's Naval Group. A dedicated joint venture, Boustead DCNS Naval Corporation (BDNC), handles in-service support and refits for Malaysia's two Scorpene submarines, while the LCS programme itself is based on Naval Group's *Gowind* design and SETIS combat management

system, under extensive technology-transfer arrangements.²¹ That means the yard's principal foreign interface for complex warship design and combat systems is already locked in with a major European OEM whose IP and commercial interests would have to be carefully protected in any new equity structure. Taken together, these factors make a straightforward Indian equity entry unlikely to be feasible.

43. **Economic Factors.** Economically and by output, LUNAS is a highly specialised defence shipyard whose financials are directly tied to the Royal Malaysian Navy's (RMN) naval spending. Its business model is dominated by sovereign defence work for the RMN, with the LCS programme (five Maharaja Lela-class frigates) as the anchor contract and daily fleet-support / MRO contracts for RMN, and this provides a recurring service revenue. While this gives the yard a relatively predictable demand base over the medium term, it also creates high concentration risk: delays or cost overruns in LCS have already translated into severe financial stress, prompting the Malaysian government to recapitalise and effectively renationalise the yard, with Ministry of Finance buying out Boustead Heavy Industries' stake and rebranding the company as Lumut Naval Shipyard.²² In FY 2021-22, the shipyard recorded a post-tax loss of RM150.12 million (~38 million USD) and net liabilities of RM848.45 million (~216 million USD),²³ although current financial data on the shipyard is unavailable.

44. However, the financial feasibility of utilising the strengths of LUNAS for Indian purposes is constrained by ownership and political realities: LUNAS is now a re-nationalised naval establishment with its balance sheet effectively underwritten by the Malaysian government and deeply intertwined with French OEM partnerships (Naval Group/BDNC) and RMN contracts. It is also limited in terms of the construction it can undertake. Therefore, the yard is considered unsuitable for Indian investment.

45. **Technical and Infrastructural Factors.** Spanning over 77.28 hectares, LUNAS features an integrated shipbuilding infrastructure that combines modern facilities with local expertise and a skilled workforce. The company's main operations are at the Lumut Shipyard in the Naval Base, Lumut, focusing on shipbuilding and ship repair activities, while one of its subsidiaries, LUNAS Langkawi Shipyard, is located at Bukit Malut, Langkawi, Kedah, and expands the company's operational reach in the northern region. Its key Facilities include a 4500-ton synchro lift (123 m x 23 m x 9 m), building berths for up to eight large ships on rails, and five hangars and a hardstand in addition, a 900 m jetty for afloat repairs for up to 7 ships, and a floating jetty (pontoon 400 m) with quayside crane berthing.²⁴

²¹ Singapore Business Review, "Boustead DCNS Naval Corporation Sdn. Bhd. bags two trophies in SBR Malaysia Management Excellence Awards 2021," 2022, <https://sbr.com.sg/co-written-partner/event-news/boustead-dcns-naval-corporation-sdn-bhd-bags-two-trophies-in-sbr-malaysia-management-excellence-awards-2021>.

²² The Maritime Executive, "Malaysian Government Takes Share of Shipyard to Advance Delayed LCS Program", 23 August 2023, <https://maritime-executive.com/article/malaysian-government-takes-share-of-shipyard-to-advance-delayed-lcs-program>.

²³ Farah Marshita Abdul Patah, "Boustead Naval Shipyard renamed to Lunas following shareholding change – PM", *New Straits Times*, 28 March 2024, <https://www.nst.com.my/news/nation/2024/03/1031547/boustead-naval-shipyard-renamed-lunas-following-shareholding-change-pm>.

²⁴ Company Profile LUNAS, 8-9, <https://www.mylunas.com.my/wp-content/uploads/2025/12/2025.12.05-Company-Profile.pdf>.

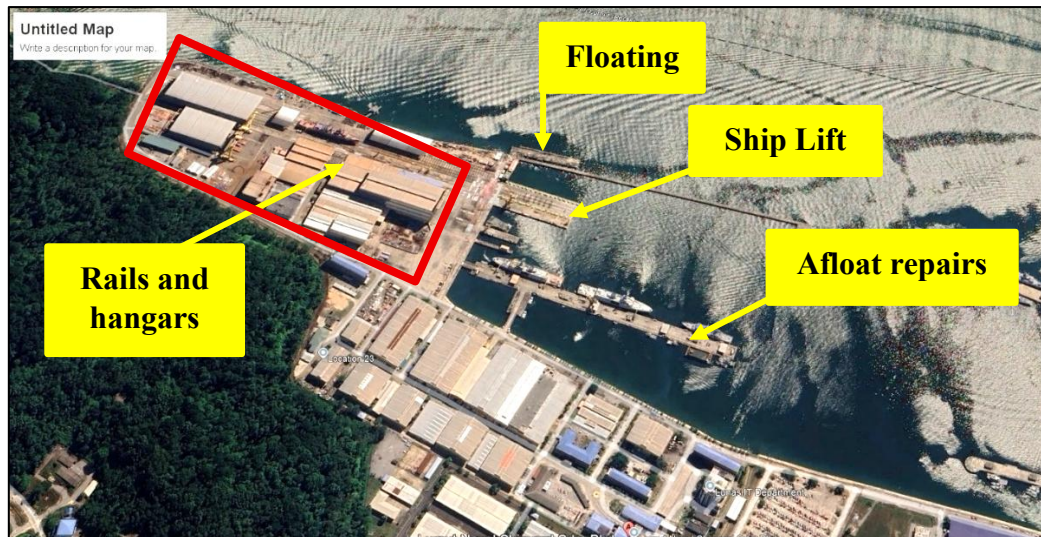


Fig 2.10: Facilities at Lumut Naval Shipyard

46. Lumut Naval Shipyard's track-record includes the following:

- **Littoral Combat Ships (LCS)** - Maharaja Lela-class LCS stealth frigates (approx. 3,000-ton Gowind-class) for RMN. This is an ongoing project.
- A future project includes the New Generation Patrol Vessel Batch 2 / Littoral Mission Ship Batch 3.
- **Completed Projects** - Sri Tiga-class fast troop vessels (FTV) 117 tons – two ships; Keris-class Littoral Mission Ships (LMS) 700 tons – four ships; Kedah-class OPVs 1650 tons – six ships; Service Life Extension Programme of Kasturi-class corvettes. Commercial ships such as the Pulau Pinang ferries (2002), MV Tasneem 2 (OSV, 2006), MV *Tanjung Sari* (AHTS, 2008), MV *Tanjung Gelang* well test servicing vessel (2009), and yacht *Hotel Sunborn III* (2010).

47. **Assessment.** Although Indian shipyards are broadly more advanced and larger in aggregate capacity, it is a mixed picture: Indian yards are ahead in scale, indigenisation and R&D depth, whereas LUNAS is catching up in naval-systems integration and modular construction for specific high-value programmes. Given the current and future orderbook of the yard, as well as its well-established profile, it is opined that the LUNAS shipyard may not be willing to engage in a strategic partnership with Indian shipyards.

Malaysia Marine & Heavy Engineering (MMHE)

48. MMHE is the core operating subsidiary of Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), a major marine and energy-infrastructure group. MHB is about 66.5 per cent owned by MISC Berhad, Malaysia's national shipping company, which in turn is around 62–63 per cent owned by Petroliaam Nasional Berhad (Petronas)- Malaysia's national oil and gas

company, making MMHE effectively part of Petronas.²⁵ The MMHE complex effectively lies at the southern entrance/exit of the main Malacca–Singapore–South China Sea route: vessels moving between the Indian Ocean, Malacca Strait, Singapore Strait and the South China Sea can be serviced or converted at Pasir Gudang without requiring a major deviation. For India, this geography creates a forward industrial node close to Singapore’s trading and financial hubs but on Malaysian soil, making it well-positioned to work on assets tied to Indian energy flows or trade traversing these chokepoints.

49. **Economic Factors.** Entry by an Indian yard into Malaysia Marine & Heavy Engineering (MMHE) is financially unattractive as an acquisition play but feasible as a project-level partner, given its recent return to profit, tight Petronas–MISC control, and deep existing alliances. On the other hand, Malaysia Marine and Heavy Engineering Holdings Berhad (MMHE) swung from a net loss of roughly USD 103 million in FY2023 to a net profit of about USD 26 million in FY2024, despite revenue declining from approximately USD 239 million to USD 174 million at the company level. At the group level, MHB reported FY2024 revenue of around USD 766 million, with its heavy-engineering segment contributing about USD 678 million in revenue and USD 23 million in operating profit. Overall, MMHE remains a high-fixed-cost, cyclical offshore contractor that has returned to modest profitability — stable but not distressed enough to justify a turnaround-control investment.²⁶ A realistic Indian entry within the firm can only materialise in the form of specific project-based endeavours.

50. **Technical Factors.** MMHE is fundamentally a repair, conversion and offshore-fabrication yard. Malaysia Marine & Heavy Engineering’s Pasir Gudang complex consists of two fully equipped yards (MMHE West and East) with Malaysia’s largest fabrication yard by area (about 2 million m²) and an annual offshore-structure production capacity of 129,700 tonnes, plus one of Southeast Asia’s largest marine-repair set-ups.

51. On the marine side it has three VLCC-class graving docks (385 m × 80 m × 14 m for 450,000 dwt; 270 m × 46 m × 12.5 m for 140,000 dwt; and 350 m × 80 m × 14 m for 400,000 dwt), two 345-m land berths, a 50,000-dwt shiplift (188 m × 33.8 m × 8 m), and seven quays up to 369 m with about 7 m depth, allowing concurrent repair and conversion of multiple LNG carriers, VLCCs, FPSOs/FSOs and rigs. This is supported by five large open fabrication areas (~321,400 m²), a 12,000-ton bulkhead for load-out, 11 level-luffing cranes (15–80 t), six crawler cranes (150–250 t), and expanded LNG-focused workshops, including a cryogenic workshop (growing from 740 to 1,200 m²), enlarged electrical/instrumentation, piping and hull shops, tailored for LNGC and offshore-unit work. Strategically located 22 km from Johor Bahru, 27 km from Singapore and 4 km from Johor Port, along one of Southeast Asia’s busiest shipping lanes, the yard is configured as a high-throughput offshore-fabrication and large-vessel repair hub.²⁷

²⁵ Investing.com, “Malaysia Marine and Heavy Engineering Holdings Bhd (MHEB) Ownership.” *Investing.com*, Accessed February 10, 2026, <https://in.investing.com/equities/malaysia-marine-heavy-engineering>.

²⁶ Malaysia Marine and Heavy Engineering Holdings Berhad, Quarterly Report: Unaudited Condensed Consolidated Interim Financial Statements for the Period Ended 30 June 2025, Kuala Lumpur: Malaysia Marine and Heavy Engineering Holdings Berhad, 2025, <https://mhb.com.my/wp-content/uploads/2025/08/Bursa-Q2-2025.pdf>.

²⁷ Malaysia Marine and Heavy Engineering Holdings Berhad. Facilities, <https://mhb.com.my/solutions/facilities/>.

52. **Assessment.** Since MMHE is optimised for LNG/tanker repair, FPSO/FSO conversion and offshore platform fabrication, it is an attractive investment and partnership candidate that could support India's own SBSR capabilities in this niche area.

Labuan Shipyard & Engineering

53. **Overview.** Labuan Shipyard & Engineering Sdn Bhd (LSE) is a Malaysian shipbuilding and ship repair (SBSR) specialist located on a 60-acre yard in Victoria Harbour, Labuan Island, a duty-free federal territory in the South China Sea off Sabah, East Malaysia, strategically positioned at the opening of Brunei Bay and near the busy Malacca Strait–South China Sea shipping routes.

54. **Economic Factors.** Labuan Shipyard & Engineering (LSE) is a private Malaysian building and repair yard whose financial performance is volatile and cyclical but shows signs of recovery, making it an attractive but high-risk target for an Indian investor seeking mid-tier commercial shipbuilding exposure in the region. Latest available data from EMIS shows net sales revenue surging 134.67 per cent in 2024 after a sharp drop of 63.57 per cent in 2023, with total assets shrinking 27.91 per cent in 2024 amid profitability pressures (net profit margin fell 88 per cent in 2023), reflecting a classic shipyard's boom-bust cycle tied to project wins.²⁸

55. Labuan Shipyard & Engineering Sdn Bhd (LSE) is 100% owned by Radimax Group Sdn Bhd, a Malaysian private industrial conglomerate founded in 1995 by Datuk Radzi bin Mansor, which specialises in marine engineering, fabrication and trading; Radimax acquired the original Sabah Shipyard in 2005 and rebranded it as LSE, operating it as a wholly owned subsidiary without any public listing or external strategic shareholders. Radimax's broader group includes marine services, steel fabrication and logistics, with LSE as its flagship shipyard, and there are no disclosed foreign equity partners or JVs at the ownership level — unlike other state-linked yards like Boustead or MMHE.²⁹

56. On the partner and client side, LSE collaborates with clients like Petronas (licensed for minor fabrication), Royal Malaysian Navy (RMN) (approved for naval auxiliary work), Royal Malaysia Police (PDRM) (motherships), Bintulu Port Authority, Harbour 360 (tugs), , Vestigo Petroleum (wellhead platforms) and private O&G/shipping firms, plus recent MoUs like one with Petra Energy Berhad (Malaysia-based upstream oil & gas and offshore engineering company), wherein both parties agree to collaborate on offshore fabrication, yard utilisation, and storage services in Labuan. The agreement aims to jointly pursue oil and gas fabrication and

²⁸ EMIS. "Labuan Shipyard & Engineering Sdn. Bhd. Company Profile – Malaysia | Financials & Key Executives." *EMIS – Emerging Markets Information Service*. Last updated January 24, 2025. https://www.emis.com/php/company-profile/MY/Labuan_Shipyard_Engineering_Sdn_Bhd_en_4228911.html.

²⁹ Labuan Shipyard & Engineering Sdn. Bhd. 2026. "Who We Are." *Labuan Shipyard & Engineering*. <https://labuanshipyard.com/who-we-are/>.

EPC projects, improving yard utilisation and strengthening offshore engineering capabilities.³⁰ It also holds memberships in OGSE (Oil & Gas Services Expo) and industry bodies, but partnerships are project-based rather than equity or long-term JVs, giving LSE flexibility for new investors while leveraging a stable mix of government, paramilitary and commercial contracts.³¹

57. For an Indian shipyard investor, this clean private ownership (no government overhang) and project-oriented partner ecosystem make LSE highly approachable for acquisition, majority stake or JV, allowing it to engage with a yard that is not entrenched with other foreign or State partners, while tapping existing RMN/Petronas approvals for credibility in Malaysian markets.

58. **Technical Factors.** LSE produces a diverse range of commercial, naval and offshore vessels, including tugboats (e.g., Malaysia's first 360-degree AR Diamond tug), offshore support vessels (82 m OWAVs, 77 m DP2 PSVs), motherships and landing craft for Royal Malaysia Police and ESSCOM, tankers/product carriers up to 16,500 dwt (e.g., MV *Bunga Semarak*), ro-ro ferries, barges, yachts, fishing trawlers and fast patrol vessels, alongside offshore fabrication like SPM buoys, platform modules, helidecks and rigs, with RMN naval auxiliary work.³²

59. However, given the smaller size of the vessels that LSE can currently produce, going for a majority-stake acquisition does not meaningfully add to India's interests in the shipbuilding sector, given that realistically, there is no need for such smaller patrol vessels/tugboats to be built or repaired so far away from the mainland. Moreover, given the fact that the shipyard is positioned roughly more than 1,200–1,500 km away from the west coast of Peninsular Malaysia, away from the strait of Malacca, there is no strategic push to cement an Indian position at a vital chokepoint as well. Therefore, the yard is not recommended for investment.

Shin Yang Shipyard

60. Geographically, Shin Yang Shipyard (SYS) is located along the Miri River / Kuala Baram industrial area, facing the South China Sea. The firm has 3 yards in three in Miri, one in Bintulu. All of these four yards are embedded close to Malaysia's oil and gas clusters. For e.g. Bintulu is home to the Petronas LNG Complex, one of the world's largest LNG production facilities, operated by Petronas and Miri, referred to as Malaysia's first oil town, has established a long-standing ecosystem of drilling services, marine logistics, engineering, and offshore support.³³

³⁰ Vincent Wee, "Petronas signs LNG bunkering deal in Labuan", *Seatrade Maritime*, 23 November 2017, <https://www.seatrade-maritime.com/lng/petronas-signs-lng-bunkering-deal-in-labuan>.

³¹ Labuan Shipyard & Engineering Sdn. Bhd. 2026. "Who We Are." *Labuan Shipyard & Engineering*. <https://labuanshipyard.com/who-we-are/>.

³² Labuan Shipyard & Engineering Sdn. Bhd. 2026. "Shipbuilding & Ship Repair." *Labuan Shipyard & Engineering*. <https://labuanshipyard.com/shipbuilding-ship-repair>.

³³ Bernama. "SGR Strengthens Sarawak's Energy Transition Agenda – Julaihi." *Bernama.com*, 1 December 2025. <https://bernama.com/en/news.php?id=2497683>.

61. From a strategic perspective, these factors are important because Malaysia remains the fifth-largest importer of LNG worldwide,³⁴ and India currently depends on imports for 50 per cent to meet its natural gas requirements.³⁵ Positioning within a shipyard embedded in Sarawak's energy corridor — close to LNG liquefaction facilities, offshore gas fields, and marine support activity — therefore offers more than simple shipbuilding capacity. It situates India within the operational ecosystem that underpins regional gas production and export.

62. **Economic Factors.** Shin Yang Group Berhad (SYG), the listed parent of Shin Yang Shipyard, has delivered strong financial growth driven by shipbuilding, repair and shipping. For the fiscal year ending June 2024 (FY2024), Shin Yang Group Berhad reported revenue of approximately USD 396 million, representing a 94 per cent increase from roughly USD 204 million in the previous year. Net income rose to about USD 35 million, a 49 per cent year-on-year increase, while earnings per share increased from USD 0.021 to USD 0.032. Despite stronger revenue growth, profit margins declined from 12 per cent to 8.8 per cent, reflecting higher operating costs. The improved performance was largely driven by stronger demand for offshore support vessels (OSVs), tugboats, and ship repair services amid the recovery of oil and gas activity in Sarawak.³⁶

63. In the second quarter of FY2025, revenue reached approximately USD 130 million, with net profit of around USD 9 million, marking a 117 per cent year-on-year increase. Growth was supported by ship repair contracts, including a USD 12.8 million repowering project for the patrol vessel KM *Banggi*, as well as new vessel deliveries. On a trailing twelve-month basis, FY2025 revenue stood at approximately USD 330 million, with operating income of about USD 39 million and free cash flow of roughly USD 29 million³⁷.

64. SYG's ownership is dominated by the Ling family, with Shin Yang Holding Sdn Bhd (their private vehicle) as the largest shareholder (~60%+ control split among brothers Tan Sri Datuk Ling Chiong Ho, Datuk Ling Chiong Sing, Ling Chiong Sieng and Ling Chiong Pin at ~25% each in Shin Yang Holding), alongside minority stakes from Siu Chuo Ling (~3%), Chiong Ho Ling (~2.9%) and institutions/public float. While there are no explicit calls for FDI, SYG's growth (e.g., OPV construction talks with the Malaysian Maritime Enforcement Agency, and talks of construction of Malaysia's first LNG-powered offshore support vessel) implies receptivity to partners bringing technology/orders.³⁸

³⁴ Statista, "Leading Countries Based on LNG Export Capacity Worldwide in 2025." *Statista*, 2025 <https://www.statista.com/statistics/1262074/global-lng-export-capacity-by-country>

³⁵ Surabhi Sahu, "IEW 2026: India's 2026 LNG Imports May Rise to 29 million mt: Petronet LNG CEO." *S&P Global Commodity Insights*, 28 January 2026. <https://www.spglobal.com/energy/en/news-research/latest-news/crude-oil/012826-iew-2026-indias-2026-lng-imports-may-rise-to-29-mil-mt-petronet-lng-ceo>.

³⁶ Simply Wall St. 2025. "Shin Yang Group Berhad Full Year 2025 Earnings: EPS RM0.15 (vs RM0.098 in FY 2024)." *Simply Wall St*, 31 August 2025. <https://simplywall.st/stocks/my/transportation/klse-sygroup/shin-yang-group-berhad-shares/news>.

³⁷ Simply Wall St. 2025. "Shin Yang Group Berhad Full Year 2025 Earnings: EPS RM0.15 (vs RM0.098 in FY 2024)." *Simply Wall St*, 31 August 2025. <https://simplywall.st/stocks/my/transportation/klse-sygroup/shin-yang-group-berhad-shares/news>.

³⁸ MarketScreener, "Shin Yang Shipping Corporation Bhd – Company Shareholders." *MarketScreener UK*. <https://uk.marketscreener.com/quote/stock/SHIN-YANG-SHIPPING-CORPOR-8110561/company-shareholders>.

65. Realistically, India can invest in SYG, but likely only as a minority shareholder or JV partner, not via control acquisition. The family's ~60%+ stake makes a takeover improbable without their consent, but SYG's public listing allows Indian institutional/corporate investors to build a strategic minority position via market purchases or placements.

66. **Technical Factors.** Shin Yang Shipyard Sdn Bhd, part of the Shin Yang Group's four Sarawak yards (three in Miri's Kuala Baram, one in Bintulu, plus a Tanjung Manis expansion site), spans 280 acres with annual capacity for up to 40 vessels of 100 m length, supported by two floating docks (160 m for 48 m beam vessels and 80 m), extensive fabrication halls, CNC steel cutting, welding bays, pipe shops, electrical workshops and heavy-lift cranes (up to 250 t crawlers), enabling full newbuild, repair and metal fabrication from hull to outfitting. The yards feature sheltered Miri River access, on-site testing (bollard pull up to 200 t), handling up to 585 vessel repairs per year (minor/major) alongside newbuilds, with recent upgrades for eco-designs like diesel-electric systems.³⁹

67. Based on the company's own shipbuilding information, Shin Yang has delivered a very wide variety of vessel types, including:⁴⁰

67.1. DP2 diesel-electric platform support vessels and other OSVs (offshore support, anchor handling, supply, etc.), and fast crew boats.

67.2. Diesel electric anchor handling tugs & supply vessels.

67.3. Maintenance/workboats, seismic support vessels, harbour tugs, pneumatic cement carriers, floating docks, barges, landing crafts, and cargo vessels.

67.4. Aluminium fast crew boats and specialised vessels for navy/maritime agencies.

67.5. The yard completed the repair and repowering of KM *Banggi* for the Malaysian Maritime Enforcement Agency (MMEA) — one of its largest repowering jobs.

67.6. Shin Yang has signed a letter of intent (LOI) to build two 83 m offshore patrol vessels (OPVs) for MMEA, illustrating its capacity or intent toward larger patrol ship construction pending contract finalisation.

67.7. Constructed and delivered three *Al-Qunwaisat* class series of Landing Ship Tanks (LSTs) used by the United Arab Emirates Navy.

68. **Assessment.** Although the yard's capacity is limited, Indian yards can benefit by gaining a forward base near the Malaysian energy circuit, and Shin Yang's MMEA/RMN approvals for patrol/LST bids, while contributing to vessel designs and green tech (LNG-powered vessels) to upgrade Shin Yang for better environmental compliance.

³⁹ Shin Yang Group Berhad. 2025, Annual Report 2025, *Malaysia: Shin Yang Group Berhad*, 2026. https://www.shinyanggroup.com.my/images/documents/financial_info/annual/SYGROUP%20-%20Annual%20Report%202025.pdf.

⁴⁰ Shin Yang Group Berhad. 2025, Annual Report 2025, *Malaysia: Shin Yang Group Berhad*, 2026. https://www.shinyanggroup.com.my/images/documents/financial_info/annual/SYGROUP%20-%20Annual%20Report%202025.pdf.

INDONESIA

69. **Overview.** Indonesia is the world's largest archipelagic state, comprising more than 17,000 islands spread between the Indian and Pacific Oceans and straddling key routes linking East Asia, South Asia and Oceania. Indonesia also sits astride several of the world's most critical maritime chokepoints, notably the Malacca, Sunda, Lombok, and Makassar Straits, which are key routes linking the Indian and Pacific Oceans. This positioning enhances its strategic value for Indian investors by positioning it as a high-demand hub for shipbuilding and repair, servicing critical Indo-Pacific trade routes.

70. Indonesia's shipbuilding landscape remains modest at the time, but exhibits significant growth potential, driven by domestic shipping expansion and government plans for maritime connectivity. Market reports forecast that the Indonesian shipbuilding market will reach a volume of over 52,000 gross tons by 2028, representing growth of nearly 17 percent from 2023, with a consolidated structure dominated by a handful of leading players.⁴¹

71. From a foreign investment perspective, the Indonesian Government enacted Law No. 66 of 2024 (Third Amendment to the Shipping Law) to strengthen domestic control over its maritime sector and enhance the competitiveness of its shipping industry. The reform reinforces the cabotage principle, ensuring that maritime transport within Indonesian waters remains dominated by Indonesian-flagged vessels and domestically controlled companies. A central feature of the amendment is the tightening of foreign investment rules in the shipping sector. Foreign investors can now only participate through joint ventures with Indonesian shipping companies holding majority ownership (minimum 51%), and the scope of eligible foreign partners has been narrowed specifically to foreign shipping companies.⁴² For an Indian shipyard, these cabotage and shipping restrictions mean that the sector remains heavily constrained, but they also guarantee a stable captive market for Indonesian-flagged tonnage that on one hand, must be built, converted or repaired locally and on the other requires a significant capacity expansion that Indonesia itself needs additional finances to develop.

72. From an Indian perspective, Indonesia offers a combination of a strategic location, an evolving shipbuilding landscape, and policy-driven demand that can complement India's own shipbuilding base. Among Indonesia's publicly listed shipyards, the following have been selected

⁴¹ Ibnu Prabowo, "Indonesian shipbuilding market set for major growth by 2028", *The Asian Business Review*, 2024, <https://asianbusinessreview.com/feature/indonesian-shipbuilding-market-set-major-growth-2028>.

⁴² Dhani Maulana, M Pattingg, Matthew Goerke, Paskalia Deviani Ekaputri and Raya Adhani, "Shipping Law Amendment: Strengthening Indonesia's Domestic Shipping Industry", *HBT Law Insights*, 07 March 2025, <https://www.hbtlaw.com/insights/2025-03/shipping-law-amendment-strengthening-indonesias-domestic-shippingindustry#:~:text=The%20Indonesian%20Government%20recently%20issued,empower%20the%20domestic%20maritime%20industry>.

for further assessment based on their demonstrated capability to construct or undertake repair of medium- to large-sized vessels:

Ser	Shipyard	Ownership	Location	Primary Focus
(a)	PT PAL Indonesia	State-owned	Surabaya, East Java	Naval, commercial and large shipbuilding (warships, hospital ships, landing platform docks, sealift vessels) and ship repair
(b)	PT Daya Radar Utama (DRU)	Private	Lampung & Jakarta	Medium builds
(c)	PT Industri Kapal Indonesia (IKI)	State-owned	Makassar & Bitung	Build and repair of mid-sized vessels, naval auxiliary/support ships and commercial vessels.

Table 2.8: Shipyards in Indonesia for Potential Partnership with India

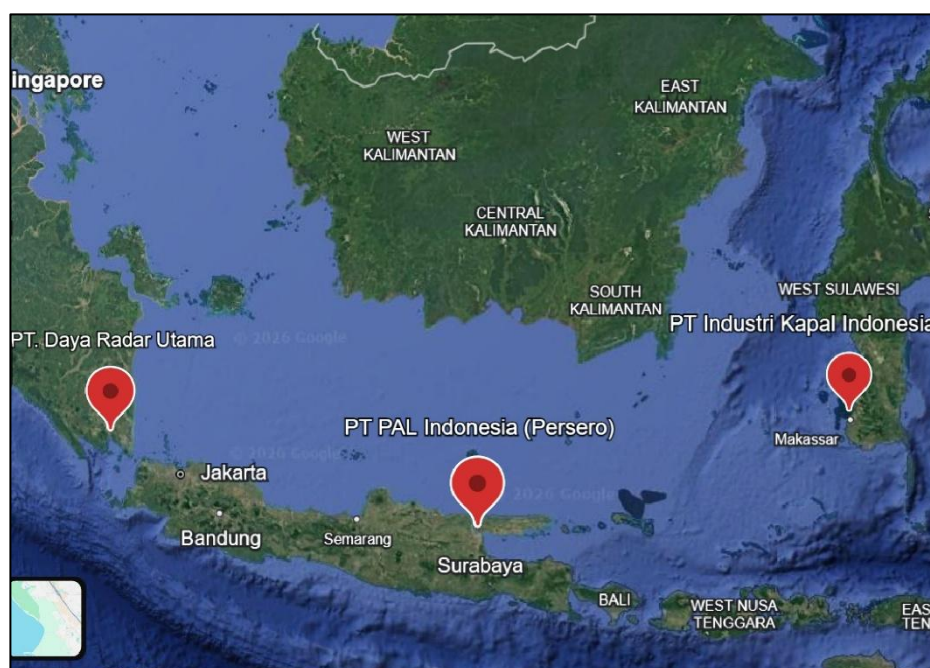


Fig 2.11: Shipyards in Indonesia

PT PAL Indonesia

73. PT PAL Indonesia, located in Surabaya, East Java on the island of Java, is strategically positioned at the heart of Indonesia's maritime geography: Surabaya's Tanjung Perak Port is the second-busiest in Indonesia, situated at the Java Sea crossroads between the Indian Ocean (via Sunda Strait) and the South China Sea/Pacific, making it a natural hub for archipelagic

connectivity across Indonesia's 17,000+ islands.⁴³ For India, PT PAL's importance stems from a deepening defence cooperation: in May 2025, Indian Ambassador Sandeep Chakravorty visited PT PAL, praising its capabilities, thereby laying the foundations for a future collaboration that builds on shared maritime security interests in the Indo-Pacific and India's Act East Policy. During this visit, Wiyono Komodjojo, Marketing Director of PT PAL Indonesia, stated that PT PAL Indonesia is willing to pursue various forms of cooperation to strengthen the defence industrial ecosystem, particularly with India, whose ancillary and supporting industries are considered well-developed and mature.⁴⁴ This, if leveraged promptly, could encompass joint production, MRO collaboration, or even co-development of naval platforms. For India, this creates space to expand its maritime industrial partnerships in Southeast Asia. However, FDI feasibility remains unlikely due to its SOE status — likely limited to JVs or project-specific partnerships.

74. **Economic Factors.** PT PAL Indonesia is a 100 per cent State-owned enterprise (SOE) under Indonesia's Ministry of State-Owned Enterprises, with no private or foreign shareholders, and is positioned as the anchor for national shipbuilding consolidation—set to become the holding company for all SOE shipyards (including PT Dok & Perkapalan Kodja Bahari, PT Dok & Perkapalan Surabaya, PT Industri Kapal Indonesia) by 2026, aiming to streamline governance and boost competitiveness.⁴⁵

75. Financially, PT PAL Indonesia has recorded steady growth. In 2019, it generated about USD 110 million in revenue and USD 6.4 million in net profit, with total assets of roughly USD 440 million and equity of about USD 22 million. By 2023, revenue had risen to approximately USD 240 million (up 42 per cent year-on-year). The company is targeting around USD 340 million in revenue for 2024, with projected EBITDA growth of 32.8 per cent. Growth has been driven by naval exports such as Strategic Sealift Vessels (SSVs) for the Philippines, work on Scorpène submarines, and commercial tanker and bulker construction. Seven MoUs signed at Indo Defence 2025 and a 2024 revenue projection of roughly USD 270 million indicate continued momentum.⁴⁶ However, as a State-owned enterprise, PT PAL remains exposed to bureaucratic constraints and prioritises national defence self-reliance objectives.

76. Feasibility of Indian investment is low to medium, limited to JVs, tech transfers or minority project stakes rather than equity ownership, given SOE status and Indonesia's defence FDI restrictions (positive list requires approval for shipbuilding); however, PT PAL actively seeks FDI for capacity expansion and the Indian ambassador's 2025 visit to the yard opens doors for co-production between Indian yards and PT PAL.

⁴³ Ivan Yulivan, "Realising the City of Surabaya as a World Maritime Fulcrum Economic Power in Indonesia", *Journal of Economics and Sustainable Development*, 2021, <https://share.google/X1YcuamoGokIpi24p>.

⁴⁴ Antara News. "PT PAL Strengthens Defence Industry Cooperation with India." *Antara News*, 30 May 2025. <https://en.antaranews.com/news/357185/pt-pal-strengthens-defense-industry-cooperation-with-india->

⁴⁵ Antara News. 2025. "Indonesia to Make PT PAL Holding Company for State-Owned Shipyards." *Antara News*, 24 October 2025. <https://en.antaranews.com/news/403182/indonesia-to-make-pt-pal-holding-company-for-state-owned-shipyards>.

⁴⁶ Koran BUMN. "PAL Indonesia Proyeksikan Pendapatan Usaha Capai Rp4 Triliun Pada Tahun 2024." *Koran BUMN*, 14 November 2023, <https://koranbumn.com/pal-indonesia-proyeksikan-pendapatan-usaha-capai-rp4-triliun-pada-tahun-2024>.

77. **Technical Factors.** PT PAL Indonesia's Surabaya complex spans approximately 200 hectares with over 1 km of waterfront and ~10 m draft access. It is Indonesia's principal dual-use naval and commercial shipyard, equipped with a 6,000-tonne shiplift and transfer system capable of handling submarines and frigate-class vessels, a 200 m graving dock, modular fabrication halls, heavy-lift cranes, and integrated combat-system facilities. The yard supports submarine MRO for Indonesia's *Nagapasa*-class boats and is upgrading capabilities for future submarine programs, while progressively adopting Industry 4.0 production systems.⁴⁷

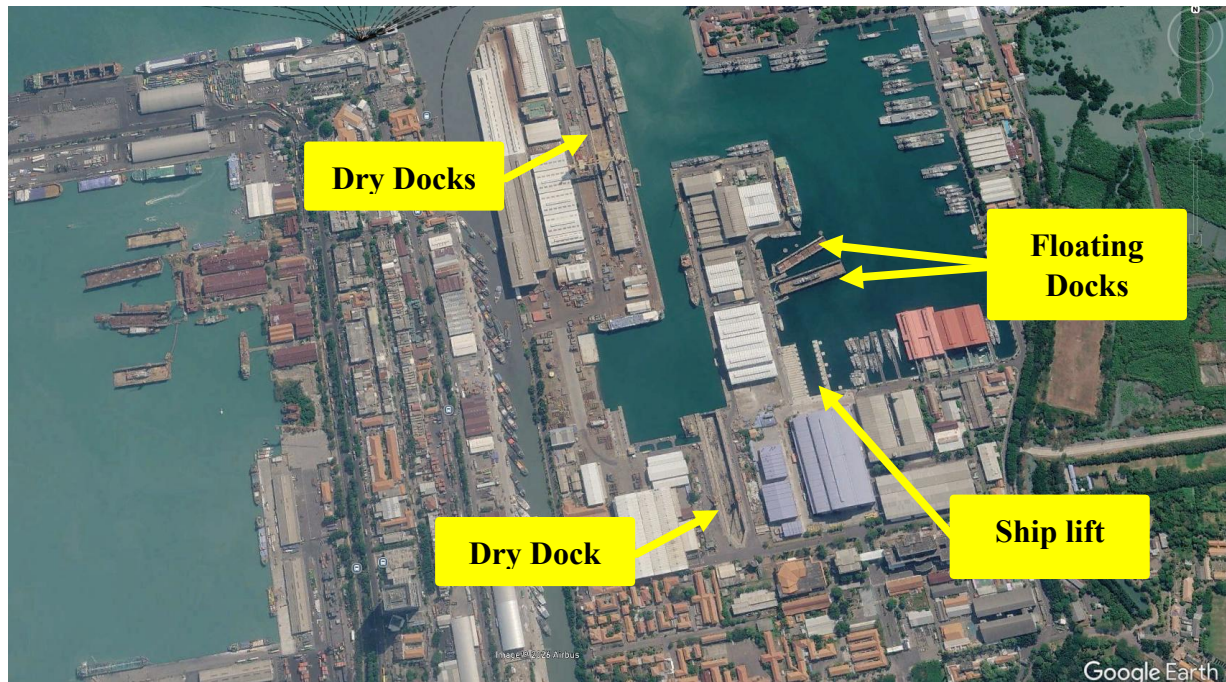


Fig 2.12: PT PAL Indonesia

78. PT PAL Indonesia has enough production capacity to build three medium-to-large commercial ships per year, combining two large tankers and one smaller one, based on their material processing limit of 1,600 tons per month.⁴⁸ The yard has built the following vessels:

- Bulk Carrier (Bulk): up to 50,000 DWT
- Container Vessel: up to 1,600 TEU (developed up to 2,600 TEU)
- Tanker Ship: up to 30,000 DWT (also chemical tanker up to 24,000 DWT)
- AHTS (Anchor Handling Tug/Supply): up to 5,400 BHP
- Tuna Fishing Vessel / Long Line: up to 60 GRT
- Passenger Ship / Ferry: up to 500 PAX
- LPG / LNG Carrier: in development, capacity unspecified
- Bulk Carrier (Bulk): up to 50,000 DWT
- Container Vessel: up to 1,600 TEU (developed up to 2,600 TEU)

⁴⁷ Ali Masduki, "PT PAL Indonesia Partners with Two Strategic Partners to Complete Submarine Construction Facilities". *iNews Surabaya*, 19 April, 2024. <https://surabaya.inews.id/read/432556/pt-pal-indonesia-gandeng-dua-mitra-strategis-lengkapi-fasilitas-pembangunan-kapal-selam>.

⁴⁸ PT PAL Indonesia (Persero). "Company Profile." <https://www.pal.co.id/profile-company/>.

- Tanker Ship: up to 30,000 DWT (also chemical tanker up to 24,000 DWT)
- AHTS (Anchor Handling Tug/Supply): up to 5,400 BHP
- Tuna Fishing Vessel / Long Line: up to 60 GRT
- Passenger Ship / Ferry: up to 500 PAX
- LPG / LNG Carrier: in development, capacity unspecified⁴⁹

79. **Assessment.** For India, PT PAL is a strong strategic fit as a regional co-production/MRO partner in Southeast Asia. India benefits from forward yard access in Java Sea for Act East naval logistics, and PT PAL gains Indian design/financing for frigates/patrols amid Indo-Pacific cooperation (May 2025 MoU). Investment feasibility will be likely be limited to a JV or a specific project -based co-production (SOE status blocks equity entry), but broader political linkages open doors for meaningful collaboration.

PT Daya Radar Utama (DRU)

80. PT Daya Radar Utama (DRU) is a privately owned Indonesian shipbuilding firm founded in 1972. It began as a general trading and services firm before focusing on shipbuilding and marine services. The company's main facilities are located in Jakarta (Tanjung Priok) and it possesses an additional shipyard in Lampung.⁵⁰ The yard specialises in shipbuilding, repair, conversion and design across commercial, naval and specialised vessels, with facilities in Jakarta (main yard at Jl. LRE Martadinata, Tanjung Priok) and Lampung (operational since 2008), positioning it as one of Indonesia's largest private shipyards by regional standards.

81. Geography favours DRU: Jakarta's Tanjung Priok is Indonesia's busiest port (~7.5 million TEUs/year), on Java's north coast at the Sunda Strait gateway between the Indian Ocean and Java Sea, ideal for logistics and access to Sumatra/Sulawesi markets; while Lampung adds southern Sumatra coverage for regional O&G/shipping.

82. **Economic Factors.** PT Daya Radar Utama (DRU) is a privately owned Indonesian shipyard with limited public financial disclosure, showing modest but stable operations typical in a mid-tier private player focused on naval and commercial projects. EMIS reports net sales revenue growth of 10.15 per cent and total operating revenue up 10.15 per cent in the latest available year (likely 2023/2024), with total assets increasing 11.97 per cent, indicating a positive trajectory despite no exact revenue/profit figures released publicly.⁵¹ As a private firm (no listed status or shareholder breakdown disclosed), DRU lacks audited annual reports, but its project wins (e.g., Indonesian Navy OPVs, LSTs contracts) suggest healthy cash flows from government contracts.⁵² This stable growth trajectory (10.15% revenue/assets increase per EMIS latest data)

⁴⁹ PT PAL Indonesia (Persero). "Company Profile." <https://www.pal.co.id/profile-company/>.

⁵⁰ EMIS. "PT Daya Radar Utama (Indonesia)" Company Profile, https://www.emis.com/php/company-profile/ID/PT_Daya_Radar_Utama_en_16484658.html.

⁵¹ EMIS, PT Daya Radar Utama Company Profile – Indonesia, *Financials & Key Executives*. EMIS. 2024. https://www.emis.com/php/company-profile/ID/PT_Daya_Radar_Utama_en_16484658.html.

⁵² Yulian Ardiansyah, "PT DRU Lays Keels for Indonesian Navy's Newest OPVs." *Global Business Press*, 18 November 2022. <https://globalbusinesspress.net/stories/pt-dru-lays-keels-for-indonesian-navys-newest-opvs/>.

signals operational viability and project momentum, suggesting a turnaround or scaling potential for an Indian yard bringing capital, technology and orders. Moreover, its private ownership avoids SOE hurdles, possibly enabling full acquisition or majority control.

83. **Technical Factors.** PT Daya Radar Utama (DRU) operates two main yards — Jakarta (Tanjung Priok) and Lampung (Bakauheni, South Sumatra) — with complete facilities for newbuilds and repairs up to 6,500–8,000 dwt, including building berths, slipways, jetties, multiple cranes, workshops (machine, hull, piping, electrical), side/end launching and composite capabilities for steel, aluminium and FRP vessels, positioning it as one of Indonesia’s largest private shipyards.⁵³

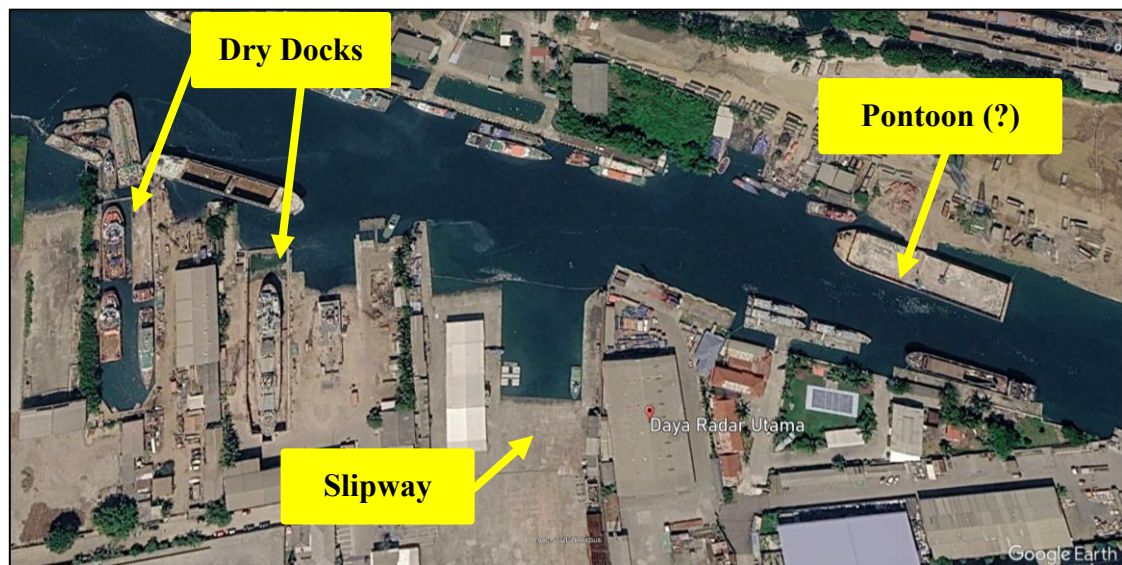


Fig 2.13(a): PT Daya Radar Uttama (Tanjung Priok)

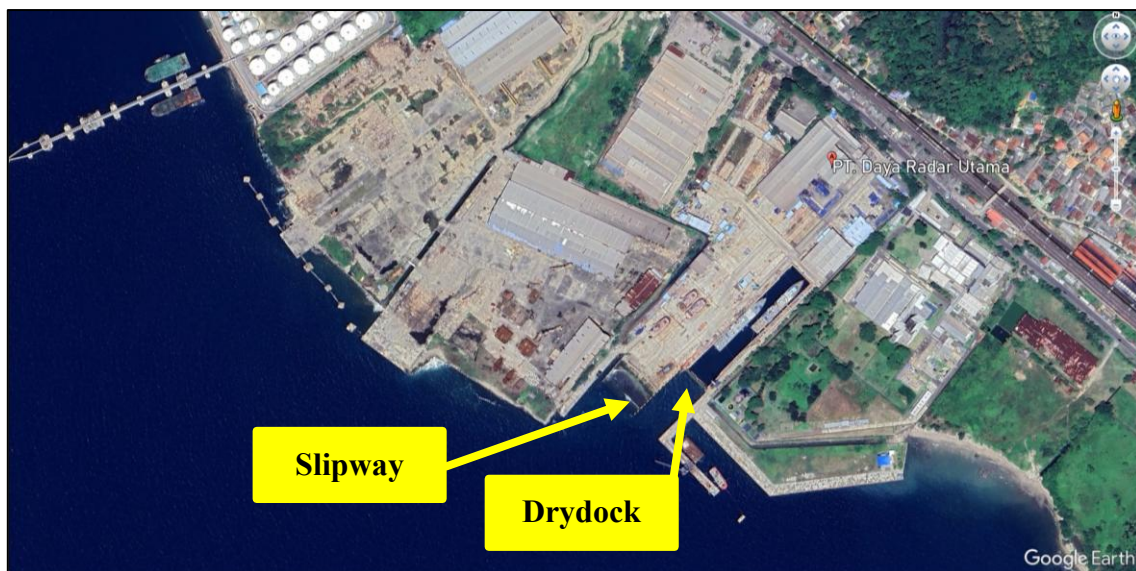


Fig 2.13(b): PT Daya Radar Uttama (Lampung)

⁵³ Daya Radar Utama. *PT Daya Radar Utama Company Profile & Background*. <https://id106342-daya-radar-utama-pt.contact.page/profile>.

84. DRU has constructed naval vessels like a 98 m OPVs, landing ship tank (LSTs), patrol vessels and fast craft, plus commercial vessels such as ro-ro ferries (1,500 GT), crew/cargo ships (1,200 GT), azimuth tugs, tractor tugs, FRP boats, floating docks, navigational buoys, barges and accommodation OSVs.⁵⁴

85. **Assessment.** However, given that India's existing shipyards can already build OPVs, LSTs, and frigates, and DRU does not build frigates, corvettes, or any other larger ships, it does not offer any significant upgrade to India's pre-existing shipbuilding capacities. Hence, while an investment makes sense to establish a strategic presence, it would primarily serve as a supplementary capacity rather than a transformative boost to India's shipbuilding strength.

PT Industri Kapal Indonesia (IKI)

86. PT Industri Kapal Indonesia (IKI), located in Makassar, South Sulawesi (main yard) and Bitung, North Sulawesi (secondary yard), occupies a strategic eastern Indonesian position at the Makassar Strait gateway, one of the world's busiest fishing/shipping lanes between Sulawesi and Java/Kalimantan. Makassar Port (one of Indonesia's four main hubs) provides robust logistics, while Bitung serves tuna fisheries and northern Sulawesi O&G, minimising material transit costs for steel/imports from Java/Singapore.⁵⁵ For India, IKI's remote eastern location offers a forward base for Andaman Sea and Malacca Strait logistics.

87. **Economic Factors.** PT Industri Kapal Indonesia (IKI) is fully government-owned under Indonesia's Ministry of State-Owned Enterprises and has been managed through the Danantara defence holding since 2025, with no private or foreign shareholders. It originated from Makassar Shipyard Projects in 1963 and became a formal state-owned enterprise on 29 October 1977, designated as a maritime industry hub for eastern Indonesia. However, IKI has faced persistent financial difficulties, and in 2011 the government, through PT Perusahaan Penjamin Aset (PPA), an Indonesian state-owned financial institution under the Ministry of Finance, established to guarantee, manage, and recover troubled assets for state-owned enterprises (SOEs), injected ~ USD 12.5 million USD over five years to help recover from ~ USD 13.1 million USD in debt, under strict conditions including a ban on external partnerships during the rehabilitation period, highlighting the shipyard's historic reliance on State support.⁵⁶

88. As such, Indian investment feasibility is very low: as an SOE, IKI is not open to FDI — equity/control is off-limits and limited to project JVs/tech transfers with Indonesian approval. Furthermore, its financial distress (debt history, low revenue) makes it highly risky even for turnaround plays compared to private yards Shin Yang. Its strategic value is outweighed by bureaucratic risks and poor economic management.

⁵⁴Fauzan Malufti, "Indonesia Launches Two Domestically Built 98-metre OPV." *Naval News*, 23 September 2024. <https://www.navalnews.com/naval-news/2024/09/indonesia-launches-two-domestically-built-98-metre-opv>

⁵⁵ PT Industri Kapal Indonesia. Official Website, <https://www.ikishipyard.co.id/>.

⁵⁶ Antara News. 2011. "PT PPA Ambil Alih PT IKI." *Antara News* (Makassar), June 24, 2011. <https://makassar.antaranews.com/berita/29272/pt-ppa-ambil-alih-pt-iki>.

89. **Technical Factors.** PT Industri Kapal Indonesia (IKI)'s Makassar and Bitung yards total ~317,000 m² (Makassar main site), with deep-water access (7–8 m), a 10,000 dwt graving dock (120 m × 28 m × 8 m), four air bags (4 × 6,500 dwt), side tracks (2 × 6,500 dwt), slipways, tower crane (60 t Commanza), mobile cranes (35 t), and workshops for turning, grinding, drilling, welding, plating and fabrication, supporting newbuilds up to 10,000 dwt/115.6 m length/74 m beam and repairs (~87 ships/year historically). Bitung yard adds berths for 135 BRT fishing vessels.⁵⁷

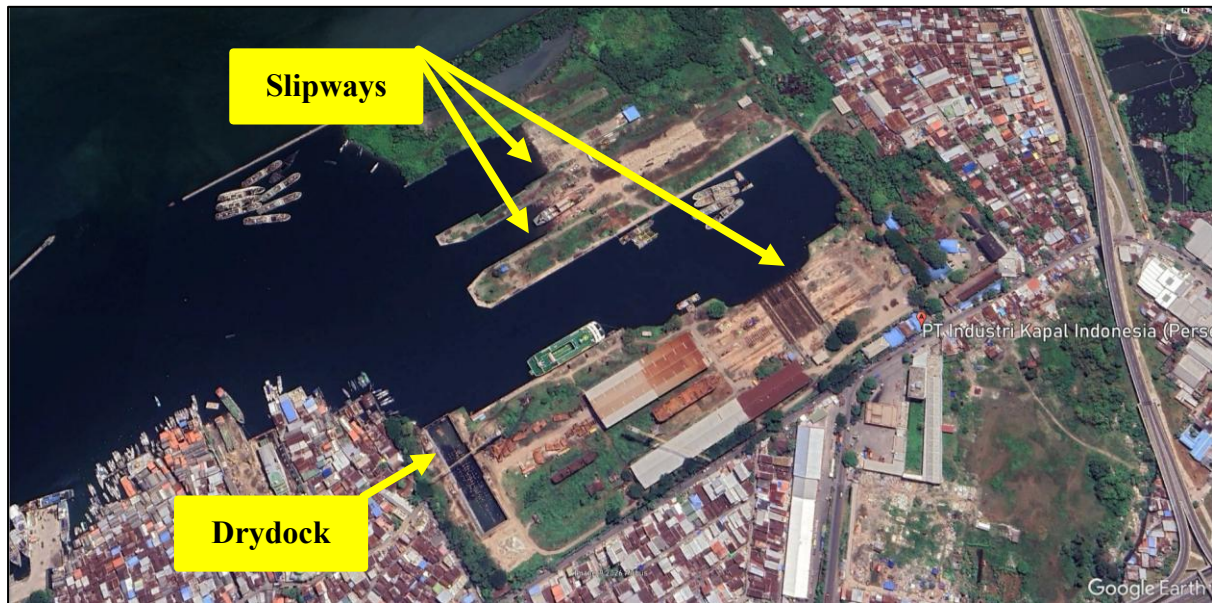


Fig 2.14: PT Industri Kapal Indonesia (Makassar)

90. IKI has constructed fishing vessels (tuna longliners 300 GT like KM Mina Jaya Niaga), passenger/cargo ferries (Ro-Ro 500–600 GRT like KMP *Bontobaru*), container carriers (4,180 dwt/208 TEU *Caraka Jaya III*), barges (*Iriana I–IV*), patrol boats (KRI *Andan*), pusher tugs (Pertamina TB Masela), cargo passengers (200 dwt KM *Papua Empat*), though plagued by delays (e.g., 31 Mina Jaya fishing boats, only 14 completed by 2003).⁵⁸

91. **Assessment.** For India, IKI cannot meaningfully add to shipbuilding capacities: its small scale (10,000 dwt max, fishing/ferry focus), chronic financial distress (2011 bailout, no recent growth indicators) and outdated facilities limit it to basic commercial craft, not aligning with India's priorities. Therefore, investment is not recommended.

⁵⁷ PT Industri Kapal Indonesia. "Produk." <https://ikishipyard.co.id/produk>.

⁵⁸ PT Industri Kapal Indonesia. "Produk." <https://ikishipyard.co.id/produk>.

SINGAPORE

92. **Overview.** Singapore is a small but exceptionally strategic island State located at the southern tip of the Malay Peninsula, adjacent to the Strait of Malacca—one of the busiest shipping lanes in the world. Its position at the crossroads of the Indian Ocean and Pacific Ocean trade routes has enabled it to develop into a premier global maritime and logistics hub. For an Indian investor, the nation’s favourable geography is further complemented by the bilateral political framework between India and Singapore. India–Singapore relations were elevated to a Comprehensive Strategic Partnership in 2024, spanning eight pillars including economic cooperation, digitalisation, sustainability, and defence, with Singapore emerging as India’s leading source of FDI, contributing approximately USD 175 billion in cumulative investments by 2025.⁵⁹ For Indian firms investing in Singapore, this solidifies a predictable regulatory environment and strong bilateral backing, thereby reducing geopolitical and regulatory risk.

93. Singapore welcomes foreign investment and maintains minimal FDI restrictions compared to regional peers, although sectors like banking, media, and real estate face licensing or ownership caps assessed for specific cases. No specific barriers target the maritime or shipbuilding sector, allowing foreign entities to establish subsidiaries or joint ventures.⁶⁰

94. Singapore’s maritime industry is a cornerstone of its economy and trade positioning, contributing around 7% of its GDP and employing approximately 170,000 people across port operations, shipping, and logistics.⁶¹ From a regulatory perspective, Singapore offers a highly transparent and business-friendly environment for foreign investors. The industry is overseen by the Maritime and Port Authority, which ensures safety, compliance, and operational efficiency.⁶²

95. After a preliminary examination of all publicly listed yards in Singapore, the following were further assessed based on the availability of adequate data and the capacity of the firm to handle mid-sized to large builds/repairs in Singapore:

Ser	Shipyards	Ownership / Listing	Location	Primary Focus
(a)	Sembcorp Marine (Seatrium)	Private	Singapore (Sembawang,	Shipbuilding, repairs & conversions across all sizes (incl. mid/medium

⁵⁹ Ministry of External Affairs, “Bilateral Brief India-Singapore”, *MEA, Government of India*, 2025, <https://www.mea.gov.in/Portal/ForeignRelation/Singapore-2025.pdf>.

⁶⁰ Pinsent Masons, “Foreign direct investment in Singapore”, *Pinsent Masons Out-Law Guide*, 07 June 2023, <https://www.pinsentmasons.com/out-law/guides/singapores-foreign-investment-regime>.

⁶¹ Ayman Falak Medina, “Singapore’s Maritime Industry: A Guide for Foreign Businesses”, *ASEAN Briefing*, 17 March 2025, <https://www.aseanbriefing.com/news/singapores-maritime-industry-a-guide-for-foreign-businesses/>.

⁶² Ayman Falak Medina, “Singapore’s Maritime Industry: A Guide for Foreign Businesses”, *ASEAN Briefing*, 17 March 2025, <https://www.aseanbriefing.com/news/singapores-maritime-industry-a-guide-for-foreign-businesses/>.

Ser	Shipyard	Ownership / Listing	Location	Primary Focus
			Tuas, Benoi, Pioneer)	commercial & offshore vessels), rig & specialised work
(b)	PaxOcean	Privately owned	Jurong Industrial Estate	Shipbuilding & repair; newbuilds, repairs, conversion and fabrication for commercial & offshore vessels (incl. medium sizes)
(c)	ASL Shipyard	Privately owned	Pandan Road, Singapore	Shipbuilding and repair of medium-sized vessels (tugs, OSVs, barges; Vessel chartering

Table 2.9: Shipyards in Singapore for Potential Partnership with India

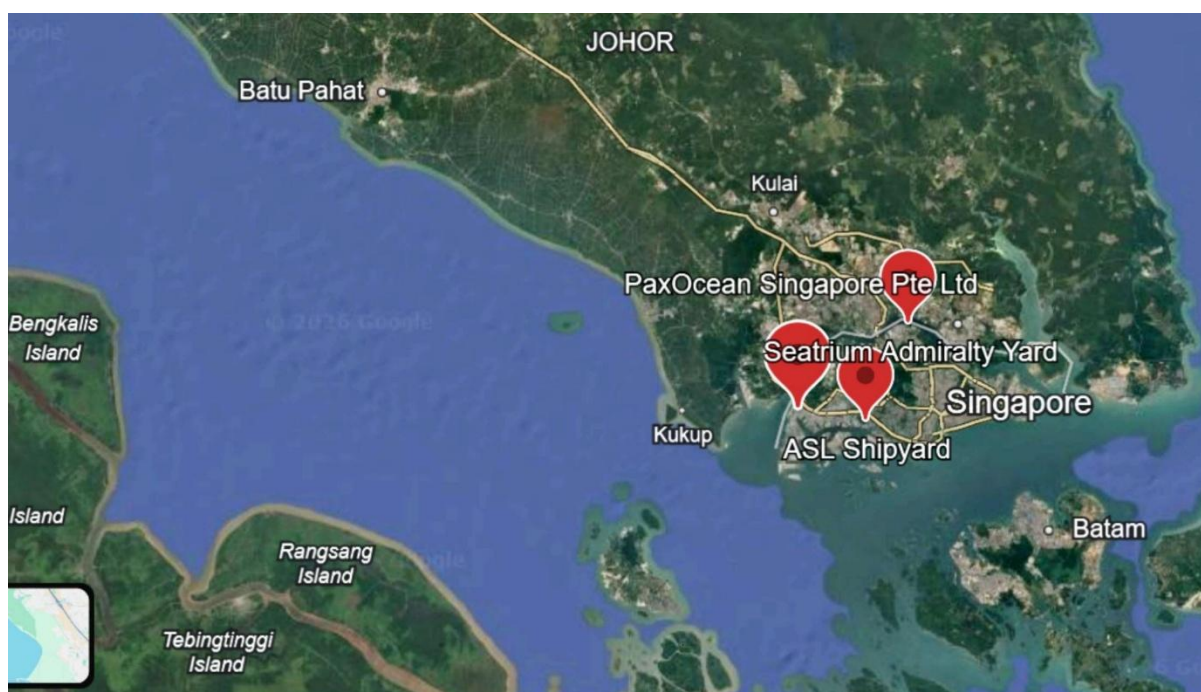


Fig 2.15: Shipyards in Singapore for Potential Partnership with India

Sembcorp Marine (Seatrium)

96. Seatrium Limited, formed in 2023 from the merger of Sembcorp Marine and Keppel Offshore & Marine (Keppel O&M), is Singapore's largest offshore marine yard with global facilities, offering India world-class repair/conversion capacity and offshore synergies. Seatrium's geographic location, near the Malacca Strait chokepoint, makes it a prime forward hub for Indian shipyard investors.

97. For India specifically, Singapore is already a de facto gateway for offshore engineering, finance and legal services into the wider Indo-Pacific, and Seatrrium has begun to formalise India as a core growth market. Seatrrium Offshore Technology Pte Ltd (SOT) signed an MoU with Cochin Shipyard Limited (CSL) in 2025 to “strengthen cooperation in the offshore sector across Asia,” explicitly identifying India as a key long-term growth market given its fast-growing offshore energy sector and maritime infrastructure demand. The MoU frames Singapore’s role as providing high-end engineering, specialised equipment and offshore solutions, while CSL contributes large fabrication infrastructure and repair capacity in India, with an initial focus on maintenance, repair and overhaul (MRO) and scope to expand into broader offshore projects.⁶³ From a strategic-fit perspective, this division of roles mirrors India’s broader connectivity and industrial strategy: India wants to climb the value chain from hull-centric fabrication toward full offshore EPC, while retaining jobs and activity in domestic yards. Seatrrium’s Singapore base offers proximity to Indian decision-makers, robust legal and financial frameworks, and a global reference list in deep-water oil and gas and offshore wind, while Indian yards like CSL can absorb large volumes of fabrication and routine repair work.

98. **Economic Factors.** In FY2024, the turnaround was visible in headline numbers. Seatrrium’s revenue rose 27 per cent to about S\$9.2 billion (~ USD 6.8 billion), while net profit reached roughly S\$157 million (~ USD 116 million), a sharp reversal from the S\$2.02 billion (~USD 1.5 billion). Underlying net profit for 2024 was about S\$200 (~ USD 148 million) versus an underlying net loss of S\$28 million (~ USD 21 million) in 2023, and underlying EBITDA for 1H2024 alone reached S\$390 million (~ USD 289 million), up more than nine-fold from S\$36 million (~ USD 27 million). The company also resumed dividends, proposing S\$0.015 (~ USD 0.011) per share for 2024, signalling management’s confidence in the sustainability of the recovery⁶⁴.

99. Order-book dynamics are critical for a yard-based business. Over 2024, Seatrrium secured around S\$15.2 billion (~ USD 11.2 billion) in new orders—the highest level in about a decade—bringing its net order book to approximately S\$23.2 billion (~ USD 17.2 billion) and covering 27 projects with deliveries stretching to 2031, of which S\$7.9 billion (~ USD 5.8 billion) related to renewables and “green or cleaner” solutions. Subsequent updates for Q3 2025 show a still-robust net order book of about S\$16.6 billion (~ USD 12.8 billion), covering 24 projects, including major FPSO and offshore wind assets, even after completing some large deliveries and divesting surplus assets. The company reported continued project execution, 47 vessel repairs/upgrades in Q3 2025 alone, and over S\$140 million (~ USD 104 million) in proceeds from selling a surplus US yard and non-core platform supply vessels as part of an asset-light, margin-focused strategy.⁶⁵

⁶³ Press Trust of India. “Singapore, Indian Shipyards Sign MoU to Strengthen Offshore Cooperation.” *Business Standard*, 25 September 2025. https://www.business-standard.com/industry/news/singapore-indian-shipyards-sign-mou-to-strengthen-offshore-cooperation-125092500096_1.html.

⁶⁴ Yahoo Finance. “*Seatrrium Full Year 2024 Earnings: Beats Expectations.*” 31 October 2024 <https://finance.yahoo.com/news/seatrrium-full-2024-earnings-beats-015803678.html>.

⁶⁵ Intelatus Global Partners LLC. “Seatrrium Maintains \$12.8B Order Book on Renewables and FPSO Progress.” 13 November 2025, <https://intelatus.com/Media/news/610/seatrrium-maintains-12-8b-order-book-on-renewables-and-fpso-progress-532392>.

100. Ownership structure also affects whether external “strategic” capital is needed or politically feasible. Seatrium is effectively a Singapore State-linked enterprise: Temasek Holdings is the largest shareholder with about 37.7 per cent of the equity, while DBS Group holds around 6.1 per cent, and the free float is about 99 per cent of listed shares. This follows the earlier post-merger structure in which Keppel Corporation and Temasek were major owners, and Temasek remains the anchor, long-term investor. Such a backing implies access to patient capital and a high bar for any external investor seeking significant influence at the parent-company level.⁶⁶

101. For India, this means that an equity stake in Seatrium would be a strategic choice rather than a necessity from Seatrium’s side. Any meaningful shareholding would require alignment with Temasek and Singaporean policy objectives and would likely be structured as a minority position without management control, limiting its direct leverage on project allocation. From a cost-benefit standpoint, Indian public-sector or sovereign investors might extract more value by focusing capital on joint ventures or special-purpose project companies.

102. **Infrastructural and Technical Factors.** According to the company’s own listings and industry directories, Seatrium currently has five main shipyard facilities in Singapore:

- 102.1. **Admiralty Yard** – a large traditional ship repair and conversion facility.
- 102.2. **Benoi Yard** – major repair and offshore support yard.
- 102.3. **Pioneer Yard** – known for fabrication and offshore structures.
- 102.4. **Tuas Yard** – ship repair and upgrade operations.
- 102.5. **Tuas Boulevard Yard** – another Tuas-area facility focused on repair and fabrication.

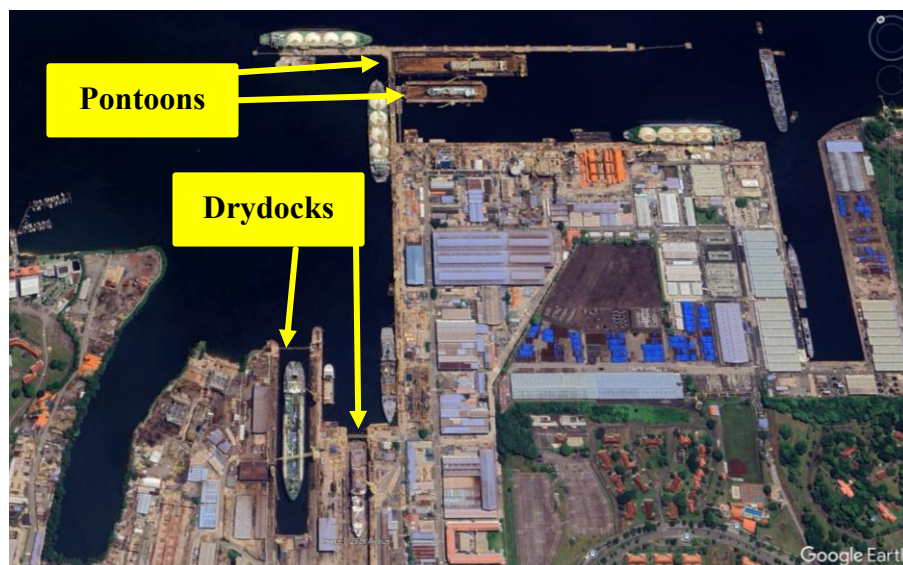


Fig 2.16(a): Seatrium Admiralty Yard

⁶⁶ CanvasBusinessModel.com. “Who Owns Seatrium Company?” 12 July, 2025. <https://canvasbusinessmodel.com/blogs/owners/seatrium-who-owns>.

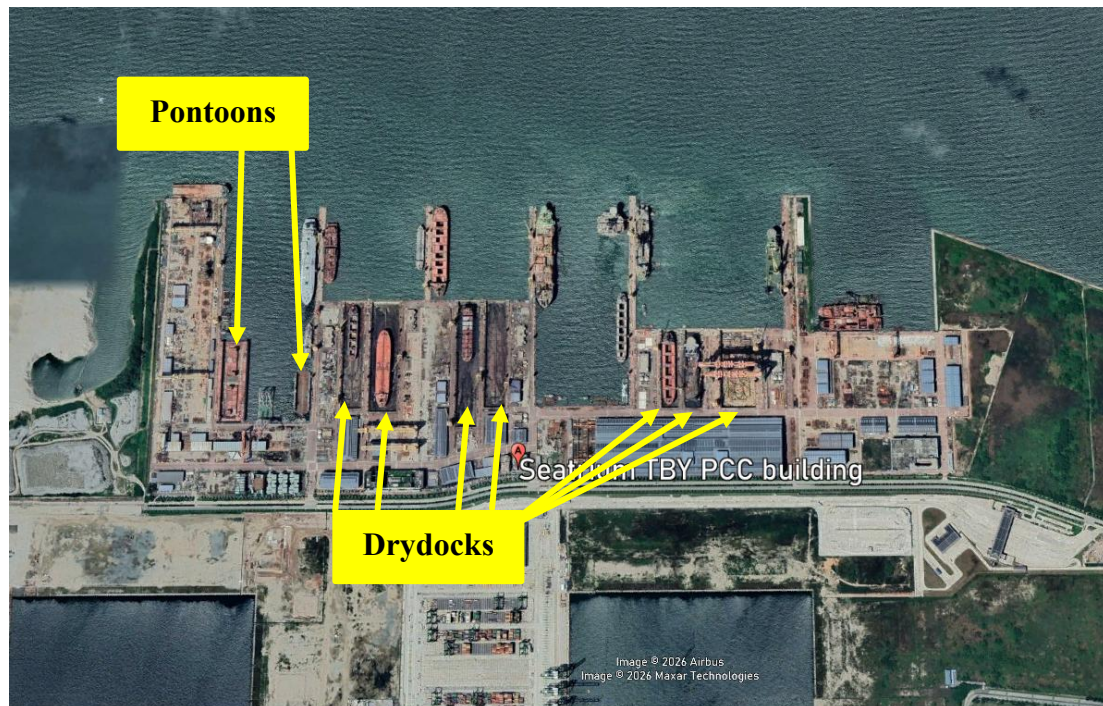


Fig 2.16(b): Seatrium Tuas South Boulevard Yard

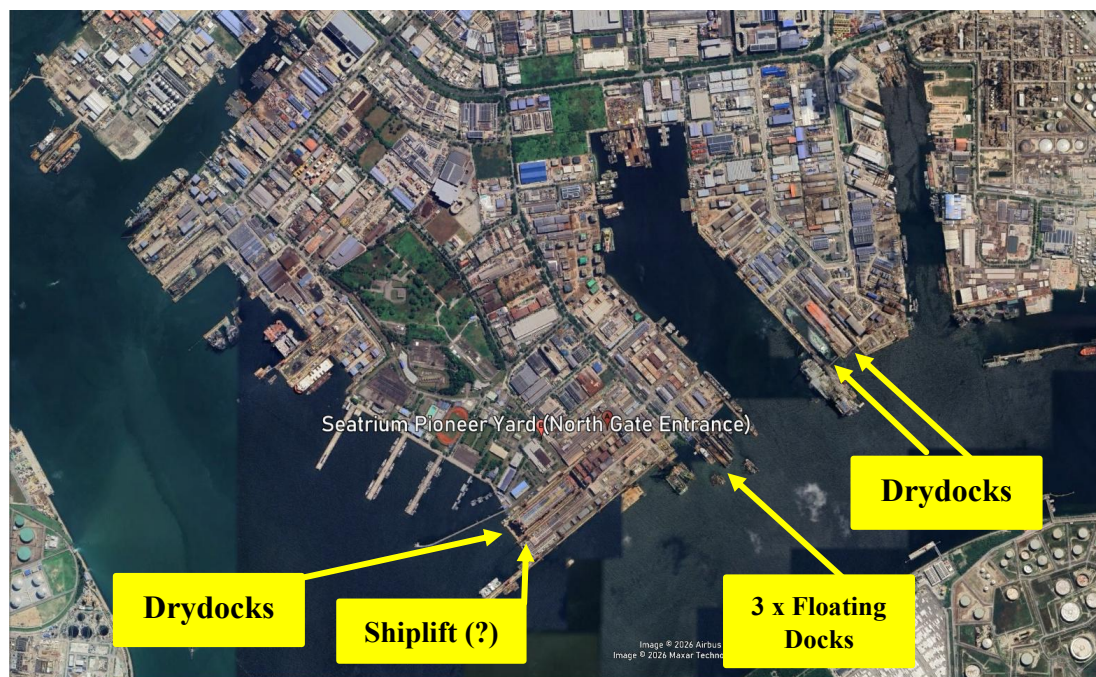


Fig 2.16(c): Seatrium Pioneer Yard

103. On the infrastructure side, the Tuas and Admiralty yards in Singapore give Seatrium very large drydock, quay and workshop capacities for construction, integration and complex repair. Tuas features three major docks up to 400 m in length and 64–66 m in breadth with a yard area of 443,423 m² and 2,507 m of berthing, optimised for the docking and repair of many vessel types and offshore units. Admiralty adds graving docks up to 384 m x 64 m and large floating docks with lifting capacities up to 100,000 t, plus berths of 650–843 m with 9.5–11 m drafts,

suitable for VLCCs, large container ships and offshore structures. The Subic yard (in the Philippines) extends this capacity to ultra-large bulkers and tankers (up to 550,000 DWT), land-based/offshore fabrication and LNG carrier repair, backed by GTT membrane certification and specialised LNG clean-room facilities.⁶⁷

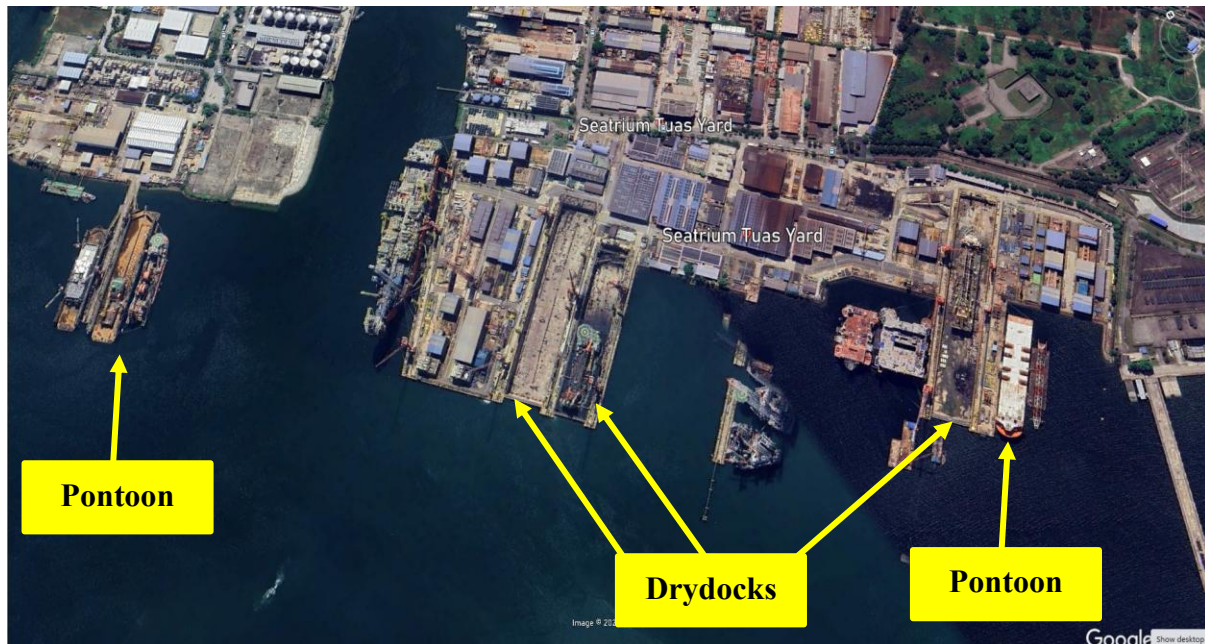


Fig 2.16(d): Seatrium Tuas Yard

104. With respect to its ship-building track record, the yard has built the following types of vessels:⁶⁸

- Oil & gas rigs and floaters — such as FPU (Floating Production Units) and FPSOs (Floating Production, Storage and Offloading units).
- Jack-ups and semi-submersibles — drilling and support platforms.
- Conversion projects (e.g., FSRUs — Floating Storage & Regasification Units).
- Wind turbine installation vessels for offshore wind projects.
- Offshore substations & HVDC/HVAC platforms for renewable energy transmission.
- Specialised Marine and New Energies Vessels.
- Renewable energy support vessels and floating offshore wind foundations.
- Research, survey and naval support vessels.
- Ferries, cruise ships, and other specialised commercial vessels.
- Heavy lift and other project support vessels

⁶⁷ L & R Midland. “Admiralty Yard, Singapore.” <https://www.lrmidland.co.uk/shipyards/admiralty-yard-singapore/>.

105. In addition to newbuilds, Seatrrium’s shipyards repair and refit existing vessels and structures, including:

- LNG and LPG carriers.
- Cruise ships, ferries and yachts.
- Bulk carriers, container ships and tankers.
- Floating production vessels (FPSO/FSRU/FSU).
- Mobile offshore drilling units (MODUs).
- Heavy lift vessels and other specialised conversions.

106. **Assessment.** While Seatrrium offers India a yard with a capacity that can enhance India’s own shipbuilding capacities, as well as constructing vessels that align with India’s own needs, Temasek’s 38 per cent stake implies any Indian buy would be non-controlling but would still suit strategic investors. Therefore, investment in the form of a partnership is recommended to establish a presence in a geographically critical region.

PaxOcean Shipyard

107. PaxOcean Shipyard, a part of the Singapore-based Kuok Maritime Group under Malaysian billionaire Robert Kuok’s conglomerate, represents a strategically attractive but regionally concentrated investment for Indian stakeholders seeking exposure to high-end offshore vessel construction and repair in Southeast Asia. Singapore’s PaxOcean shipyard at 5 Jalan Samulun lies approximately 910 nautical miles. This distance positions it as ‘proximate’ in maritime terms, making it a logical stopover for Indian vessels transiting east via the Andaman Sea toward the Malacca Strait.

108. Politically, India-Singapore ties provide a tailwind unmatched by other regional hubs. Bilateral maritime cooperation has deepened via the 2025 Letter of Intent on digitalisation and decarbonisation, paving the way for a Green and Digital Shipping Corridor (GDSC) MoU, with Singapore eyeing India as a green fuel exporter and India tapping Singapore’s bunkering/tech ecosystem.⁶⁹ Moreover, private shipyards like PaxOcean face fewer explicit regulatory barriers to foreign investment, unlike State-linked entities such as Seatrrium, which impose hurdles to external control. Singapore’s open FDI regime allows Indian investors to pursue either a straightforward minority acquisition or a JV entry into PaxOcean.⁷⁰

⁶⁹ Maritime and Port Authority of Singapore. “Singapore and India Sign Letter of Intent to Cooperate on Maritime Digitalisation and Decarbonisation.” *Singapore Maritime Week*, 25 March 2025. <https://www.smw.sg/media-room/media-release-articles/2025/03/25/singapore-and-india-sign-letter-of-intent-to-cooperate-on-maritime-digitalisation-and-decarbonisation>.

⁷⁰ Daren Shiau and Elsa Chen, “Foreign Direct Investment Regimes – Singapore”, *International Comparative Legal Guide: Foreign Direct Investment Regimes 2026 (7th Edition)*, 17 November 2025. <https://iclg.com/practice-areas/foreign-direct-investment-regimes-laws-and-regulations/singapore>.

109. **Economic Factors.** A thorough financial assessment of PaxOcean is difficult to undertake since the firm is a private company under Kuok Maritime Group (KMG), which is part of Kuok Group Singapore. It does not publish mandatory public financial statements because it isn't listed on any stock exchange. PaxOcean, lacks standalone public financials but exhibits operational strength via recent capex, order wins, and Kuok's backing. Recent financial indicators include the inauguration of the new ~ USD 158.3 million Jurong yard (February 2026), along with a ~ USD 2.77 million R&D pledge.⁷¹ This reflects stability and growth in the yard's financial status. As such, realistically, the yard does not require any foreign investment, as reflected by their capital expansion and backing by the larger Kuok conglomerate.

110. Any Indian partnership can happen either in the form of a specific project-based JV or by leveraging the Singapore-India MoU on establishing the Singapore-India Green and Digital Shipping Corridor. For the latter, under the MoU, all identified stakeholders from both countries can co-invest in shared infrastructure and retrofit bays.⁷² For e.g.- In January 2025, the American Bureau of Shipping (ABS), PaxOcean, and Pacific Carriers Limited (PCL) signed a MoU to jointly develop retrofit strategies focusing on Energy Efficiency Technologies (EETs) for various vessel types (e.g., bulk carriers, tankers, container ships, gas carriers). Under the MoU, ABS provides feasibility assessments and technical solutions aligned with future regulations. The collaboration aims to extend the operational life of ageing vessels while supporting industry decarbonisation goals and informing medium- and long-term retrofit market trends. This highlights how Indian yards, too, can leverage the MoU for finding a way to realistically partner with PaxOcean.

111. **Technical and Infrastructural Factors.** PaxOcean operates 5 shipyards and 1 MRO facility across the following locations.⁷³

Facility	Location	Yard Area	Drydocks / Floating Docks	Capacity	Primary Focus
Singapore Yard	Singapore	~172,600 m ²	2 Graving Docks: 270m × 37m & 350m × 54m; 1 Floating Dock: 195m × 34.6m (~16,000 TLC)	Up to Suezmax-class vessels	Ship repair, retrofits, conversions
Zhoushan Yard	Zhejiang, China	~800,000 m ²	Graving Dock 1: 400m × 106m; Graving Dock 2: 380m × 80m; Slipway 340m × 70m	Up to ~400,000 DWT (VLCC/ULCC /FPSO scale)	Large vessel construction & repair

⁷¹ PaxOcean Group of Shipyards. "Opening of New S\$200 million PaxOcean Shipyard Paves the Way for Singapore's Maritime Future." *PaxOcean*, 6 February 2026. <https://paxocean.com/2026/02/06/opening-of-new-s200-million-paxocean-shipyard-paves-the-way-for-singapores-maritime-future>.

⁷² Maritime and Port Authority of Singapore. "Singapore and India Sign Letter of Intent to Cooperate on Maritime Digitalisation and Decarbonisation." *Singapore Maritime Week*, 25 March 2025. <https://www.smw.sg/media-room/media-release-articles/2025/03/25/singapore-and-india-sign-letter-of-intent-to-cooperate-on-maritime-digitalisation-and-decarbonisation>.

⁷³ PaxOcean Group of Shipyards. "Our Facilities", *PaxOcean*. <https://paxocean.com/our-facilities/>.

Facility	Location	Yard Area	Drydocks / Floating Docks	Capacity	Primary Focus
Pertama Yard	Batam, Indonesia	~280,000 m ²	Floating Docks: 300m × 59m (~82,000 TLC); 285m × 48.5m (~35,000 TLC); 235m × 40m (~22,000 TLC); 97m × 24m (~3,200 TLC)	Up to Capesize-class vessels	Drydocking & ship repair
Graha Yard	Batam, Indonesia	~520,000 m ²	Multiple building berths (3 × 80m × 80m; 2 × 170m × 50m); heavy lift cranes (up to ~1,250T)	Offshore rigs & heavy structures	Offshore construction & fabrication
Nanindah Yard	Batam, Indonesia	~546,000 m ²	Floating Docks: 97m × 24m (~3,200 TLC); 186m × 36m (~16,000 TLC); ~2,500m waterfront berths	Mid-sized vessels & fabrication projects	Shipbuilding & steel fabrication
MRO Facility (being developed)	Al Jubail, Saudi Arabia	~600 m ²	No drydock (workshop-based MRO facility)	Anchorage repairs & fabrication support	Maintenance, repair & operations support

Table 2.10: Location of PaxOcean Shipyards

112. **Assessment.** Vessel construction and delivery capabilities cover 750+ newbuilds across tankers/commercial, OSVs/construction vessels, offshore wind installation vessels (WTIVs), modules/E-houses, LNG carriers/bunkering/FSRU, dual-fuel tugs/SOVs, electric tugboats, power barges and FLNG; repairs handle LNG/LPG, tankers, containers, OSVs, dredgers, livestock carriers; conversions include FPSO/FSO, scrubbers/BWTS, jack-ups/semi subs.⁷⁴ These capacities mean PaxOcean can build, retrofit, and repair vessels that match the size categories important for India's upgradation of its shipbuilding sector. Moreover, PaxOcean's ability to construct large commercial builds like FSRUs can fill a gap in the Indian shipbuilding sector. Therefore, in sum, investment by Indian yards by way of pursuing partnerships and launching JVs is recommended.

⁷⁴ PaxOcean Group of Shipyards. "Corporate Presentation Q2 2024." *PaxOcean Group*, May 2024. <https://paxocean.com/wp-content/uploads/2024/05/2024Q2-PaxOcean-Corporate-Presentation.pdf>.

ASL Shipyard

113. ASL Marine Holdings Ltd (ASL Shipyard), a publicly listed Singaporean marine group, presents a compelling opportunity for Indian investors through its integrated model of medium-sized shipbuilding/repair and a 213-vessel chartering fleet, with yard presence in both Singapore and Indonesia (Batam).⁷⁵ ASL Marine operates a diversified charter fleet of tugs, barges, anchor-handling vessels, platform supply vessels and dredgers that are available for project and commercial deployment across Singapore, Indonesia and the wider Indo-Pacific region. Its Singapore yard near Pandan and nearby low-cost shipbuilding/repair facilities in Batam, Indonesia, provide capacity for vessel maintenance, new builds, and offshore support services. Moreover, ASL's base in Singapore positions India closer to the Strait of Malacca, a critical chokepoint linking the Indian and Pacific Oceans. A stake could strengthen India's indirect logistical footprint along the route. Additionally, ASL's experience in offshore support vessels and dredging platforms could support India's maritime industrial upgrading, especially for island development and port deepening.

114. **Economic Factors.** The following information emerges from the publicly available 5-year financial data for ASL:⁷⁶

114.1. Revenue declined sharply from USDD 243.6 million (FY2020) to USD 193.0 million (FY2021) and USD 235.6 million (FY2022), reflecting pandemic-era and offshore market weakness. However, a strong rebound followed, with revenue rising to USD 335.8 million (FY2023) and further to USD 349.3 million (FY2024) — representing an approximately 80% increase from the FY2021. This suggests improved yard utilisation, stronger chartering demand, and recovery in ship repair activity.

114.2. Gross profitability mirrors this turnaround. After moving into marginal gross losses in FY2021 (–USD 1.2 million) and FY2022 (–USD 0.1 million), ASL restored positive gross margins in FY2023 (USD 29.4 million) and strengthened further in FY2024 (USD 45.7 million). Importantly, operating cash flow remained positive throughout all five years, ranging from USD 40–83 million, even during loss-making years. FY2024 operating cash flow stood at USD 40.4 million, confirming that underlying operations generate real cash despite earnings volatility.

114.3. Overall, FY2024 reflects ASL's strongest financial position in five years: higher revenue and sustained profitability. The main strategic consideration remains leverage and cyclicalities, but based purely on performance trends, the company has clearly exited its turbulent phase and re-entered a growth and stabilisation cycle. Based purely on the FY2020–FY2024 financial data, Indian investment in ASL Marine is realistically possible, but likely feasible only in certain forms (minority stake, JV, or strategic partnership).

⁷⁵ ASL Marine. “ASL Marine – Home.” *ASL Marine*, <https://www.aslmarine.com>.

⁷⁶ ASL Marine, “Annual Report 2024,” 12, https://aslmarine.listedcompany.com/newsroom/20241128_224558_A04_2S6OGL5KTFHRGECK.1.pdf.

115. **Technical and Infrastructural Factors.** ASL Marine’s Batam operations span three yards on 46 hectares in Indonesia's free-trade zone, featuring a flagship 300,000 dwt graving dock (340m LOA x 60m beam x 11m draft) for Capesize/VLCC repairs, plus 60,000 dwt (240m LOA x 38m beam) and 20,000 dwt (180m LOA x 27m beam) docks, with 4,000m berthing, finger piers and heavy cranes for steel renewal, conversions and offshore rig work.⁷⁷ The Singapore facility optimises engineering, fabrication and smaller newbuilds/repairs up to 332m LOA x 35m beam x 8m draft (5,000 dwt hoist capacity), with 450m berthing, 800t mobile boat hoist, gantry cranes and workshops for tugs/OSVs up to 70m — handles 8 specialised vessels simultaneously, focusing on high-precision marine engineering rather than mega-docks. Proximity to the western anchorage suits quick turnarounds for regional traffic.

116. The Group specialises in building:⁷⁸

- Tugs and Workboats — harbour and ocean assistance vessels
- Barges — including work barges, accommodation barges, and pipe-laying barges
- Offshore Support Vessels (OSVs) — such as platform supply vessels (PSVs), anchor handling/towing supply (AHT/AHTS) vessels, and other utility support craft
- Tankers — including product tankers, commercial tankers, and bunkering tankers
- Dredgers — such as cutter suction dredgers and water injection dredgers

117. Additionally, it can repair:⁷⁹

- Tankers, Container Vessels, Bulk Carriers
- Offshore Support Vessels, Dredging Vessels, Pipe Laying Vessels
- Jack-up Rigs, Semi-submersible Rigs
- FSOs and FPSOs

118. **Assessment.** The firm’s larger-than-average capacities for shipbuilding and repair, coupled with its ability to construct dredgers (which India urgently needs)⁸⁰ make it a potentially attractive investment partner in a geographically critical region.

⁷⁷ “ASL Marine Batam Shipyard / Ship Repair.” *TrustedDocks*. <https://www.trusteddocks.com/shipyards/7374-asl-marine-batam-shipyard>.

⁷⁸ ASL Marine Holdings Ltd. “Business Overview.” *ASL Marine Holdings Ltd*. https://aslmarine.listedcompany.com/business_overview.html.

⁷⁹ ASL Marine Holdings Ltd. “Business Overview.” *ASL Marine Holdings Ltd*. https://aslmarine.listedcompany.com/business_overview.html.

⁸⁰ OMR Global. “India Dredging Market Size & Growth Report, Forecast to 2035.” <https://www.omrglobal.com/industry-reports/india-dredging-market>.

THE PHILIPPINES

119. **Overview.** The Philippines is an archipelagic nation in Southeast Asia comprising more than 7,600 islands, located between the South China Sea, Pacific Ocean, and major East Asian shipping routes. Its geography places it at the crossroads of trade flows connecting Northeast Asia, Southeast Asia, and the Indian Ocean. The country lies close to major maritime economies such as Japan, South Korea, China, Taiwan, and ASEAN markets, making it a natural hub for shipbuilding, repair, and maritime logistics.

120. The Philippines has emerged as a significant shipbuilding and ship repair location, leveraging low labour costs and a large skilled workforce, particularly around major centres like Subic Bay, Cebu, and Mindanao. Government policy treats shipbuilding as a priority industrial sector, offering tax incentives, infrastructure support to the sector, and implementing modernisation programs to increase commercial, naval, and fishing vessel production, as well as post-production services. Market research indicates steady growth through 2031, driven by demand for cargo ships, ferries, and military vessels, even as the industry faces challenges from dominant builders in China and South Korea, imported material dependence, and inconsistent policy support.⁸¹

121. The Philippines maintains a relatively open foreign investment regime, particularly in manufacturing and export-oriented sectors such as shipbuilding. Under the Foreign Investments Act, foreign investors can own up to 100% of export-oriented enterprises, provided they do not fall under restricted sectors in the Foreign Investment Negative List. Shipbuilding generally falls under manufacturing and export categories, which are largely open to foreign ownership.⁸²

122. For an Indian shipyard, investing in Filipino shipyards offers a pathway into an export-oriented, labour-competitive shipbuilding base with strong prospects in both commercial and defence segments. The potential value lies in JV-led upgrades of existing facilities, entry into repair and retrofit services, and co-developing eco-friendly vessels.

123. Following the identification of all publicly listed shipyards in the Philippines, those with sufficient data availability and the medium capacity- to large-scale shipbuilding and repair were selected for further assessment:

Ser	Shipyard	Ownership / Listing	Location	Primary Focus
(a)	Tsuneishi Heavy Industries (Cebu), Inc.	Joint venture — Japanese (Tsuneishi Shipbuilding) + Filipino partners	Balamban, Cebu	Newbuilding of bulk carriers, container ships, tankers; ship repair & fabrication (medium/large commercial vessels)

⁸¹ 6W Research, “Philippines Ship Building Market (2025–2031)”, *6Wresearch*, 2025, <https://www.6wresearch.com/industry-report/philippines-ship-building-market>.

⁸² Philippines Board of Investment, “Foreign Investments Act of 1991”, *BOI*, 2018, <https://boi.gov.ph/r-a-7042-foreign-investments-act-of-1991/>.

(b)	Agila Subic Shipyard Facility (formerly Hanjin Subic)	Owned by Cerberus Capital Management (with Agila Subic consortium partners)	Subic Freeport Zone	Large ship repair, conversion, and prospective commercial shipbuilding/MRO facilities; supports strategic and naval logistics
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Table 2.11: Shipyards in the Philippines for Potential Partnership with India

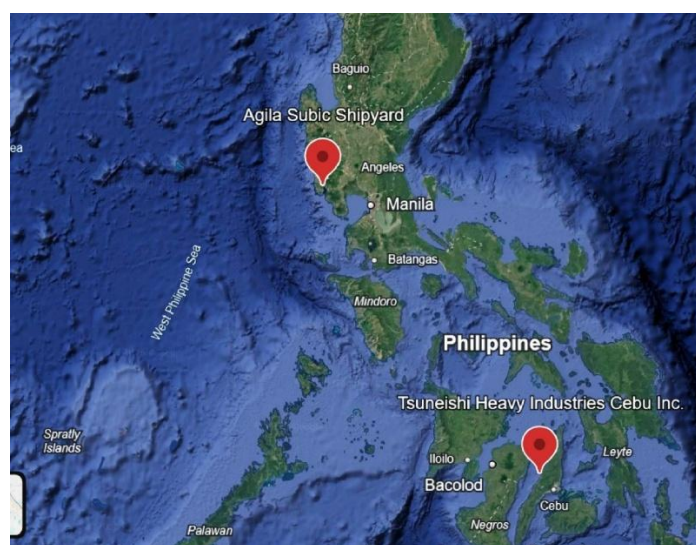


Fig 2.17: Shipyards in the Philippines

Tsuneishi Heavy Industries (Cebu), Inc.

124. Tsuneishi Heavy Industries (Cebu), Inc. (THICI), located in Balamban on Cebu Island’s west coast, offers Indian shipyard investors a high-volume, cost-competitive platform for bulk carrier newbuilds and green retrofits. Moreover, Cebu’s strategic location combines deepwater access with a robust industrial ecosystem, including local steel and marine equipment suppliers, specialised contractors, and port logistics, enabling efficient procurement, modular assembly, and export of vessels; for an Indian investor, this reduces operational costs, ensures timely access to high-quality components, and supports construction without building a supply network from scratch.⁸³

125. **Economic Factors.** Tsuneishi Heavy Industries (Cebu), Inc. (THI) sits within a financially strong Japanese group, is profitable at the entity level, and operates under a stable Japan–Philippines JV structure, which makes an Indian entry possible only in carefully negotiated niche project-based partnership, and not as a straightforward controlling equity play. The realistic route for India to collaborate on project-basis within the firm, rather than trying to “buy into” the yard itself.

126. While financial data is only available at the group-level and not broken-down individually for the shipyard, its operational output, nevertheless, reflects a solid financial standing. THI is described as the Philippines’ largest shipbuilder and in 2024 launched its 16th vessel of the year,

⁸³ Marubeni Industrial Park. “Philippines West Cebu.” *Marubeni Industrial Park*. https://marubeni-industrialpark.com/en/philippines_westcebu.

a 63,300-ton bulk carrier for a Southeast Asian client, with the West Cebu Estate emphasising that Tsuneishi Cebu has become a key anchor of the local maritime cluster.⁸⁴ Tsuneishi Heavy Industries (Cebu) Inc. has announced plans to expand its shipyard in Balamban, Cebu, by adding approximately 30 hectares of additional space, including a new slipway and a dry dock, as part of efforts to increase production capacity. The expansion is expected to boost annual newbuilding output by roughly 25 % — from about 24 ships to approximately 30 ships per year.⁸⁵

127. These facts mean THI does not “need” Indian capital to sustain operations; any Indian entry would be a strategic choice on both sides, not a distressed acquisition. The realistic avenue for India is, therefore, to pursue a niche project- and product-level partnership for e.g. in either building specialised dredgers or partnering to co-fund/co-develop green/decarbonised shipping initiatives (THI’s current area of focus).

128. **Technical and Infrastructural Factors.** The shipyard covers approximately 1,470,000 m² of land and is equipped with 2 shipbuilding berths and 1 building dock to build mainly 180,000-ton-class bulk carriers and can build up to 30 ships a year. The yard has the following facilities:⁸⁶

Facility	Size / Capacity	Purpose
No. 1 Dock	215 m x 30 m	Ship assembly and launching
No. 2 Dock	250 m × 41 m	Ship assembly and launching
Building Dock	450 m × 60 m × 11.5 m	Covered the construction of hulls and block assembly
Floating Crane	For heavy lifting	Assists with large component handling
Jib Crane	Multiple	For block lifting and ship assembly

Table 2.12: Details of Infrastructure and Facilities at Tsuneishi Heavy Industries

129. The yard primarily focuses on building commercial ships, and its broad breakdown is as follows:⁸⁷

- Bulk carriers
- Container carriers
- Pure Car & Truck Carriers (PCTC)
- Tugboats and support vessels

⁸⁴ Katlene O. Cacho-Laurejas, “Tsuneishi Launches 16th Vessel This Year.” *Sunstar Cebu*, 30 November 2024. <https://www.sunstar.com.ph/cebu/tsuneishi-launches-16th-vessel-this-year>.

⁸⁵ Sam Chambers, “Tsuneishi to expand its yard in the Philippines”, *Splash247*, 14 January 2025. <https://splash247.com/tsuneishi-to-expand-its-yard-in-the-philippines>.

⁸⁶ Tsuneishi Shipbuilding Co., Ltd., “*Tsuneishi Heavy Industries (Cebu), Inc.*,” <https://www.tsuneishi.co.jp/english/company/factory/thi>.

⁸⁷ Tsuneishi Shipbuilding Co., Ltd. “*Products.*” <https://www.tsuneishi.co.jp/english/products/>.

- Eco-friendly/next-generation ships- On 15th January 2026, THI delivered the world's first Methanol Dual-Fuelled KAMSARMAX Bulk Carrier.⁸⁸

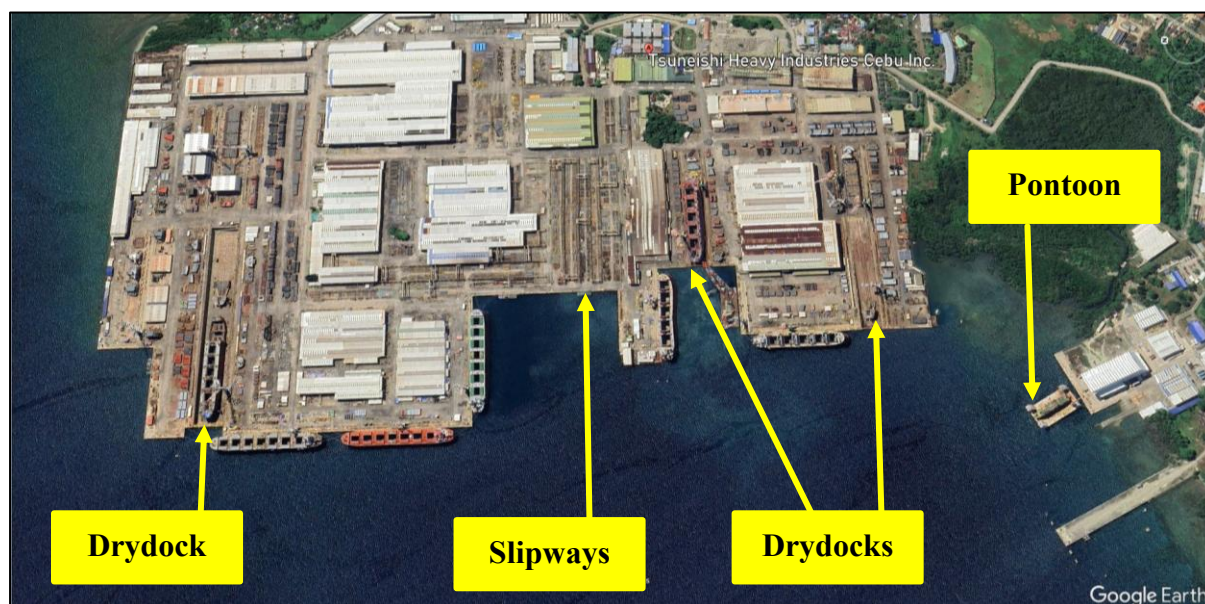


Fig 2.18: Tsuneishi Heavy Industries, Cebu

130. **Assessment.** First, from an economic and ownership perspective, the yard operates within the broader Tsuneishi Shipbuilding group and under a stable Japan–Philippines joint venture structure. Because the parent group is financially strong and the Cebu yard is already profitable and expanding capacity, there is little structural incentive for the owners to dilute equity or accept a new strategic investor. Moreover, from a technical and industrial standpoint, the Cebu yard already possesses a significant large-vessel construction capability. A better investment approach for Indian yards would be to enter into a project-based partnership. Collaboration could focus on joint development of specialised vessels (such as dredgers or coastal bulk carriers) or green-fuel retrofits.

Agila Subic Facility

131. Agila Subic is a large, deep-water former Hanjin yard now being repositioned as a multi-use industrial and naval hub, with significant strategic value for India–Philippines maritime cooperation, but limited scope for a classical “equity entry” into the core yard given recent foreign investments into the yard. The shipyard sits on the Redondo Peninsula within the Subic Bay Freeport Zone, about 110 km north of Manila, with direct access to the South China Sea and key routes used for energy and container trades into Northeast Asia.⁸⁹

⁸⁸Tsuneishi Shipbuilding Co., Ltd., “TSUNEISHI-Cebu Delivers the World’s First Methanol Dual-Fuelled KAMSARMAX – Naming Ceremony Attended by the President of the Republic of the Philippines,” 15 January 2026, accessed February 18, 2026, <https://www.tsuneishi.co.jp/english/news/p2935/>.

⁸⁹Maria T Reyes, “New era of trilateral partnership at Philippines’ strategic Subic shipyard”, *Indo-pacific Defence Forum*, 23 October 2025, <https://ipdefenseforum.com/2025/10/new-era-of-trilateral-partnership-at-philippines-strategic-subic-shipyard/>.

132. Subic Bay is a deep natural harbour with significant industrial land and port infrastructure centred around the Subic Bay Freeport Zone. The harbour lies adjacent to the industrial area of Subic, which hosts logistics parks, ship repair facilities, and export-processing zones. It is also located roughly 100 km northwest of Manila, providing access to the country’s largest commercial market and financial centre. Air connectivity is supported by Clark International Airport, about 70 km away, while nearby ports such as the Port of Manila and Batangas International Port anchor the broader Luzon maritime logistics network.

133. From Subic, vessels can reach major regional cities such as Hong Kong (about 603 nautical miles), Taipei (about 624 nautical miles), Singapore (about 1,294 nautical miles), and Bangkok (about 1,196 nautical miles) within a few days’ sailing time. Its location on the west coast of Luzon also places it close to the Philippines’ main economic centre, Manila, while remaining directly along the north–south maritime routes connecting Northeast Asia’s industrial economies — such as Tokyo and Seoul — with Southeast Asian manufacturing hubs. This positioning makes Subic an efficient logistics and ship-repair stop for vessels transiting between Northeast Asia, ASEAN markets, and the wider Indo-Pacific, enhancing its attractiveness as a maritime service and shipyard hub.

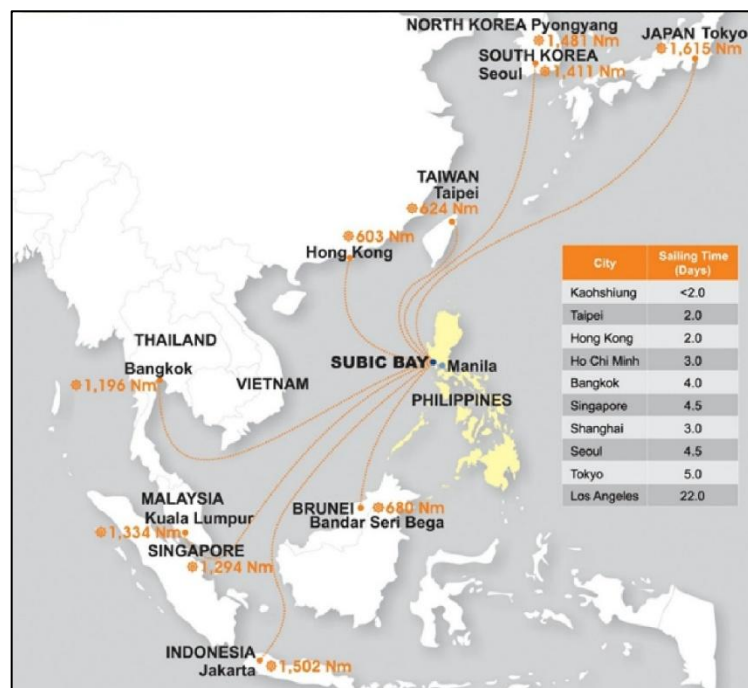


Fig 2.19: Subic Bay’s Advantageous Geographic Positioning

134. For an Indian shipyard investor, Subic Bay offers strong strategic positioning along the main maritime corridor of the South China Sea, connecting Northeast Asia’s industrial economies with Southeast Asian markets.

135. **Economic Factors.** Subic Bay shipyard in the Philippines restarted operations in September 2025, after a major U.S. and South Korean investment, marking the revival of a strategic maritime industrial facility that had been dormant since the bankruptcy of its previous

owner (Hanjin) in 2019. The shipyard, now part of the Agila Subic complex, was inaugurated during a steel-cutting ceremony attended by Philippine President Ferdinand Marcos Jr., signalling the formal restart of shipbuilding activities at the site.⁹⁰

136. US private equity firm Cerberus Capital Management paid roughly USD 300 million to take over the distressed Hanjin facility and has since announced additional investment of around USD 250 million, taking its total commitment to about USD 550 million, with a broader vision of up to USD 1 billion of investments and 10,000 jobs by 2027.⁹¹ HD Hyundai plans around 550 million USD investment over ten years for ship repair, MRO and offshore wind fabrication at Agila.⁹²

137. The former Hanjin yard was acquired by US private equity firm Cerberus Capital Management, which holds the site and leases parcels to operators under the “Agila Subic” platform. Current tenants and partners are:

- **HD Hyundai Heavy Industries Philippines:** Using parts of the former Hanjin facilities for shipbuilding, ship repair, MRO for Philippine Navy vessels, and construction of offshore wind power substructures.
- **Philippine Navy:** Has established a Naval Operating Base, including billeting, training, and fleet maintenance facilities, integrating Agila into the Philippines’ naval posture. It leases 90 hectares in the northern section of the shipyard.⁹³
- **SubCom:** Operating a telecoms / subsea cable-related facility.⁹⁴

138. Given the yard’s recent re-operationalisation and acquisition, no financial reports are available for the yard at this time. However, under its previous management entity, Hanjin, at its peak, the yard constructed large container ships and tankers for global clients and employed more than 30,000 workers.⁹⁵

⁹⁰ Aaron-Matthew Lariosa, “Subic Bay Shipyard Re-Opens after U.S., South Korean Investments”, *US Naval Institute*, 05 September 2025, <https://news.usni.org/2025/09/05/subic-bay-shipyard-re-opens-after-u-s-south-korean-investments>.

⁹¹ John P. Causey IV, “U.S. Investor Cerberus Commits Additional \$250 Million to Subic Bay and Other Projects”, *Vantage FDI*, 11 August 2025, <https://www.vantagefdi.com/briefs/cerberus-250m-subic-bay-shipyard-philippine-projects>.

⁹² Baird Maritime, “Korean firm to put up offshore wind production and ship repair base in Subic, Philippines”, *Baird Maritime*, 21 May 2024, <https://www.bairdmaritime.com/offshore/renewables/offshore-wind/korean-firm-to-put-up-offshore-wind-production-and-ship-repair-base-in-subic-philippines>.

⁹³ Henry Empeño, “6 yrs after Hanjin: Agila revs up Subic shipyard”, *Business Mirror*, 11 August 2025, <https://businessmirror.com.ph/2025/08/11/6-yrs-after-hanjin-agila-revs-up-subic-shipyard/>.

⁹⁴ Henry Empeño, “6 yrs after Hanjin: Agila revs up Subic shipyard”, *Business Mirror*, 11 August 2025, <https://businessmirror.com.ph/2025/08/11/6-yrs-after-hanjin-agila-revs-up-subic-shipyard/>.

⁹⁵ John P. Causey IV, “U.S. Investor Cerberus Commits Additional \$250 Million to Subic Bay and Other Projects”, *Vantage FDI*, 11 August 2025, <https://www.vantagefdi.com/briefs/cerberus-250m-subic-bay-shipyard-philippine-projects>.

139. Cerberus appears deeply committed to the yard and has increased its capital at risk (~USD 250 million) to actively upgrade the yard's facilities.⁹⁶ However, there is no public indication that equity in Agila Subic or the land-lease structure is on offer to foreign shipbuilders beyond tenant status.

140. Therefore, negotiations with Cerberus for a long-term lease of a specific dock/berth/assembly area in the yard are the most feasible route for Indian shipyards seeking to invest in the region. This also significantly reduces financial risk for Indian shipyards. If demand weakens or order books decline, a leased facility allows the investor to scale down operations or exit at the end of the lease period, whereas ownership would lock the investor into maintaining an expensive fixed asset with ongoing maintenance and labour costs.

141. **Technical and Infrastructural Factors** The yard covers around 300–310 hectares within the Subic Freeport Zone. While specific infrastructural metrics are not listed, it is estimated that reactivation of Agila Subic Shipyard will increase Philippine annual shipbuilding output from 1.3 million DWT to 2.5 million DWT, providing an indirect indicator of the yard's infrastructure and production capacity.⁹⁷

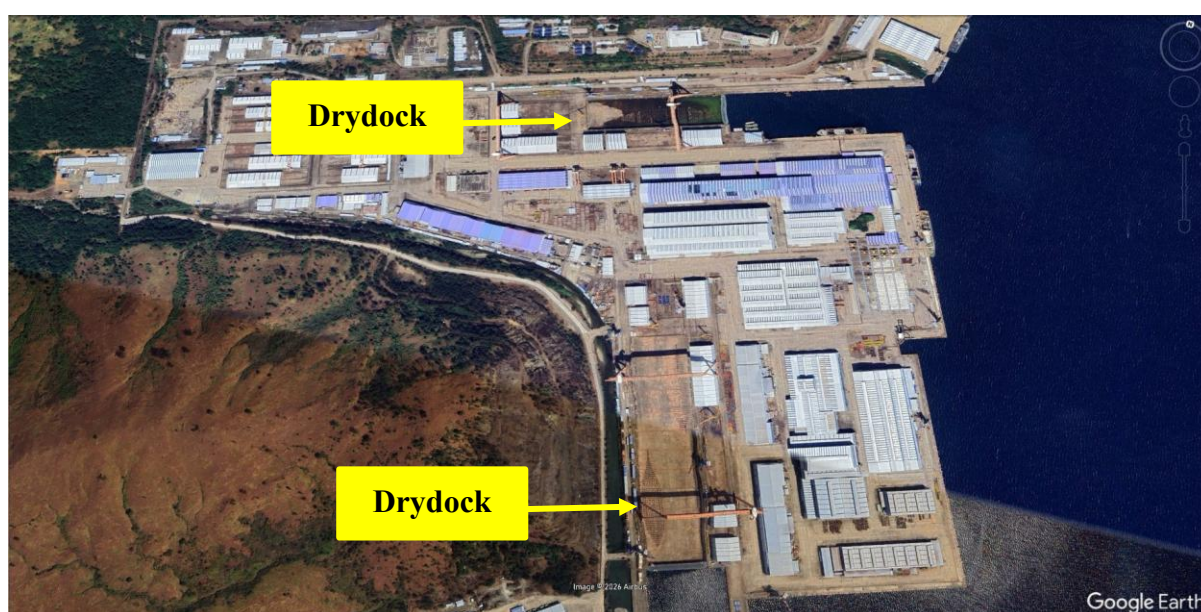


Fig 2.20: Agila Subic Bay Shipyard

142. Operationally, HD Hyundai kicked off its first shipbuilding project in September 2025 with a steel-cutting ceremony for a 115,000-ton petrochemical carrier at its leased section, marking the site's return to commercial newbuilds. The yard plans to ramp up to 10 vessels per year within 3–5 years, focusing on 200–250 m product tankers, while also supporting offshore wind structures and repairs. Tenants like the Philippine Navy handle fleet maintenance (e.g.,

⁹⁶ Louella Desiderio, "Cerberus investing P15 billion for Subic shipyard upgrade, new projects", *PhilStar Global*, 26 July 2025, <https://www.philstar.com/business/2025/07/26/2460696/cerberus-investing-p15-billion-subic-shipyard-upgrade-new-projects>.

⁹⁷ Aaron-Matthew Lariosa, "Subic Bay Shipyard Re-Opens after U.S., South Korean Investments", *US Naval Institute*, 05 September 2025, <https://news.usni.org/2025/09/05/subic-bay-shipyard-re-opens-after-u-s-south-korean-investments>.

Jose Rizal-class frigates), and SubCom supports subsea cable work, confirming full operational revival.⁹⁸

143. **Assessment.** Overall, the value of Agila Subic Shipyard rests on U.S. financial capital through Cerberus Capital Management, and the Philippines' geopolitical advantages. For an Indian shipyard seeking to invest in the facility, the most effective approach would be to integrate into this existing model. The most feasible route for Indian firms would be to lease a specific dock, fabrication zone, or outfitting berth within the yard and establish a dedicated production or repair facility. This allows the Indian company to participate in the Subic maritime cluster without competing directly with the existing core partners. Additionally, an Indian investor should pursue government-backed maritime cooperation with the Philippines to support the commercial investment. Since Subic also hosts facilities used by the Philippine Navy, collaboration in naval maintenance, patrol vessel support, or training programs could strengthen bilateral maritime ties and increase the strategic value of the investment.

VIETNAM

144. **Overview.** The political environment in Vietnam is characterised by a highly centralised, state-led governance model that is currently focused on restructuring inefficient state-owned enterprises (SOEs) to maintain national industrial competitiveness. Within the maritime sector, this restructuring effort is particularly significant for SOEs like the Shipbuilding Industry Corporation of Vietnam, which is undergoing deliberate bankruptcy proceedings as part of a broader state-led reform strategy to modernise the country's shipbuilding industry. For an Indian shipyard considering investment in Vietnam, the political feasibility of such an engagement is strengthened by two key factors: the Vietnamese government's internal administrative reforms aimed at strengthening domestic shipbuilding capability, and the robust bilateral relationship between India and Vietnam under their Comprehensive Strategic Partnership.

145. Over the past decade, India has played an increasingly key role in supporting Vietnam's maritime security and industrial capacity. Indian shipyards have supplied four offshore patrol vessels to Vietnam, completed in 2012, and subsequently delivered twelve high-speed patrol boats financed under a USD 100 million defence credit line. Additional maritime cooperation has included offers to construct additional patrol vessels under subsequent financing arrangements, while six high-speed boats built in India were handed over to the Vietnam Border Guard in June 2022.⁹⁹ These projects demonstrate India's demonstrated capability and

⁹⁸ MI News Network, "HD Hyundai Kicks Off First Shipbuilding Project in Philippines with Steel-Cutting Ceremony", *Marine Insight*, 03 September 2025, <https://www.marineinsight.com/hd-hyundai-kicks-off-first-shipbuilding-project-in-philippines-with-steel-cutting-ceremony/>.

⁹⁹ Government of India, Press Information Bureau. "Raksha Mantri Shri Rajnath Singh Hands Over 12 High Speed Guard Boats, Constructed Under India's \$US 100 million Line of Credit, to Vietnam." *Press Information Bureau*,

willingness to execute maritime industrial programmes with Vietnam and highlight an established foundation of trust and technical cooperation between the two countries.

146. The Vietnamese government has framed the restructuring of the national shipbuilding sector as a principal component of its broader maritime industrial strategy. These reforms are intended to support several long-term national objectives, including expanding Vietnam’s shipbuilding capacity by approximately 45 per cent by 2030, advancing the transition toward a greener maritime economy — including the goal of achieving a fully green domestic fleet by 2050 — and strengthening domestic technological capabilities through foreign investment and technology transfer.¹⁰⁰ Within this policy framework, a joint venture with an Indian shipyard, potentially structured as a balanced equity partnership, would align closely with the government’s industrial priorities. Such an arrangement would also be likely to receive strong political backing, which supports deeper cooperation between maritime industries.

Principal Shipyards in Vietnam

147. Under the scope of this report, the following shipyards have been identified:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Shipbuilding Industry Corporation (SBIC) Shipyards Ha Long Shipyard (Quảng Ninh) Bach Dang Shipyard (Hai Phong) Pha Rung Shipyard (Hai Phong) Song Cam Shipyard (Hai Phong) Nam Trieu Shipyard (Nam Dinh) Thinh Long Shipyard, Saigon Shipbuilding Industry (SSI) Saigon Shipbuilding and Marine Industry Company	Subsidiary of Shipbuilding Industry Corporation	Build/service Medium–large bulk carriers, cargo ships; Shipbuilding and marine engineering.

Table 2.13: Shipyards in Vietnam for Potential Partnership with India

Ministry of Defence, June 9, 2022. Press Release ID 1832495, <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1832495>

¹⁰⁰ VietnamPlus, “Ample Room to Float Vietnam’s Shipbuilding Industry,” *VietnamPlus* (Vietnam News Agency), 29 March 2025, <https://en.vietnamplus.vn/ample-room-to-float-vietnams-shipbuilding-industry-post312371.vnp>

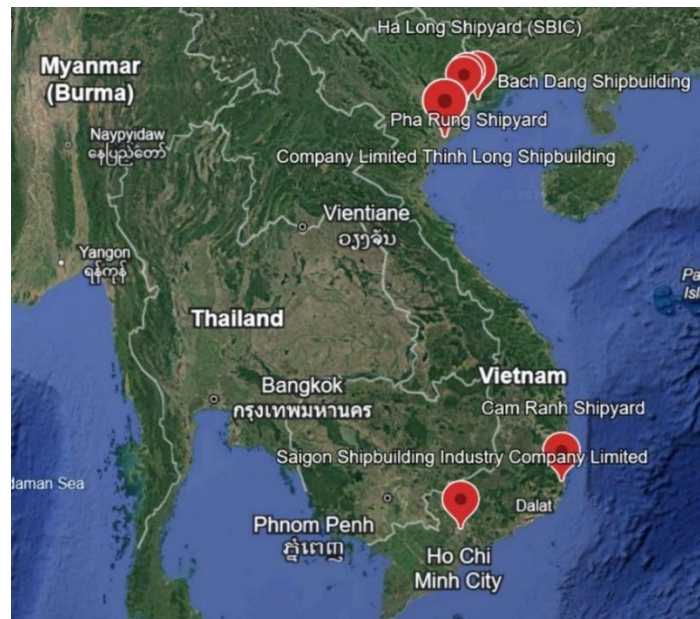


Fig 2.21: Shipyards in Vietnam for Potential Partnership with India

Shipbuilding Industry Corporation (SBIC) Shipyards

148. The Shipbuilding Industry Corporation (SBIC) is Vietnam’s state-owned shipbuilding holding company, created in 2013 from the restructuring of the troubled Vinashin Group and inheriting about 4 billion USD of legacy debt.¹⁰¹ Despite solid industrial capabilities and busy order books at several subsidiary yards, SBIC as a corporate entity is now in court-supervised bankruptcy, with a government-approved roadmap to liquidate or transfer assets while allowing profitable units to continue operating under new ownership structures.¹⁰² This creates both opportunities and risks for an Indian shipyard seeking strategic entry into Vietnam’s shipbuilding ecosystem.

149. Vietnam ranks seventh in global shipbuilding, with cost-competitive labour, a dense network of shipyards, and proximity to the South China Sea energy and trade arteries linking the Indian Ocean to the region. SBIC’s main yards—Ha Long, Nam Trieu (NASICO), Pha Rung, Bach Dang, Song Cam, Saigon SSI, Cam Ranh and Thinh Long—can collectively build a wide range of vessels from small workboats to Panamax bulkers, tankers, container ships, offshore vessels and increasingly complex wind-farm and cruise ships. Several of these yards have strong current order books but are constrained by financial mismanagement and constraints of the parent firm.

150. For an Indian shipyard, SBIC’s situation offers three realistic strategic options: (1) targeted equity or asset acquisitions in specific, feasible SBIC yards as they are separated from the bankrupt holding company or ask for foreign investment, and (2) joint ventures and

¹⁰¹ Marcus Hand, “Farewell to Vinashin as restructuring is approved”, *Seatrade Maritime*, 04 November 2013, <https://www.seatrade-maritime.com/shipyards/farewell-to-vinashin-as-restructuring-is-approved>.

¹⁰² Associate Editor, “Vietnam’s State Shipbuilding Company on Brink of Bankruptcy”, *Maritime Fairtrade*, 01 December 2025, <https://maritimefairtrade.org/vietnams-state-shipbuilding-company-on-brink-of-bankruptcy/>.

technical-cooperation projects leveraging India–Vietnam defence and shipbuilding cooperation frameworks.

151. **Economic Factors.** Despite periodic restructuring attempts and some profitable yard-level operations, SBIC has remained unable to service the large Vinashin-era debt burden, with liabilities significantly exceeding its asset base. In late 2023 and early 2024, Vietnam’s Politburo and Ministry of Transport approved a plan for SBIC and seven subsidiaries to enter bankruptcy, aiming to liquidate or transfer assets while preserving viable shipyards and jobs. These seven subsidiaries are:¹⁰³

- Ha Long Shipyard
- Pha Rung Shipyard
- Bach Dang Shipyard
- Thinh Long Shipyard
- Cam Ranh Shipyard
- Saigon Shipbuilding Industry Co Ltd (SSI)
- Saigon Shipbuilding and Marine Industry

152. The Damen Song Cam Shipyard (JV between Damen Shipyards Group, Netherlands, and SBIC) was explicitly excluded from the SBIC bankruptcy process because it is able to source capital from its foreign partner and remained profitable. For an Indian shipyard, the key takeaway is that JVs with strong foreign industrial partners are viewed more favourably within Vietnam’s restructuring framework, as they help stabilise state-owned shipyards through capital injection, technology transfer, and access to global markets. Establishing a similar partnership structure with a Vietnamese yard would not only reduce financial risk but also align with government policy objectives of attracting foreign investment and modernising the domestic shipbuilding industry.

153. **Technical Factors:** SBIC has been portrayed in multiple presentations as Vietnam’s largest shipbuilder, accounting for roughly 70 per cent of domestic shipbuilding capacity, with the ability to build a wide spectrum of vessels up to Panamax sizes.¹⁰⁴

154. The VIMATEC industry review summarises the main SBIC shipyards and their specialisations:¹⁰⁵

Yard	Location	Stated Capacity / Focus
Ha Long Shipyard	Ha Long (Quang Ninh)	Dry cargo vessels up to 100,000 DWT; tankers up to 13,000 DWT; container ships up to 1,100 TEU;

¹⁰³ Vietnam News, “SBIC prepares for bankruptcy procedures from Q1 2024”, *Vietnam News*, 25 December 2023, <https://vietnamnews.vn/economy/1638503/sbic-prepares-for-bankruptcy-procedures-from-q1-2024.html>

¹⁰⁴ Shipbuilding Industry Corporation (SBIC). “Vietnam Maritime Industry”, *Presentation at the ASEF 9th Forum*, 2015, <https://www.asef2015.com/asef-forum/pdf/NO18.%20SBIC%20Presentation%20on%20VIETNAM%20MARITIME%20INDUSTRY.pdf>.

¹⁰⁵ Thàng Mười Hai, “5 things you may not know about shipbuilding in Viet Nam”, *Vimatec*, 2023, <https://vimatec.com.vn/5-things-you-may-not-know-about-shipbuilding-in-vietnam/>.

Yard	Location	Stated Capacity / Focus
		special-purpose vessels; high-speed patrol boats; sea/coastal barges
Nam Trieu (NASICO)	Hai Phong	Dry cargo ships up to 70,000 DWT; 150,000 DWT FSO; tankers up to 15,000 DWT; container ships up to 1,700 TEU; special-purpose vessels; patrol boats; barges.
Pha Rung Shipyard	Hai Phong	Dry cargo up to 34,000 DWT; tankers up to 13,000 DWT; tugs and service ships; dredgers; project vessels; fishing boats up to 2,000 HP; passenger/luxury boats; floating cranes up to 600 tons; offshore services
Bach Dang Shipyard	Hai Phong	Dry cargo ships up to 50,000 DWT; tankers up to 50,000 DWT; special-purpose vessels; patrol boats; barges up to 20,000 DWT.
Saigon Shipbuilding	Ho Chi Minh City	Dry cargo ships up to 65,000 DWT; container ships up to 600 TEU.
Thinh Long Shipbuilding	Nam Dinh	Regional yard for coastal and smaller vessels; details are less public but part of the SBIC network.

Table 2.14: Infrastructure of Shipyards under SBIC

155. The table below compiles vessels built by various SBIC yards from the most recent available source:¹⁰⁶

Yard	Vessel Types Built	Key Examples/Specs
Ha Long Shipyard	Bulk carriers, tankers, container ships, car carriers, offshore wind CSOVs, cruise/passenger ships, tugs, patrol boats, barges	53,000 DWT bulk; 3,500 DWT tanker (92m LOA, 14m beam); 4,900-car PCTC; CSOV 9020 series (14 units); RoRo 5612; ATD 2412 tugs
Pha Rung Shipyard	Dry cargo/bulk carriers, oil/chemical tankers, tugs, dredgers, project vessels, fishing boats (to 2,000 HP), passenger/luxury boats, floating cranes, offshore support	34,000 DWT cargo; 13,000 DWT oil/chemical tanker series (128m LOA, 20m beam); 6,500 DWT tanker
Bach Dang Shipyard	Bulk/dry cargo carriers, tankers, LPG carriers, special-purpose vessels, patrol boats, barges	4,500 cbm Ethylene LPG; bulk/tankers to 50,000 DWT; barges to 20,000 DWT
Nam Trieu (NASICO)	Bulk/cargo ships, tankers, FSOs, container ships, fishing vessels, patrol boats, barges	53,000–65,000 DWT cargo/bulk; 9,200-tonne cargo; 150,000 DWT FSO; tankers to 15,000 DWT; containers to 1,700 TEU

Table 2.15: Infrastructure of Shipyards under SBIC

156. The data shows that the SBIC yards' demonstrated ability to build larger vessels, as well as their yard capacity, make them well-matched to Indian requirements. An Indian yard could use SBIC facilities as an overflow base when domestic capacity is constrained.

¹⁰⁶ Shipbuilding Industry Corporation (SBIC). "Vietnam Maritime Industry", *Presentation at the ASEF 9th Forum*, 2015, <https://www.asef2015.com/asef-forum/pdf/NO18.%20SBIC%20Presentation%20on%20VIETNAM%20MARITIME%20INDUSTRY.pdf>.

157. **Assessment.** SBIC, as a holding company, is financially distressed and undergoing bankruptcy, but its constituent yards form the backbone of a capable, cost-competitive Vietnamese shipbuilding ecosystem located astride critical trade and energy routes. For an Indian shipyard, investing directly in SBIC equity makes little sense; the real opportunity lies in selectively partnering with, investing in, or acquiring specific SBIC shipyards (as highlighted above) that match Indian shipbuilding capacity requirements.

CHAPTER THREE

EAST AFRICA

Introduction

1. This chapter evaluates publicly listed shipyards across Eastern Africa and examines: (a) political factors, (b) economic viability of the yard and foreign investment frameworks, and (c) technical infrastructure and vessel compatibility with Indian requirements. Taken together, these three dimensions provide an integrated framework for identifying and prioritising shipyards in East Africa that can serve as potential partners, subsidiaries, or acquisitions for Indian shipyard investors.

SOMALIA

2. **Overview.** Somalia, with Africa's longest coastline extending 3,333 kilometres along the Gulf of Aden and Indian Ocean, occupies an advantageous position astride major shipping routes in the Indian Ocean. Despite this geographic advantage, decades of civil conflict, political instability, and maritime security challenges have severely constrained the development of Somalia's shipbuilding and ship repair industrial base.

3. Somalia's political landscape in 2026 remains characterised by ongoing state-building efforts following decades of civil conflict. The Federal Government of Somalia, formed through an internationally supported political transition and anchored in the 2012 provisional constitution, exercises varying degrees of authority across federal member states, including Puntland, Jubaland, Galmudug, Hirshabelle, and South West State. Meanwhile, the self-declared Somaliland—which encompasses the north-western regions, including Berbera Port—operates with de facto autonomy despite lacking international recognition. This federal and fragmented governance structure creates complex jurisdictional dynamics for foreign investment in maritime infrastructure.

4. From a political perspective on investment opportunities for Indian entities, there exist established precedents showing how foreign actors have entered Somalia's maritime sector despite the country's complex governance structure. The federal system, centred on the Federal Government of Somalia, coexists with powerful regional administrations and the de facto autonomous territory of Somaliland, creating multiple channels through which port and logistics investments can be negotiated. Previous agreements demonstrate these pathways: the Dubai-based DP World secured a long-term concession from Somaliland authorities to develop and operate Berbera Port. In 2025, DP World launched a new maritime shipping corridor linking Jebel Ali Port in Dubai with Berbera Port in Somaliland, strengthening trade connectivity between the Gulf and East Africa¹. Turkey's Albayrak Group obtained a federal-level

¹ Nanyang Technological University, "DP World Launches Shipping Corridor between Dubai and Somaliland," *NTU Centre for African Studies*, 26 November 2025, <https://www.ntu.edu.sg/cas/news-events/news/detail/dp-world-launches-shipping-corridor-between-dubai-and-somaliland>.

concession to manage and modernise Mogadishu Port.² These arrangements illustrate that foreign participation in Somalia's maritime infrastructure can emerge through negotiations with either federal or regional authorities, depending on the location of the asset and the political jurisdiction involved, offering a practical framework for potential future engagement by Indian firms.

5. Somalia has very limited shipbuilding and heavy repair infrastructure due to the collapse of state industries after 1991. Most facilities that exist today are small- to medium-scale repair yards, marine workshops, or dry-dock services attached to ports, rather than large integrated shipyards. Somalia currently lacks large integrated shipyards capable of building large commercial vessels, and most maritime industrial activity focuses on repair, maintenance, and small-vessel construction supporting fishing fleets and regional coastal trade. However, a few locations can undertake limited vessel repair and maintenance.

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Mogadishu Repair Yard, Mogadishu	Operates in conjunction with facilities linked to the Port of Mogadishu, currently managed under concession by Albayrak Group in agreement with the Federal Government of Somalia.	Vessel repair, hull maintenance, marine engineering, servicing of cargo ships, tugs, and coastal vessels
(b)	Berbera Yard, Berbera	Facilities connected to the maritime infrastructure surrounding the Port of Berbera, operated under development agreements involving DP World and the authorities of Somaliland.	Ship repair, mechanical maintenance, support for commercial shipping and fishing vessels

Table 3.1: Shipyards in Somalia for Potential Partnership with India



Figure 3.1: Shipyards in Somalia for Potential Partnership with India

² Gökhan Kavak, Ahmed Satti, and Emir Yildirim, "Turkish Firm Modernises and Runs Somalia's Gateway," *Anadolu Agency*, 26 September 26, <https://www.aa.com.tr/en/africa/turkish-firm-modernizes-and-runs-somalia-s-gateway/3700103>.

Mogadishu Marine Repair Yard, Mogadishu

6. Mogadishu's port is important because it is Somalia's primary general cargo and container gateway and the country's main maritime trade hub, located along major western Indian Ocean shipping routes linking the Horn of Africa with Gulf and Asian markets, with yard and terminal space, Ro-Ro facilities, and workshops that can handle only minor repairs. This location offers theoretical long-run potential for a regional repair point for small coastal vessels and, possibly, if infrastructure is built. At present, there is no significant infrastructure documented in reliable sources that would support medium or large-sized ocean-going ship repair.

7. Somalia welcomes foreign investment and does not generally impose sector-wide prohibitions on foreign ownership, allowing international investors to participate in most sectors of the economy. However, the investment framework remains underdeveloped and fragmented due to weak legal institutions, limited regulatory capacity, and the country's federal political structure. Enforcement of contracts and property rights is difficult because the judicial system lacks capacity and consistency, and businesses often rely on informal mechanisms for dispute resolution. Additionally, investors face structural constraints such as corruption risks, limited infrastructure, and security threats from armed groups operating in parts of the country. These conditions increase operational risk and transaction costs for foreign investors. At the same time, the Federal Government of Somalia has undertaken a series of reforms aimed at improving the investment climate and attracting private capital. These include strengthening tax administration, strengthening financial sector oversight through the Central Bank of Somalia, and rebuilding relationships with international financial institutions.³

8. **Economic Factors.** Mogadishu Port's economic profile has strengthened as the federal government and private operators have expanded and modernised cargo facilities, including a new container terminal that increases capacity from roughly 150,000 to 250,000 TEU per year⁴. The 2024 Container Port Performance Index (CPPI), released by the World Bank and S&P Global Market Intelligence in September 2025, ranked Mogadishu as the most efficient port in East Africa, ahead of Mombasa, Dar es Salaam, and Djibouti. It also emerged second in Sub-Saharan Africa, after Senegal's Dakar Port.⁵ The port now processes about 6,000 containers each month, with liner services calling 10 to 15 times monthly. Port equipment now includes multiple mobile and dockside cranes, forklifts up to about 15 tonnes, Ro-Ro tug masters and three port workshops that provide minor repair services mainly for port equipment and small afloat jobs, rather than full shipyard-grade drydocking. However, no public documents separate the 'repair yard' from the Mogadishu port as a discrete business with its own revenue, workforce, or accounts, so any yard-level financial viability or economic-output analysis cannot be produced.

9. Türkiye's main stake at Mogadishu is through Albayrak Group, which holds the long-term concession to operate and modernise the port, rather than a dedicated ship-repair yard. Albayrak first obtained a 20-year management and upgrade agreement around 2013–2015, then in 2020 signed a revised 14-year concession that confirms its exclusive role in terminal operations and marine services at Mogadishu Port. Under this revised deal, Albayrak committed

³ U.S. Department of State, "Investment Climate Statement: Somalia", *U.S. Department of State*, 2025, https://www.state.gov/wp-content/uploads/2025/09/638719_2025-Somalia-Investment-Climate-Statement.pdf.

⁴ Horn Pulse, "Somalia Expands Mogadishu Port Capacity with New Container Terminal and Port HQ Project," *Horn Pulse*, 27 August 2025, <https://hornpulse.com/2025/08/27/somalia-expands-mogadishu-port-capacity-with-new-container-terminal-and-port-hq-project/>.

⁵ Amb. Mohamed Ali Nur, "How Mogadishu Port is positioning for the future", *Hiiraan Online*, 13 October 2025, https://www.hiiraan.com/op4/2025/Oct/203293/how_mogadishu_port_is_positioning_for_the_future.aspx.

to invest about 50 million USD over five years in rehabilitating quays, equipment, and systems, including a modern terminal-operating system to improve efficiency, speed and service quality for shipping lines and cargo owners.⁶

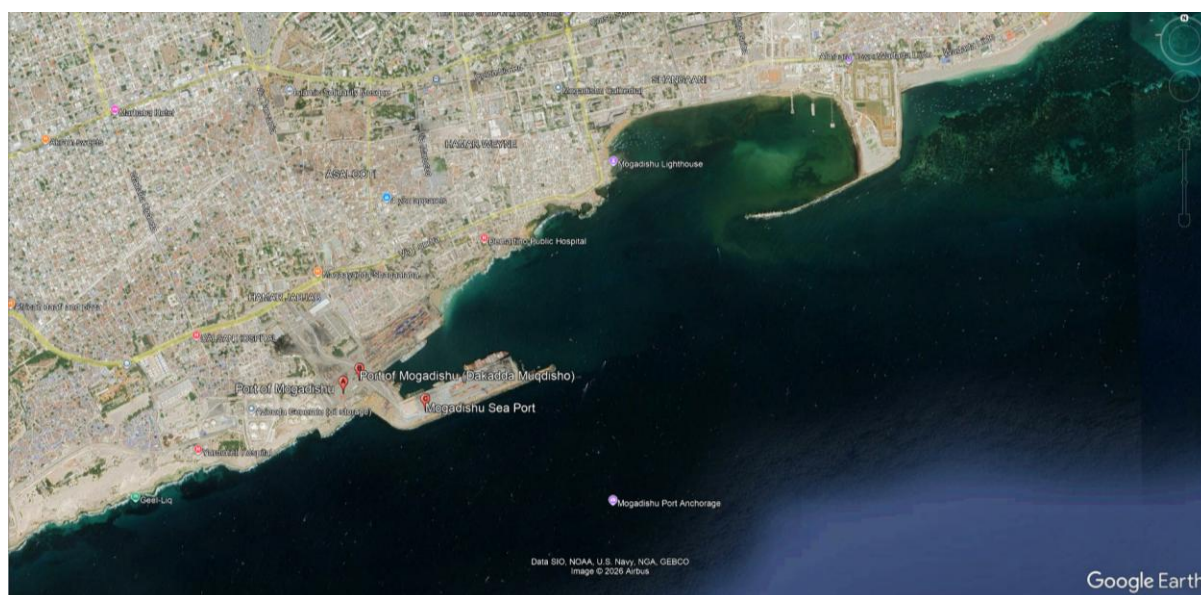


Figure 3.2: Port of Mogadishu

10. **Technical Factors.** There is no mention of any drydock, floating dock, shiplift, slipway, graving dock, or dedicated hull/mechanical workshops sized for full ship dockings, nor of class-approved repair capabilities at Mogadishu port. This strongly suggests that only minor repairs can be undertaken (e.g., small steel jobs, outfitting, machinery, and deck equipment repairs) alongside on a case-by-case basis. No reliable source records any systematic history of vessels “built” or fully “repaired” (in the sense of docking and major hull work) at Mogadishu, and larger ships calling the port are expected to go to other regional shipyards for heavy repairs. From a technical-infrastructure standpoint, an Indian yard would therefore be starting almost from zero if it wanted to create a medium- or large-vessel repair facility here.

11. **Assessment.** Given the absence of genuine shipyard infrastructure, the still-high security and political-risk profile, and the capital-intensive nature of drydock construction, Indian entry is technically feasible but commercially and politically challenging, and is best viewed as a long-horizon strategic project rather than an immediately attractive, ready-to-invest shipyard opportunity. Albayrak’s exclusive rights over terminal operations and marine services could mean that Indian participation (even in shipbuilding and ship-repairing sectors) might need to be negotiated as a sub-concession or JV under the Turkish-Somali framework, adding a third-country corporate and geopolitical layer. This notwithstanding Indian investment in Mogadishu to specifically “enhance shipbuilding and repair capacity” is recommended.

⁶ SomTribune. “Somalia Grants Turkish Albayrak Another 14-yr Infrastructure Management Concession.” 12 October 2020, <https://www.somtribune.net/2020/10/12/somalia-grants-turkish-albayrak-another-14-yr-infrastructure-management-concession/>.

Berbera Marine Workshop & Repair Yard, Berbera

12. Berbera is a cargo and logistics hub but, like Mogadishu, it does not have a true medium- or large-vessel shipyard. Its yard facilities in open sources refers to small workshop/afloat-repair capability attached to the port, but not a full-fledged shipyard. The repair facilities include machine shops and technical facilities for maintenance of port equipment. Equipment in these workshops include lathes, milling machines, welding facilities, carpentry, and electrical repair shops, enabling mechanical and structural maintenance work.⁷



Figure 3.3: Port of Berbera

13. Berbera’s geographic position on the Gulf of Aden, roughly 300 km Southeast of the Bab el-Mandeb Strait, places it close to one of the critical chokepoints of the Indian Ocean. Berbera’s deep-water draft of approximately 17 m enables the port to accommodate large container and bulk vessels, and it anchors the Berbera Corridor, a ~900 km transport route linking Somaliland to Ethiopia’s inland logistics network.⁸ With Ethiopia currently routing about 95% of its maritime trade through Djibouti, the corridor positions Berbera as a potential alternative gateway for Ethiopian imports and exports.⁹ Port expansion projects are projected to facilitate trade volumes equivalent to about 27% of Somaliland’s GDP by 2035.¹⁰

14. **Economic Factors.** DP World, a Dubai-based multinational logistics and port operator, holds the majority stake in the Berbera Port joint venture under a 30-year concession (signed 2016, operational since ~2017) valued at USD 442 million in phased investments.¹¹

⁷ Bari, Somaliland Berbera Port Additional Information, *Scribd document*, <https://www.scribd.com/document/661093139/Somaliland-Berbera-Port-Additional-Information>.

⁸ DP World. “Berbera Port,” <https://www.dpworld.com/en/ports-terminals/somaliland/berbera>.

⁹ World Bank, “Addis-Djibouti Corridor to Get Major Upgrade That Is Key to Unlocking Connectivity and Trade for Ethiopia and the Horn of Africa,” Press Release, 20 July 2023, https://www.worldbank.org/en/news/press-release/2023/07/20/addis-djibouti-corridor-to-get-major-upgrade-that-is-key-to-unlocking-connectivity-and-trade-for-ethiopia-afe-hoa?utm_source.

¹⁰ British International Investment, “Port of Berbera,” <https://www.bii.co.uk/en/story/port-of-berbera/>

¹¹ “DP World Wins Somaliland Concession,” *The Maritime Executive*, 5 September 2016, <https://maritime-executive.com/article/dp-world-wins-somaliland-concession>.

However, despite the above-mentioned port performance, expansion plan and financial backing by DP World, no public financial statements isolate ‘ship-repair’ or a workshop as a standalone entity—repair services appear as ancillary port offerings via third-party providers, implying ad-hoc afloat repairs rather than a capital-intensive yard with dedicated revenue streams. For an Indian investor, this means no access to yard-level financial metrics; instead, any ship-repair venture would be pitched as a new sub-concession or JV within the DP World-Berbera framework, leveraging the port’s projected economic momentum but requiring self-financed core infrastructure (docks, workshops).

15. **Technical Factors.** Berbera Port is a modern, deep-water multipurpose facility optimised for container, bulk, break-bulk, Ro-Ro, livestock, and limited liquid bulk cargoes, with no dedicated shipbuilding or medium/large-vessel repair infrastructure. Berbera excels as a cargo terminal (high crane productivity: 50–75 moves/hour; vessel turnaround ~25 hours¹²) but lacks all core shipyard elements: no graving dock, floating dock, heavy fabrication bays, blasting/painting halls, or specialist workshops for hull/propulsion overhauls. Vessels requiring intermediate/special surveys or major repairs divert to Djibouti or Gulf yards. Even future expansion plans focus on further container/bulk expansion, not marine repair infrastructure.

16. **Assessment.** Berbera presents a moderately attractive but high-risk, long-horizon investment prospect for Indian shipyards seeking to expand regional repair capacity. However, Berbera remains fundamentally a cargo-focused port, lacking essential shipyard infrastructure such as drydocks, slipways, and specialised fabrication facilities. Any meaningful ship repair capability would therefore require substantial greenfield capital investment. While Somaliland’s relative stability and DP World’s operational presence mitigate some operational risks, the absence of international recognition and persistent regional geopolitical sensitivities limit its commercial viability.

17. The above notwithstanding, this study recommends the establishment of a ship-repair facility in Berbera. From a long-term perspective, the setting up of a shipyard may also be considered.



Figure 3.4: Port of Berbera

¹² DP World, “Berbera,” <https://www.dpworld.com/en/ports-terminals/somaliland/berbera>.

KENYA

18. **Overview.** Kenya's government has elevated shipbuilding and repair as a cornerstone of its Blue Economy agenda under Vision 2030 (Economic Pillar) and the Bottom-Up Economic Transformation Agenda (BETA), with the National Blue Economy Strategy 2025–2030 (launched February 2026) explicitly targeting maritime infrastructure development, shipbuilding localisation and regional hub status to drive GDP growth, bolster job creation and forex savings through domestic fleet maintenance. The Fourth Medium Term Plan (MTP IV, 2023–2027) prioritizes Kenya Shipyards Limited (KSL) as a flagship project, backed by KSh 2.5 billion (~USD 20 million) initial investment for its Mombasa facility, with plans to expand into commercial newbuilds, modular construction and export of patrol/fishing vessels amid a USD 126 billion global market dominated by Asia.¹³ The State Department for Shipping and Maritime Affairs' Strategic Plan calls for PPPs to build drydocks, training academies and national shipping lines, while the Investment Promotion Act 2023 incentivises FDI in shipbuilding via tax holidays and streamlined approvals.

19. Kenya maintains a highly liberal regime under the 2023 Investment Promotion Act, permitting 100% foreign ownership in maritime/shipbuilding (no sector restrictions), streamlined approvals via the Kenya Investment Authority, and incentives like tax holidays, duty exemptions on capital goods and PPP frameworks for port/shipyard upgrades. The maritime sector is explicitly prioritised in the State Department for Shipping's Strategic Plan for infrastructure and human skill development. In 2024, the government announced the commencement of feasibility studies for the development and operation of a modern shipyard under a Public-Private Partnership (PPP) model. The project aims to assess the technical, economic, financial, environmental, and social viability of a potential privately-run shipyard facility that could serve the growing demand for shipbuilding and repair services within Kenya and the wider region. The study is expected to include expertise in PPP project finance, structuring, and modelling, as well as experience in maritime or shipyard infrastructure and Environmental and Social Impact Assessment (ESIA). This initiative aligns with Kenya's Vision 2030 economic blueprint to strengthen maritime infrastructure and industrialisation, and the resulting project could tap into regional markets for fleet repair and shipbuilding, dominated globally by countries such as South Korea, China, and Japan. U.S. consulting firms with relevant experience are encouraged to participate.¹⁴ This indicates that Kenya is signalling a pro-investment approach, inviting private and potentially foreign investors to fund its capital-intensive shipbuilding infrastructure.

20. Supplementing this are the India–Kenya maritime ties, which are developing constructively, anchored by a 2023 MoU between Goa Shipyard Limited (GSL) and KSL for capacity building, ship design, construction and technology transfer, explicitly aiming to transform KSL into an African shipbuilding hub while supporting Kenya's naval modernisation.¹⁵ These endeavours are further supported by bilateral frameworks like the India–

¹³ The National Treasury and Economic Planning, Fourth Medium Term Plan 2023–2027: Bottom-Up Economic Transformation Agenda for Inclusive Growth, *Government of Kenya*, 2024, https://vision2030.go.ke/wp-content/uploads/2024/03/FINAL-MTP-IV-2023-2027_240320_184046.pdf.

¹⁴ U.S. Department of Commerce, International Trade Administration, *Kenya Shipyard Development and Operation Consulting Opportunity*, <https://www.trade.gov/index.php/market-intelligence/kenya-shipyard-development-and-operation-consulting-opportunity>.

¹⁵ ET Infra, “Kenya seeks tech, shipbuilding guidance from GSL”, *The Economic Times*, 1 September 2023, <https://infra.economictimes.indiatimes.com/news/ports-shipping/kenya-seeks-tech-shipbuilding-guidance-from-gsl/103262227>.

Kenya Strategic Partnership, which prioritises defence industry cooperation, positioning Indian yards (GSL, MDL, GRSE) as preferred partners for KSL expansion and potential exports to East Africa.¹⁶

21. Under the scope of this report, the following shipyards have been identified:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Kenya Shipyards Limited (KSL) Yard 1: Mombasa Yard 2: Kisumu (Lake Victoria)	State-owned (Government of Kenya)	Yard 1: Large ocean-going vessels: construction, repair, refit, maintenance Yard 2: Medium-sized inland and lake vessels: ferries, tugs, regional craft; construction, repair, maintenance
(b)	African Marine & General Engineering Co. Ltd. – Mbaraki Creek, Mombasa	Private	Commercial and industrial ship repair and maintenance; vessel construction/modification; heavy steelwork and machinery overhauls
(c)	Southern Engineering Company Ltd, Mombasa	Private	Barges, Fishing Boats, Tugs, Pilot Boats, Speedboats, Dredgers, Freighters, Ocean Survey and Research Vessels, Ferries, Yachts, Patrol Boats, Mooring Boats, and others.

Table 3.2: Shipyards in Kenya for Potential Partnership with India

¹⁶ Press Information Bureau, “India- Kenya Joint Vision Statement on Maritime Cooperation in the Indian Ocean Region – BAHARI”, Ministry of External Affairs, GoI, https://www.mea.gov.in/bilateral-documents.htm?dtl/37341/India_Kenya_Joint_Vision_Statement_on_Maritime_Cooperation_in_the_Indian_Ocean_Region__BAHARI.



Figure 3.5: Shipyards in Kenya for Potential Partnership with India

Kenya Shipyards Limited (KSL)

22. Kenya Shipyards Limited (KSL) was established in 2021, and in the last five years, the shipyard has achieved several important milestones, as indicated in the company’s brochure.¹⁷ It operates two facilities: the flagship Mombasa Shipyard at Mtongwe Naval Base (south Mombasa) and a smaller Kisumu Shipyard on Lake Victoria, both established under a 2020 Executive Order to localise naval production and maintenance and catalyse commercial shipbuilding amid Kenya’s maritime industrial push. The shipyard is state-owned and has the primary objective to build, repair and service ships and boats of the Kenyan Navy.

23. The Mombasa Shipyard’s proximity to the Port of Mombasa — East and Central Africa’s busiest maritime gateway with container traffic around 2 million TEUs and extensive global connections — places it ideally along key Indian Ocean shipping corridors. The nearby deep-water Kilindini Harbour, the main deep-water seaport basin of Mombasa, Kenya (approx. 17.5 m dredged depth), supports large vessel calls, and future expansion of the Standard Gauge Railway aims to improve multi-modal access to inland markets such as Uganda and Rwanda, enhancing logistical efficiency for repair and maintenance services.¹⁸

24. On the other hand, the Kisumu yard, on Lake Victoria’s northern shore, serves freshwater/inland fleets (ferries, cargo barges, fishing vessels) across Kenya, Uganda, Tanzania, and Rwanda, but its landlocked position (~1,130 km from ocean) limits ocean-going repair potential, focusing instead on regional passenger/cargo maintenance. The Kisumu yard is part of Kenya’s strategy to revitalise inland waterways and increase the capacity for shipbuilding, maintenance, and repair around the inland port of Kisumu.¹⁹ From an investment perspective,

¹⁷ Kenya Shipyards Limited brochure, <https://kenyashipyards.co.ke/wp-content/uploads/2024/11/KSL-Brochure.pdf>

¹⁸ UNISCO, “Mombasa, Kenya | Kenya’s Premier International Port”, *UNISCO*, <https://www.unisco.com/international-ports/mombasa-kenya>.

¹⁹ Kenya Shipyards Ltd, “Transforming Eastern Africa’s Blue Economy”, *KSL Brochure*, 2023, <https://kenyashipyards.co.ke/wp-content/uploads/2023/02/KSL-Brochure.pdf>.

its strategic value is niche: while it supports East African multimodal integration, it lacks proximity to main shipping corridors/energy hubs, making it secondary to Mombasa for scalable commercial/naval expansion.

25. **Economic Factors.** KSL, a State corporation under the Ministry of Defence established by Executive Order in August 2020, received an initial capital injection of KSh 2.5 billion (~ USD 20 million) from the National Treasury to operationalise its Mombasa and Kisumu facilities, with ongoing government funding allocating resources for expansion into commercial newbuilds and drydock construction.²⁰ As a new entrant (commissioned 2021), detailed public financials are limited: no audited annual reports are published on KSL’s site or Kenyan government portals, but its mandate as the designated provider for the Kenya Navy, guarantees captive demand, while commercial revenues from regional clients (e.g., Azam Marine Tanzania’s MV Kilimanjaro IV refit) indicate early market traction. Operational costs benefit from naval base colocation (shared utilities/security), but capex needs for slipway upgrades, drydocks and skilled labour suggest a potential reliance on PPP/FDI to achieve break-even within 5–7 years, targeting the underserved East African repair market.

26. Supporting this are the published materials by KSL in the public domain, which highlight that it extends partnerships with foreign shipbuilders for technology transfer, capacity expansion, and business growth — including detailed frameworks for collaboration with established yards such as Damen Shipyards (Netherlands) covering design, training, supply chains, and joint development.²¹ For the Indian investor, this signals both government support and KSL’s willingness and openness to partner with foreign players. The pre-existing MoU between GSL (India) and KSL can potentially herald more concrete and equity-based partnerships between Indian players and KSL if leveraged in a timely manner. These initiatives signal an intent to open KSL operations to FDI and technical partnerships, rather than keeping operations strictly State-funded or State-run.

27. **Technical Factors.** The yards of both Mombasa and Kisumu offer the following infrastructure:²²

Facility / Feature	Mombasa Shipyard (Mtongwe)	Kisumu Shipyard (Lake Victoria)
Slipway	150 m LOA, 4,000 tonnes	Shipbuilding and repair on Lake Victoria
Shipbuilding Hangars / Workspaces	Two large hangars: 150 m×30 m & 120 m×13-20 m	Scaled workshops
Drydock	None	100 m x 20 m
Cranes / Lifting Equipment	Heavy-duty cranes (capacity not specified, supports 4,000 t operations)	Mobile cranes for local fabrication and handling

Table 3.3: Yard Infrastructure of KSL

²⁰ Office of the Auditor-General, Kenya Shipyards Limited: Annual Reports and Financial Statements for the Nine Months Period Ended 30 June 2021, *Parliament of Kenya*, 2023, <https://libraryir.parliament.go.ke/bitstreams/1ae4d440-93a7-43af-97fa-ca7c9477d2b4/download>.

²¹ Kenya Shipyards Ltd, “Transforming Eastern Africa’s Blue Economy”, *KSL Brochure*, 2023, <https://kenyashipyards.co.ke/wp-content/uploads/2023/02/KSL-Brochure.pdf>.

²² Kenya Shipyards Limited, “Services”, *Kenya Shipyards Limited*, 2024, <https://kenyashipyards.co.ke/services/>.



Figure 3.6: KSL Shipyard in Mombasa (Mtwonge Naval Base)



Fig 3.7: Kenya Shipyard, Kisumu (Lake Victoria)

28. KSL has also delivered the following vessels since its operationalisation in 2021:

Vessel Name	Type / Description	Built or repaired	Client / Operator
MV Uhuru II	Wagon ferry (99.5 m x 17 m x 4.2 m; 3544 GT) for cargo transport on Lake Victoria	Built at Kisumu (KSL Yard 2)	Kenya Railways Corporation (locally built & launched)
KNS Shupavu	Offshore patrol vessel (naval ship)	Refit at Mombasa (LSL Yard 1)	Kenyan Navy
Fibre-reinforced (GRP) boats	Small craft for counties / inland water transport	Built	Various county government partners (e.g., Kisumu, Homa Bay, etc.)
MV Kilimanjaro IV	Passenger Ferry	Refit	Azam Marine (Tanzania)

Vessel Name	Type / Description	Built or repaired	Client / Operator
In addition to the above, several smaller vessels have been refitted in KSL.			

Table 3.4: Ships Built/Delivered by KSL

29. **Assessment.** KSL's track record so far shows it can successfully build and refit small ferries and similar craft, but it has not yet demonstrated the scale or diversity needed for large commercial vessels. Therefore, the facility is not ideal for an Indian investment seeking significant capacity expansion. However, from a long-term perspective, given the yard's quick growth, government backing, advantageous geographic positioning and naval linkages, it presents a compelling opportunity for a long-term, strategic investment, envisaging capacity expansion in a phased manner in the long run.

African Marine & General Engineering Co. Ltd (AMGECO)

30. AMGECO is a ship-repair firm located at the entrance of the Port of Mombasa in Mombasa, Kenya, one of East Africa's most critical maritime hubs. Like KSL, the location of AMGECO offers inherent advantages for marine services and ship repairs.²³ AMGECO is a long-established marine services provider with expertise in ship repair, dry docking, ship building, marine engineering, and allied services such as ship handling and bunkering. It operates the only ISO-certified dry docks on the East African coast and can accommodate vessels up to 20,000 tons.²⁴

31. **Economic Factors.** Published sources provide **no financial data** (revenue, profit, balance sheet) for African Marine & General Engineering Co. Ltd. (AMGECO), as it is a privately held Kenyan company with no statutory filing requirements or public disclosures comparable to listed firms. Therefore, any investment assessment is limited by a lack of financial data on the firm. The core business is ship repair, which likely accounts for 60–70% of income, leveraging its ISO-certified facility for hull, propulsion and structural overhauls on medium feeders, tankers, and naval vessels. Afloat repairs contribute another 20%, using 340 m of alongside berths for quicker, lower-cost jobs like steelwork, electrical and piping. Diversification into fibreglass boatbuilding, foundry services, chandling and bunkering adds 10–20% in stable but thin-margin ancillary revenue.²⁵

²³ African Marine & General Engineering Co. Ltd. "Services." <https://africanmarine.com/services/>.

²⁴ African Marine & General Engineering Co. Ltd. *AMGECO Profile*, <https://shipyards-maindeck-io.s3.amazonaws.com/documents/attachments/000/000/075/original/AMGECO-Profile.pdf?1498741742>.

²⁵ African Marine & General Engineering Company Limited, "Services", *African Marine*, <https://africanmarine.com/services/>.

32. **Technical Factors.** AMGECO is a full-service marine facility at Mombasa's Mbaraki Creek, emphasising drydocking, construction, repairs, and allied services. It positions Mombasa as a repair hub with East Africa's oldest ISO-certified drydock (since 1977) for vessels up to 20,000 tons, plus berthing, bunkering, and heavy engineering. Its infrastructural capacity is tabulated below:

Facility	Specifications	Capacity
Dry Dock	Length: 180 m Width: 24.75 m Max Depth: 7.95 m	20,000 tons
Construction Dock	Length: 40.25 m Width: 18 m Depth on Sill (Max): 7.95 m	Small vessels (~500–1,000 tons)
Lay-By Wharves	Two Total length 340 m	Afloat repairs for Max LoA 200 m and draught 8 m
Slipways	Two 20 m x 6 m	Small vessels up to 120 tons

Table 3.5: Yard Infrastructure of AMGECO

33. Publicly available sources do not provide a comprehensive, verified list of all vessels repaired by African Marine & General Engineering Company Ltd (AMGECO). However, a few confirmed cases are documented in reputable sources: the tugboat *Duma II* underwent major dry-dock repairs and an intermediate survey at AMGECO, while the motor tanker *Eastwind* was serviced by the yard following an incident alongside the Port of Mombasa. Historical company profiles and industry references suggest that AMGECO has also handled naval vessels, including French Navy and British Royal Navy ships, though these are not systematically documented.²⁶ A notable strength of this shipyard is its ability to mobilise specialised repair teams for any afloat repair job away from the yard. The mobile teams are fully equipped with all mobile equipment to carry out almost any repair above the water line on the exterior and almost all repair work on the inside of a vessel. Most of the works are carried out in the ports of Mombasa, Dar E Salaam, and Zanzibar.

²⁶ African Marine & General Engineering Co. Ltd. *AMGECO Profile*, <https://shipyards-maindeck-io.s3.amazonaws.com/documents/attachments/000/000/075/original/AMGECO-Profile.pdf?1498741742>.

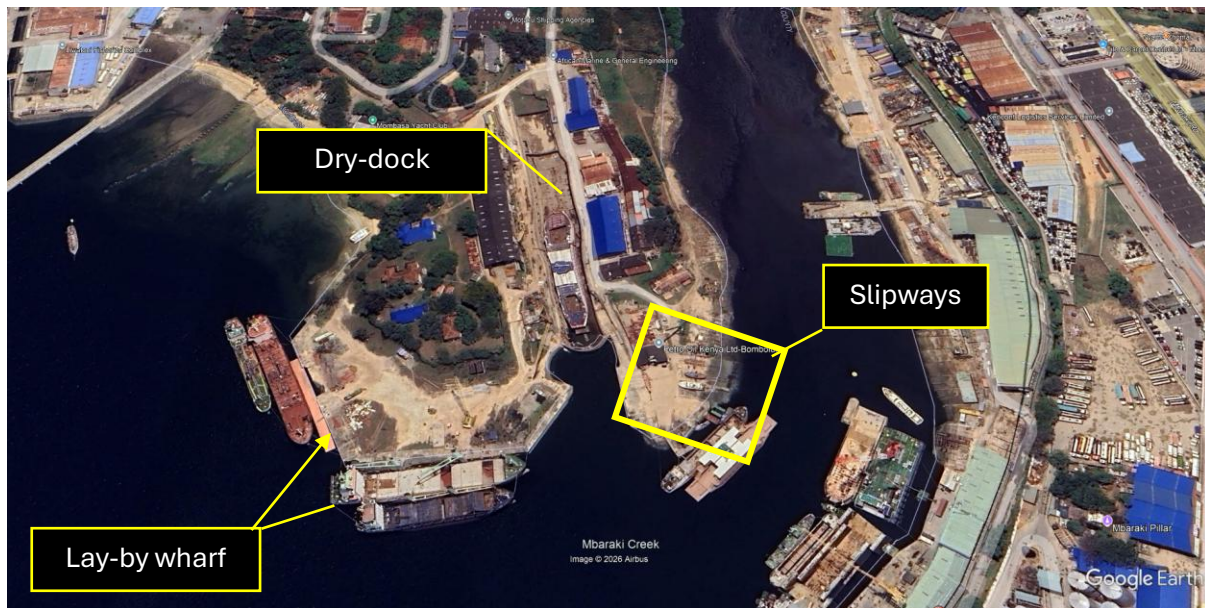


Fig 3.8: AMGECO Shipyard, Mombasa

34. A comprehensive list of ships built or manufactured at AMGECO is not available publicly. The company's website suggests a number of past repairs and refits which include large fishing vessels (*21 Oktoobaar* (Flag-Somalia)), offshore tugs and supply vessels (*Ocean Liberty* (Flag-Dominica); *Faarax Oomar* (Flag- Panama)), small Ro-Ro vessels (*Maendeleo* (Flag – Tanzania)), and a number of other small craft. Specific examples also include historical builds from 1957 and notable projects like the Kenya Fisheries research vessel *Shakwe* (built 1969).

35. AMGECO presents some limitations that reduce its appeal as an investment opportunity for Indian shipyards. The company's lack of publicly available financial data makes it difficult to assess profitability, cash flow stability, or potential return on investment. Its operational track record is sparse, with only a few documented repair projects and no comprehensive record of large-scale vessel construction or maintenance. Additionally, the yard's current infrastructure and capacity are modest, limiting it primarily to small- and medium-scale ship repair rather than full-scale shipbuilding. Together, these factors — financial opacity, limited track record, constrained capacity, and a focus largely on small repair services — suggest that AMGECO may not offer sufficient strategic or commercial value for Indian investors seeking substantial returns or expansion into the East African maritime sector.

Southern Engineering Company Ltd (SECO)

36. Southern Engineering Co. Ltd (SECO), an Alpha Group company, offers a variety of services in the maritime sector, including shipbuilding and ship repair. It was established in 1957 and is located in Mombasa. SECO also has subsidiaries specialising in marine and offshore engineering in Uganda and Mozambique. SECO's shipbuilding products include Barges, Fishing Boats, Tugs, Pilot Boats, Speedboats, Dredgers, Freighters, Ocean Survey and Research Vessels, Ferries, Yachts, Patrol Boats, Mooring Boats, and others.

37. **Economic Factors.** As a private Kenyan firm focused on shipbuilding and repairs, it does not publish detailed revenue or profit figures publicly.

38. **Technical Factors.** SECO possesses adequate infrastructure for building and repairing small to medium vessels. Its facilities include a fully-equipped shipyard covering an area of 52, 246 square meters (over three acres), which is strategically located at the entrance to the port of Mombasa, a 160-metre jetty with a draft of 7.5 meters, as well as two modern floating docks with a combined lifting capacity of 1200 metric tons. The shipyard's website, however, provides details of only one dry-dock. The SECO dock is a floating dock and can accommodate vessels up to 900 GT. The dry-dock's length is 67 metres, and its breadth and depth are 14 m and 7.5 m, respectively.²⁷

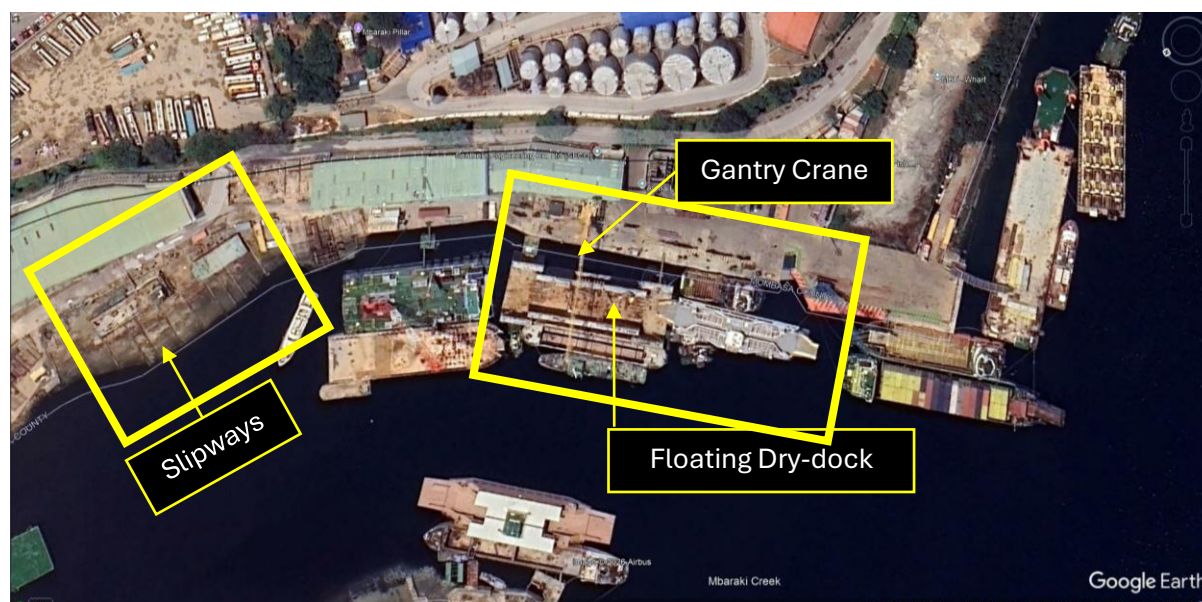


Fig 3.9: Layout of SECO Shipyard

39. Apart from the floating dry-dock, SECO also has two slipways for repairing smaller vessels. As per the shipyard's website, its services include docking for all kinds of ships, mid-life upgrades of vessels for life enhancement, steel renewals, hull preservation (hydro jet blasting, grit/ copper slag blasting for hull as per coating standards up to SA 2.5), tank coating, main engine overhauls, propulsion system overhauls and repairs, propeller reconditioning, repair of deck machinery, servicing of hydraulic and pneumatic equipment, renewal of piping including those made of specialised materials like SS, Titanium, Cu-Ni, etc, repair of navigational equipment, electrical, electronic and instrumentation systems, and repair of Control Systems.

²⁷ SECO Profile, 12, <https://alphaafrica.com/wp-content/uploads/2023/05/2023-06-13%20SECO%20Profile%20-%20Final.pdf>.



Fig 3.10: Floating Drydock SECO Shipyard

(In the figure, MV *Ukumbozi*, a 74 m oil tanker with a dead weight of 2288 Tons, is being repaired at the floating dock in SECO Shipyard in 2018)

40. **Shipbuilding and Ship-Repairing Track Record.**

Vessel Name/ Year	Type / Description	Built or repaired	Client / Operator
MV <i>Alpha Granada</i> 2017	Tugboat (36 m x 10 m x 4 m), 472 GT	Repair	Alpha Logistics Services (EPZ) Ltd, Kenya
MV <i>Alpha McGinty</i> 2019			
<i>Hippopotes</i> 2018	Non-propelled backhoe dredger	Repair	Alfoss Energy Limited
MV <i>Alpha K</i> 2018	Self-propelled bunker barge	Repair	
MV <i>Ukumbozi</i> 2018	Oil Tanker (74 m x 12 m) 2288 DWT	Repair	Zanzibar Shipping
<i>Hapa Kazi Tu 01</i> 2019	Cargo barge (78 m x 12 m x 3 m) 2000 tons/ 72 TEU	Built	Tanzania Ports Authority
<i>Hapa Kazi Tu 02</i> 2020		Built	
MV <i>Buvuma</i> 2019	Passenger Ferry	Rehabilitation and Modernisation	Uganda National Roads Authority
<i>Rubani</i> 1, 2, and 3 2021	Pilot boats (20 m x 5 m)	Built	Tanzania Ports Authority

Vessel Name/ Year	Type / Description	Built or repaired	Client / Operator
MV Alpha Kirawira 2009	Multipurpose vessel 65 m x 15 m; 1500 tons/ 70 TEU	Built	Alpha Logistics, Tanzania
MV Alpha 2500 2016	Ro-Ro barge 65 m x 18 m; 2500 tons	Built	Alpha Logistics, Kenya
MV Umurage 2017	Research boat 16 m x 4 m	Built	EDCL Rwanda
MV Albert Nile 1 2015	Modular Passenger Ferry (44 m x 17 m) 200 pax + 20 vehicles	Built	UNRA, Uganda
Alpha Trion 2011	Jack-up barge (35 m x 17 m); Water + Soil Penetration: 20.5 m	Built	Alpha Logistics, Kenya
Mussa K 2011	Double Skin Bunker 51 m x 11 m; 1100 tons	Built	Alfoss Energy Ltd, Kenya
In addition to the above, several smaller vessels have been built and repaired in SECO.			

Table 3.6: Ships Built/Delivered by KSL

41. **Assessment.** The shipbuilding track record of SECO is impressive when compared with other shipyards on the eastern coast of Africa. Given that this shipyard has already established business ventures in Uganda and Mozambique, and caters to other customers across Africa, a partnership with this shipyard is recommended.

TANZANIA

42. **Overview.** Tanzania's maritime sector is shaped by its geography as a coastal East African nation with significant inland water bodies. On the Indian Ocean coast, the Port of Dar es Salaam serves as Tanzania's principal deep-sea gateway, handling the lion's share of the country's sea cargo and acting as a logistics hub for several land-locked East and Central African countries. On the investment and regulatory front, Tanzania has progressively refined its FDI framework to attract foreign capital across sectors, including maritime infrastructure. The Tanzania Investment Act (recently updated via the Investment Act of 2023) provides a legal framework to promote, facilitate, and protect investment, offering fiscal and non-fiscal incentives to eligible investors and streamlining procedures through the Tanzania Investment Centre (TIC). This includes a one-stop facilitation platform for permits, licenses, and incentives such as tax reliefs, which can apply to larger industrial projects.²⁸

²⁸ United Nations Conference on Trade and Development (UNCTAD), Tanzania, United Republic of – Tanzania Investment Act, 2023, *Investment Law's Navigator*, <https://investmentpolicy.unctad.org/investment-laws/laws/368/tanzania-united-republic-of-tanzania-investment-act-2023>.

43. The following shipyards in Tanzania have been identified for further analysis under the scope of this report:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Songoro Marine Ltd Yard 1: Dar es Salaam Yard 2: Mwanza	Private	Shipbuilding, major repairs, conversions
(b)	TASHICO Shipyard (under construction), Kigoma (Lake Tanganyika)	State-Owned	New builds & repairs

Table 3.7: Shipyards in Tanzania

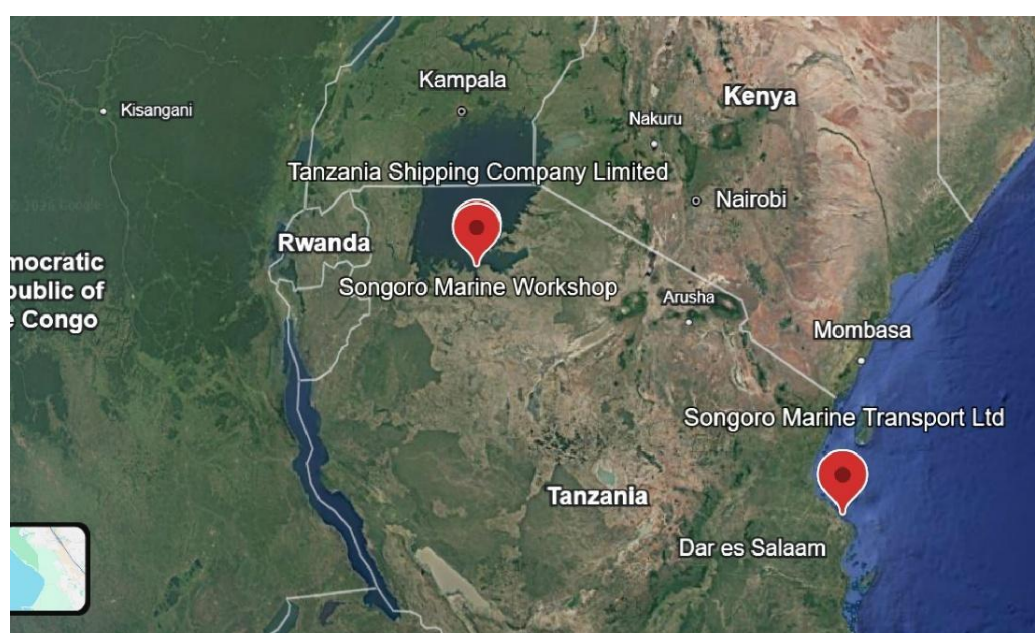


Figure 3.11: Shipyards in Tanzania for Potential Partnership with India

Songoro Marine Ltd

44. Songoro Marine Transport Ltd (SMT) is a Tanzanian marine construction and shipyard company specialising in design, building, repair and maintenance of marine vessels and structures across East and Central Africa. It was incorporated in 1993 and grew from a small repair service to a full-fledged shipbuilding and marine fabrication enterprise. It has two yards:²⁹

44.1. **Mwanza Shipyard — Ilemela, Mwanza, Tanzania.** The main boatyard and workshop base is located off Airport Road in Mwanza. It is the central hub for vessel construction, major repairs, fabrication, welding, and marine projects. Located on Lake Victoria for easy launching, testing, and service of watercraft.

²⁹ Songoro Marine Transport Ltd. “About Us.” *Songoro Marine Transport Ltd*, <https://songoromarine.com/about-us/>.

44.2. **Dar es Salaam Shipyard — Mji Mwema Road, Dar es Salaam, Tanzania.**

This is a secondary yard supporting repair, maintenance, and marine services for vessels operating along the Tanzanian coast and inland waterways.

45. Lake Victoria supports ~30 million people, with almost 40 ferries operating between Tanzania, Uganda and Kenya; ferries are a critical link in the region, and SMT is involved in newbuilds and modernisation for this ecosystem.³⁰ While the corridor is strategically located along the Indian Ocean–Great Lakes axis, given its inland and regional focus, the yard is not ideal for India’s strategic positioning; instead, Indian yards should prefer to engage through marine shipping routes that better align with India’s broader trade and maritime interests.

46. **Economic Factors.** SMT has not published any financial audits or annual reports, which makes estimation of the yard’s revenue and P&L difficult; however, third-party business intel platforms estimate SMT’s turnover between 2024-25 to be USD 2.66 million.³¹ This indicates that revenue is cyclical and project-based, driven by a small number of government ferry and special-purpose vessel contracts at a given time.

47. The firm is a family-held business, led by Major Songoro (MD) and Khalid Songoro (Director), it implies a tightly controlled, unlisted private company with high founder influence and flexibility for bespoke deals, but also elevated risks around transparency and decision-making for investors. Therefore, unless otherwise negotiated, acquiring a controlling stake seems unfeasible. Indian yards may envisage project-based partnerships or JVs as a means to collaborate with SMT. Songoro Marine worked with two South Korean companies — Gas Entec and Kangnam Corporation — on the construction of the MV *New Mwanza*, a large Ro-Pax passenger and cargo vessel for service on Lake Victoria.³² They have also worked with SCHOTTEL, a German manufacturer of marine propulsion systems, on retrofitting and modernising ferry propulsion units.³³ This reflects SMT’s openness towards collaborating with international partners and showcases a blueprint for how Indian yards may partner with SMT to establish a small footprint in Tanzania.

48. **Technical Factors.** Songoro Marine Transport Ltd (SMT) possesses solid technical capabilities tailored to inland and coastal vessel construction and repair, with over 30 years of experience in steel, aluminium, GRP, and fiberglass hulls for ferries, Ro-Pax, patrol boats, research vessels, and small cargo craft. Its primary Mwanza shipyard (Ilemela, Lake Victoria shore) supports newbuilds up to medium lake ferry sizes, repairs, and retrofits, with workshops for hull fabrication, machinery overhauls, electrical/electronic work, and systems integration, complemented by a Dar es Salaam facility for coastal access; however, detailed specs like dry dock/slipway dimensions, crane capacities, or advanced tooling are not publicly disclosed, implying a functional but modestly equipped setup optimised for regional government contracts rather than high-volume or large-tonnage blue-water operations.

³⁰ SCHOTTEL, “Crossing Lake Victoria with SCHOTTEL.” *SCHOTTEL – Your Propulsion Experts*, 2 August 2022, <https://www.schottel.de/en/media-events/stories/magazin-detail/crossing-lake-victoria-with-schottel->

³¹ ExportGenius, “Songoro Marine Transport Limited Overview,” *ExportGenius*, <https://www.exportgenius.in/company/songoro-marine-transport-limited/3562d4881e107e972204595f951f4734>

³² Nick Blenkey, “Tanzania Builds Ro-Pax Vessel to Boost Regional Trade on Lake Victoria.” *The Maritime Executive*, 30 January 2026, <https://maritime-executive.com/index.php/article/tanzania-builds-ro-pax-vessel-to-boost-regional-trade-on-lake-victoria>.

³³ Nick Blenkey, “Lake Victoria Ferry Gets New Schottel Propulsion System.” *Marine Log*, 02 August 2022. <https://www.marinelog.com/news/lake-victoria-ferry-gets-new-schottel-propulsion-system/>.

49. Based on the company site and independent media, an indicative list of SMT's output is as follows:³⁴

49.1. **Ro-Pax and cargo ferries:**

- **MV Mwanza / “Hapa Kazi Tu” (New Mwanza Ro-Pax)** – large freshwater Ro-Pax built at Mwanza Port with SMT as local partner to Korean firms Gas Entec and KangNam; approx. 93 m length, ~3,500 t fully loaded, capacity ~1,200 passengers, 400 t cargo, 20 vehicles, serving multi-port Lake Victoria routes linking Tanzania with Uganda and Kenya.
- **MV Kilindoni (Hapa Kazi Tu)** – Ro-Pax from SMT's Dar yard, launched Feb 2021; 100-ton capacity ferry carrying passengers, cars, and essential cargo between Nyamisati (mainland) and Kilindoni (Mafia Island).
- **MV Ukara II, MV Kazi, MV Mwanza (earlier lake ferry)** – listed as ferry/cargo projects in SMT's portfolio; detailed specs limited but aligned with lake Ro-Pax/cargo roles.
- **MV Palm (Uganda)** – Ro-Pax ferry built by SMT for Uganda, operating between Kiyindi and Buvuma Island; cited by SMT as a key Ugandan project.
- **Lake Kyoga ferries (2 units)** – two large ferries under construction for Lake Kyoga, Uganda, around 75 per cent complete by mid-2023.
- Earlier history: two 180-passenger / 300-ton cargo vessels built soon after SMT moved to its new yard in the late 1990s.

49.2. **Research and special-purpose vessels**

- **LVFO research vessels (2 units)** – constructed for EU-funded Lake Victoria Fisheries Organisation, delivered to Kenya and Uganda for fisheries research.
- **MV Angara (research vessel)** – SMT-built research vessel for fisheries, to be deployed to Lake Albert in Uganda.

49.3. **Patrol and enforcement boats**

- 4 GRP patrol boats for the Ministry of Livestock and Development under the Marine and Coastal Environment Management Project (MACEMP).
- Aluminium patrol boats + cargo ferry – cluster project including an aluminium patrol boat series and a cargo ferry.

50. **Assessment.** SMT is a good fit for India's inland/coastal, Ro-Pax, patrol, and research-vessel segment, especially where India wants to export designs or co-produce with African partners, but not a fit for higher-end naval or larger commercial segments. However, SMT is **not** the right vehicle if the intent is to scale Indian shipbuilding volumes or secure a financially/ infrastructurally large shipyard asset.

³⁴ Songoro Marine Transport Ltd. “Projects.” *Songoro Marine Transport Ltd*, <https://songoromarine.com/project/>.

TASHICO Shipyard

51. Tanzania Shipping Company Ltd (TASHICO) is a State-owned national shipping operator, recently rebranded from Marine Services Company Ltd (MSCL), which runs a fleet of passenger, cargo and tanker vessels across Lakes Victoria, Tanganyika and Nyasa and is now at the centre of a government-backed shipyard and fleet-expansion programme. TASHICO's fleet operates on all three major Tanzanian lakes, with nine vessels on Lake Victoria, three on Lake Tanganyika and six on Lake Nyasa, connecting Tanzania to Uganda, Kenya, Rwanda, Burundi, DR Congo, Zambia, Malawi, and Mozambique. This gives the company control over critical inland corridors that feed into the Central Corridor and Northern Corridor systems via Mwanza, Kigoma and Kyela, linking to the ports of Dar es Salaam and to the new Standard Gauge Railway, and positioning TASHICO as a key logistics node for regional trade in fuel, food and general cargo.

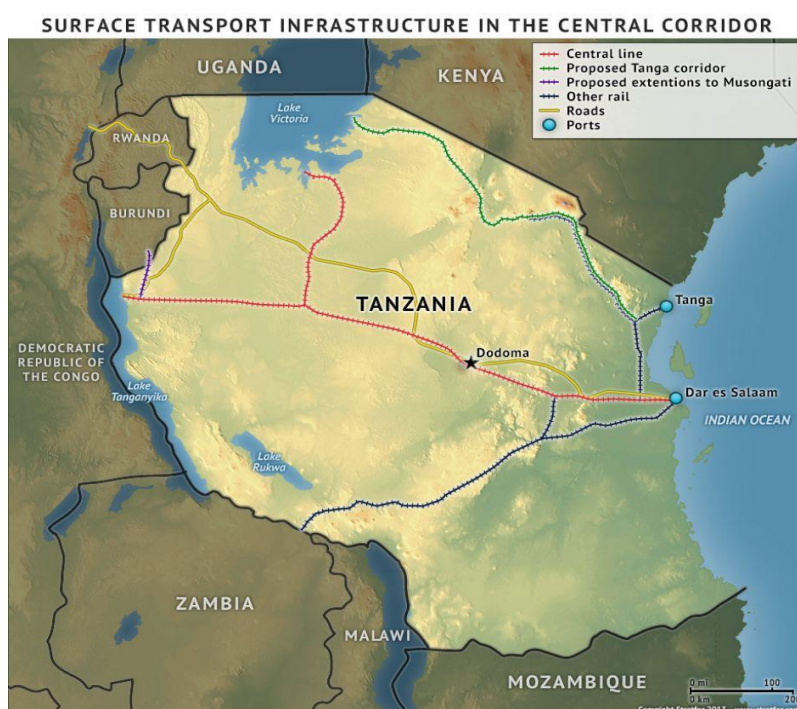


Fig 3.12: Corridors linking Lake Victoria to Dar es Salaam

52. Energy access and industrial support for TASHICO come from existing port towns and regional centres: Mwanza and Kigoma are grid-connected and linked by road and rail, while Dar es Salaam functions as the seaborne gateway for imported ship systems and heavy equipment. TASHICO's operations are civilian but strategically important, as they underpin food security, fuel logistics and cross-border connectivity in relatively fragile hinterlands, including eastern DR Congo and South Sudan. Moreover, the government's emphasis on fleet renewal, shipyard capacity and regulatory oversight indicates a strong policy push to modernise and secure these inland maritime arteries.³⁵

53. However, the strategic value of this market should be viewed within the context of its primarily inland and regional character. Vessel requirements on Lakes Victoria, Tanganyika and Nyasa are typically limited to smaller tonnage ferries, lake tankers, and utility craft, which do not

³⁵ Peti Siyame, "TASHICO Leads \$208.68m Lake Tanganyika Project." *Daily News* (Tanzania), 25 December 2024, <https://dailynews.co.tz/tashico-leads-208-68m-lake-tanganyika-project/>.

significantly contribute to the scale, technological complexity, or orderbook size needed for India to achieve top-tier global shipbuilding status by 2047. In addition, infrastructure limitations, modest cargo volumes, and reliance on government procurement mean that project pipelines may be irregular and policy-driven, reducing predictability for large capital investments. As a result, Tanzania's inland maritime sector is better suited for targeted engagement rather than large-scale yard development.

54. **Economic Factors.** TASHICO is a 100 per cent government-owned company established (originally as MSCL) under the Companies Act, with its roots in the former marine division of Tanzania Railways Corporation and East African Railways and Harbours.

55. While detailed audited financial statements are not easily accessible in open sources, multiple reports show heavy government capital injections into fleet rehabilitation and newbuilds: the Tanzanian government, through TASHICO, is leading a USD 208.68 million programme to modernise maritime transport on Lake Tanganyika. The initiative includes building a 3,500-ton cargo vessel, constructing a modern shipyard in Kigoma, and rehabilitating existing vessels operating on the lake. The government has approved over TZS 600 billion (~ USD 235 million) for the cargo ship and related infrastructure, aiming to strengthen trade links between Tanzania and neighbouring countries.³⁶

56. Most critically, TASHICO (or its predecessor MSCL) signed contracts with Turkish shipbuilder Dearsan to construct a modern shipyard at Kigoma on Lake Tanganyika together with a 3,500-ton Ro-Ro cargo ship for Tanganyika and a 3,000-ton Ro-Ro vessel for Lake Victoria, with construction timelines of about two to three years starting around 2024.³⁷ This arrangement shows that the Tanzanian government is comfortable bringing in foreign shipyards as contractors for design and build, while TASHICO remains the local owner, operator and long-term client, suggesting that similar models could be considered with Indian shipyards for future phases or additional vessels.

57. Given the firm's national character and government focus on its activities, in practice, any Indian involvement with TASHICO would almost certainly be structured as a project-level JV, technical partnership or possibly a minority stake, rather than equity in the core State shipping company, which the government clearly sees as a national strategic asset.

58. **Technical Factors.** TASHICO currently is not a traditional shipyard operator in the private-sector sense; its technical capabilities are primarily in operating, maintaining, and commissioning vessels, while major construction and heavy rehabilitation work is contracted out to foreign or domestic yards such as Dearsan in Turkey and Dar es Salaam Merchant Group (DMG) in Tanzania. Nonetheless, the company is in the process of becoming an anchor for a significant shipyard on Lake Tanganyika at Kigoma, which will have workshops, a slipway, and facilities to handle vessels of over 5,000 tonnes, making it one of the more advanced inland shipyards in East and Central Africa once complete.³⁸

³⁶ Peti Siyame, "TASHICO Leads \$208.68m Lake Tanganyika Project." *Daily News* (Tanzania), 25 December 2024, <https://dailynews.co.tz/tashico-leads-208-68m-lake-tanganyika-project/>.

³⁷ Central Corridor Transit Transport Facilitation Agency. "CCTTFA Participates in the Signing Ceremony for Construction of Vessels on Lakes Tanganyika and Victoria." *Central Corridor TTFA*, 24 October 2023, <https://centralcorridor-ttfa.org/ccttfa-participates-in-the-signing-ceremony-for-construction-of-vessels-on-lakes-tanganyika-and-victoria/>.

³⁸ Peti Siyame, "TASHICO Leads \$208.68m Lake Tanganyika Project." *Daily News* (Tanzania), 25 December 2024, <https://dailynews.co.tz/tashico-leads-208-68m-lake-tanganyika-project/>.

59. TASHICO's recent projects include the commissioning of MV *New Mwanza*, Africa's largest inland Ro-Pax ferry built by South Korean firms Gas Entec and KangNam, and the rehabilitation of vessels such as MV *Umoja*. Additional rehabilitation programmes are underway for ships, including MV *Liemba*, MT *Nyangumi*, MT *Ukerewe*, MV *Mwongozo* and MV *Songea*, involving structural repairs, machinery upgrades and life-extension work.³⁹ Overall, TASHICO's operational track record lies primarily in managing and operating inland ferry, cargo and tanker projects across Tanzania's lake system, with most construction and major technical work carried out by external shipyards and contractors.

60. **Assessment.** From an Indian shipyard's perspective, TASHICO is not a platform for India's large merchant shipbuilding ambitions; its focus is on inland lakes, with vessel sizes and operating profiles tailored to those constraints, and its shipyard initiative is designed around up-to-5,000-ton capacity rather than ocean-going ships. For India's larger PSU naval or commercial yards, TASHICO is best seen as a strategic client and co-developer of inland shipping infrastructure in East Africa, not as a yard to be acquired for increase ocean-going production.

DJIBOUTI

61. **Overview.** Djibouti has very few shipyards, but it is developing one significant modern repair yard and a couple of smaller docking facilities connected to its ports. Because of its position near the Bab el-Mandeb Strait and the Red Sea–Indian Ocean shipping corridor, the country is trying to become a regional ship repair hub.

Djibouti Ship Repair Yard (DSRY)

62. Under the scope of this report, only one shipyard, namely the Djibouti Ship Repair Yard (DSRY) has been identified as a potential partner for Indian yards. Djibouti Ship Repair Yard (DSRY) is a new, State-backed facility designed to turn Djibouti into a Red Sea repair hub for merchant, naval and offshore vessels, with capacity up to roughly Aframax-size ships. For an Indian shipyard, it offers a potentially valuable repair foothold at Bab el-Mandeb, but it is early-stage, politically exposed, and structured more as an infrastructure/platform play than a classic yard acquisition.

63. DSRY sits at the southern entrance to the Red Sea on one of the world's busiest sea routes connecting Asia–Europe via Suez, with Djibouti already handling major liner services and serving as Ethiopia's primary maritime gateway. The yard is situated inside the Damerjog industrial and free zone cluster, about 15–20 km from the main port complex, and is intended to capture traffic from container ships, bulkers, tankers, and naval units that already use Djibouti as a bunkering and logistics stop. Strategically, this places DSRY directly on India–Europe and India–Mediterranean lanes, and also close to Gulf energy routes, making it a low-deviation repair option for Indian-linked fleets.

64. The security picture is mixed but ultimately favourable for a repair business. Djibouti has multiple foreign military presences (US, France, China, Japan) that provide maritime security in the Gulf of Aden and Red Sea, underpinning safe port operations, but the area is also exposed to regional tensions, which can disrupt traffic and insurance costs. From an Indian perspective,

³⁹ Tanzania Shipping Company Limited, "Home." *TASHICO Official Website*, <https://www.tashico.co.tz/>.

this is a high-leverage chokepoint but one where any long-term operational commitment must factor in geopolitical and sanctions-related risk. On the energy side, DSRY is adjacent to bunkering, oil terminals, and prospective LNG/pipeline flows in the wider Horn of Africa/Gulf region, so it is well placed to service product tankers, small crude carriers and offshore support units as the energy logistics footprint deepens.⁴⁰

65. **Economic Factors.** DSRY is being built through a project funded by Invest International Capital B.V., a Dutch entity linked to Invest International, a government-backed impact investment firm. The funding objective is the construction of a state-of-the-art ship repair yard to be located at the Port of Djibouti. The ship repair yard is being built by Dutch company Damen Shipyards Gorinchem B.V. The buyer and Invest International's client are Djibouti Ship Repair FZE (DSRY), which is a company located in Djibouti. The scope of the project includes the construction of a large floating dry-dock for vessels up to 210 meters-long, workshops, tools, and equipment to serve a wide variety of vessels, providing common vessel maintenance and repair services, such as surface treatment, metalworking and maintenance of equipment and machinery.⁴¹

66. The main yard is slated for full completion in the mid-2020s with progressive commissioning already underway. In 2025, it became operational and started servicing vessels, though it is still in its early operational phase. The operating company was founded around 2020 and has spent several years acquiring equipment and training personnel before taking its first ships. Financial transparency is limited; beyond the USD 400m capex estimate and job-creation targets, there is no public P&L or detailed return profile.⁴² So an Indian investor would be relying largely on sovereign backing and traffic projections rather than hard historical numbers.

67. The yard is a strategic, State-anchored asset within Djibouti's port and industrial ecosystem, and the government generally retains control over core maritime infrastructure through the Djibouti Ports and Free Zones Authority. As a result, foreign participation typically takes the form of partnerships, technical collaboration, or minority investment. For example, the Doraleh Container Terminal was originally developed and operated through a joint venture with Dubai-based DP World before a legal verdict returned it to State control, illustrating how the government has historically leveraged foreign operational expertise while retaining sovereign oversight⁴³. Similarly, the Doraleh Multipurpose Port was constructed with significant financing and contractor participation from China Merchants Group and associated Chinese institutions⁴⁴. In practice, therefore, foreign firms interested in the Djibouti Ship Repair Yard would most realistically engage through operating joint ventures, technology partnerships or supplying capital.

68. **Technical Factors.** In 2016, the government of Djibouti announced the construction of a ship repair yard because provisioning of adequate maintenance and dry-docking facilities in

⁴⁰ Djibouti Ports and Free Zones Authority, "Damerjog Liquid Bulk Port: A Modern Oil Terminal with World-Class Capacity," *DPFZA*, <https://dpfza.gov.dj/damerjog-liquid-bulk-port-modern-oil-terminal-world-class-capacity>.

⁴¹ Invest International, Project Disclosure, <https://investinternational.nl/wp-content/uploads/2023/05/Invest-International-%E2%80%93-transaction-%E2%80%93-ship-repair-yard-Djibouti.pdf>.

⁴² Djibouti Ports and Free Zones Authority, "Djibouti Ship Repair Yard", <https://dpfza.gov.dj/index.php/ship-repair-yard>.

⁴³ Andrew Mizner, "DP World Setback in Djibouti Port Saga," *African Law & Business*, 8 October 2025, <https://www.africanlawbusiness.com/news/dp-world-setback-in-djibouti-port-saga/>.

⁴⁴ David Styan, "Doraleh Multipurpose Port (Phase I)," *The People's Map of Global China*, updated 4 March 2022, <https://thepeoplesmap.net/project/doraleh-multipurpose-port-phase-i/>.

Djibouti had become imperative.⁴⁵ It was planned to be built on an 80-hectare site and modular docks were designed to offer routine dry-dockings, emergency damage repair, life-extension refits and conversions, with full hull, machinery, piping, electrical and coatings capability. The yard was envisaged to handle medium-size bulkers, product tankers, container feeders, and naval/support vessels; the –20 m quay depth and 840 m quay length allow alongside work for larger ships that cannot be fully lifted. The yard was expected to be able to repair/service ships up to 80,000 DWT.⁴⁶



Fig 3.13: Planned Layout of DSRY⁴⁷

69. In July 2023, a large floating dock (217 x 43.5 m, 20,100-t lift), built by Damen shipyard, was commissioned. The yard's operational track record is short but growing. The first vessel dry-docked was the livestock carrier MV *Abu Yasser II* in April 2025, which arrived carrying about 16,600 head of livestock (mostly sheep and some camels) and underwent a six-day programme including high-pressure hull cleaning, antifouling coating, propeller polishing, anode replacement, welding and painting before returning to service.⁴⁸ Shortly after, the barge MV *Afourer Casablanca* became the second marine unit, receiving a 10-day, 2,240-man-hour package of works: shell scraping, sandblasting, hull blowing, five-coat paint system (including two

⁴⁵ Government of Djibouti, Djibouti Ports and Free Zones Authority, "Djibouti Ship Repair Yard," <https://dpfza.gov.dj/index.php/ship-repair-yard>.

⁴⁶ Djibouti Ports and Free Zones Authority, "Djibouti Ship Repair Yard," <https://dpfza.gov.dj/index.php/ship-repair-yard>.

⁴⁷ Government of Djibouti, Djibouti Ports and Free Zones Authority, "Djibouti Ship Repair Yard," <https://dpfza.gov.dj/index.php/ship-repair-yard>.

⁴⁸ Djibouti Ports and Free Zones Authority, "Successful Repair and Maintenance of M/V *Abu Yasser II* at DSRY," 30 April 2025, <https://dpfza.gov.dj/successful-repair-and-maintenance-mv-abu-yasser-ii-dsry>.

antifouling coats), anode renewal and hull plate renewal.⁴⁹ By late 2025, DPFZA also reported completing a 30-day overhaul of the cargo vessel *Africa Sun*, involving hull/deck work, tank and piping maintenance, electrical/automation upgrades and safety compliance checks, consuming over 108,000 man-hours — evidence of capacity to manage longer, multi-discipline repairs with larger teams.⁵⁰ This portfolio is still thin, but it demonstrates increasing complexity and scale, and that DSRY is already servicing commercial vessels.

70. **Assessment.** While for an Indian shipyard, vessel compatibility is high in the repair domain, it is unlikely that an Indian investment would be profitable in the near future in Djibouti. This is because the DSRY is still in a nascent period, and therefore, an entry by an Indian entity at this stage would result in competition. It is also probable that the DSRY itself would not be open to investment at this stage.

SOUTH AFRICA

Overview

71. South Africa boasts the region's most advanced shipbuilding and repair ecosystem, with facilities capable of handling medium to large vessels, making it a leading hub. The South African shipbuilding sector is largely private-sector driven, though it depends heavily on government contracts and port infrastructure owned by state entities. A significant share of shipbuilding revenue in South Africa comes from naval procurement and government maritime agencies. Major shipyards often bid for contracts from the South African Navy or state-owned port authority projects. The ship repair industry is more commercially oriented, servicing international vessels passing along the Cape maritime route. South African yards excel in large repair and medium newbuilds.

72. From a regulatory standpoint, South Africa generally permits foreign investment in the commercial shipbuilding sector, but large defence or naval projects often require participation in industrial programmes and localisation frameworks. Foreign shipbuilders entering the market typically do so through local subsidiaries, joint ventures, or partnerships with domestic shipyards, while committing to technology transfer, local procurement, and investment under programmes such as the National Industrial Participation (NIP) and Defence Industrial Participation (DIP) schemes.⁵¹

⁴⁹ Djibouti Ports and Free Zones Authority, "Djibouti Ship Repair Yard Welcomes Second Marine Unit: M/V *Afourer Casablanca*," 19 June 2025, <https://dpfza.gov.dj/index.php/djibouti-ship-repair-yard-welcomes-second-marine-unit-mv-afourer-casablanca>.

⁵⁰ Djibouti Ports and Free Zones Authority, "DSRY Begins Repair and Maintenance Works on M/V *Africa Sun*," 3 November 2025, <https://dpfza.gov.dj/dsry-begins-repair-and-maintenance-works-mv-africa-sun>.

⁵¹ Damen Shipyards Group, "Damen Signs Strategic Partnership Agreement with South Africa's Department of Trade, Industry and Competition," 12 February 2024, <https://www.damen.com/insights-center/news/damen-signs-strategic-partnership-agreement-with-south-africa-s-dtic>.

73. The following shipyards in South Africa have been identified for possible partnership or investment by Indian entities:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Sandock Austral Shipyards – Durban (also referred to as Southern African Shipyards)	Privately held	Large shipbuilding and ship repair; naval maintenance; construction of steel vessels up to ~150 m; offshore and heavy engineering work
(b)	Dormac Marine & Engineering – Durban / Cape Town / Saldanha Bay / Richards Bay	Subsidiary of Southey Holdings (private industrial group)	Major commercial ship repair, vessel conversions, offshore and rig maintenance, and engineering services across multiple South African ports

Table 3.8: Shipyards in South Africa for Potential Partnership with India



Figure 3.14: Shipyards in South Africa for Partnership with India

Sandock Austral Shipyards

74. Sandock Austral Shipyards (SAS) in Durban is arguably one of the most strategically significant shipyards in Africa. The yard benefits from access to the large Prince Edward Graving Dock, a long track record in naval and commercial construction and repair, and active design partnerships with international naval architects such as Vard Marine, Vera Navis, and Robert Allan Ltd. However, it operates within South Africa's politically sensitive defence procurement regulatory framework, which means that any foreign entry would most realistically take the form project-level partnership rather than a straightforward equity acquisition.

75. Durban is also a major energy and bulk logistics hub. The Port of Durban is South Africa's largest container port and a major petroleum import centre, handling a wide range of cargo including containers, vehicles, coal, grain, crude oil, and petroleum products. This cargo mix generates regular calls from bulk carriers, product tankers, car carriers, and container ships operating along the southern African trade routes. For India's broader energy and maritime interests, Sandock provides a southern Indian Ocean node, ideal for supporting Indian shipping. Geographically, it is far more relevant to blue-water traffic than inland lake yards in East Africa.

76. **Economic Factors.** Sandock Austral Shipyards is described as 60 per cent Black-owned, with 12 per cent of shares held by employees, and is part of the larger Sandock Austral Group, which positions itself as South Africa's largest Black-owned defence company⁵². The yard holds ISO 9001:2015 certification and a Level 2 B-BBEE rating.⁵³ These frameworks mean that foreign investors typically access the market through partnerships or joint ventures with B-BBEE-compliant local firms rather than operating independently. Business-intelligence sources put its revenue in the roughly USD 76.5 Million range with 200-400 employees, suggesting a mid-sized industrial enterprise by global standards, but very significant in the African context.⁵⁴

77. Sandock has lined up heavyweight international partners. It has an exclusive product partnership with Fincantieri and its Canadian subsidiary Vard Marine to develop and produce a 53 m Afrika Offshore Patrol Vessel based on the VARD 7 055 design for African clients.⁵⁵ It also has a technology partnership with Portuguese naval-architecture firm Vera Navis, working alongside South African architect Icarus Marine to bring advanced European design and AI-driven productivity tools into its projects.⁵⁶ This shows Sandock is open to modular partnership models, where foreign firms provide designs, engineering systems, or specialised technologies, while Sandock undertakes local construction, integration, and support. For Indian shipyards, this suggests that entry into the South African market would likely occur not through ownership or control of the yard, but through technology or design-based partnerships — for example providing vessel designs, propulsion systems, or modular construction expertise while leveraging Sandock's local facilities and regulatory positioning.

78. **Technical Factors.** Sandock Austral's Durban yard occupies an 11-hectare site with ~20,000 m² of covered working area, including main halls of ~320 m × 46 m and a build way of ~220 m × 32 m suitable for launching vessels up to ~140 m. Fabrication workshops feature nine overhead cranes (including two 30-ton gantries capable of 60 t in tandem), along with pipe, mechanical, interior outfitting, paint shops, and bonded stores.⁵⁷ The yard controls a 200 m repair quay (7.5 m draft) and operates one of South Africa's two privately owned floating docks

⁵² Sandock Austral Shipyards, "SA Shipyards – Africa's Leading Commercial, Naval Shipbuilding & Ship Repair Company," <https://www.sas.co.za/>.

⁵³ B-BBEE stands for Broad-Based Black Economic Empowerment. It is a South African government policy framework designed to address the economic inequalities created during apartheid by increasing the participation of Black South Africans in the economy. A Level 2 rating, like the one held by Sandock Austral Shipyards, indicates very strong compliance with empowerment targets.

⁵⁴ ZoomInfo, "Southern African Shipyards", <https://www.zoominfo.com/c/southern-african-shipyards/372885230>.

⁵⁵ Ship Technology, "SAS Joins Forces with Fincantieri and Vard Marine to Build Afrika Patrol Vessels," *Ship Technology*, n.d., <https://www.ship-technology.com/contractors/bulkheads/sandock-austral-shipyards/pressreleases/sas-fincantieri-ward-afrika-patrol-vessels>.

⁵⁶ Vera Navis, "Vera Navis and Sandock Austral Shipyards Announce Strategic Technology Partnership," *Vera Navis*, 19 September 2024. <https://veranavis.com/vera-navis-and-sandock-austral-shipyards-announce-strategic-technology-partnership/>.

⁵⁷ Marine Marketing International, "Sandock Austral Shipyards", <https://www.marine.marketing/dry-docking-shipyards/sasdurban/>.

(~50 m × 30 m, 5,000 t capacity, 12-ton travelling cranes). Crucially, Sandock has access to the Prince Edward Graving Dock (352 m × 33.5 m, 11 m depth, divisible into two compartments, serviced by cranes up to 50 t), enabling docking of Panamax-size bulkers, tankers, and large naval auxiliaries.⁵⁸ Combined with in-house shipbuilding, repair, naval maintenance, and offshore support capabilities, the yard can handle medium- to large-size ocean-going vessels and complex conversions, providing foreign partners with ready-made infrastructure and expertise without needing to invest in basic facilities.

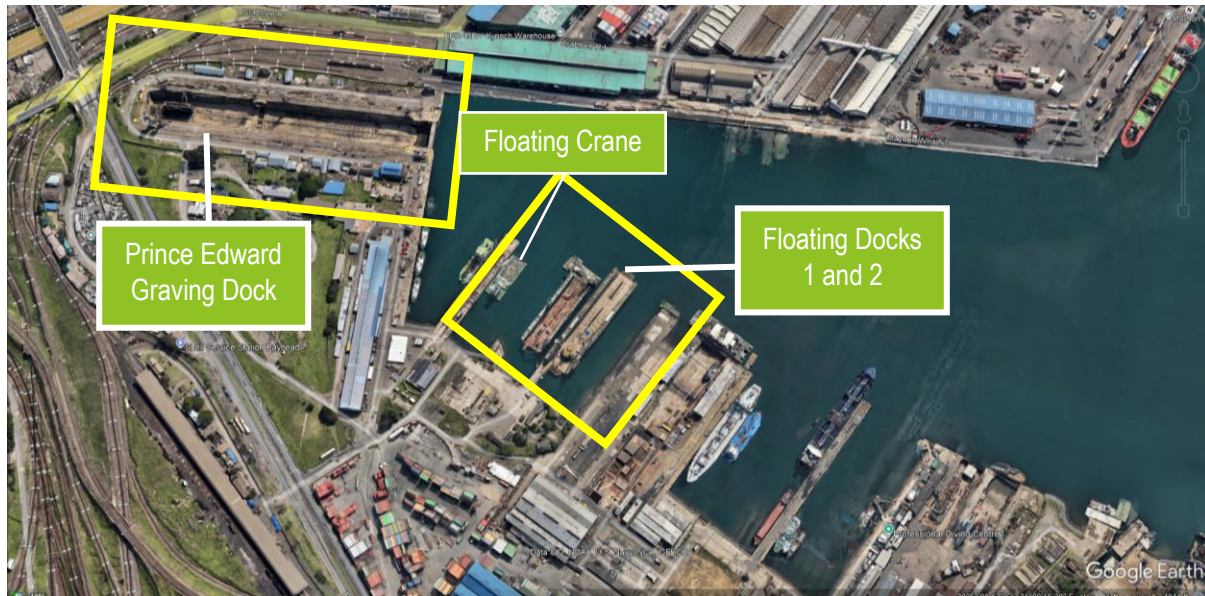


Figure 3.15: Sandock Austral Shipyard, Durban

79. **Shipbuilding and Ship-Repair Track Record.** Sandock’s build and repair history spans commercial, naval and specialised vessels. On the build side, it has constructed:⁵⁹

- The largest ship ever built on the African continent — a 147 m fleet replenishment vessel (for the South African Navy), often cited as proof of big-ship capability.⁶⁰
- Multiple SA Navy strike craft and minehunters under earlier programmes when the yard operated as Southern African Shipyards, as well as Voith Schneider-propelled harbour tugs and other workboats.
- Mega luxury yachts in cooperation with Oceanco, where hulls and basic structures were built in Durban and then towed to the Netherlands for final fitting and trials, during the 1980s–1990s.
- The current flagship project: a large hydrographic survey vessel for the South African Navy under Project Hotel (future SAS *Nelson Mandela*), based on VARD’s 9 105 design and described as one of the most complex hydrographic vessels under construction

⁵⁸ Marine Marketing International, “Sandock Austral Shipyards”, <https://www.marine.marketing/dry-docking-shipyards/sasdurban/>.

⁵⁹ BSA Shipping Agencies, “Sandock Austral Shipyards,” *BSA Shipping Agencies*, <https://www.bsaship.com/southern-african-shipyards/>.

⁶⁰ Guy Martin, “Feature: The South African naval shipbuilding industry”, *Defence Web*, 09 February 2018, <https://defenceweb.co.za/industry/industry-industry/feature-the-south-african-naval-shipbuilding-industry/>.

worldwide; harbour trials are expected in the near term after delays from floods, riots and a steel strike.

80. Sandock is also positioning to build:⁶¹

- A series of 53 m Afrika Offshore Patrol Vessels (OPVs) for African navies, based on the VARD 7 055 design, under its partnership with Fincantieri and Vard Marine.
- Potential replacement for the SA Navy's replenishment vessel SAS *Drakensberg*, which the yard sees as a major future opportunity.

81. **Assessment.** Sandock Austral Shipyards in Durban stands out as Africa's premier shipyard, offering an Indian investor a strategically positioned platform with proven Panamax-class docking, large fabrication halls, and a robust track record in naval auxiliaries, tankers, and offshore conversions — making it highly compatible for joint production with Indian defence PSUs. Sandock merits priority pursuit via project-specific alliances.

Dormac Marine & Engineering

82. Dormac Marine & Engineering is one of the most capable pure-play ship repair and marine engineering groups in Africa, with multi-port coverage, modern floating docks and strong offshore skills, making it a serious candidate if an Indian yard wants a southern Indian Ocean repair and offshore services foothold rather than additional newbuilding capacity.

83. Dormac operates as the marine engineering arm of Southey Holdings, with shipyard facilities in Durban, Cape Town, Saldanha Bay, and other southern African ports. These locations provide vessel repair services across key southern African ports on both the Indian Ocean and South Atlantic approaches, allowing the company to support a broad range of commercial and offshore vessels along major regional maritime routes.

84. While it provides valuable marine engineering and vessel repair services for regional commercial and offshore fleets, it does not handle newbuilds or large-scale construction, limiting its strategic value for India. Given that India has comparatively less trade transiting these areas, Dormac's facilities offer only niche opportunities for technical or maintenance collaboration, rather than a significant investment gateway.

85. **Economic Factors.** Dormac is not a standalone listed company but a division of Southey Holdings (Pty) Ltd, a diversified South African industrial group with interests across engineering, coatings, scaffolding and related services. Dormac's history dates back to 1903, and it has grown into what its parent describes as Africa's leading ship repair company, with over 100 years of experience and a track record of complex solutions for vessels and rigs in distress.⁶² Dormac is described as a black economic empowered company under South Africa's B-BBEE regime and holds full DNV certification for ISO 9001 (quality), ISO 14001 (environment) and ISO 45001/18001 (health and safety), making it the only South African shipyard with that full suite.⁶³ As a private, non-defence-prime engineering business under a diversified local owner, it

⁶¹ Port News, "Fincantieri, VARD and Sandock Austral Shipyards form alliance around the Afrika Offshore Patrol Vessel", *Port News*, 08 November 2024, <https://en.portnews.ru/news/370087/>.

⁶² Dormac Marine & Engineering, "About Dormac," *Dormac*, <https://www.dormac.net/about-dormac/>.

⁶³ Dormac Marine & Engineering, "About Dormac," *Dormac*, <https://www.dormac.net/about-dormac/>.

is likely more flexible for foreign technical partnerships or minority capital than a pure defence yard.

86. **Technical Factors.** Dormac's main facility in Durban features two 155 m private floating docks (8,500 t capacity each) and a 60-ton floating crane, alongside access to Transnet's Prince Edward Graving Dock (352 m × 33.5 m, 11 m depth). Dormac Dock 1 sits next to a 175 m repair quay with computerised levelling and 7.5-ton cranes, enabling about 45 additional dockings per year.⁶⁴ Combined, these assets allow Dormac to handle a wide range of vessels, from small coasters and offshore support vessels (OSVs) to Panamax-class bulkers, tankers, and large naval units.

87. Dormac's Cape Town yard operates alongside the Sturrock (360 m × 45 m × 14 m) and Robinson (161 m × 20.7 m × 14 m) graving docks, with a private repair quay, workshops, and blast/paint sheds. Infrastructure includes fabrication halls up to 2,150 m², 25-ton cranes, press brakes, plate rolls, guillotines, machine shops, and secure storage, plus a synchro lift for vessels up to 1,806 t and 61 m.⁶⁵

88. At Saldanha Bay, Dormac supports deep-water offshore repair and upgrade work, handling vessels with up to 21.5 m draft and 23 m channel depth. The facility focuses on MODUs, rigs, subsea structures, FPSO topsides, and offshore modules, providing a fabrication and maintenance base for oil, gas, and potentially offshore wind projects.⁶⁶

89. Across its locations, Dormac offers full turnkey ship repair and marine engineering, including hull/steel, piping, mechanical, electrical, blasting/painting, underwater cofferdam-based repairs, and riser refurbishment, supported by certified diving teams and patented underwater repair systems. On the ship repair side, Dormac reports servicing of Tankers, container and general cargo vessels, passenger liners, offshore construction vessels, survey vessels, platform supply vessels (PSVs), offshore support vessels (OSVs), anchor-handling tugs (AHTs), rigs, FPSOs, and navy vessels, all to class and international standards.⁶⁷

90. Specific ships repaired by Dormac include:

- **MSC Maria** – container/general cargo vessel repaired in Durban.
- **Comarco Falcon** – tug repaired in Cape Town.
- **MCP Rotterdam** – general cargo vessel dry-docked in Durban.
- **MT Bow Riyad** – tanker with ballast tank repair in Durban.
- **Algoa** – a fishery research vessel in Cape Town.
- **HMS Protector** – polar patrol/naval vessel in Cape Town.
- **TF Victoria (OSV)** – offshore supply vessel in Cape Town.
- **MV Anuket Topaz** – dry-docked in Durban for repair work

⁶⁴ Allianz, "New Floating Dock for Dormac Promises Great Returns," *Press Release*, 2 September, 2016, <https://commercial.allianz.com/news-and-insights/news/new-floating-dock-for-dormac-promises.html>.

⁶⁵ L&R Midland, "Dormac – Cape Town Shipyard," *Le&R Midland*, <https://www.lrmidland.co.uk/shipyards/dormac-cape-town/>.

⁶⁶ Dormac Marine & Engineering, "Locations – Saldanha," *Dormac*, <https://www.dormac.net/locations-saldanha/>

⁶⁷ Dormac, "Ship Repair," *Our Business*, <https://www.dormac.net/ship-repair/>.

91. **Assessment.** For an Indian shipyard, Dormac Marine & Engineering is highly attractive as a repair and offshore-fabrication partner at the Cape of Good Hope, with strong geography, mature infrastructure and a broad track record across commercial and offshore vessels. It is **not** the right vehicle if the strategic goal is to acquire overseas newbuilding capacity; its value lies in extending India’s global repair footprint, under a carefully structured partnership with, rather than a control acquisition.

EGYPT

92. **Overview.** Egypt’s shipbuilding and repair industry is primarily government-backed, aimed towards positioning the country as a growing regional maritime hub. The Alexandria Shipyard remains the largest and most capable yard. Smaller private yards complement Egyptian shipbuilding capacities by building and servicing fishing boats, passenger craft, and medium-sized cargo vessels. These yards are expected to support sectoral growth at an estimated CAGR of around 4–5 per cent between 2025-2031, although technological gaps and workforce skill shortages remain challenges.⁶⁸

93. Egypt’s Investment Law No. 72 of 2017 allows foreign investors to own up to 100 per cent of projects in most sectors, including capital-intensive manufacturing and industrial activities, with limited exceptions. It provides general incentives such as a unified 2 per cent customs duty on imported machinery and equipment, exemptions from stamp duty, registration, and notary fees. Projects in free zones receive comprehensive tax and customs exemptions and protections against seizure or nationalisation.⁶⁹

94. The following shipyards in Egypt have been selected for further assessment:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Alexandria Shipyard – Alexandria	Government-owned	Major shipbuilding and ship repair yard; builds commercial vessels (up to ~57,000 DWT) and repairs ships up to ~85,000 DWT; heavy industrial fabrication.
(b)	Suez Shipyard – Suez	Operated by Suez Canal Authority (SCA) (public sector)	Ship repair and building: a longstanding shipyard at the southern entrance of the Suez Canal with dry dock and floating dock facilities.

Table 3.9: Shipyards in Egypt for Potential Partnership

Alexandria Shipyard

95. Alexandria Shipyard (ASY) is Egypt’s flagship yard and the most capable medium-to-large shipbuilding and repair facility in the eastern Mediterranean, with credible commercial and naval references, but as a Ministry-of-Defence–owned strategic asset, it is realistically only open

⁶⁸Ravi Bhandari, “Egypt Ship Building and Repairing Market (2025-2031) | Size, Trends, Industry, Share, Revenue, Analysis, Growth, Value, Segmentation, Outlook,” *6W Research*, 2020, <https://www.6wresearch.com/industry-report/egypt-ship-building-and-repairing-market-2020-2026>.

⁶⁹ Andersen Egypt. “Egypt Investment Law No. 72 of 2017 – Key Features and Incentives.” *Andersen Egypt*, 21 June 2019, <https://eg.andersen.com/investment-law/>.

to project collaboration /JV cooperation rather than straightforward equity investment for an Indian yard.

96. ASY sits inside Alexandria Port on Egypt's Mediterranean coast, at the northern gateway of the Suez Canal route that carries roughly 12–15 per cent of global seaborne trade between Asia and Europe.⁷⁰ This location gives low-deviation access for India–Europe liner, bulker and tanker traffic that already transits Suez, making ASY a logical repair and refit stop for Indian-linked fleets or future joint-built tonnage operating on this corridor.

92. The Eastern Mediterranean has emerged as a significant natural gas province, anchored by major offshore fields such as Zohr in Egypt, and supported by the country's active LNG export terminals at Idku and Damietta.⁷¹ While India does not currently import LNG directly from Egypt, Alexandria Shipyard's location within the Port of Alexandria positions it strategically to service offshore structures, supply vessels, and coastal tankers operating in the region. Its proximity to key maritime routes linking the Eastern Mediterranean to global markets makes ASY a plausible hub for maintenance and refit of vessels connected to energy flows.

97. **Economic Factors.** ASY is a government-owned shipyard under Egypt's Ministry of Military Production and its Marine Industries and Services Organisation (MIASO), employing about 2,800 people and producing both merchant and naval vessels. It was originally developed in the 1960s with Soviet assistance and has since undergone several modernisation waves, including a major EGP 2 billion (about USD 280 million) upgrade to dry docks and building berths completed in 2014–2015, and a further expansion of the main floating dock and crane capacities. As a government-owned facility, ASY does not release publicly audited financial statements, so exact revenue, profit, or balance sheet figures are unavailable.

98. Despite the lack of formal financial reporting, ASY's operational and commercial activities provide insight into its financial health. The yard signed a Memorandum of Understanding with Italy's Fincantieri in 2024. It aims to explore new opportunities for building vessels — primarily focused on potential naval ship programmes — that could be constructed by Alexandria Shipyard or agreed facilities through future contracts.⁷² This development indicates active engagement in both regional and international markets, suggesting steady revenue generation through project-based contracts. Additionally, the shipyard's involvement in naval construction and maintenance provides access to high-value government contracts, further stabilising its financial position.

99. Alexandria Shipyard also has a long-term partnership with France (since 2014) when Egypt signed a contract with France's Naval Group to acquire Gowind-class corvettes for the Egyptian Navy. Under this agreement, the first corvette was delivered by the French partner, and the remaining three vessels were constructed locally at Alexandria Shipyard through technology transfer and joint production, with Egyptian engineers and technicians trained to

⁷⁰ Racha Helwa and Perrihan Al-Riffai, "A lifeline under threat: Why the Suez Canal's security matters for the world", *Atlantic Council*, 20 March 2025, <https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/a-lifeline-under-threat-why-the-suez-canals-security-matters-for-the-world/>.

⁷¹ U.S. Energy Information Administration (EIA), "Eastern Mediterranean in Context – Regional Natural Gas and LNG Infrastructure", 03 September 2025, https://www.eia.gov/international/content/analysis/regions_of_interest/Eastern_Mediterranean.

⁷² Fincantieri, "Fincantieri and the Alexandria Shipyard: MoU Signed at the DIMDEX in Doha." *Fincantieri Press Release*, 12 March 2024. <https://www.fincantieri.com/en/newsroom/press-releases/2024/fincantieri-and-the-alexandria-shipyard-mou-signed-at-the-dimdex-in-doha.html>.

build and maintain the ships.⁷³ For Indian shipyards or investors, this demonstrates that ASY has experience in absorbing foreign technology, managing joint-production programs, and developing local skilled manpower, creating a precedent for collaborative projects. An Indian investor considering partnerships could leverage this ecosystem for technology adaptation, co-building naval or commercial vessels, and entering regional repair and refit markets that benefit from Alexandria's strategic location on the Suez-Mediterranean corridor.

100. **Technical Factors.** ASY is one of the most heavily equipped shipyards in the Middle East. The yard covers about 400,000 m² of land with approximately 1,200 m of waterfront quays, supporting diverse marine activities from construction to maintenance. It has two graving dry docks (10,000 t and 85,000 t capacity) and a 6,000-t floating dock for vessel repair and maintenance, enabling handling of everything from small crafts to large merchant ships. ASY also maintains multiple inclined building berths capable of supporting commercial and naval vessel construction up to around 57,000 DWT, supported by high-capacity cranes (including a 300-t gantry and 90 t portal cranes) for section assembly and hull handling.⁷⁴

101. The yard's shipbuilding infrastructure includes a broad range of workshops and specialized facilities that cover the full construction process. These include metal processing, block assembly and welding, painting and blasting shops, pipe fabrication and installation, machinery installation, outfitting, and electrical workshops, all equipped with automated cutting machines, overhead cranes, and testing facilities. There are also small craft workshops for steel, aluminium, and GRP vessels with an 800-ton boat lift, enabling construction and repair of smaller service craft.⁷⁵ The extensive workshop complex is designed for efficient production workflows, quality control, and modular block assembly.

102. **Shipbuilding and Ship-Repair Track Record.** An indicative list of the types of ships ASY has built/repared is tabulated below:⁷⁶

Type of Vessel / Unit	Example / Project	Description & Notes
Commercial Cargo Ships	Various general cargo vessels	ASY has built more than 35 commercial ships with capacities ranging from ~3,000 t to ~38,000 t, flying Egyptian and foreign flags
Bulk Carriers	Qena / Damietta	One of the largest ships ever built in Egypt at ~38,500 t DWT.
RoRo & Multipurpose Vessels	Multiple RoRo / multipurpose cargo ships	Constructed for domestic and international operators; specific names include Ismailia, Suez, Alexandria.
Tugboats	ASD tugboats & Voith tugboats Harbour and ASD tugs	70 t and 85 t bollard pull; ASY also partnered for azimuth thruster supplies

⁷³ Naval Today, "French shipbuilder launches Egyptian subsidiary Alexandria Naval", *Naval Today*, 5 December 2018, <https://www.navaltoday.com/2018/12/05/french-shipbuilder-launches-egyptian-subsidiary-alexandria-naval/>

⁷⁴ Alexandria Shipyard. "Facilities." *Alexandria Shipyard Official Website*, <https://alexyard.com.eg/facilities/>.

⁷⁵ Alexandria Shipyard. "Facilities." *Alexandria Shipyard Official Website*, <https://alexyard.com.eg/facilities/>.

⁷⁶ Alexandria Shipyard. "Facilities." *Alexandria Shipyard Official Website*, <https://alexyard.com.eg/facilities/>.

Type of Vessel / Unit	Example / Project	Description & Notes
Nile Barges / Small Craft	19 Nile barges	Smaller ships for inland water transport; ASY built many small craft including water/oil tankers (300–600 t) and barges.
Naval Corvettes	Gowind 2500-class (e.g., Port Said, Al Moez, Luxor)	Under a technology transfer program with France's Naval Group (contract signed 2014), ASY built several corvettes for the Egyptian Navy.
Frigates	MEKO A200-class (e.g., ENS Al-Jabbar)	ASY is building MEKO A-200 frigates; Al-Jabbar launched most recently (2023)
GRP Fast Interceptors	ASY-20 boats	Smaller high-speed patrol/interceptor boats built at dedicated GRP facilities.
Offshore Rigs & Platforms	Helen Cecil jack-up rig and other offshore units	ASY has participated in construction of offshore platforms and rig components since the 1970s.
Offshore Salvage & Specialty Tugs	Larger tug variants (e.g., 200 t)	ASY has built specialized tugs including larger-bollard-pull salvage tugs.

Table 3.10: Vessels Constructed by ASY

103. **Assessment.** In sum, Alexandria Shipyard is infrastructurally capable, strategically located and politically significant — a strong candidate for Indian industrial collaboration and naval/commercial co-production, but not a straightforward buy-out target.

Suez Shipyard

104. Suez Shipyard (Suez Marine Shipyard) is a niche but strategically located facility under the Suez Canal Authority (SCA), focused on Canal support craft repair/build and small/medium vessel maintenance (~60 vessels/year). For an Indian yard, it offers canal-adjacent repair potential but limited scale for large newbuilds. Suez Shipyard sits at the southern entrance of the Suez Canal, at Port Tawfik in Suez, Egypt — one of the busiest global maritime chokepoints connecting the Mediterranean with the Red Sea and Indian Ocean trade routes. This location captures significant East–West commercial traffic, making it valuable for ship repair and logistics support. Moreover, it sits near key oil and LNG routes from the Gulf to Europe, so there is a steady flow of tankers, bulkers and container ships within its docking envelope.

105. The strategic value of the Suez Shipyard further increases with the establishment of the Suez Canal Economic Zone (SCZONE). This zone aims to use the Suez Canal's strategic location to build a global maritime, logistics, and industrial hub, with investor-friendly policies, integrated infrastructure, and value-added supply-chain opportunities.⁷⁷

106. **Economic Factors.** Economically, Suez Shipyard is wholly owned and operated by SCA, so the yard is effectively backed by sovereign cash flows rather than stand-alone commercial financing. There is no public P&L for the yard; what is visible is continued capex,

⁷⁷ Suez Canal Economic Zone (SCZONE). “About Us.” SCZONE, https://sczone.eg/about-us/?utm_source,

such as the full rehabilitation of its large floating dock, completed by early 2026 and SCA's broader strategy to turn its shipyards (Port Said + Suez) into a regional servicing cluster.⁷⁸

107. While the Suez Shipyard is a State-owned asset, it has shown an interest in forging mutually beneficial partnerships with foreign players. For instance, in August 2025, the SCA and Hyundai included preliminary studies and technical proposals to modernise Suez Shipyard infrastructure and integrate global shipbuilding/repair practices, with an anticipated memorandum of understanding to be signed to move into implementation.⁷⁹ The following month, the SCA also held discussions with the China State Shipbuilding Corporation (CSSC), to explore collaboration on upgrading shipyards and related industrial capabilities. Discussions focused on using advanced global shipbuilding technology, training programs, consultancy support, and infrastructure improvements.⁸⁰ This shows that the Suez Shipyard is open to foreign collaboration, actively modernising and positioned at a global trade chokepoint. Indian shipyards can offer technical expertise, co-build programs, and operational partnerships and strengthen India's strategic footprint in the region. Timing is critical since Hyundai and CSSC are already in early-stage engagement.

108. **Technical Factors.** Technically, Suez Shipyard's most important asset is its large floating dock, quoted at around 300–302 m length and 55 m breadth, with approximately 55,000-ton lifting capacity, making it one of the largest in the region. Complementing this is a graving dry dock of 140 m x 22 m with about 8,000-ton capacity, suitable for smaller cargo ships, offshore support vessels, ferries and tugs, and a 900-ton synchro lift (58 x 16 m, five berths) aimed at small craft. The yard has hull, mechanical, electrical and paint workshops and can build or assemble steel vessels up to roughly 60 m length and 15 m beam—this covers tugs, patrol boats, small ferries and workboats but not deep-sea newbuilds.⁸¹

109. According to official sources, Suez Shipyard has constructed and repaired the following types of vessels:

- Sea ferries.
- Tugs (levers).
- Battleships (warships).
- Yachts/fibreglass units.
- Launches/galleries (small boats).
- Cargo ships.
- Liquefied gas carriers.
- Oil rigs

⁷⁸ Aya Anwar, "Egypt's Suez Canal explores partnership with UW Group," *Ammal Al Ghad* (English), 9 July 2025, <https://en.amwalalghad.com/egypts-suez-canal-explores-partnership-with-uw-grp/>.

⁷⁹ Aya Anwar, "Egypt's Suez Canal Authority, Hyundai advance shipyard development plans," *Ammal Al Ghad*, 04 August 2025, <https://en.amwalalghad.com/egypts-suez-canal-authority-hyundai-advance-shipyard-development-plans>.

⁸⁰ Egypt Today. "Egypt's Suez Canal Authority Discusses Localization of Maritime Industries with China Shipbuilding Trading Co." *Egypt Today*, 27 September 2025, <https://www.egypttoday.com/Article/1/142520/Egypt's-Suez-Canal-Authority-discusses-localization-of-maritime-industries-with>

⁸¹ Suez Marine Shipyard Company. "Shipbuilding." *Suez Shipyard*, <https://eng.suezshipyard.com/ship-building/>.

- Dredgers.
- Locomotives (possibly Canal locomotives or small craft).

110. **Assessment.** Overall, Suez Shipyard is strategically placed and technically capable for medium-sized repair and small newbuilds, making it a niche but useful partner for an Indian yard wanting a Suez-adjacent footprint. It is not an acquisition or large-scale newbuild play; its value lies in adding a secure, State-backed repair node and small-craft JV option on the India–Europe route rather than transforming India’s shipbuilding scale.

MADAGASCAR

111. **Overview.** Madagascar occupies one of the most strategically important locations in the Indian Ocean, positioned off the southeastern coast of Africa at the crossroads of major global shipping routes. The island sits along the sea lanes that connect the West Asia, East Asia, and Europe with African markets, making it a natural transit point for cargo and maritime traffic.

112. Ship repair and modest shipbuilding exist as parts of the broader maritime economy, and they may grow with associated port and logistics investments, but Madagascar’s official national development focus is not explicitly prioritising shipyard expansion or elevating the sector.

113. Only one shipyard, viz Société d’Études, de Construction et de Réparation Navales (SECREN SA), has been deemed viable in Madagascar. This shipyard is historically State-linked with Malagasy institutional shareholders, a publicly held company with government participation, and is currently seeking international strategic partners. Its primary focus lies in Shipbuilding and Ship Repair (Medium-Large) — specialising in ship repair and maintenance for vessels up to approximately 185 m length and custom shipbuilding up to ~65 m.



Figure 3.16: SECREN SA Shipyard in Madagascar

114. Société d’Études, de Construction et de Réparation Navales (SECREN SA) is Madagascar’s principal shipyard, located in Antsiranana (Diego Suarez) Bay in the far north, on a natural deep-water harbour historically used by the French Navy.

115. **Economic Factors.** Economically, SECREN is a State-linked company rooted in Madagascar's industrial framework. Historical data suggests the company has faced financial challenges, to the extent that the government has moved to mobilise funds for its survival, indicating both its strategic importance and operational strain within domestic structures⁸². This implies that while SECREN holds strategic maritime value, it may require capital infusion, restructuring, or conditioning to become a commercially robust investment.

116. **Technical Factors.** From a technical standpoint, SECREN's core asset is a 199 m graving dry dock (bassin de radoub) with entrance breadth 26.4 m and 8 m draft, equipped with rail-mounted cranes (two 18-ton and one 3-ton) and mobile cranes up to 45 tons, enabling drydocking of up to two 80 m tuna seiners or five 27 m trawlers simultaneously, plus multiple units alongside the quay. The site covers about 400,000 m² and includes eleven workshops.⁸³ However, no reliable information or official source has been found for what type of vessels the firm has built or repaired so far.

117. **Assessment.** Investing in Société d'Études, de Construction et de Réparation Navales in Madagascar is not recommended for an Indian shipyard seeking medium-to-large capacity opportunities. SECREN's 199m dry dock is only suitable for small-to-medium repairs (up to 185m LOA, primarily fishing vessels and tugs) and newbuilds up to 65m, which limits the capacity upgrade that Indian yards are seeking. Moreover, the reports of financial distress plaguing the firm are another concern for Indian investors. Indian shipyards should prioritise established or scalable hubs for returns over SECREN's constrained niche potential.

MAURITIUS

118. **Overview.** Mauritius offers a compelling profile as an Indian Ocean shipbuilding/repair hub for Indian investors, underpinned by exceptionally strong political links and optimal geography. The countries have a close relationship with India, reinforced through cultural, historical, and strategic ties. Cooperation has strengthened, with India providing support for coastal surveillance and maritime security capacity building. This strong political alignment makes Mauritius a stable and cooperative partner for Indian companies considering investments in shipbuilding and related maritime services.

119. Although Mauritius does not have a large-scale shipbuilding industry comparable to India, it offers several opportunities for investment. The country promotes maritime services, including ship registry, maintenance, and repair, supported by favourable tax and customs incentives.

120. The CNOI (Chantier Naval de l'Océan Indien), a shipyard in Port Louis, Mauritius, has been identified for possible partnership with Indian yards. It is a privately-owned shipyard with a primary focus on building shrimp boats, ferries, patrol craft, modular vessels, and repairing smaller cargo ships, dredgers, naval vessels, and fishing vessels.

⁸² Madagascar News, "SECREN en crise financière: le gouvernement mobilise 27 milliards d'ariary." *Shafaqna Madagascar*, 2026, <https://madagascar.shafaqna.com/FR/AL/1979254>.

⁸³ Trusted Docks, "Société D'Études De Construction Et De Réparation Navales", <https://www.trusteddocks.com/shipyards/5968-societe-detudes-de-construction-et-de-reparation-navales>.

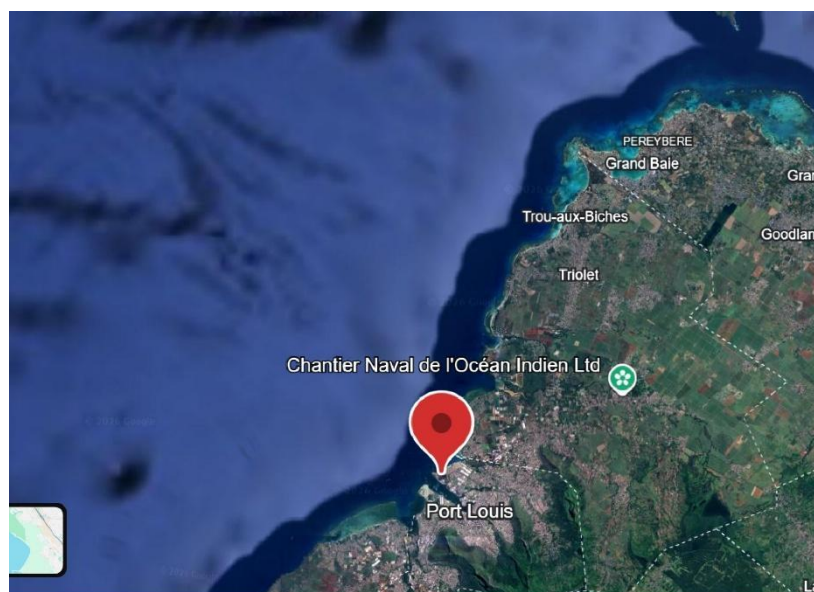


Figure 3.17: Shipyards in Mauritius

121. Chantier Naval de l'Océan Indien (CNOI) is Mauritius's premier ship repair and small newbuild yard, located in Port Louis Freeport Zone 11, strategically positioned at the crossroads of Indian Ocean fishing grounds and Asia–Africa routes. Its geography leverages Mauritius's role as a “seafood hub” servicing tuna purse seiners from EU fleets, French Naval vessels and regional cargo/patrol vessels.⁸⁴

122. For an Indian shipyard, this geographic proximity to routes used by ships trading to Eastern Africa, the Middle East, and beyond presents a complementary hub to India's own maritime infrastructure.

123. **Economic Factors.** The shipyard is jointly owned by the French group Chantiers Piriou SARL and the Mauritian business group Ireland Blyth Ltd (IBL), each holding roughly half the ownership. Latest available reports show that the yard in the last three years has delivered consistent revenue growth, and in FY23 it achieved record revenue, driven by more than a three-fold increase in shipbuilding revenue plus about 10 per cent growth in repairs, resulting in a 48 per cent increase in total revenue versus FY22. Profitability remains healthy: while the EBITDA margin declined from 27.06 per cent in FY22 to 18.23 per cent in FY23 due to deliberately low-margin bids to build shipbuilding credentials, returns stayed solid. CNOI reportedly has clear revenue visibility through the end of FY27, with order book values equivalent to over 2× its 2023 revenue.⁸⁵

124. For an Indian shipyard, CNOI's joint ownership between Chantiers Piriou and IBL provides a stable platform combining international shipbuilding expertise and strong local ties, making it suitable for joint ventures, co-build projects, or technology transfer.

⁸⁴ CNOI. “CNOI – Chantier Naval de l'Océan Indien”, <https://cnoi.info/en/>.

⁸⁵ Care Edge Africa, “Chantier Naval De L'Océan Indien Limited”, *Care Edge*, 21 November 2024, https://www.careatingsafrica.com/upload/CompanyFiles/PR/202411051107_Chantier_Naval_De_L'Ocean_Indien_Limited_-_Press_Release-_FINAL-_21_November_2024.pdf.

125. **Technical Factors.** The yard occupies roughly 5.6 hectares (56,000 m²), including about 7,500 m² of covered workshop area and approximately 370 m of quay, giving ample space for simultaneous repair and outfitting operations. Its principal hard assets are a 130 m x 27 m dry dock (max practical ship length ~120 m, max draft ~7 m) and a 1,500-ton strap boat lift—described as the most powerful of its kind worldwide—capable of lifting vessels up to around 100 m, supported by two tower cranes (10 and 12 tonnes) and three mobile cranes (30, 65 and 120 tonnes).⁸⁶

126. Since commencing operations in the early 2000s, CNOI has successfully constructed 39 new vessels and completed repairs on over 500 ships.⁸⁷ The yard’s facilities and cranes support work on a wide array of vessel classes, including:⁸⁸

- **Commercial & fishing vessels:** tuna seiners, longliners, shrimpers.
- **Service/support vessels:** tugs, barges, pilot boats, dredgers.
- **Military & patrol craft:** frigates (including French Navy contracts), patrol boats.
- **Cargo & specialised vessels:** container ships, tankers, refrigerated vessels, Ro-Ro.
- **Passenger & leisure craft:** high-speed boats, ferries, amphibious vessels.

127. **Assessment.** Altogether, CNOI is worth considering for investment by India in a focused, minority or JV form, not as a cornerstone acquisition. Strategically and politically, it sits in a very friendly jurisdiction, on important routes, with low security risk; technically, it is strong in small-to-medium repair and construction with credible infrastructure and a long repair order book; financially, it is sound, low-gear and well-rated. The natural play for an Indian yard would be: a strategic minority stake or structured JV with the Group to co-develop small patrol, workboat and fishing-support designs and to secure priority repair slots for Indian-linked fleets.

SEYCHELLES

128. **Overview.** The domestic shipbuilding and repair sector in Seychelles is currently modest, focused on small-scale maintenance, specialised repairs, and emergency services. Facilities such as Taylor Smith Naval Services offer limited dry dock and engineering capacity, but ongoing port upgrades and the government’s commitment to developing its maritime infrastructure.

129. The Taylor Smith Naval Services in Mahé, Seychelles, has been identified for a possible partnership with Indian yards.

130. Taylor Smith Naval Services (TSNS) is a marine services and shipyard facility based on Mahé Island in the Republic of Seychelles, serving vessels in Seychelles waters and the wider Indian Ocean region. The company runs two shipyard locations on Mahé Island — the Providence Shipyard and the Port Victoria Shipyard. Both facilities provide haul-out, repair, maintenance, and engineering services for boats and vessels.

⁸⁶ Chantier Naval De L’Ocean Indien Limited, “Home”, CNOI, <https://cnoi.info/en/>.

⁸⁷ Care Edge Africa, “Chantier Naval De L’Ocean Indien Limited”, *Care Edge*, 21 November 2024, https://www.careatingsafrica.com/upload/CompanyFiles/PR/202411051107_Chantier_Naval_De_L'Ocean_Indien_Limited_-_Press_Release-_FINAL-_21_November_2024.pdf.

⁸⁸ Chantier Naval De L’Ocean Indien Limited, “Home”, CNOI, <https://cnoi.info/en/>.

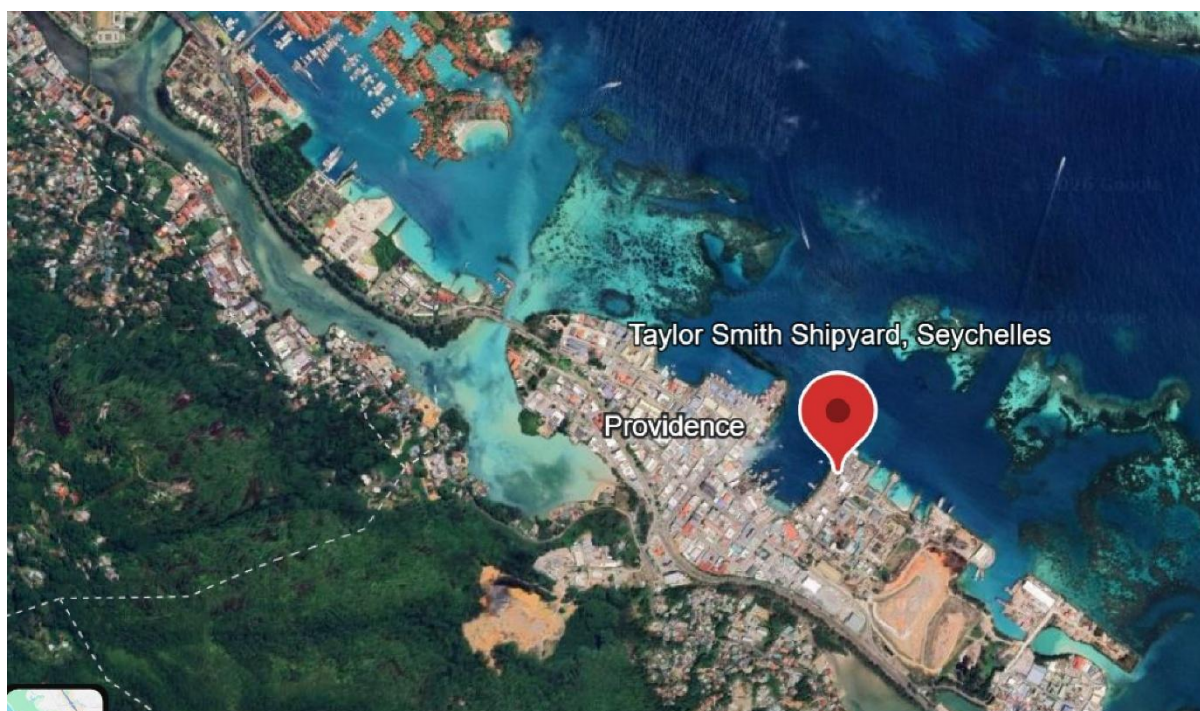


Figure 3.18: Shipyards in Seychelles

131. TSNS's facilities in Port Victoria are on the edge of significant commercial and leisure vessel traffic flows, making the yard well positioned to capture repair, maintenance and refit work from transiting ships, yachts, and support vessels. Moreover, Indian cargo, fishing and naval vessels frequently navigate the western Indian Ocean and have strategic engagements with Seychelles. This geographic proximity supports predictable market demand for intermediate maintenance and repair services.

132. However, facilities in Mauritius, South Africa, and even Middle Eastern shipyards offer competitive services; Seychelles' location, while strategic, requires huge capex to develop the infrastructure to compete with these locations.

133. **Economic Factors.** TSNS is a privately held entity and does not publicly publish audited financial results, making it difficult to directly analyse revenues, margins, or balance sheets. However, its operational investments (land reclamation, purchasing modern travel lifts, slipway upgrades, and expansion of facilities) demonstrate ongoing capital reinvestment and commitment to growth.⁸⁹ As a niche yard with capacity for small/mid-sized vessels, its revenue base is expected to be modest compared to major commercial shipyards, with business largely generated from local yachting traffic, leisure vessels, and occasional regional clients. Third-party business intelligence services place TSNS's standalone revenue in the USD 5 million range, indicating an SME-scale operation.⁹⁰

134. From an economic-viability perspective, TSNS benefits from: a protected local niche as the de facto leading yard, a steady base of demand from tourism-linked yachting and inter-island

⁸⁹ Taylor Smith Naval Services, "About Us", *TSNS*, <https://www.tsnaval.com/taylor-smith-naval-services-seychelles/>.

⁹⁰ Zoom Info, "Taylor Smith Naval Services", <https://www.zoominfo.com/c/taylor-smith-naval-services/477823347>.

traffic, and strong integration into the wider port ecosystem. However, the addressable market is structurally small, earnings are exposed to tourism cycles and fisheries, and the yard's physical scale caps upside compared with large commercial ship-repair assets. An Indian investment can be a value-added strategic partnership, particularly if it helps TSNS broaden its market reach beyond small vessel servicing.

135. **Technical Factors.** TSNS operates two primary facilities on Mahé Island, Seychelles — Providence Shipyard and Port Victoria Shipyard — which together form the backbone of its marine services infrastructure. The Providence facility occupies 5,500 m² of yard space, increasing capacity for berthing, storage, and logistics. The yard is equipped with a 150-tonne travel lift, a crane, and a 40-tonne hydraulic yard trailer. Its specs generally correspond to small yachts, fishing boats, and pleasure craft.⁹¹ The Port Victoria Shipyard features a cable track slipway capable of servicing vessels weighing up to ~600 tonnes — the largest haul-out capacity in Seychelles. The slipway enables larger yachts, small commercial vessels, and patrol craft repairs, bringing TSNS into a niche segment of intermediate-size vessel servicing in the region.⁹²

136. TSNS brands itself as serving “boats and yachts” in Seychelles, with more than twenty years as a staple in the yachting, boating and shipping industry, and its marketing is clearly anchored to the cruising-yacht and local workboat community. TSNS in Seychelles is thus best characterised as a regional repair, refit and storage facility handling workboats and yachts up to 600 tonnes, not as a ship construction yard.

137. **Assessment.** From a purely technical and infrastructure standpoint, TSNS's two-yard system is efficient for its current role but offers limited headroom for scale-up, which undermines its appeal as a significant investment opportunity. TSNS does not present a compelling investment opportunity for large or even medium-scale shipyard investors; at most, it justifies limited tactical or project-level cooperation, not major equity or greenfield capital deployment.

⁹¹ Taylor Smith Naval Services, “Our Facilities”, *TSNS*, <https://www.tsnaval.com/marine-services-seychelles/>.

⁹² Taylor Smith Naval Services, “Our Facilities”, *TSNS*, <https://www.tsnaval.com/marine-services-seychelles/>.

CHAPTER FOUR

WEST ASIA

Introduction

1. This chapter evaluates publicly listed shipyards across West Asia by examining three key dimensions: (a) the political environment in which these yards operate, (b) their economic viability and the frameworks governing foreign investment, and (c) their technical infrastructure and the extent to which their capacities align with Indian shipbuilding requirements. Together, these factors form an integrated analytical framework for identifying and prioritising shipyards in West Asia that could serve as potential partners, subsidiaries, or acquisition targets for Indian shipyard investors.

THE KINGDOM OF SAUDI ARABIA

2. **Overview.** The Kingdom of Saudi Arabia is the largest nation on the Arabian Peninsula and occupies a pivotal position in West Asia, both geographically and economically. With an area of approximately 2.15 million square kilometres, it borders vital transport corridors, including the Red Sea and the Persian Gulf, and shares frontiers with Jordan, Iraq, Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman, and Yemen. Saudi Arabia is undergoing a major transformation under its Vision 2030 strategy, which aims to diversify the economy beyond oil into sectors such as manufacturing, tourism, logistics, and renewable energy. With ongoing investment in infrastructure, technology, and regulatory reforms, Saudi Arabia is positioning itself as an influential regional force and a competitive global player across industry and trade.

3. Saudi Arabia's Vision 2030 places maritime infrastructure and logistics at the heart of national economic diversification, seeking to transform the Kingdom into a global logistics and maritime hub.¹ The state prioritises robust port development, world-class maritime services, and modernised shipyard capacity, supporting foreign investment, public-private partnerships, technology transfer, and innovation in the sector. Foreign firms are welcomed as strategic partners for long-term development. Ongoing reforms in regulation, transparency, and governance further underpin a favourable business climate, with clear objectives to raise the competitiveness and effectiveness of Saudi shipyards and support advanced manufacturing within the Kingdom.

4. Saudi Arabia has implemented a comprehensive legal framework to attract and safeguard foreign investment, notably through the Foreign Investment Law and its Executive Regulations

¹ "Vision 2030", *Kingdom of Saudi Arabia*, https://www.vision2030.gov.sa/media/rc0b5oy1/saudi_vision203.pdf.

issued by the General Investment Authority.² These regulations govern licensing processes, ownership structures, and operational requirements, ensuring predictable and transparent investment procedures. Foreign investors enjoy equity ownership options in the form of joint ventures or fully foreign-owned entities, often limited liability companies or branches. This legal clarity promotes confidence and facilitates streamlined market entry for Indian shipbuilding firms seeking to establish or expand shipyard operations in the Kingdom. Saudi Arabia has launched ambitious projects to develop the region's largest shipyards, including the multibillion-dollar International Maritime Industries (IMI) complex and bid solicitations for new mega yards aimed at positioning the Kingdom as a global maritime hub. Additionally, Saudi Arabia's key Special Economic Zones (SEZs) as part of Vision 2030 include:³

- 4.1. **King Abdullah Economic City (KAEC)** – Located on the Red Sea coast, KAEC is one of the largest economic cities focusing on industrial, logistics, residential, and port infrastructure development.
- 4.2. **Riyadh Dry Port and Logistic Zone** – Focused on developing inland container transport and integrated logistics, supporting supply chain efficiencies.
- 4.3. **Jazan Economic City** – Positioned strategically near the Red Sea and the Yemeni border, Jazan focuses on energy, manufacturing, and maritime industries.
- 4.4. **Ras Al Khair Industrial City** – Dedicated to heavy industries, including mining, energy, and maritime manufacturing and shipbuilding.
- 4.5. **Dammam 2nd Industrial City and Jubail Industrial City** – Located on the Arabian Gulf, these are major industrial hubs with port facilities supporting petrochemical, manufacturing, and maritime sectors.

² Investment Policy Monitor, "New investment law guarantees equal treatment and replacing licensing with registration", *UN Trade and Development (UNCTAD)*, 11 August 2024.
<https://investmentpolicy.unctad.org/investment-policy-monitor/measures/4800/new-investment-law-guarantees-equal-treatment-and-replacing-licensing-with-registration>.

³ Saudi Vision 2030, "Special Economic Zones", *Kingdom of Saudi Arabia*. Accessed on 26 September, 2025.
<https://www.vision2030.gov.sa/en/explore/projects/special-economic-zones>.



Figure 4.1: SEZs in KSA

5. While these SEZs provide avenues for Indian shipyards to invest in greenfield opportunities for shipbuilding and repair, regulatory compliance poses issues for Indian firms. For instance, the KSA’s policy of ‘Saudization’ (Nitaqat) mandates all firms operating in their country to employ a certain minimum percentage of Saudi nationals (the percentage being a variable that changes depending on the size and nature of work of the firm) to reduce dependency on foreign labour.⁴ Such a policy significantly reduces the Indian yard’s ability to leverage the Indian diaspora and networks in the region. It can also increase operating costs by paying higher salaries to local workers rather than expatriate labour and by mobilising additional resources for compliance management.

6. From a labour perspective, Saudi Arabia’s maritime sector exhibits a significant reliance on expatriate workers, with 60–70 per cent of the workforce being foreign and only 30–40 per cent nationals.⁵ This is due, in part, to a shortage of skilled Saudi seafarers, despite the presence of robust training institutions.⁶ While investments are underway to build a more self-reliant workforce, immediate shipyard projects will initially draw from existing expatriate labour pools and require strategic workforce localisation for long-term sustainability. While this highlights a key sector in which foreign investment bringing in expertise/labour from their home countries can help, the Saudization policy can pose challenges when employing workers from a society already lagging behind. Indian shipyards can partner with Saudi maritime academies and vocational institutes to jointly design training programs, curriculum updates, and certification tracks tailored to local needs and grounded in Indian expertise.

⁴ Centuro Global, “Saudization: What It Is and How to Comply”, 5 March 2025, <https://www.centuroglobal.com/article/saudization/>.

⁵ Capt Mohammad Mostafa Kamal, “Labour Market Skills for Seafarers: A Comparative Analysis of Saudi Arabia and the Global Context,” *PowerTech Journal* 48, no. 4 (December 2024): 5866–5891, <https://powertechjournal.com>.

⁶ Capt Mohammad Mostafa Kamal, “Labour Market Skills for Seafarers: A Comparative Analysis of Saudi Arabia and the Global Context,” *PowerTech Journal* 48, no. 4 (December 2024): 5866–5891, <https://powertechjournal.com>.

7. Under the mandate of this report, the following shipyards in Saudi Arabia have been identified as potential partnership opportunities for Indian shipyards:

Ser	Shipyards & Location	Ownership / Listing	Primary Focus
(a)	International Maritime Industries, Ras Al-Khair	Joint venture between Saudi Aramco, Bahri, Lamprell, and HD Hyundai Heavy Industries	Large-scale commercial shipbuilding, VLCC tankers, bulk carriers, offshore rigs, offshore support vessels, and ship repair/MRO
(b)	Zamil Offshore Services Shipyard, Dammam	Private company under Zamil Group	Offshore support vessel construction, tugboats, workboats, offshore fabrication and repair for oil & gas fleets

Table 4.1: Shipyards in Saudi Arabia Identified for Partnerships



Figure 4.2: Shipyards in Saudi Arabia Identified for Partnerships

International Maritime Industries, Ras Al-Khair

8. IMI (International Maritime Industries) in Ras Al Khair, Saudi Arabia, stands out as a technologically advanced and future-focused shipyard, integrating world-class digitalisation, automation, and smart yard operations in maritime manufacturing and repair⁷. Backed primarily

⁷ International Maritime Industries, “Our Facilities and Capabilities,” *International Maritime Industries (IMI)*, accessed 27 September 2025, <https://www.imi-ksa.com/our-facilities-and-capabilities/>.

by Aramco, the shipyard also has Lamprell, Bahri, and Hyundai Heavy Industries as key partners.⁸ Its ownership structure is broken down into:⁹

- a) Saudi Aramco – 50.1% (the state-owned national oil company of Saudi Arabia)
- b) Bahri – 19.9% (National Shipping Company of Saudi Arabia)
- c) Lamprell – 20% (UAE-based engineering and fabrication firm)
- d) Hyundai Heavy Industries – 10% (South Korea’s largest shipbuilding company)

9. IMI is positioned near major Persian Gulf shipping routes connecting Saudi export terminals such as Jubail and Ras Tanura with global markets. These routes converge at the Strait of Hormuz, through which roughly 20 million barrels of oil per day — about 30 per cent of global seaborne oil trade transits, making it one of the world’s most critical maritime energy corridors.¹⁰

10. An additional benefit of IMI is its location within Ras Al Khair on the Persian Gulf, just north of Jubail. The complex sits within a broader industrial ecosystem that includes large aluminium and mineral processing operations linked to the region’s mining sector.¹¹ The yard anchors the King Salman International Complex and the Ras Al Khair Special Economic Zone (SEZ), which Saudi Arabia is positioning as a maritime and offshore cluster to serve Gulf, Red Sea, and Indian Ocean trades.

11. Ras Al Khair SEZ explicitly targets global investors and strategic partners in shipbuilding, offshore fabrication, and associated supply chains, offering “competitive incentives for international investors.”¹² For India, this means IMI sits on key sea lanes for crude, product, and bulk flows between the Gulf and the Indian west coast, offering a geographically convenient hub for repair and possibly some commercial newbuild support.

12. **Economic Factors.** Saudi Aramco is the lead shareholder, alongside Bahri, Lamprell, and HHI; over time, reported percentage splits vary slightly by source, but all agree Aramco is the majority or controlling partner with the others holding significant minority stakes. The JV aims to localise Aramco’s offshore rig and shipping supply chain in the Kingdom, reduce dependence on foreign yards, and create a new maritime export base under Vision 2030.¹³ Thus,

⁸ “Saudi Yard IMI Inks Agreements Worth \$350M to Enhance Operations,” *Seatrade Maritime*, <https://www.seatrade-maritime.com/shipyards/saudi-yard-imi-inks-agreements-worth-350m-to-enhance-operations>.

⁹ Bahri, Condensed Consolidated Interim Financial Statements for the Period Ended 31 March 2021, *Riyadh: Bahri*, 2021, <https://www.bahri.sa/media/51zlfvdy/consolidated-financial-statements-as-of-march-31-2021.pdf>.

¹⁰ Ballast Markets. “Strait of Hormuz: The World’s Most Critical Oil Chokepoint.” 24 November 2025. <https://content.ballastmarkets.com/blog/2025-11-24-strait-hormuz-oil-chokepoint/>.

¹¹ Royal Commission for Jubail and Yanbu, “*Ras Al-Khair Industrial City*,” n.d., <https://www.rcjy.gov.sa/en/ras-al-khair>.

¹² Business Wire, “Ras Al-Khair Special Economic Zone Lures Investment with International Partnerships in Maritime Industry and Offshore Cluster”, *Business Wire*, 16 July 2024, <https://www.businesswire.com/news/home/20240715092806/en/Ras-Al-Khair-Special-Economic-Zone-Lures-Investment-with-International-Partnerships-in-Maritime-Industry-and-Offshore-Cluster>.

¹³ Break Bulk News, “Bahri and IMI Launch Saudi Arabia’s First Locally Built Ocean-Going Vessels”, *BBN*, 2 October 2025, <https://breakbulk.news/bahri-and-imi-launch-saudi-arabias-first-locally-built-ocean-going-vessels/>.

IMI is fundamentally established as a national strategic asset, with embedded international technology partners, rather than as an open, standalone financial asset seeking new equity owners.

13. However, investment by Indian shipyards is feasible given an admission by IMI itself that it seeks global partners and investors to expand its maritime ecosystem. The company explicitly states that it offers “*a diverse range of services and partnership opportunities for companies from around the world*,” inviting international firms to participate in its shipbuilding and offshore industrial network at Ras Al-Khair. This framing indicates that IMI is actively encouraging foreign industrial participation and strategic partnerships, making collaboration with Indian shipyards—whether through technology partnerships, supply-chain integration, or joint project execution—structurally feasible.¹⁴

14. Financial data for International Maritime Industries (IMI) is limited because the company is a privately held joint venture owned by Saudi Aramco, Bahri, Lamprell, and Hyundai Heavy Industries. As a result, it does not publish detailed audited financial statements publicly, unlike listed shipyards. However, several indicators from industry reports and corporate disclosures provide insight into its revenue scale, contracts, and financial outlook.

15. The yard was built with a capex of around 5.2 billion USD, of which roughly 3.5 billion USD is financed by the Saudi government, with the balance provided by JV shareholders and commercial funding.¹⁵ In terms of orderbook, IMI has long-term offtake agreements worth about 10 billion USD over 10 years with Aramco and Bahri, covering the delivery of 20 jack-up rigs and 52 vessels. It has also secured contracts for six 62,823-DWT Ultramax bulk carriers for Bahri — Saudi Arabia’s first large-scale commercial shipbuilding programme — valued at over 200 million USD, with deliveries slated for 2028–2029.¹⁶

16. For an Indian shipyard investor, International Maritime Industries (IMI) should be viewed less as a conventional acquisition target and more as a strategic partnership platform embedded within Saudi Arabia’s national industrial policy. While equity entry or ownership acquisition by foreign yards is unlikely, the yard’s explicit outreach to global partners and its substantial guaranteed order pipeline — particularly from Aramco and Bahri — creates clear space for industrial collaboration. For Indian shipyards, the most viable engagement model would therefore involve co-located component manufacturing, specialised services (e.g. green retrofits), and potentially co-financing selected vessel segment programmes.

17. **Technical Factors.** IMI is designed as a “*Shipyard of the Future*”, leveraging over 60 digital initiatives, including big data, AI-driven process optimisation, robotics (for welding,

¹⁴ International Maritime Industries, “Invest in Us”, IMI, n.d., <https://www.imi-ksa.com/invest-in-imi/>.

¹⁵ Reem Shamseddine, “Saudi Aramco signs deal to build Gulf’s biggest shipyard”, Reuters, 31 May 2017, <https://www.reuters.com/article/business/saudi-aramco-signs-deals-to-build-gulfs-biggest-shipyard-idUSKBN18R0QQ/>.

¹⁶ Georgios Georgiou, “Bahri taps IMI for Ultramax construction in Saudi Arabia’s first major shipbuilding project”, *Riviera*, 2 October 2025, <https://www.rivieramm.com/news-content-hub/bahri-taps-imi-for-ultramax-construction-in-saudi-arabias-first-major-shipbuilding-project-86322>.

inspection, spool fabrication), predictive maintenance, digital worker platforms, and a unified operations centre for managing safety, compliance, and real-time yard operations.¹⁷ The infrastructure of the shipyard is tabulated below:¹⁸

Zone	Function	Capacity	Key Features
A	MRO (maintenance, repair, and overhaul) for vessels, rigs, and OSVs	Synchro Lift: 25,000 tons	2 dry docks, portal cranes up to 100 tons
B	New-build Offshore Support	Submersible barge: 20,000 tons	Parallel barge, two sink pits
C	New build commercial vessels	Goliath cranes: Tandem lift 2,150 tons	Largest zone (1.6 million square meters) for commercial vessels
D	Jack-up rigs/lift boats	Designed for flexible project sizes	Area of 481,000 square meters
Smart Yard	Training, digitisation, predictive maintenance	NA	Fully integrated maritime facility designed to be cost-competitive and operationally efficient via extensive automation

Table 4.2: Infrastructure at IMI Shipyard

18. **Shipbuilding and Ship-Repair Track Record.** An indicative list of IMI’s vessels built/being built is tabulated below:

Project/Vessel	Description
VLCC Rayah (Bahri)	319,000 DWT “gas-ready” crude carrier, built jointly by IMI/Hyundai Heavy Industries at Ulsan shipyard; SAR 371M (~USD 98.9M) contract. Delivered Oct 2021 ¹⁹
Jack-up rigs for Saudi Aramco Rowan Offshore Drilling Company (ARO)	Super 116E-class rigs (also called LJ43 design) for deep-water oil drilling in the Gulf—up to 380 feet water depth. IMI + Lamprell team-up (since 2020): Lamprell builds early rigs in the UAE while training IMI Saudis; work shifts fully to IMI yard over time. Timeline: ● Kingdom 1: Mostly Lamprell-built, shipped 2022, finished 2023 ● Kingdom 2: Similar path, done 2024. ● Kingdom 3: First 100% Saudi-built at IMI.

¹⁷ International Maritime Industries, “Our Facilities and Capabilities,” *International Maritime Industries (IMI)*, n.d., <https://www.imi-ksa.com/our-facilities-and-capabilities>.

¹⁸ International Maritime Industries, “Our Facilities and Capabilities,” *International Maritime Industries (IMI)* n.d., <https://www.imi-ksa.com/our-facilities-and-capabilities>.

¹⁹ Bahri, “Bahri receives its first ‘gas ready’ VLCC ‘Rayah’ built by IMI and HHI”, *Bahri News & Insight*, 30 October 2021, <https://www.bahri.sa/en/news-insights/news-insight/2021/bahri-receives-its-first-gas-ready-vlcc-rayah-built-by-imi-and-hhi/>.

Project/Vessel	Description
	Up to 20 rigs total for ARO Drilling—long-term jobs replacing foreign rigs in Aramco's fleet. Kingdom 1/2 delivered; series ongoing²⁰
Ultramax bulk carriers (Bahri)	Six 62,823 DWT dry bulkers; Saudi Arabia's first large-scale national shipbuilding programme. Order 2025, value ~USD 203M (SAR 762M); deliveries 2028-2029²¹.
OSVs (IMI-Zamil Yard Offshore JV)	Offshore support vessels newbuild and MRO; initial builds at Zamil, shifting to IMI Zone B post-2022. JV Launched in 2021 and named National Shipbuilding Industries Company (NSIC); no specific details published ²² .

Table 4.3: Vessels Delivered and Orderbook of IMI

19. **Assessment.** IMI's core strengths in VLCC and large bulk carrier construction, offshore rigs, and OSV support align closely with India's energy shipping and offshore activities in the Gulf. This creates scope for collaboration in VLCC/bulk carrier newbuilds, conversions, and major repairs for Indian shipowners operating Gulf–India routes when domestic yard capacity is constrained. Additionally, IMI's jack-up rig and OSV ecosystem, supported by partners such as ARO Drilling and Zamil Offshore, offers potential for joint offshore builds, upgrades, and shared MRO services for Indian E&P operators. For an Indian shipyard or maritime investor, IMI should be approached primarily as a collaboration platform, rather than something to acquire or take large equity stakes in. Indian shipyards should actively pursue cooperation with IMI, but through strategic partnerships and joint projects.

Zamil Offshore Services Shipyard

20. Zamil Shipyard is a prominent shipbuilding and repair facility situated in Dammam, Saudi Arabia. Established in 1977, it has become a key player in the maritime industry, offering a range of services to meet the needs of both commercial and military vessels. Zamil Shipyard's main facility is located within King Abdulaziz Port in Dammam on the Persian Gulf, where Zamil Offshore Services Company operates a major shipbuilding, ship-repair, and offshore construction complex. The company also operates shipyard facilities at Jeddah Port on the Red Sea, giving it an operational presence on both sides of the Saudi coast.²³ This dual-coast footprint allows Zamil to service vessels moving through the Gulf and Red Sea/Suez shipping corridors, positioning it as a geographically convenient repair and offshore support provider for shipping operating across the region.

²⁰ Amir Garanovic, "ARO Drilling Welcomes New Jack-Up Rig Named Kingdom 2" *Offshore Engineer*, 22 May 2024, <https://www.oedigital.com/news/513921-aro-drilling-welcomes-new-jack-up-rig-named-kingdom-2>.

²¹ Port News, "Bahri orders six Ultramax bulk carriers from IMI in first Saudi ocean-going shipbuilding deal", *Port News Shipbuilding*, 1 October 2025, <https://en.portnews.ru/news/382702/>.

²² Peter Shaw-Smith, "National Shipbuilding Industries Co. of Saudi Arabia official commercial registration", *Seatrade Maritime*, 29 April 2022, <https://www.seatrade-maritime.com/shipyards/national-shipbuilding-industries-co-of-saudi-arabia-official-commercial-registration>.

²³ Zamil, "Services", *Zamil Port Operations*, n.d., <https://www.zamiloffshore.com/page/shipyards/Services>.

21. In the past 5 years, Zamil Offshore has entered into various joint ventures (JVs) for various defence-related endeavours. In 2025, Zamil signed an MoU with L3 Harris Technologies (an American defence and technology firm). Under the agreement, Zamil Shipyards will design and construct autonomous maritime platforms, while L3Harris will provide integration of autonomous systems, sensors, and mission capabilities.²⁴ The initiative supports Saudi Arabia's localisation goals under Vision 2030.

22. Additionally, Zamil Offshore has collaborated with Navantia, the Spanish State-owned naval shipbuilder, to support the Avante 2200 corvette programme for the Royal Saudi Naval Forces.²⁵ While Navantia is responsible for designing and constructing the vessels, the cooperation with Zamil focuses on providing sustainment, maintenance, and lifecycle support services within Saudi Arabia, contributing to the broader localisation objectives of Vision 2030. These instances highlight an opportunity for Indian shipbuilders, especially those under the Ministry of Defence, to position themselves as partners in Saudi Arabia's naval modernisation, offering proven indigenous designs, comprehensive training programs, and technology transfer arrangements that support Vision 2030's localisation objectives while leveraging India's partnership with the KSA.

23. **Economic Factors.** Zamil Group Holding, the yard's parent company, is a private, closed-stock Saudi company.²⁶ If a shipyard is structured as a closed stock company, Indian investors cannot acquire shares freely; they would need to pursue direct equity negotiations, joint ventures, or project partnerships with existing owners. This typically means strategic collaboration rather than open-market acquisition.

24. From the perspective of an Indian shipyard investor, these indicators suggest that Zamil Shipyard represents a stable but niche industrial partner rather than a large-scale shipbuilding investment platform. Zamil is best approached as a sector-specific partner for offshore vessels, energy-sector maintenance, and OSV programmes — particularly through platforms rather than as a target for large-scale shipbuilding collaboration or acquisition.

25. **Technical Factors.** The available infrastructure specs of all shipyard facilities operated by Zamil are tabulated below:

²⁴ Press Release, "L3 Harris and SAMI Joint Venture Sign Agreement with Zamil Shipyards to Advance Autonomous Maritime Capabilities in the Kingdom of Saudi Arabia", *L3 Harris*, <https://www.l3harris.com/newsroom/press-release/2025/04/l3harris-and-sami-joint-venture-sign-agreement-zamil-shipyards>.

²⁵ Fatima Bahtić, "Navantia inks agreement with Zamil to support Saudi Navy's Avante 2200 corvettes", *Naval Today*, 10 March 2022, <https://www.navaltoday.com/2022/03/10/navantia-inks-agreement-with-zamil-to-support-saudi-navys-avante-2200-corvettes/>.

²⁶ Zamil, "Profile", Zamil Offshore, n.d., <https://www.zamiloffshore.com/>.

Shipyard / Facility	Location	Key Infrastructure	Capacity / Technical Specs
Zamil Offshore Co. Main Shipyard	King Abdulaziz Port Dammam,	Ship lift, repair berths, fabrication and engineering workshops, floating crane	Yard area ~121,400 m ² ; quay length ~500 m; ship lift 1,500 t; max vessel ~80 m length / 15 m beam; ~9 dry berths ²⁷
Jeddah Shipyard	Jeddah Islamic Port (Red Sea)	Floating docks, repair berths, and engineering workshops	Two floating docks with lifting capacities of 11,000 tonnes and 19,000 tonnes, along with two repair piers for vessel berthing and maintenance operations ²⁸
Dammam Shipyard Expansion / Second Yard	King Abdulaziz Port	Additional shipbuilding and repair capacity adjacent to the original yard	~230,000 m ² facility with ~700 m quayside ²⁹

Table 4.4: Yards operated by Zamil

26. The company states it has built around 80 vessels since entering shipbuilding in 2002, largely for oil & gas companies, port authorities, and defence applications. The yard has manufactured specialised offshore vessels like Diesel-Electric & Rolls Royce UT AHTS, supply/safety/DP2/dive support vessels, utility/work/crew boats, buoy handlers, harbour tugs, firefighting vessels, pilot boats.³⁰ Zamil notes that its shipyards operate 24/7 for ship and rig repair, shipbuilding and offshore construction, and that its Dammam operation manages King Abdulaziz Port movements (roughly 2,500 vessel movements annually), integrating tug, floating crane and port services with yard activities.³¹

27. **Assessment.** In sum, Zamil Shipyard is not an attractive investment for Indian shipyards primarily because it specialises in small, specialised vessels — like OSVs, AHTS tugs, crew boats, and harbour craft, which do not align with India’s strategic focus on large commercial tonnage that drives up domestic yard capacity.

²⁷ Maritime Union, “Zamil Offshore Services Company”, <https://maritime-union.com/company/zamiloffshoreservicescompany>.

²⁸ Oil, Gas, Petrochemicals and Renewables, “Zamil Offshore Restructures, to spin off three divisions”, OGN, 21 September 2015, https://ognnews.com/Article/39954/Zamil_Offshore_restructures_to_spin_off_three_divisions.

²⁹ Al Defaiya, “Navantia, Zamil Shipyard to Cooperate on Future Saudi Naval Projects”, *Arabian Defence and Aerospace Business*, 18 February 2021, <https://www.defaiya.com/news/Joint%20Ventures/Joint%20Ventures/2021/02/18/navantia-zamil-shipyard-to-cooperate-on-future-saudi-naval-projects>.

³⁰ Zamil, “Services”, Zamil Port Operations, <https://www.zamiloffshore.com/page/shipyards/Services>.

³¹ Zamil, “Services”, Zamil Port Operations.

UNITED ARAB EMIRATES (UAE)

28. **Overview.** The UAE Offshore and Commercial Ship Repair Market is projected to experience steady growth, with an estimated market value of USD 569.2 million in 2024, expected to expand to USD 802.3 million by 2031, reflecting a 5.0 per cent compound annual growth rate (CAGR) over the forecast period.³² UAE represents an accessible and financially attractive shipyard investment destination in West Asia, characterised by liberal foreign direct investment policies and world-class maritime infrastructure.

29. From a macro-perspective, the UAE's maritime policy environment presents optimal conditions for Indian investment. Federal Decree-Law No. 32/2021 eliminated foreign ownership restrictions, allowing 100 per cent foreign equity participation in most sectors, including shipbuilding and maritime services (except those directly related to military or national security facets³³). At the 13th Joint Defence Cooperation Committee Meeting held in 2025, India and the UAE held discussions on potential avenues for cooperation with a specific reference to “opportunities in shipbuilding, including refits and upgrades, and maintenance of common platforms”.³⁴ This represents formal government endorsement of India-UAE shipyard cooperation, providing political legitimacy and official backing for Indian investments in UAE-based maritime facilities.

30. A major drawback in the landscape of the Emirati shipbuilding and repair industry is the lack of human-resources required in this domain. Expatriates constitute roughly 85–90 per cent of the population, while Emirati nationals form a small minority and are predominantly employed in the public sector and government-linked entities.³⁵ As a result, labour-intensive industries — including shipbuilding and maritime services — remain heavily dependent on expatriate labour, particularly for skilled technicians and blue-collar workers.³⁶ Emiratisation

³² Metastat, “UAE Offshore and Commercial Ship Repair Market By Type (Drydock Repair Services, Afloat Repair Services, Engine and Machinery Repair, Hull and Structural Repair, Electrical and Electronic System Repair, Piping and HVAC Systems Repair, and Others), By Application (Offshore Support Vessels, Commercial Cargo Vessels, Tankers, Barges, Naval and Defense Vessels, and Yachts and Leisure Boats), By Vessel Size (Small Vessels, Medium Vessels, Large Vessels, and Very Large Vessels), Industry Analysis, Size, Share, Growth, Trends, and Forecasts 2024-2031”, *Metastat Insight and Technologies Pvt. Ltd.* 11 August 2024. <https://www.metastatinsight.com/report/uae-offshore-and-commercial-ship-repair-market>.

³³ Insight, “UAE Law Now Allows 100% Foreign Ownership”, *Kayrouz & Associates*, 26 September, 2025. <https://www.kayrouzandassociates.com/insights/uae-foreign-ownership-2025#:~:text=UAE%20Law%20Now%20Allows%20100%25%20Foreign%20Ownership,-While%20earlier%20foreign&text=Under%20the%20new%20law%2C%20there,certain%20restrictions%20and%20strict%20procedures>.

³⁴ Press Information Bureau, “India & UAE Commit to Deepening Defence Partnership at 13th Joint Defence Cooperation Committee Meeting”, *Ministry of Defence, Government of India*, 30 July 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2150322>.

³⁵ “What Is Emiratisation? The UAE's Push to Move Over Half of Insurance Sector Jobs in Emirati Hands by 2030.” *Times of India*, 12 June 2025, <https://timesofindia.indiatimes.com/world/middle-east/what-is-emiratisation-uaes-push-to-move-over-half-of-insurance-sector-jobs-in-emirati-hands-by-2030/articleshow/121787582.cms>.

³⁶ Mohammed Al Zaabi, “Naval Shipbuilding Industry in Abu Dhabi and Complexity in Strategic Decision Implementation: explorative qualitative research with a case study approach”, *Abu Dhabi University*, 2015. <https://repository.adu.ac.ae/server/api/core/bitstreams/1debec21-6571-4456-ad2b-2ba1a9f7e388/content>.

policies require private companies to hire UAE nationals who command salary packages twice that of Western or Asian experts, whilst the shortage of local marine engineering education and preference for government jobs creates persistent skills gaps and cost pressures for investors who can navigate

31. Emiratisation requirements whilst leveraging the UAE’s openness to international expertise.³⁷ This, as highlighted earlier, makes it difficult for Indian shipyards to leverage the Indian diaspora and expatriate labour. For this report, the following shipyards in the UAE have been identified as potential partnership opportunities for Indian shipyards:

Ser	Shipyards & Location	Ownership / Listing	Primary Focus
(a)	Drydocks World (DDW), Dubai	Subsidiary of DP World, an Emirati multinational logistics company	New builds, VLCC/tanker conversions, offshore fabrication
(b)	Abu Dhabi Ship Building (ADSB), Abu Dhabi	Publicly owned (AD Ports) EDGE Group - UAE state-owned defence conglomerate headquartered in Abu Dhabi.	Build and repair naval and commercial vessels
(c)	Safeen Drydocks (Noatum), Khalifa Port, Abu Dhabi	JV between AD Ports and Premier Marine Engineering Services	Build and repair OSVs, tankers

Table 4.5: Shipyards in the UAE for Partnerships



Figure 4.3: Shipyards in the UAE Identified for Partnerships

³⁷ Rachid Zeffane and Linzi Kemp, “Emiratization: Benefits and Challenges of Strategic & Radical Change in the United Arab Emirates”, *Case Studies in People Management, Strategy and Innovation*, 2019, DOI:10.4337/9781788975599.00049.

Drydocks World (DDW), Dubai

32. Drydocks World–Dubai (DDW) is one of the largest ship repair and conversion yards in the Middle East, located adjacent to Port Rashid in Dubai and owned 100 per cent by DP World. DDW is situated adjacent to Port Rashid and has historically been recognised as one of the largest and most significant drydock facilities in the Persian Gulf. This location places DDW close to the key Gulf crude loading ports and to the Strait of Hormuz, through which around 20 per cent of world oil consumption transits, primarily from producers such as Saudi Arabia, the UAE, Iraq, and Kuwait. For India specifically, an estimated 40–50 per cent of crude oil imports and 54 per cent of natural gas imports have moved through Hormuz, underlining the strategic dependence of India on this corridor.³⁸

33. **Economic Factors.** In 2017, DP World acquired 100 per cent of DDW for USD 225 million.³⁹ For an Indian investor, this means that direct equity participation or majority ownership is not feasible without DP World’s approval. Any investment would likely need to be structured as a strategic partnership, minority stake, joint venture on specific projects, or contractual collaboration with DP World. As a part of the larger DP World conglomerate, specific yard-level financial metrics of DDW have not been broken down. However, DP World’s 2025 preliminary results presentation highlights a strong segment performance, indicating a robust economic position for DDW.

34. The marine services segment — led primarily by DDW — generated roughly USD 4.6 billion in revenue in 2025, marking a substantive contribution to group revenues. This figure reflects 13.0 per cent growth year-on-year, indicating that marine services are expanding at a solid pace relative to other divisions. In the same period, adjusted EBITDA for marine services increased by about 14.7 per cent to USD 1.095 billion, with an EBITDA margin of roughly 23.8 per cent — underscoring consistent profitability and operational leverage in this segment.⁴⁰ While DDW’s 100 per cent ownership by DP World and strong economic position indicate that acquiring a controlling stake is not feasible, pursuing project or service-specific partnerships by Indian yards is possible. In 2025, India’s Cochin Shipyard Ltd (CSL) signed an MoU with DDW to develop ship repair clusters in India, including an advanced ecosystem in Kochi.⁴¹ This deal indicates that DDW is partnership-friendly, especially for Indian firms seeking Gulf access or tech integration — ideal for Indian yards eyeing similar non-equity routes.

³⁸ The Economic Times, “Explainer: Why the Strait of Hormuz matters to India’s energy security — and what happens if it closes,” *ET Energy World*, 23 June 2025, <https://energy.economictimes.indiatimes.com/news/power/strait-of-hormuz-a-major-concern-for-indias-energy-security/122024804>.

³⁹ Marcus Hand, “DP World buying Drydocks World and Dubai Maritime City for \$405m”, *Seatrade Maritime News*, 19 September 2017, <https://www.seatrade-maritime.com/terminals/dp-world-buying-drydocks-world-and-dubai-maritime-city-for-405m>.

⁴⁰ DP World, “Preliminary Results Presentation”, *DP World Presentation*, 12 March 2026, <https://dpw-p-001.sitecorecontenthub.cloud/api/public/content/2f29f108609b4654b5ae44c1490047f3?v=6b8f1f92>.

⁴¹ PSU Connect, “Cochin Shipyard signed MoU with Drydocks World and DP World”, *PSU Connect*, <https://www.psuconnect.in/memorandum-of-understanding/cochin-shipyard-signed-mou-with-drydocks-world-and-dp-world>.

35. The takeaway for Indian yards is that DDW should be used as a capacity and market-access multiplier via project- and service-specific partnerships. While DDW has already partnered with CSL, this does not necessarily preclude cooperation with other Indian yards on specialised projects, although CSL is realistically likely to remain its primary Indian partner.

36. **Technical Factors.** DDW's physical infrastructure is among the most extensive in the region. It occupies around 200 ha and is equipped with four dry-docking facilities, including three large graving docks — 366 m × 66 m, 521 m × 100 m, and 411 m × 80 m — and a 205 m × 34 m floating dock, allowing it to handle some of the largest vessels afloat. The yard provides over 3,700 m of berthing space, including roughly 2,400 m of repair berths, accessed through a 350 m-wide entrance channel. For construction and heavy fabrication, it includes a 120 m × 60 m hydro-lift, a 16,500 m² grand assembly area, 14,400 m² panel assembly halls, outfitting areas, and steel production capacity of about 2,500 t per month. Fabrication infrastructure allows prefabricated blocks of up to 1,750 t, with 9,933 m² of open welding areas, 15,650 m² of workshops, and a 1,350 m² pipe fabrication shop capable of producing more than one million pipe-inches annually. Heavy-lift capabilities include a 2,000-t floating crane alongside 300-t gantry and Kone cranes, while surface treatment facilities can process over 1.7 million m² of hull area per year. The yard is also expanding through a 70,000 m² South Yard dedicated to newbuilding and offshore energy structures.⁴²

37. Between 1994 and 2024, DDW has undertaken 750 repair projects and completed ~70 newbuild projects.⁴³ DDW has a strong track record in offshore and gas-related projects, including conversions and upgrades of FPSOs, FSRUs, and other production vessels, as well as refurbishment and life-extension work on offshore drilling rigs. In 2025, DDW secured major contracts for the AMIGO LNG floating liquefied natural gas (FLNG) project, which is planned to produce about 4.2 million tonnes per annum (MTPA) of liquefied natural gas. The work includes the conversion of two liquefied natural gas carriers into floating storage units (FSUs) and the construction of two new floating liquefied natural gas (FLNG) barges, integrating liquefaction and gas-processing systems. The project will support LNG exports from Mexico using natural gas sourced from the Permian Basin in the United States, with output targeted primarily for Asian markets.⁴⁴ The contracts highlight Drydocks World's role in delivering complex offshore energy infrastructure, particularly the conversion and construction of floating production and storage assets for the global LNG supply chain.

38. **Assessment.** Technically, DDW's experience in FPSO/FSO/FSRU conversions, modular FLNG barge construction, and large-scale offshore fabrication offers immediate synergies with Indian national requirements in energy security and offshore development. India's

⁴² Ship Technology, "Drydocks World-Dubai Shipyard, United Arab Emirates", *Ship Technology*, 6 September 2022, <https://www.ship-technology.com/projects/drydocks-world-dubai-shipyard/>.

⁴³ Riviera, "Dramatic turnaround sees Drydocks World Dubai win more wind work", *Riviera*, 11 December 2024, <https://www.rivieramm.com/opinion/opinion/dramatic-turnaround-sees-drydocks-world-dubai-win-more-wind-work-37438>.

⁴⁴ The Maritime Standard. "Major FLNG Conversion Contracts Awarded to Drydocks World." *The Maritime Standard*, 01 September 2025, <https://www.themaritimestandard.com/major-flng-conversion-contracts-awarded-to-drydocks-world/>.

own yards are only now gaining the infrastructure to handle very large LNG carriers and rigs, and they lack DDW's decades of reference projects. However, given DDW's integration with DP World and its improved financial standing, a realistic entry route for an Indian investor is likely to happen in the form of a joint venture focused on specific project types.

Abu Dhabi Ship Building (ADSB)

39. Abu Dhabi Ship Building (ADSB) is the naval shipbuilding arm of the UAE's EDGE Group, specialising in the design, construction, repair, and life-cycle support of military and commercial vessels from its main yard in Abu Dhabi's Mussafah Industrial Zone. The company has evolved from a UAE Navy repair yard established in the mid-1990s into an advanced yard, with a portfolio that includes corvettes, offshore patrol vessels (OPVs), fast attack craft, small boats, and complex commercial offshore vessels.⁴⁵

40. ADSB is located in the Mussafah industrial zone of Abu Dhabi in the United Arab Emirates, a strategic maritime hub along the Persian Gulf. The yard occupies approximately 333,000 m² and lies close to key regional maritime corridors connecting the Persian Gulf and the Indian Ocean.⁴⁶ This geography places the yard adjacent to one of the world's most energy-intensive maritime regions. For an Indian investor, ADSB offers three distinct attractions: its geographic position astride key energy and trade routes, and a reasonably scaled, technology-rich yard with an established naval client base and strong state backing through EDGE. Nevertheless, with respect to foreign investment, defence, banking, telecoms, and certain energy-related activities continue to be treated cautiously. Given that ADSB is both a defence contractor and a key sovereign asset under EDGE, any Indian equity stake would almost certainly be a JV and would require political-level clearance.

41. **Economic Factors.** ADSB's core domestic customer is the UAE Ministry of Defence and UAE Navy, for which it has delivered major surface combatants such as the Baynunah-class corvettes and is currently executing the Falaj-3 class offshore patrol vessel/missile boat programme. In 2021, the company secured a 3.5 billion AED (approximately USD 950 million) contract from the UAE Navy to build four Falaj-3 OPVs, described as the largest order in the company's history.⁴⁷

42. On the export side, ADSB has moved beyond Gulf Cooperation Council (GCC) customers into the wider Indian Ocean and African markets. In 2025, its parent company, EDGE Group, announced a record AED 9 billion (~USD 2.45 billion) contract with the Kuwait

⁴⁵ Fareed Rahman, "Abu Dhabi Ship Building expects surge in military orders and sets Dh3bn revenue target", *The National*, 27 February 2026, <https://www.thenationalnews.com/business/economy/2026/02/27/abu-dhabi-ship-building-expects-surge-in-military-orders-and-sets-dh3bn-revenue-target/>.

⁴⁶ Fareed Rahman, "Abu Dhabi Ship Building expects surge in military orders and sets Dh3bn revenue target", *The National*, 27 February 2026, <https://www.thenationalnews.com/business/economy/2026/02/27/abu-dhabi-ship-building-expects-surge-in-military-orders-and-sets-dh3bn-revenue-target/>.

⁴⁷ Gulf News Report, "Abu Dhabi Ship Building lands its biggest contract ever, of Dh3.5b, from UAE Navy", *Gulf News*, 18 May 2021, <https://gulfnews.com/business/markets/abu-dhabi-ship-building-lands-its-biggest-contract-ever-of-dh35b-from-uae-navy-1.1621329981767>.

Ministry of Defence for FALAJ-3 class 62-m missile boats, with EDGE as prime contractor and ADSB responsible for vessel construction and integration at its UAE yard.⁴⁸ ADSB is also delivering the BR71 Mk II programme for the Angolan Navy in partnership with the French shipbuilder Constructions Mécaniques de Normandie, with one vessel built in Abu Dhabi and another in France.⁴⁹ Alongside military exports, ADSB is diversifying into dual-use platforms such as ambulance and hospital vessels and has signed an MoU with Arab Shipbuilding and Repair Yard (Bahrain) to jointly develop auxiliary naval and port craft, reflecting a regional strategy centred on collaborative export programmes and shared shipbuilding capacity.⁵⁰

43. From a financial perspective, according to ADSB's latest publicly available unaudited financials (H1 2025), indicate a cyclical slowdown following the stronger 2023–2024 period, reflecting the milestone-based nature of shipbuilding contracts. Contract revenue declined 26% year-on-year to AED 517.93 million (~USD 141 million) from AED 704.41 million (~USD 192 million), while gross profit fell to AED 34.91 million (~USD 9.5 million) and operating cash flow dropped to AED 217,000 (~USD 59,000). Despite the decline, the newbuild and engineering segment remained the main revenue driver at AED 381.56 million (~USD 104 million) — about 74% of total revenue—supported by naval construction programmes such as the Falaj 3 class. Other segments, including military repairs, small boats, mission systems, and commercial repairs, generated smaller revenues and in some cases losses, reflecting weaker activity in lower-margin lines.⁵¹ Overall, the results highlight ADSB's project-driven revenue volatility but underline the resilience of its core naval shipbuilding business.

44. For an Indian shipyard investor, engagement with ADSB should be pursued primarily through strategic partnership or programme-based collaboration. ADSB's relatively stable economic position and strong pipeline of naval contracts from the UAE Ministry of Defence and participation in export programmes through EDGE Group indicate stable demand in patrol vessels and medium combatants. Its partnerships with foreign builders demonstrate openness to collaborative production models and build export orders in foreign yards. Indian shipyards should therefore focus on co-production and joint export programmes for patrol vessels, corvettes, and auxiliary craft, using ADSB as a regional gateway to Gulf and African defence markets. Such collaboration would allow Indian firms to expand export orders, access regional procurement networks, and transfer production experience back to domestic facilities, thereby strengthening India's own naval shipbuilding capacity.

⁴⁸ Abu Dhabi Shipbuilding, "EDGE Signs Record-Breaking AED 9 Billion Naval Contract with Kuwait Ministry of Defence", *ADSB*, 3 June 2025, <https://adsb.ae/news/edge-signs-record-breaking-aed-9-billion-naval-contract-kuwait-ministry-defence>.

⁴⁹ EDGE Group, "EDGE Announces Launch of First-of-Class Corvette for the Angolan Navy", EDGE, 10 March 2026, <https://edgegroup.ae/news/edge-announces-launch-first-class-corvette-angolan-navy>.

⁵⁰ Abu Dhabi Shipbuilding, "Abu Dhabi Ship Building, Arab Shipbuilding and Repair Yard Partner to Promote Regional Excellence in Production of Commercial Naval Vessels", *ADSB Press Release*, 18 February 2025, <https://adsb.ae/news/abu-dhabi-ship-building-arab-shipbuilding-and-repair-yard-partner-promote-regional-excellence>.

⁵¹ Will Xavier, "Abu Dhabi Ship Building's H1 2025 results show revenue and profit drops; newbuild segment remains top earner", *Baird Maritime*, 14 August 2025, <https://www.bairdmaritime.com/security/naval/naval-ships/abu-dhabi-ship-buildings-h1-2025-results-show-revenue-and-profit-drops-newbuild-segment-remains-top-earner>.

45. **Technical Factors.** Abu Dhabi Ship Building (ADSB) operates two primary shipyard facilities in Abu Dhabi used for shipbuilding, repair, and maintenance: the Mussafah main shipyard and a floating dry-dock repair facility at Zayed Port. The yard’s infrastructural specs are tabulated below:

Shipyard / Facility	Location	Main Function	Key Infrastructure Specifications
Mussafah Main Shipyard ⁵²	Mussafah Industrial Area, Abu Dhabi, UAE	Primary naval shipbuilding, repair, and integration yard	• Yard area: ~330,000 m² • Synchrolift system for docking vessels up to 80 m × 20 m • 2,000-ton lifting capacity • Fabrication, electrical, mechanical, composite, and welding workshops • Supports construction of patrol vessels, corvettes, and naval craft
Mina Zayed Floating Dry-Dock Facility ⁵³	Zayed Port (Mina Zayed), Abu Dhabi	Large-vessel repair, maintenance, and drydocking	• Floating dry dock: 180 m length × 30 m width • Can dock vessels up to 180 m LOA • Structural, mechanical, pipe and electrical repair capabilities • Dedicated berth of ~430 m quay wall and ~12,000 m² yard area

Table 4.6: Infrastructural Capacities of ADBS’s Yards

46. **Assessment.** For an Indian shipyard investor, the key takeaway from the infrastructure profile of Abu Dhabi Ship Building is that the yard is optimised for small- to medium-sized naval vessels rather than large-scale commercial shipbuilding. This means that investment should be approached not to expand heavy shipbuilding capacity, but rather as an opportunity to collaborate in the production, repair, and export of smaller combatants and auxiliary naval craft, particularly for Gulf and African markets.

Safeen Drydocks

47. Safeen Drydocks is a primarily ship repair facility, operating at the Khalifa Port in Abu Dhabi. This location provides a significant strategic advantage because the port lies close to the Strait of Hormuz, through which a substantial share of global oil/energy exports transit, making

⁵² Paolo Valpolini, “Inside EDGE – ADSB, the Group arm in the naval domain”, *European Defence Review*, 11 March 2024, <https://www.edrmagazine.eu/adsb-the-edge-arm-in-the-naval-domain>.

⁵³ The National Staff, “Abu Dhabi shipbuilder’s huge floating drydocks up and running at Mina Zayed”, *The National*, 30 August 2016, <https://www.thenationalnews.com/business/abu-dhabi-shipbuilders-huge-floating-drydock-up-and-running-at-mina-zayed-1.158850>.

the region a high-traffic zone for tankers, offshore service vessels, and bulk carriers. This proximity ensures a steady demand for ship repair and maintenance services for vessels operating between Asia, Europe, and the Middle East energy markets.

48. From an Indian perspective, Safeen's location provides a strong gateway to West Asian, East African, and Mediterranean maritime markets. Furthermore, the port of Khalifa is linked to Indian western-coast ports of Jawaharlal Nehru, Kandla, and Mundra under the India-Middle East-Europe Economic Corridor (IMEC).⁵⁴ This creates a framework where Indian shipyards could develop partnerships with Safeen to serve vessels operating in this corridor. In this context, Safeen Drydocks sits within a port that is both a logistics gateway for India-UAE trade and a designated node in a future IMEC network, enhancing the strategic relevance of any Indian equity participation in the yard or its parent cluster.

49. **Economic Factors.** Safeen is a JV between Premier Marine Engineering Services (49%) and AD Ports Group (51 per cent), listed on the Abu Dhabi Securities Exchange as ADPORTS.⁵⁵ AD Ports achieved a total revenue of AED 20.8 billion (about USD 5.66 billion), representing a 20 per cent year-on-year increase, while net profit reached AED 2.1 billion (~USD 572 million), up 17 per cent compared with 2024.⁵⁶ The results also show that the Maritime & Shipping cluster — within which SAFEEN operates — was the largest revenue contributor to AD Ports Group. This segment generated AED 10.7 billion (approximately USD 2.9 billion) in revenue in 2025, accounting for about 51 per cent of the group's total revenue, reflecting strong growth in shipping, offshore services, and marine operations.⁵⁷

50. A key economic development related to SAFEEN is its international expansion strategy. SAFEEN Drydocks recently acquired Astilleros Balenciaga, a Spanish shipyard, for approximately €11.2 million (about USD 12.8 million), bringing European shipbuilding expertise into the group's portfolio.⁵⁸ This not only indicates Safeen's strong economic position but also highlights the firm's willingness to partner with foreign shipyards. Indian yards can possibly leverage the Khalifa port-Indian west-coast port nexus within the IMEC to segue into possible JVs for ship-repair at the Safeen dry dock facility.

51. **Technical Factors.** SAFEEN Drydocks comprises a 45,000 m² shipyard and repair facility at Khalifa Port, providing direct deep-water access and integration with nearby port

⁵⁴ Mohammad Shahnawaz, "Strategic Crossroads: Exploring the Geopolitical Dimensions of the India-Middle East-Europe Economic Corridor", *Financial Express*, 14 September 2023, <https://www.financialexpress.com/business/defence-strategic-crossroads-exploring-the-geopolitical-dimensions-of-the-india-middle-east-europe-economic-corridor-3243568/>.

⁵⁵ Noatum Marine, "AD Ports Group Enters the Drydocking and Repair Market via Joint Venture with Premier Marine Engineering Services", 26 June 2023, <https://www.noatummaritime.com/news-media/ad-ports-group-enters-the-drydocking-and-repair-market-via-joint-venture-with-premier-marine-engineering-services.html>.

⁵⁶ AD Ports Group, "Revenue of AED 20.8 Billion, +20% YoY, and Net Profit of AED 2.1 Billion, +17% YoY," 13 February 2026, <https://www.adportsgroup.com/en/news-and-media/2026/02/12/ad-ports-group-reports-record-2025-revenue>.

⁵⁷ Gary Howard, "Expansion lifts AD Ports box volumes 23% in 2025", *Seatrade Maritime*, 13 February 2026, <https://www.seatrade-maritime.com/ports-logistics/expansion-lifts-ad-ports-box-volumes-23-in-2025>.

⁵⁸ Noatum Maritime, "AD Ports Group Expands Operations in Spain with Acquisition of Balenciaga Astilleros Shipyard," 20 January 2026, <https://www.noatummaritime.com/news-media/ad-ports-group-expands-operations-in-spain-with-acquisition-of-balenciaga-astilleros-shipyard.html>.

terminals and the Khalifa Industrial Zone Abu Dhabi (KIZAD) industrial cluster. The yard includes a 350-metre quay wall for afloat repairs, enabling maintenance of vessels that do not require full docking and allowing multiple ships to be serviced simultaneously alongside floating docks.⁵⁹ The facility is centred around a floating dry dock system of roughly 120 m and 230 m, capable of handling medium-to-small-sized vessels, including feeder container ships, offshore support vessels, barges, smaller tankers and bulk carriers, and certain jack-up barges, subject to beam and draft constraints. Additional project information indicates a floating dock capable of handling vessels up to about 117 m and a jetty of around 500 m, highlighting that the yard is designed primarily for high-throughput repair and maintenance of medium-sized vessels rather than large container ships.⁶⁰

52. Because the yard only began operations in mid-2023, publicly available details of specific ships docked or repaired at Safeen Drydocks are sparse, with official communications referencing barge construction and generic capability to handle a range of commercial and offshore vessels. Since commencing operations in 2023, SAFEEN Drydocks has begun shipbuilding activity with the construction of two barges for a UAE-based client, while the facility is designed to support future repairs of vessel types as listed above.⁶¹

53. **Assessment.** For an Indian investor, Safeen Drydocks represents an opportunity to gain equity exposure to a Gulf maritime services asset situated at a critical junction of India-linked trade and energy routes, backed by a financially strong and rapidly expanding ports and logistics group. However, the yard's short operating history, absence of public yard-level financials, lack of service records, limited capacity, and competition from established regional repair hubs pose significant risks.

OMAN

54. **Overview.** Oman, located on the southeastern coast of the Arabian Peninsula, offers direct access to key maritime trade routes, making it an attractive hub for shipbuilding, repair, and logistics. The country has been actively developing its maritime infrastructure, offering modern shipyard facilities, free zones, and incentives for foreign investors.

55. Oman's Vision 2040 sets a transformative roadmap to diversify the economy away from oil dependence by 2040, prioritising technology-led growth, private-sector empowerment, and international partnerships; it identifies transport and logistics as strategic pillars under its "Economic Diversification and Fiscal Sustainability" and "Private Sector, Investment, and

⁵⁹ AD Ports Group, "AD Ports Group Enters the Drydocking and Repair Market via Joint Venture with Premier Marine Engineering Services", 26 June 2023, <https://www.adportsgroup.com/en/news-and-media/2023/06/26/ad-ports-group-enters-the-drydocking-and-repair-market>.

⁶⁰ AD Ports Group, "AD Ports Group Enters the Drydocking and Repair Market via Joint Venture with Premier Marine Engineering Services," 26 June 2023, <https://www.adportsgroup.com/en/news-and-media/2023/06/26/ad-ports-group-enters-the-drydocking-and-repair-market>.

⁶¹ Marine Link, "SAFEEN Drydocks - a New Name in Middle East Ship Repair," 26 June 2023, <https://www.marinelink.com/news/safeen-drydocks--a-new-name-in-middle-east-ship-repair-506073>.

International Cooperation” priorities, thereby fostering shipyard modernisation⁶². From a bilateral macro-perspective, the 2019 Agreement on Maritime Transport and Ports between India and Oman creates a bilateral institutional mechanism, through a Joint Maritime Committee for cooperation in commercial shipping, shipbuilding, repairs, ship recycling, maritime training, and port services; it guarantees non-discriminatory treatment of each country’s vessels, permits wholly owned or joint ventures in maritime activities, facilitates mutual acceptance of certificates, and streamlines crew visas and technical exchanges to support seamless cross-investment and operational collaboration.⁶³ Thus, any Indian investment in the country would align with national goals and be supported and secured by additional political agreements between the two nations.

56. The economic landscape of Oman presents compelling investment opportunities for Indian shipyards, driven by the sultanate’s successful attraction of over RO 1 billion (approximately USD 2600 million) in foreign direct investment across its free zones in 2023, with a majority share of RO 727.5 million (USD 1892 million) flowing into Salalah Free Zone and RO 135.8 million (USD 353.1 million) into Sohar Free Zone.⁶⁴ However, while these present promising opportunities, the economic environment reveals significant gaps that Indian companies must navigate. Particularly, the dominant position of Chinese investment is exemplified by the USD10 billion China-Oman Industrial Park at Duqm, which represents the largest single-country project in the Special Economic Zone and has fundamentally altered the competitive dynamics of maritime infrastructure development in the region.⁶⁵ In 2025, an agreement was signed to develop a new shipbuilding and repair hub in Musandam through the Musandam Global Investment Company (MGIC) and Turkish partners, with an initial USD15 million investment to construct and maintain fishing vessels, tugboats, and service vessels up to 35 metres.⁶⁶ The phased project will start with slipways, workshops, and facilities for smaller vessels, before scaling to larger ships and integrating advanced technologies, while also creating jobs, training local youth, and supporting Oman’s Vision 2040 goals of industrial diversification. This presents possibilities for Indian shipyards to, through diplomatic negotiations, secure similar opportunities.

57. Oman’s shipbuilding industry rests on a predominantly expatriate workforce, with expatriates making up 68 per cent of the total workforce and 86 per cent of private sector

⁶² Oman Vision 2040, “Oman Vision 2040, its priorities and objectives”, *Oman Vision 2040 Implementation Follow-up Unit* (2020), <https://www.oman2040.om/?lang=en>.

⁶³ Legal and Treaties Division, “Agreement between the Government of the Republic of India and The Government of the Sultanate of Oman on Maritime Transport,” *Ministry of External Affairs, Government of India*. (2019) <https://www.mea.gov.in/Portal/LegalTreatiesDoc/OM19B3710.pdf>.

⁶⁴ Conrad Prabhu, “Aysad-Affiliated Free Zones Attract FDIs of over RO 1 billion in 2023,” *Oman Observer*. 05 June, 2024. <https://www.omanobserver.om/article/1154702/business/asyad-affiliated-free-zones-attract-fdis-of-over-ro-1-billion-in-2023>.

⁶⁵ Otari Kakhidze, “The Special Economic Zone at Duqm, Oman: A Chinese-Invested Strategic Port.” Chapter In *a Casebook on Chinese Outbound Investment: Law, Policy, and Business*, edited by Matthew S. Erie, 172–94 (2025). DOI: <https://doi.org/10.1017/9781009457859.012>

⁶⁶ Jomar Mendoza, “Shipbuilding Hub to Boost Musandam’s Economy”, *Oman Observer*. 5 June, 2025. <https://www.omanobserver.om/article/1171588/business/economy/shipbuilding-hub-to-boost-musandams-economy>.

employment, mainly in construction, domestic work, and trade.⁶⁷ These roles, ranging from general maintenance technicians and drilling fluid engineers to quality officers and marine supervisors, are increasingly under review: Ministerial Decision No. 501/2024 now reserves more than 30 such occupations exclusively for Omani nationals, including ship mooring and stabilisation workers, labour supervisors, and quality controllers.⁶⁸ This shift aims to improve local employment rates but creates immediate challenges for shipyards reliant on cost-effective expatriate labour. Indian investors must therefore navigate emerging localisation requirements by investing in Oman-based training centres or partnering with local firms to ensure compliance while maintaining operational efficiency. The demographic pressure of Oman’s small local population means that shipyards will continue to depend on expatriate specialists, especially for high-tech roles in digital ship design and automated yard management. Yet, as Oman Vision 2040 emphasises “empowering the private sector” and “enhancing human capital,” there is room for Indian shipyards to establish scholarship-backed apprenticeships, certification centres, and joint R&D labs. By offering tiered training for both unskilled and skilled positions, Indian companies can mitigate localisation risks, develop a reliable talent pipeline, and support Oman’s broader socio-economic objectives of creating a diversified, knowledge-driven maritime sector.⁶⁹

58. The following shipyards in Oman have been identified as potential partners for collaboration with Indian shipyards:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Asyad Drydock – Port of Duqm, Oman	State-owned (under the Oman Investment Authority)	Large-scale ship repair, maintenance, and conversion for VLCCs, LNG carriers, container ships, bulk carriers, and offshore vessels
(a.1)	Duqm Naval Dockyard – Port of Duqm, Oman (Duqm Naval Dockyard operates a dedicated portion of the Asyad Drydock)	Joint venture between Asyad and the UK-based defence engineering firm Babcock International Group	Naval ship maintenance, refits, lifecycle support, and defence vessel repair

Table 4.7: Shipyards in Oman Identified for Partnerships

⁶⁷ Bilal Tabti and Haytem Troug, “Labour Market Dynamics in Oman – Oman”, *International Monetary Fund*, April 2025. DOI: <https://doi.org/10.5089/9798229008174.018>.

⁶⁸ Times News Service, “Ministry of Labour expands list of professions barred for expat workers in Oman”, *Times of Oman*. 01 September 2024. <https://cdn-3.timesofoman.com/article/149373-ministry-of-labour-expands-list-of-professions-barred-for-expat-workers-in-oman>.

⁶⁹ Oman Vision 2040, “Oman Vision 2040, its priorities and objectives”, *Oman Vision 2040 Implementation Follow-up Unit* (2020), <https://www.oman2040.om/?lang=en>.

Asyad Drydock – Port of Duqm, Oman

59. Asyad Drydock at the Port of Duqm is a large, modern repair and limited newbuilding yard on Oman’s southeastern coast. For India, Duqm’s location outside the Strait of Hormuz on the Arabian Sea, its integration with the Special Economic Zone at Duqm, and India’s access to port and dry-dock facilities—including the allocation of a dedicated Indian zone within the port—make it strategically significant for both commercial maritime engagement and defence cooperation with Oman.⁷⁰

60. From an energy-trade perspective, roughly one-fifth of global oil consumption and a significant share of LNG exports transit the Strait of Hormuz, making it the world’s most critical energy shipping chokepoint. The port is integrated with liquid export facilities linked to the Duqm refinery and associated petrochemical infrastructure within the Special Economic Zone at Duqm. This industrial integration positions the wider complex as an emerging node for petroleum and petrochemical logistics. For an Indian investor involved in maritime or energy logistics, the combination of ship-repair infrastructure, industrial facilities, and proximity to major energy shipping lanes could create opportunities to link drydocking, offshore services, and energy-sector projects within a single maritime-industrial ecosystem.⁷¹ For a prospective Indian investor, these governmental and defence ties substantially de-risk the geopolitical environment and create a policy foundation for deeper commercial–naval synergies at Asyad Drydock.

61. **Economic Factors.** Asyad Drydock is a subsidiary within Asyad Group, Oman’s integrated logistics conglomerate, so the most transparent financial data is at the group level. However, independent reports indicate that the shipyard achieved its strongest operational performance since it began operations in 2011. In 2024, the yard completed 232 ship repair and conversion projects, the highest annual throughput in its history, reflecting growing demand and improved operational efficiency. This strong performance continued into 2025. According to the company’s CEO, revenue in the first half of 2025 increased by about 15% compared with the same period in 2024, indicating sustained financial growth and expanding market reach. The company attributes this momentum to strategic investments in efficiency improvements, digital transformation, workforce development, and global partnerships.⁷²

62. Asyad has also partnered with other foreign firms, signalling a potential blueprint for Indian collaborations. The Duqm Naval Dockyard (DND) was established as a JV between Asyad and Babcock, a UK-based defence engineering firm, Babcock International Group. In 2021, completed its first-of-a-kind double engine replacement on a Royal Navy vessel in West Asia, performing a complex replacement of the Forward Auxiliary Machinery Room generators on the UK frigate HMS Montrose at the Asyad dry dock facility in Duqm.⁷³ The Babcock-Asyad

⁷⁰ Maritime Gateway, “The significance of Duqm port for India”, 15 February 2022, <https://www.maritimegateway.com/the-significance-of-duqm-port-for-india/>.

⁷¹ Port of Duqm, “About”, <https://portofduqm.om/>.

⁷² The Maritime Standard, “Asyad Drydock Confirms Best-Ever Year in 2024,” 01 August 2025, <https://www.themaritimestandard.com/asyad-drydock-confirms-best-ever-year-in-2024/>.

⁷³ Babcock, “Duqm Naval Dockyard completes first of a kind Royal Navy double engine replacement in Middle East” 24 June 2021, <https://www.babcockinternational.com/news/duqm-naval-dockyard-completes-first-of-a-kind-royal-navy-double-engine-replacement-in-middle-east/>.

JV model offers a replicable structure for Indian shipyards seeking forward naval MRO hubs: a minority foreign-expertise partner (Babcock) combines with local infrastructure and SOE backing (Asyad) to deliver high-value, specialised services using the host yard’s docks and workshops, while building local talent. DND’s success on HMS *Montrose*—delivered on time and budget—validated Duqm as a support node for distant operations, a capability Indian yards could emulate by partnering similarly at Duqm to service Indian Navy ships, further reinforced by India’s access to the Port of Duqm under the bilateral MoU.

63. There have also been commercial partnerships between Asyad Group and Indian logistics firms, such as the 2021 tie-up with the Indian firm Zipaworld to expand express courier and logistics services between India and the GCC region, which involved Asyad’s logistics wing (though not specifically the drydock).⁷⁴ It implies that while Asyad Drydock itself has no direct India-focused shipyard partnership, the parent group’s existing commercial links with Indian firms demonstrate openness to collaboration and could provide a foundation for future maritime or industrial partnerships.

64. **Technical Factors.** Technically, Asyad Drydock is a very large facility, covering approximately 1.28 million m² of land and 1.14 million m² of water area. Its infrastructural specs are tabulated below:⁷⁵

Feature	Specification / Details
Total Land Area	~1,280,000 m ²
Water Area	~1,140,000 m ²
Quay Length	2,800 m
Water Depth Alongside	9–10 m
Graving Dock 1	410 m × 95 m × 14.5 m; 600,000 DWT capacity; 40–100 t cranes
Graving Dock 2	410 m × 80 m × 14.5 m; 500,000 DWT capacity; 40–100 t cranes
Floating Dock	~80,000 DWT; commissioned 2023; increases maintenance capacity ~20 %
Berths	Multiple, 350 m – 800 m; each with 40-t jib cranes
Industrial Workshop	>400,000 m ² ; equipped for heavy steel fabrication and industrial projects
Vessel Capacity	600,000 DWT

Table 4.8: Infrastructure of Asyad Drydock

⁷⁴ The Economic Times, “Zipaworld partners with ASYAD Group to expand business in Oman, GCC region”, *ET Times*, 12 May 2021, <https://economictimes.indiatimes.com/industry/transportation/shipping-/-transport/zipaworld-partners-with-asyad-group-to-expand-business-in-oman-gcc-region/articleshow/82569841.cms?from=mdr>.

⁷⁵ Asyad, “About”, Asyad Drydock, <https://asyad.om/maritime/drydock/about>.

65. **Assessment.** An Indian investor must approach with a clear view of risks: the nature of Asyad as a strategic State-asset will lead to restrictions; regional competition from Gulf repair yards will shape pricing and utilisation; and the broader security environment around the region remains volatile. However, India could negotiate a JV with Asyad Drydock along the lines of the Duqm Naval Dockyard model by leveraging strategic, technical, and commercial value. The proposal would emphasise India's role in enhancing maritime security, naval sustainment, and offshore/ship repair capabilities, while contributing technology, skilled workforce, and investment to expand Asyad's industrial and repair capacity. A minority-to-significant equity stake (e.g., 40–49%) with dedicated dock space or berths, joint management, and phased operational responsibilities would mirror the DND structure, allowing India to participate without disrupting existing commercial operations.

BAHRAIN

66. **Overview.** Bahrain has a modest but strategically positioned ship repair industry, rooted in its long maritime tradition. The country's ship repair industry is supported by skilled manpower and modern facilities, making Bahrain a regional hub for maintenance and servicing.⁷⁶

67. Bahrain's political landscape offers a stable and increasingly liberalised environment for Indian shipyards interested in both joint ventures and greenfield maritime opportunities. However, the 2024 amendments to foreign ownership rules represent a recalibration that simultaneously lowers entry barriers whilst ensuring only established multinational corporations can access 100% ownership privileges. The dramatic reduction in minimum local capital requirements from BD 2 million to BD 100,000 (~ USD 5.3 million, BD 100,000 ~ USD 265,000) makes Bahrain significantly more accessible for foreign subsidiaries, but the new parent company criteria requiring operations in at least ten countries and annual revenues exceeding €750 million (~ USD 817.5 million) effectively restricts eligibility to large-scale international players.⁷⁷ However, for Indian shipyards pursuing minority or majority stakes (rather than 100 per cent ownership), Bahrain's October 2024 amendments actually present more accessible opportunities. The traditional foreign ownership route, where companies can acquire up to 49 per cent of Bahraini entities without meeting the stringent parent company criteria, remains unchanged and requires significantly lower capital thresholds. This means Indian shipyards could pursue strategic minority investments, joint ventures, or management contracts with ASRY or other Bahraini maritime entities without needing to demonstrate operations in ten countries or large revenues.

⁷⁶ Trusted Docks, "All shipyards, shipbuilders & docks in Bahrain," "Shipbuilding and Ship Repair Market in Bahrain, *Trusted Docks*, accessed on 27 September 2025. <https://www.trusteddocks.com/catalog/country/20-bahrain>.

⁷⁷ Investment and Policy Monitor, "Amends conditions of foreign ownership", *United Nations Trade and Development*. 18 October 2024. <https://investmentpolicy.unctad.org/investment-policy-monitor/measures/4846/bahrain-amends-conditions-of-foreign-ownership>.

Arab Shipbuilding & Repair Yard (ASRY)

68. The Arab Shipbuilding & Repair Yard (ASRY) in Bahrain has been identified as a potential partner for collaboration with Indian shipyards. The ASRY is located at Hidd on Bahrain's east coast, adjacent to the Khalifa Bin Salman Port and within the Hidd Industrial Area, placing it directly on Gulf shipping lanes used by tankers, bulkers, container vessels, and offshore units transiting towards or returning from Hormuz.

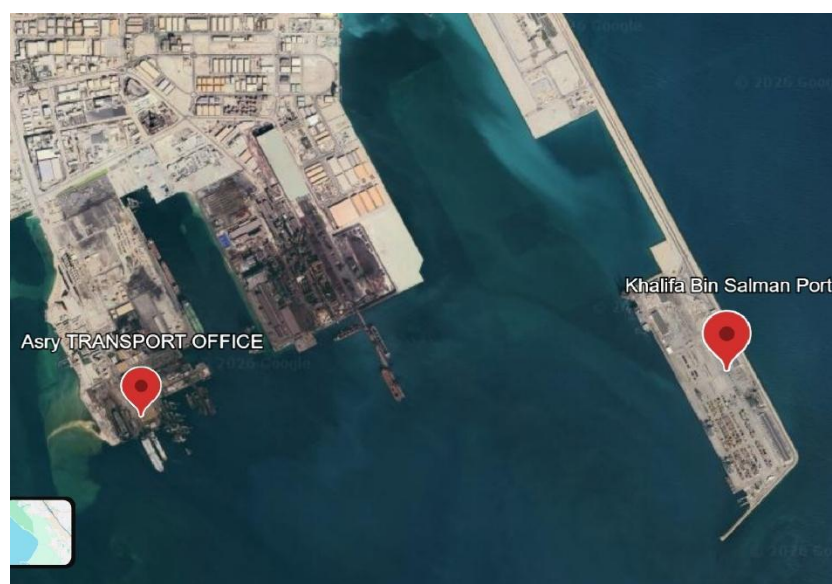


Fig 4.4: Proximity of ASRY to Khalifa bin Salman Port

69. Official ASRY materials highlight that the yard operates within a duty-free zone with on-site customs and immigration offices, enabling parts, equipment, and specialised labour to be brought in without customs charges and with fast processing, which shortens project mobilisation times relative to some competing Gulf yards.⁷⁸

70. **Economic Factors.** In 2024, ASRY saw solid demand for ship-repair work, booking 57 projects, which is higher than the same period in 2023. Although the average value per project dropped about 30 per cent year-on-year, it remains above the five-year average, and the yard did not see the downturn in work that some expected. The balance between regional and international customers is roughly even, and naval repairs continue to be an important part of ASRY's revenue. ASRY is also moving into ship recycling, having already dismantled a small container vessel, and is linked to a government–Maersk MoU to explore establishing a ship-recycling business in Bahrain.⁷⁹

71. According to ASRY's own information, the yard has completed more than 4,500 ship repair and conversion projects since it was established in 1977, averaging roughly 200 repairs per

⁷⁸ Arab Shipbuilding & Repair Yard, "Location Benefits", ASRY, n.d., <https://www.asry.net/About/LocationBenefits/>.

⁷⁹ Seatrade Maritime, "ASRY bookings remain solid as recycling climbs the agenda", 20 September 2024, <https://www.seatrade-maritime.com/sustainability/asry-bookings-remain-solid-as-recycling-climbs-the-agenda>.

year over its four-plus decades of operation.⁸⁰ ASRY's client base spans across Gulf National Oil Company fleets, international drilling contractors, and naval customers, creating a diversified demand profile across both commercial and defence markets. ASRY has completed a series of rig repair and upgrade projects for Saudi-based ADES Holding at its Bahrain facilities in 2025, preparing several jack-up rigs for upcoming drilling campaigns in Nigeria, Thailand, and Brazil. This work reinforces ASRY's role as a trusted regional hub for advanced offshore rig maintenance and conversion for international drilling contractors.⁸¹

72. On the naval side, ASRY has completed over 100 projects for major fleets, including the United States Navy, the United Kingdom's Royal Navy, and the Royal Bahrain Naval Force, providing dockside and afloat maintenance for frigates, destroyers, replenishment ships, and mine countermeasure vessels.⁸² ASRY has strengthened its industrial partnerships both internationally and regionally, signing agreements with Italian defence and shipbuilding firms such as Fincantieri and Leonardo to collaborate on the design, construction, repair, and overhaul of naval vessels up to 80 m, while regionally formalising a MoU with Abu Dhabi Ship Building (ADSB/EDGE Group) to co-develop naval auxiliary vessels and port craft, combining expertise in design, construction, repair, and maintenance across the Gulf maritime sector.⁸³

73. For Indian shipyard investors, ASRY offers a strong opportunity for joint ventures or minority stakes, with a diversified portfolio spanning commercial, offshore, and naval repair, plus expanding ship recycling capabilities (where specifically India can lend its expertise).

74. **Technical Factors.** ASRY offers the following technological capacities and infrastructure:⁸⁴

Facilities/Infrastructure	Capacity/ Specifications
Dock 1	500,000 dwt
Dock 2	120,000 dwt
Dock 3	80,000 dwt
Slipways	2 slipways; vessels up to 15,000 DWT & 4.5 m draft; 2×80 t crawler cranes
Tugs	4 Azimuth Stern Drive (ASD) tugs, and 3 Single Engine Propelled Tugs
Cranes	Total- 15 Cranes
Workshops	Electronically controlled & automated machinery; dedicated steel, pipe, electrical, composite workshops

⁸⁰ ASRY, "Welcome to ASRY", n.d., <https://www.asry.net/MediaManager/Media/Downloads/Introduction-to-ASRY.pdf>.

⁸¹ Offshore Engineer, "ASRY Completes Multiple Rig Upgrades for ADES", 30 December 2025, <https://www.oedigital.com/news/533925-asry-completes-multiple-rig-upgrades-for-ades>.

⁸² ASRY, "Naval Repair and Conversion", <https://www.asry.net/OurServices/CoreServices/NavalRepairConversion>.

⁸³ Melisa Cavcic, "Fincantieri, Roboze, and ASRY pool resources to bolster maritime scene in Arabian Gulf", *Offshore Engineer*, 08 December 2025, <https://www.offshore-energy.biz/fincantieri-roboze-and-asry-pool-resources-to-bolster-maritime-scene-in-arabian-gulf/>.

⁸⁴ ASRY, "Facilities & Infrastructure", <https://www.asry.net/FacilitiesInfrastructure/Facilities/>.

Facilities/Infrastructure	Capacity/ Specifications
Berths	16 alongside repair jetties and berths Continuous berths up to 1,380 m; depth 9–10 m

Table 4.9: ASRY's Infrastructure

75. For an Indian partner, the scale of ASRY's infrastructure reduces the need for immediate heavy capex injection and instead creates space to focus investment on targeted upgrades. ASRY services a wide variety of merchant and commercial vessels, including:⁸⁵

- Tankers (crude, product)
- Chemical carriers
- LPG & LNG carriers
- Bulk carriers
- General cargo & container vessels
- Ro-Ro ships
- Livestock carriers
- Dredgers, barges, and tugs
- Anchor Handling Tugs (AHTs)
- Offshore Support Vessels (OSVs)
- Small boats and other service craft

76. ASRY's Naval Repair & Conversion division supports military ships for major international navies, such as:

- Frigates & destroyers
- Patrol ships
- Mine countermeasure vessels
- Replenishment ships and auxiliaries
- Oceanographic and support vessels
- Landing craft and naval auxiliaries

In addition to ships, ASRY also handles offshore rig repairs and conversions, including jack-up rigs and other offshore structural assets.

⁸⁵ ASRY, "Our Services", <https://www.asry.net/OurServices/CoreServices/NavalRepairConversion>.

77. **Assessment.** For Indian shipyard investors, ASRY presents a strategically valuable opportunity due to its ability to service large commercial vessels, offshore rigs, and naval ships, a diversified clientele, and established technical expertise. A partnership or minority investment would provide access to high-value projects, advanced repair and fabrication know-how, and a Gulf foothold near major shipping and energy routes, enabling Indian firms to expand regional operations.

QATAR

78. **Overview.** Qatar presents a highly favourable political environment for Indian investment, characterised by institutional alignment, strategic complementarity, and shared multilateral commitments. Qatar National Vision 2030, implemented through its Third National Development Strategy (2024-2030), establishes a “sustainable economic growth model” emphasising private-sector leadership, economic diversification away from hydrocarbon dependency, and the development of specialised industrial clusters, including manufacturing, logistics, and maritime services.⁸⁶ The strategy’s explicit targeting of “100 billion cumulative net FDI attraction” and positioning Qatar as a “top 10 business environment” creates substantial opportunities for Indian maritime companies seeking regional expansion, particularly given Qatar’s commitment to maintaining “100 per cent foreign ownership” in key sectors.⁸⁷

79. The Seatrade Maritime Qatar Conference & Exhibition underscored Qatar’s commitment to advancing its maritime and logistics sectors through innovation, collaboration, and sustainable infrastructure. Sheikh Mohammed bin Hamad bin Faisal Al Thani of the Qatar Free Zones Authority emphasised that QFZ, particularly Marsa Maritime in the Umm Alhoul Free Zone, offers “exceptional opportunities and advantages for companies seeking to expand their business regionally and globally,” leveraging direct access to Hamad Port.⁸⁸ The exhibition itself serves as a platform to engage global investors, with industry leaders citing collaboration and innovation as key drivers for attracting capital into Qatar’s ports, logistics, and maritime services. Qatar’s renewed emphasis on attracting maritime investment and the Qatar National Vision 2030’s diversification goals signal its openness for foreign shipyards to establish or expand repair, retrofit, and newbuild operations within the nation.

Qatar Shipyard Technology Solutions

80. The Qatar Shipyard Technology Solutions (Erhama Bin Jaber Al Jalahma Shipyard), Ras Laffan has been identified as a potential partner for collaboration. It is a joint venture between **Nakilat** (Qatar’s national LNG shipping company), **Qatar Energy** (the state-owned energy company), and

⁸⁶ Government Communications Office, “Qatar National Vision 2030”, *State of Qatar*. (nd) https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf.

⁸⁷ Government Communications Office, “Qatar National Vision 2030”, *State of Qatar*. (nd) https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf.

⁸⁸ Deepak John, “Qatar committed to enhance future of maritime industry”, *The Peninsula*. 04 February 2025. <https://thepeninsulaqatar.com/article/04/02/2025/qatar-committed-to-enhance-future-of-maritime-industry>.

Keppel Offshore & Marine (an international shipbuilding and repair firm based in Singapore). It focuses upon large-scale ship repair, conversion, offshore fabrication, building LNG carriers, tankers, bulkers, rigs, etc.

81. Located within Ras Laffan Industrial City, Qatar’s premier petrochemical and LNG export hub (about 80 km northeast of Doha), QSTS sits at the heart of one of the most significant global energy corridors. Ras Laffan Industrial City is home to major LNG plants, gas-to-liquid facilities, and export infrastructure that collectively contribute to Qatar’s status as a leading LNG producer and exporter.⁸⁹

82. The Qatari shipping and maritime company Nakilat either owns or invests in several of the major shipyards and joint ventures in Qatar. Nakilat has an additional JV Damen shipyard in the form of the Nakilat Damen Shipyards Qatar (NDSQ) and also operates Qatar Fabrication Company. While this shows a monopoly, with several of the already limited viable shipyards under a single corporate umbrella, India’s status as the world’s largest importer of Qatari liquefied natural gas provides significant diplomatic and commercial leverage to secure shipbuilding and repair contracts with Nakilat.⁹⁰ India could tie LNG supply contracts with shipbuilding offsets, for example, securing LNG cargoes at favourable terms in exchange for allowing Indian shipyards to partner with Nakilat on the construction of offshore support vessels or repair/retrofit projects.

83. While detailed, standalone profit figures for the shipyard are not publicly disclosed, QSTS benefits from Nakilat’s parent-level financial strength. Nakilat reported a 3.1 per cent increase in annual net profit for FY 2025, clocking about USD 460 million.⁹¹ In 2024, the yard completed its 300th LNG carrier dry docking/repair project since inception, demonstrating sustained demand for heavy vessel repair work.⁹² QSTS routinely undertakes ship and rig repair, conversion, fabrication, and maintenance projects for LNG carriers, tankers, and offshore structures, though publicly disclosed individual contract values or backlog figures are not routinely published.

84. As a joint venture, QSTS presents limited feasibility for Indian investors because the ownership and strategic control remain tightly held by Nakilat, Qatar Energy, and legacy partners like Keppel, leaving little scope for meaningful equity participation or board influence. The JV structure is designed to serve Qatar’s national LNG and offshore energy priorities, with contracts, workforce, and strategic decisions largely oriented toward domestic and regional energy infrastructure rather than open commercial collaboration.

⁸⁹ Qatar Shipyard Technology Solutions, “Home”, <https://www.qatarshipyard.qa/>.

⁹⁰ US Energy Information Administration, “Country Analysis Brief: India”, *U.S. Department of Energy* (6 February 2025). https://www.eia.gov/international/content/analysis/countries_long/India/pdf/India.pdf.

⁹¹ Marine Link, “Nakilat Increases Annual Net Profit by 3.1%, Delivering \$460m in FY2025”, 20 January 2026, <https://www.marinelink.com/news/nakilat-increases-annual-net-profit-534672>.

⁹² Qatar Shipyard Technology Solutions, “Making Waves”, 2024, <https://www.qatarshipyard.qa/wp-content/uploads/2024/12/Qatar-Shipyard-Technology-Solutions-Making-Waves-Issue-2-Sep-2024.pdf>.

85. QSTS was established as a JV between Nakilat and Singapore-based Keppel Offshore & Marine. In 2024, Singapore’s Seatrium (which is another JV of Keppel) and India’s Cochin Shipyard entered into a Memorandum of Understanding (MoU) focused on designing and supplying equipment for jack-up drilling rigs.⁹³ This partnership can potentially be leveraged to establish a tripartite framework with QSTS.

86. **Technical Factors.** QSTS offers the following infrastructure:⁹⁴

Facility/Feature	Specification
Drydock 1	360 m × 66 m × 11 m; 350,000 DWT
Drydock 2	400 m × 80 m × 12 m; 450,000 DWT
Floating Dock (Q-Max/VLCC size)	375 m × 66 m; lifting capacity 120,000 tonnes
Cranes (Total 15)	8 × 30 tonnes, 3 × 50 tonnes, 4 × 100 tonnes
Mobile Hoists	300 tonnes and 1,100 tonnes lifting capacity
Berths	8 quays with 3,000 m of piers
Unloading Quay	1 quay of 150 m length
Total Area	7.8 hectares
Repair Berths	20,460 m ²
Floating Quay	200 m × 5 m
Tower Cranes	4 cranes, each with 25 tonnes capacity
Production Support Facility	75 m × 30 m
Mobile Boat Hoist	Lifting capability of 300 tonnes and 1,100 tonnes

Table 4.11: Infrastructure of QSTS

87. **Assessment.** While QSTS possesses world-class infrastructure capable of handling large-scale repairs of LNG carriers, VLCCs, and offshore rigs — capacities that could theoretically complement Indian shipyards aiming to expand into mega-vessel or offshore segments — in practical terms, it is not a realistic investment opportunity for Indian stakeholders. The yard operates under a tightly controlled JV and national ownership structure,

⁹³ Adis Ajdin, “Seatrium and Cochin Shipyard form jackup rigs tie-up,” *Splash*. 25 November 2024, <https://splash247.com/seatrium-and-cochin-shipyard-form-jackup-rigs-tie-up/>.

⁹⁴ Qatar Shipyard Technology Solutions, “Operation Facilities” <https://www.qatarshipyard.qa/operation-facilities/>.

prioritising Qatar's LNG and offshore energy objectives, with foreign equity participation highly restricted.

IRAN

88. **Overview.** Iran's shipbuilding and repair industry is anchored by major state-owned facilities such as the Iran Shipbuilding & Offshore Industries Complex (ISOICO) in Bandar Abbas, which conducts construction and overhaul of a range of commercial and offshore vessels and has undertaken repairs of large tankers (e.g., 320,000-ton-class) domestically — a significant milestone for the country's maritime sector. While the yard's official documented capacity includes building vessels up to about 300,000 DWT with plans to expand toward larger commercial ships, operations continue under the constraints of limited foreign investment and technology access due to sanctions. The domestic market remains driven by Iran's own fleet renewal needs.⁹⁵

89. Strategically, Iran's coastline — particularly along the Strait of Hormuz and the Makran coast — occupies one of the world's most critical maritime chokepoints, with about one-fifth to nearly one-third of global seaborne crude oil passing through Hormuz into the Indian Ocean⁹⁶. Investment in Iranian shipyards is underpinned by India-Iran cooperation within the maritime domain. While India signed a long-term agreement to develop and operate the Shahid Beheshti terminal at Chabahar, ongoing U.S. sanctions pressure has led to a tactical reduction in Indian funding and operational engagement, with New Delhi completing its committed investment and stepping back from active control amid compliance concerns.⁹⁷ This evolution highlights the geopolitical and sanctions-sensitive dynamics that must be factored into assessments of shipyard investment in Iran.

ISOICO – Iran Shipbuilding & Offshore Industries

90. The Iran Shipbuilding & Offshore Industries Complex (ISOICO) shipyard in Bandar Abbas has been identified as a potential partner for collaboration with Indian shipyards.

91. ISOICO is Iran's flagship shipyard and offshore fabrication complex, located near Bandar Abbas on the Persian Gulf and close to the Strait of Hormuz, one of the most strategically significant maritime chokepoints globally. This position places ISOICO within reach of key shipping lanes through which a large share of the world's energy exports transit, giving the yard inherent strategic relevance to regional and international maritime traffic. However, Iran's geopolitical context — including ongoing sanctions and military actions —

⁹⁵ Shipyards Directory, "Iran Shipbuilding & Offshore Industries Complex Co. (ISOICO),"

https://www.shipyards.gr/index.php?option=com_mtree&task=viewlink&link_id=651&Itemid=101.

⁹⁶ Niccolo Conte, "Energy Charted: Global Energy Flows at Risk in the Strait of Hormuz", *Visual Capitalist*, 05 March 2026, <https://www.visualcapitalist.com/chart-energy-flows-at-risk-strait-of-hormuz/>.

⁹⁷ P Manoj, "India's turbulent involvement in Iran's Chabahar port all but collapses", *ET Infra*, 18 January 2026, <https://infra.economictimes.indiatimes.com/news/ports-shipping/indias-strategic-withdrawal-from-chabahar-port-as-us-sanctions-loom/126541523>.

impacts the predictability of long-term strategic partnerships and the safety of the investment. While ISOICO's location is regionally advantageous, geopolitical constraints may limit the reliability of strategic continuity for foreign investors.

92. **Economic Factors.** Direct publicly available financial data for ISOICO is limited, especially post-2020, due in large part to the company's status as a subsidiary of Iran's Industrial Development & Renovation Organisation (IDRO) and the broader lack of transparent audited reporting. Unverified reports state that between 2020-21, ISOICO generated revenue through 23 projects (shipbuilding, repairs, and offshore services) at an average of roughly USD 900,000–1 million per project. This portfolio included building and repairing diverse assets.⁹⁸

93. Historically, ISOICO has engaged with foreign partners to support modernisation and enable technology transfer. In 2016, Daewoo Shipbuilding & Marine Engineering (DSME) of South Korea signed an MoU with the Iranian government to manage and modernise ISOICO, bringing its manufacturing technology and operational expertise to the yard under the state-run Industrial Development and Renovation Organisation of Iran (IDRO). Under the proposed arrangement, DSME was to assist in upgrading facilities and processes at ISOICO — which at the time was capable of building bulk carriers, containerships, and product tankers — and help expand its output towards larger and more sophisticated vessels. This reflected a continuation of long-standing commercial links, as DSME had delivered dozens of vessels to Iranian companies over the preceding decades.⁹⁹

94. ISOICO's history of collaboration with foreign shipbuilders like DSME demonstrates that the yard is open to external technical partnerships and technology transfer. For an Indian investor, this suggests that targeted joint initiatives — focused on upgrading infrastructure, sharing engineering expertise, or co-building/repairing vessels — could be feasible, provided geopolitical and sanctions-related constraints are carefully managed.

95. **Technical Factors.** The yard features two major graving dry docks that form the backbone of its heavy industrial capability. The primary new construction dry dock measures approximately 470 m in length, 80 m in width and 14.5 m in depth, enabling the fabrication of large hulls and offshore structures, including tankers, container vessels, and other ocean-going ships. Adjacent to this is a dedicated ship repair dry dock with dimensions of about 370 m × 80 m × 14.5 m, configured to accommodate substantial repair and refit tasks on existing tonnage — including commercial tankers and bulk carriers. These docks are supplemented by supporting fabrication areas, quays, and specialist workshops that enable both hull construction and complex repair work up to roughly 300,000 DWT vessel size.¹⁰⁰ Reports claim that the layout

⁹⁸ Elnur Baghishov, "Iran's ISOICO declares amount of attracted funds", *30 Trend News Agency*, 08 May 2021, <https://www.trend.az/tags/28623/>.

⁹⁹ Holly Birkett, "DSME to manage state-owned shipyard in Iran", *Splash 24 7*, 16 May 2016, <https://splash247.com/dsme-manage-state-owned-shipyard-iran/>.

¹⁰⁰ Shipyards Directory, "Iran Shipbuilding & Offshore Industries Complex Co. (ISOICO)," https://www.shipyards.gr/index.php?option=com_mtree&task=viewlink&link_id=651&Itemid=101.

allows ISOICO to build up to two LNG, LPG, or VLCC-class tankers per year while servicing other ships.¹⁰¹

96. While a detailed orderbook or list of vessels built/repared by the yard is not available, its isolated activity can help gauge its level of technical competence. In 2025, the yard commenced converting a former MR-class oil tanker at the ISOICO shipyard in Bandar Abbas into a naval support vessel designed to enhance its drone operations at sea. The conversion work reflects Tehran's emphasis on repurposing commercial hulls into platforms that can support naval platforms, rather than relying solely on purpose-built warships.¹⁰² For an Indian investor, this indicates that ISOICO is not limited to conventional shipbuilding or standard repairs — it has engineering expertise in customised, high-value modifications, including integrating systems for unmanned or naval applications. This capability could be leveraged in joint ventures or technology partnerships focused on retrofit or repair.

97. **Assessment.** ISOICO presents a strategically and technically capable shipyard, with large dry docks, experience in building and repairing medium-to-large commercial vessels and demonstrated flexibility in complex retrofits. However, direct investment is high risk under current conditions. The most viable approach for India is a selective, project-based partnership or joint venture focusing on specific retrofit, repair, or offshore fabrication projects and phased technology transfer.

ISRAEL

98. **Overview.** Israel's shipbuilding and repair sector is relatively modest compared to global shipbuilding powerhouses, but it possesses significant niche and strategic capabilities. The largest and most notable facility is Israel Shipyards Ltd. in Haifa Bay, which operates substantial dock and repair infrastructure capable of supporting medium-sized vessels. Beyond that, smaller facilities and private yards exist (focused on smaller builds), and the country's naval dockyards are predominantly military in nature, meaning commercial participation is limited.

99. Israel's geographical location confers considerable maritime strategic value. Situated on the eastern Mediterranean, its ports (especially Haifa) lie along critical routes that connect Europe with the Suez Canal and Indian Ocean trade routes. A concrete example of Indian investment in Israeli maritime infrastructure is the Port of Haifa, where Adani Ports & Special Economic Zone Ltd. (APSEZ) holds a 70 per cent majority stake through a joint venture with Israel's Gadot Group, which owns the remaining 30 per cent. Acquired as part of the port's privatisation in 2023, this long-term concession gives Adani operational control and responsibility for development and management. The port's continued full operation, even amid regional conflict, demonstrates both the resilience of Israeli maritime infrastructure and the

¹⁰¹ Shipyards Directory, "Iran Shipbuilding & Offshore Industries Complex Co. (ISOICO)," https://www.shipyards.gr/index.php?option=com_mtree&task=viewlink&link_id=651&Itemid=101

¹⁰² Gary Dixon, "Iran converts MR tanker into naval ship to boost drone capability", *Trade Winds*, 5 May 2025, <https://www.tradewindsnews.com/tankers/iran-converts-mr-tanker-into-naval-ship-to-boost-drone-capability/2-1-1814730>.

feasibility of Indian strategic investment in Israel.¹⁰³ This underscores the potential for Indian investors to participate not only in port operations but also in shipbuilding, ship repair, and broader maritime industrial collaboration, leveraging India–Israel strategic and commercial linkages.

Israel Shipyards Ltd (ISL)

101. Israel Shipyards Ltd, located at Kishon Port in Haifa, Bayin, has been identified as a potential partner for collaboration with Indian shipyards. It is a privately held limited company – part of Israel Shipyards Industries (privatised; publicly listed holding) – with a focus on medium-to-large shipbuilding and repair, naval vessels (missile boats, patrol craft, OPVs), commercial ships, tugboats, vessel conversions, and repair. The shipyard is located at the Kishon Port in Haifa Bay on the eastern Mediterranean Sea — one of the world’s busiest maritime corridors linking Europe and the Mediterranean towards the Indian Ocean. This positioning places ISL amidst the trans-Mediterranean trade routes. However, Israel’s geopolitical environment involves complex regional security dynamics. The continuity of operations at ports such as Haifa (e.g., through conflict periods) demonstrates resilience in infrastructure, but heightened regional risk remains a factor in any long-term investment evaluation.

102. **Economic Factors.** For the full fiscal year ended 31 December 2024, Israel Shipyards Industries Ltd. (ISL’s parent company) reported total revenues of approximately ILS 1,308 million, which converts to roughly USD 355–366 million, reflecting a year-over-year revenue decline from 2023. Net income for 2024 was ILS 65.7 million, equivalent to about USD 18–19 million, also down from the prior year, indicating compressed profitability in the context of a capital-intensive shipbuilding and repair business. Profit margins remained modest, with gross margins near the low-teens and net margins in the low single digits, typical for heavy industrial firms facing cyclical project flows. Operating cash flow was positive, supporting everyday activities, but free cash flow was constrained by high capital expenditures on infrastructure modernisation, underscoring ongoing reinvestment requirements. The company’s balance sheet reflects moderate leverage and solid liquidity, supporting operational continuity. Notably, broader 2025 performance showed a significant revenue rebound, with year-to-date revenues rising above ILS 1.55 billion (~USD 430+ million at recent exchange levels) on a trailing-twelve-month basis, driven in part by diversification into port and construction materials segments, highlighting resilience and growth potential for strategic partners and investors.¹⁰⁴

103. ISL has actively developed foreign partnerships and international engagements that enhance both its commercial and defence profile. Notably, it has explored maritime infrastructure cooperation with Dubai’s DP World, including joint bids for port operations,

¹⁰³ P Manoj, “Adani-run Haifa Port delivers record Q1 growth despite geopolitical shocks”, *ET Infra*, <https://infra.economictimes.indiatimes.com/news/ports-shipping/adani-run-haifa-port-delivers-record-q1-growth-despite-geopolitical-shocks/123178374>.

¹⁰⁴ Israel Shipyards Industries Ltd (ISHI.TA) Stock Profile.” *MLQ.ai*, <https://mlq.ai/stocks/ISHI.TA/assets/>.

reflecting a willingness to collaborate on cross-border logistics and infrastructure projects.¹⁰⁵ The yard has also partnered with Chevron Mediterranean Ltd. (US- based) to provide long-term maintenance and logistics support for offshore energy operations, extending its capabilities beyond traditional shipbuilding.¹⁰⁶ In the defence sector, Israel Shipyards has secured USD 62 million international naval vessel contracts, including training and maintenance support, and engaged with foreign navies such as the Philippine Navy for shipbuilding and repair collaborations.¹⁰⁷ Collectively, these partnerships demonstrate the yard's capacity for technology transfer, global market penetration, and integrated maritime-industrial collaboration.

104. **Technical Factors.** Israel Shipyards Ltd. occupies extensive facilities at Kishon Port in Haifa Bay, covering roughly 330,000–400,000 m² of yard area with 45,000 m² under covered production halls and a total wharf/quay frontage of about 900–1,000 meters with a water depth of approximately 12 m — suitable for docking and servicing a wide range of naval and commercial vessels. The yard operates a Syncrolift system with a lifting capacity up to ~3,000 tons for medium-sized ships (up to ~100 m in length and 6.5 m draft), along with multiple quayside cranes (up to ~100 t capacity).¹⁰⁸

105. Some notable deliveries by the yard are:¹⁰⁹

- 24 m Landing Craft Mechanised (LCM 24M) — delivered in 2024 to the Israeli Navy.
- OPV S-45 Offshore Patrol Vessel — delivered in 2023 to the Israeli Navy, fully operational after sea trials.
- SHALDAG Mk V Fast Patrol/Attack Craft — delivered 2022–2024 to the Philippine Navy as part of a multi-vessel contract.¹¹⁰

In-Progress¹¹¹

- **Reshef-class corvettes** — currently being constructed for the Israeli Navy, phased delivery ongoing.

¹⁰⁵ DP World, “DP World and Dubai Customs to assess opportunities to develop trade links between UAE and Israel”, 16 September 2020, <https://www.dpworld.com/en/news/dp-world-and-dubai-customs-to-assess-opportunities-to-develop-trade-links-between-uae-and-israel>.

¹⁰⁶ Offshore, “Israel Shipyards signs coating service contract with Chevron”, <https://www.offshore-mag.com/regional-reports/middle-east/article/14206640/israel-shipyards-signs-coating-service-contract-with-chevron>.

¹⁰⁷ Ami Rojkes Dombé, “Israel Shipyards Advances Strategic Partnership with Philippine Navy”, *Israel Defence*, <https://www.israeldefense.co.il/en/node/63720>.

¹⁰⁸ Global Defence News, “Israel Shipyards will deliver floating dock to Israeli Navy”, *Army Recognition*, 18 November, 2019, <https://www.armyrecognition.com/archives/archives-naval-defense/naval-defense-2019/israel-shipyards-will-deliver-floating-dock-to-israeli-navy>.

¹⁰⁹ Sea Wave Magazine, “Israel Shipyards Announce Delivery of Two Landing Craft”, 25 July 2024, <https://seawaves.com/israel-shipyards-announces-delivery-of-two-landing-craft/>.

¹¹⁰ Jr Ng, “Israel Shipyards delivers third batch of fast patrol crafts to Philippines”, *Asian Military Review*, 24 November 2023, <https://www.asianmilitaryreview.com/2023/11/israel-shipyards-delivers-third-batch-of-fast-patrol-crafts-to-philippines/>.

¹¹¹ Dimitris Mitsopoulos, “Israel Shipyards Begin Construction of Reshef-class Corvettes”, *Naval News*, 20 February 2025, <https://www.navalnews.com/naval-news/2025/02/israel-shipyards-begin-production-of-reshef-class-corvettes/>.

106. **Assessment.** The yard is specialised in medium-sized naval and patrol vessels, with infrastructure optimised for defence and niche commercial projects rather than large-scale shipbuilding, constraining scalability for India's broader maritime industrial needs. Its customer base is heavily defence-oriented and politically sensitive, with export contracts subject to Israeli government approvals. Additionally, the geopolitical environment carries inherent regional risk that may affect operations, insurance, and project continuity. Therefore, this study considers investment in ISL a low-priority and high-risk venture.

CHAPTER FIVE

SOUTH ASIA

Introduction

1. This chapter assesses publicly listed shipyards across South Asia through three interrelated dimensions: (a) the political environment within which these shipyards operate, (b) their economic viability and the regulatory frameworks governing foreign investment, and (c) their technical infrastructure, particularly the degree to which their capacities align with Indian shipbuilding requirements. Collectively, these dimensions constitute an integrated analytical framework for identifying and prioritising shipyards in South Asia that could serve as potential partners, subsidiaries, or acquisition targets for Indian shipyard investors.

BANGLADESH

2. **Overview.** Bangladesh occupies a strategically significant position in the northern Bay of Bengal, bordered by India to the west, north, and east, and Myanmar to the southeast. The country sits at the mouth of the Ganges–Brahmaputra–Meghna delta, one of the world’s largest river systems, which provides extensive inland navigation networks and creates a large domestic maritime transport market.

3. Bangladesh possesses over 24,000 km of navigable inland waterways (spanning 7 per cent of its land area), and water transport plays a central role in the national logistics system. Approximately 90 per cent of fuel, 70 per cent of cargo, and 35 per cent of passengers are transported through waterways, creating sustained domestic demand for small and medium vessels.¹

4. Bangladesh’s shipbuilding industry, rooted in centuries-old craftsmanship, has evolved into a modern sector with over 200 yards concentrated in Chattogram, Khulna, Dhaka, Narayanganj, and Barisal, employing 150,000 directly and supporting two million indirectly. Current capacity stands at 0.3 million DWT annually (aiming to be expanded to 1.0 million DWT by 2030), focusing on small- and medium-sized vessels (1,000-10,000 DWT) like barges, ferries, coasters, dredgers, tugs, and tankers.²

5. For India, gaining a foothold in Bangladeshi shipyards carries strategic value in the context of the growing India–Bangladesh connectivity architecture, which positions Bangladesh as a critical logistics bridge between India’s mainland, its northeastern states, and the wider Bay of Bengal region. Mechanisms such as the India–Bangladesh Protocol on Inland Water Transit and Trade (PIWTT) and bilateral coastal shipping arrangements, riverine and coastal routes

¹ Ahsan H. Mansur and Hasnat Alam, “Harnessing the Tide: Unlocking the Potential of Bangladesh’s Shipbuilding Sector”, *Policy Insights*, 28 November 2023, <https://policyinsightsonline.com/2023/11/harnessing-the-tide-unlocking-the-potential-of-bangladeshs-shipbuilding-sector/>.

² KA Hossain, “Evaluation Local Shipbuilding Industry of Bangladesh: With Global Perspective”, *Transactions on Engineering and Computing Sciences*, 13(04), 2025, <https://journals.scholarpublishing.org/index.php/TMLAI/article/view/19107/11366/>.

across Bangladesh enable cargo movement from India’s northeast — such as tea, coal, cement, and petroleum — to access seaports and international markets more efficiently.³ These protocol routes enhance the Northeast’s access to the sea and facilitate the movement of goods through transboundary rivers that link Assam and other states to Bangladeshi ports and inland terminals.

6. At the same time, Bangladesh’s transport corridors form part of broader multimodal networks connecting India, Nepal, and Bhutan, allowing landlocked Himalayan economies to access maritime trade routes through Indian and Bangladeshi waterways and ports.⁴ In this context, Indian investment in Bangladeshi shipyards would provide strategic leverage by strengthening maritime infrastructure supporting inland-coastal logistics chains, thereby enabling India to expand vessel availability for regional river-sea transport, enhance cargo mobility in its northeastern region, and strengthen sub-regional supply chains.

7. In the context of this report, the following shipyards in Bangladesh have been identified for potential partnership opportunities for Indian shipyards.

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Western Marine Shipyard Ltd., Chattogram	Private	Export-oriented shipbuilding of small-to-medium ocean-going vessels, tugs, ferries, and cargo ships
(b)	Ananda Shipyard & Slipways Ltd., Narayanganj	Private	Construction of export-grade cargo vessels, container ships, multipurpose ships, and coastal vessels

Table 5.1: Shipyards in Bangladesh Identified for Partnerships

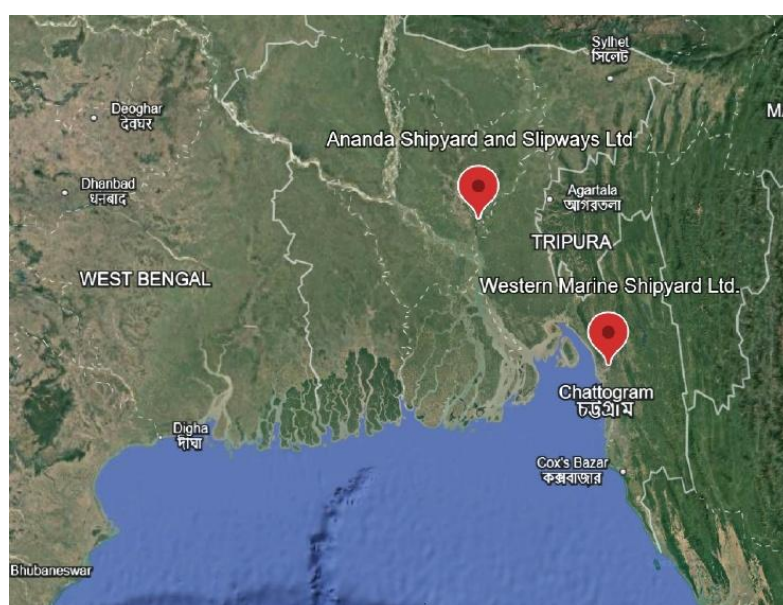


Fig. 5.1: Shipyards in Bangladesh Identified for Partnerships

³ Press Information Bureau, “Second Addendum on Protocol on Inland Water Transit and Trade between India and Bangladesh, 2020”, *Ministry of Ports, Shipping and Waterways, GoI*, 20 May 2022, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1625342®=3&lang=2>.

⁴ Shahidul Haque, “The Role of Bangladesh in Sub-Regional Connectivity”, *The Centre for Social and Economic Progress*, 14 February 2023, <https://csep.org/reports/the-role-of-bangladesh-in-sub-regional-connectivity/>.

Western Marine Shipyard Ltd

8. Western Marine Shipyard (WMS) is located on the Karnaphuli River in Chattogram, Bangladesh's principal maritime industrial hub and home to the country's largest seaport. Chattogram Port (Chittagong) serves as the primary gateway for Bangladesh's international trade. It lies along the main shipping routes of the Bay of Bengal, linking South Asia with Southeast Asian and Middle Eastern trade corridors.

9. The yard's location provides an array of strategic benefits, due to its proximity to Chattogram Port, it has access to major trade routes in the region. Under the India-Bangladesh Agreement on Enhancing Inland and Coastal Waterways Connectivity (2018) Chattogram Port allows movement of goods and people to/from India, which is integral for India's northeastern region.⁵

10. For India, investment in Bangladeshi shipyards could help maintain industrial influence in a logistically important maritime supply chain node for its northeastern region and landlocked neighbours.

11. **Economic Factors.** Western Marine Shipyard was established in 2000 and has developed into one of Bangladesh's most prominent private shipbuilders. The yard employs more than 3,500 workers, including several hundred engineers and naval architects.⁶ Reports in 2025 state that WMS was responsible for constructing 36 out of the 50 vessels that Bangladesh had exported, highlighting the yard's pivotal position in the Bangladeshi vessel export sector.⁷

12. WMS reported a FY25 (ended 30 June 2025) revenue of approximately USD 8.33 million, slightly down from USD 8.36 million in FY24, reflecting the cyclical nature of the shipbuilding industry. Gross profit generated was approximately USD 3.11 million, corresponding to a 37 per cent gross margin, broadly stable compared to 38% in FY24. Operating profit declined to ~USD 3.03 million, after ~USD 0.09 million in operating expenses. The yard's balance sheet shows total assets of about ~USD 253 million, up from ~USD 243 million in FY24. The increase was primarily driven by accounts receivable of USD 24.5 million, inventories of USD 46.4 million, and advances of roughly USD 32.7 million. Cash flow from operations remained strong at USD 6.64 million, which supported capital expenditure of around USD 10.9 million on property, plant, and equipment, including investments in yard infrastructure.⁸

13. Western Marine Shipyard's debt burden has escalated significantly, with liabilities reaching at least BDT 25 billion (~USD 210 million) across multiple banks and financial

⁵ Press Information Bureau, "India and Bangladesh Sign Agreements for Enhancing Inland and Coastal Waterways Connectivity", *Ministry of Ports Shipping and Waterways, GoI*, 25 October 2018, <https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=1550795®=3&lang=2>.

⁶ Western Marine Shipyard Ltd, "About Us", n.d., <https://www.wms.com.bd/about-us/>

⁷ Nur Uddin Alamgir, "Western Marine to deliver 2 large passenger vessels to BIWTC", *Daily Sun*, 19 October 2025, <https://www.daily-sun.com/5/817144>.

⁸ Western Marine Shipyard Ltd, "Annual Report 2024-25", *WMS Annual Reports*, <https://www.wms.com.bd/wp-content/uploads/2025/12/Annual-Report-2024-25.pdf>.

institutions, indicating that the firm is highly leveraged, relying heavily on borrowed capital, which increases financial risk despite supporting infrastructure and operating margins⁹.

14. For an Indian shipyard seeking to expand capacity in the small-to-medium vessel segment, this financial profile may present a strategic entry opportunity through either recapitalisation or a joint venture investment, particularly if the investor can provide capital, improve financial management, or integrate the yard into a broader regional production network.

15. WMS has partnered and collaborated with several foreign firms and international clients, through shipbuilding contracts, technology partnerships, and export orders. In 2010, WMS formed a joint venture with the Dutch shipbuilding and dredging company IHC Merwede to construct a cutter suction dredger for the Mongla port authority. In this collaboration, IHC Merwede supplied the dredging machinery and technical systems, while Western Marine fabricated the steel structures and hulls at its yard.¹⁰

16. Western Marine has built vessels for multiple foreign shipowners, which also represent operational partnerships in ship design, classification, and construction. Examples include:

- Jindal Steel Works – Western Marine received an order to build ten 8000 DWT bulk carriers (4 delivered) for the Indian buyer, Jindal Steel Works.¹¹
- In 2018, WMS was awarded a contract by Al Rashid Shipping (UAE) to build one Anchor Handling Tug Supply (AHTS) vessel and two oil tankers (6,500 DWT each). In 2020, Al Rashid cancelled the contract and filed an admiralty lawsuit against WMS seeking about USD 5 million in damages over delays in delivering contracted vessels.¹²
- In 2023, it commenced building an Atlantic fishing trawler for Norwegian buyers.¹³
- In 2012, it delivered two passenger vessels to the Karachi Port Trust Authority, Pakistan.¹⁴
- Overall, the yard has exported ships to more than 10 countries, including Germany, Norway, Finland, Denmark, New Zealand, the UAE, Kenya, and India. Since its inception in 2000, the yard has completed 155 projects.¹⁵

17. For an Indian shipyard, WMS presents a potential strategic partnership opportunity in the small-to-medium vessel segment, given its established export track record, skilled workforce,

⁹ TBS Report, “Travel ban on Western Marine MD over default loan case”, *The Business Standard*, 20 October 2024, <https://www.tbsnews.net/bangladesh/court/travel-ban-western-marine-md-over-default-loan-case-971631>.

¹⁰ Dredging Today, “Bangladesh: Western Marine to Build Cutter Suction Dredger for Mongla Port Authority”, *Dredging Today*, 04 October 2011, <https://www.dredgingtoday.com/2011/10/04/bangladesh-western-marine-to-build-cutter-suction-dredger-for-mongla-port-authority/>.

¹¹ Western Marine Shipyard Ltd, “Jindal Steel Works Fleet”, <https://www.wms.com.bd/jindal-steel-works-fleet/>.

¹² Mehedi Al Amin, “Western Marine fails to build ship, now sued by Dubai co”, *The Business Standard*, 06 February 2021, <https://www.tbsnews.net/economy/industry/western-marine-fails-build-ship-now-sued-dubai-co-197566>.

¹³ Western Marine Shipyard Ltd, “Norwegian Fishing Trawler”, 02 May 2023, <https://www.wms.com.bd/norwegian-fishing-trawlers/>.

¹⁴ Western Marine Shipyard Ltd, “Passenger Vessel Pakistan”, 02 May 2023, <https://www.wms.com.bd/passenger-vessel-pakistan/>.

¹⁵ Western Marine Shipyard Ltd, “Home”, n.d., <https://www.wms.com.bd/>.

and experience delivering vessels to international buyers. However, the yard's high leverage and past contractual disputes highlight financial and execution risks, indicating that any Indian investment should ideally take the form of a joint venture partnership, as seen before between WMS-IHC Merwede.

18. **Technical Factors.** The yard's specs are tabulated below:¹⁶

Infrastructure Component	Specification / Details	Purpose
Yard Area	~42 acres (~165,000 m ²)	The main shipbuilding and repair yard
Slipways	5 slipways with airbag and rail-track launching systems Capacity: Up to 10,000–15,000 DWT	Vessel construction and launching capability
Fabrication Yards	8 fabrication yards	Hull block fabrication and steel work for shipbuilding
Fabrication Shed	Approx. 23 m × 81 m × 21 m	Covered hull fabrication and assembly
Lifting Equipment	Gantry cranes (100 tons), mobile cranes, overhead cranes (10-35 tons), mobile cranes (8 tons-100 tons, and forklifts	Heavy lifting and block assembly operations

Table 5.2: Infrastructure of Western Marine

19. Western Marine Shipyard can build a variety of small-to-medium ocean-going and coastal vessels, typically up to about 10,000–12,000 DWT. These include multipurpose cargo vessels, small bulk carriers, oil/product tankers, feeder container ships, passenger ships and Ro-Ro ferries, tugboats, anchor-handling tug supply (AHTS) vessels, landing craft, fishing trawlers, dredgers, as well as barges and pontoons, primarily serving coastal shipping, offshore support, and inland water transport markets.

20. **Assessment.** The infrastructure of Western Marine Shipyard supports medium-scale commercial shipbuilding. The yard has a strong export track record, established infrastructure for building small-to-medium vessels, and experience working with foreign clients, making it a viable partner for expanding the regional shipbuilding footprint. However, its high debt levels and past contractual disputes indicate financial and execution risks. Consequently, for an Indian shipyard, the most practical approach would be a joint venture focused on specific vessel segments.

Ananda Shipyard & Slipways Ltd.

21. Ananda Shipyard (ASSL) is located at Meghnaghat in Sonargaon, Narayanganj, near the Meghna River system, one of the major riverine transport corridors of Bangladesh. Several major Class-I inland waterway routes run through the Meghna system, including the Dhaka–Chattogram corridor.¹⁷ From an Indian perspective, this is significant because it forms a key segment of the India–Bangladesh inland water transit network under the Protocol on Inland

¹⁶ Western Marine Shipyard Ltd, “Our Shipyard”, n.d., <https://www.wms.com.bd/shipyard-facilities/>.

¹⁷ “Transboundary and IWT.” *Scribd*, <https://www.scribd.com/document/913083645/Transboundary-and-IWT>

Water Transit and Trade. This route connects the inland river ports around Dhaka with the port of Chattogram on the Bay of Bengal, enabling cargo to move between inland Bangladesh and seaports efficiently.

22. ASSL's inland-river location is more inland-focused but is attractive as a hub for building river-sea vessels, dredgers and inland cargo/fuel barges that will serve Indo-Bangladesh protocol traffic and Indian Northeast logistics.

23. **Economic Factors.** ASSL is privately held under the Ananda Group, incorporated in 1999 (public in 2009), and has historically been one of Bangladesh's two main export shipyards. Operationally, the yard went through roughly a decade-long export slump from around 2010 but has begun to recover: it exported a 5,500 DWT vessel in 2020, a 6,100 DWT high-speed multipurpose container vessel to UK buyer Enzian Shipping in 2022, and a 5,500 DWT multipurpose vessel "Wes Wire" to Turkish firm NOPAC Shipping in 2025, generating export earnings of about BDT 70 crore (approximately USD 6.3–6.4 million) from the Turkish order alone.¹⁸

24. ASSL's foreign engagement is primarily through client relationships. Key foreign customers and projects include:¹⁹

- a) Danish owners (e.g., Stella Shipping) – early exports such as container vessel "Stella Maris" and later "Stella Moon" (2,950 DWT, 64 TEU capacity), part of a broader series of orders.
- b) German companies (e.g., Wessels Reederei, Komorowsky/Enzian Shipping) – 10 ship series including 5,500–6,100 DWT multipurpose/container vessels like "Wes Grain" and "Enzian," with individual ship values of 10.5–12 million USD.
- c) Mozambique government – six smaller vessels delivered around 2008.
- d) UK buyer Enzian Shipping Company Ltd – 6,100 DWT container vessel exported in 2022, then the largest Bangladesh export ship.
- e) Turkish NOPAC Shipping & Trading – 5,500 DWT "Wes Wire" delivered in 2025, described as the yard's "most sophisticated" modern multipurpose vessel

25. Press coverage notes that since 2008, Ananda has exported at least 17 vessels to overseas buyers in Germany, the UK, Denmark and other markets, with three more export vessels awaiting delivery, and has delivered ~350 vessels to both domestic and international clients.²⁰ There is no evidence of foreign strategic equity partners in ASSL itself, which means space is theoretically open for an Indian investor to enter negotiations for minority-equity acquisition or launching JVs.

¹⁸ Salah Uddin Mahmud, "Ananda Shipyard exports largest ship by Bangladesh, signalling industry revival", *The Business Standard*, 13 September 2022, <https://www.tbsnews.net/bangladesh/ananda-shipyard-exports-largest-ship-bangladesh-signalling-industry-revival-495334>.

¹⁹ Ananda Shipyard & Slipways Ltd, "Our Clients", <https://www.anandashipyard.com/clients/International>.

²⁰ Salah Uddin Mahmud, "Ananda Shipyard resumes exports with 5,500-DWT vessel for Turkey", *The Business Standard*, 06 September 2025, <https://www.tbsnews.net/economy/industry/ananda-shipyard-exports-5500-ton-multipurpose-vessel-turkey-1229831>.

26. **Technical Factors.** The yard’s specs are tabulated below:

Facility	Specifications
Total Production Area	~80,000 m ²
Shipbuilding Hall 1	100 m (L) × 25 m (B) × 16 m (H) Equipped with 1×20-t and 1×5-t EOT cranes
Shipbuilding Hall 2	100 m (L) × 25 m (B) × 16 m (H) Equipped with 2×20-t and 1×10-t EOT cranes
Shipbuilding Hall 3	140 m (L) × 37 m (B) × 12 m (H) Equipped with 2×5-t and 2×20-t EOT cranes
Heavy Lift Gantry Crane	750-ton capacity, 35.5 m span, 20 m lifting height
Mobile Lifting Equipment	50-ton crawler crane; 25-ton hydraulic telescopic crane
Forklifts	2-ton and 3-ton forklifts
Shipbuilding Capacity	15,000 DWT ~10 ships per year

Table 5.3: Infrastructure of ASSL

27. ASSL has experience handling:²¹

- Multipurpose container/cargo ships of 5,500–6,100 DWT
- Coastal/general cargo vessels and smaller container feeders (e.g., 64-TEU “Stella Moon”).
- Inland/coastal vessels, barges and assorted government craft (particularly for Bangladesh’s own needs), though detailed repair output is not well documented in English sources.

28. **Assessment.** Although the physical capacity of Ananda Shipyard & Slipways Ltd. is relatively modest — capable of constructing vessels of up to 15,000 DWT and therefore unable to significantly augment large-scale domestic shipbuilding capacity — it still presents a strategically valuable investment opportunity. The yard is located along the Meghna River system, which forms part of the broader Ganges–Brahmaputra–Meghna Delta, one of the busiest inland water transport networks in South Asia. While the yard may not materially expand large-vessel production capacity for Indian shipbuilders, investment could provide strategic access to a cost-competitive regional manufacturing base and support shipbuilding or repair activity along these routes.

²¹ Star Business Report, “Shipbuilders may change Bangladesh economy”, The Daily Star, 15 March 2026, <https://www.thedailystar.net/news-detail-89329>.

MALDIVES

29. **Overview.** The Maldives presents a geographically critical but industrially nascent maritime hub for Indian shipyard investors. The country's geography, maritime traffic and investment openness create potential for collaboration, particularly in small-to-medium ship repair, logistics support, and Indian Ocean service hubs rather than large-scale ship construction.

30. The Maldives is located roughly 700 km southwest of India and is composed of more than 1,100 islands spread along a 960-km ridge. Its dispersed geography places it as a link between West Asia, East Africa, and East Asia. For shipbuilding/repair investors, this geography implies continuous vessel traffic requiring repair and maintenance services. The Maldives could therefore evolve into a mid-ocean service hub for vessels transiting the region.

31. In the context of this report, the following shipyards in the Maldives have been identified for potential partnership opportunities for Indian shipyards.

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	MTCC Shipyard	Maldives Transport and Contracting Company – State-owned public company (listed on the Maldives Stock Exchange)	Ship repair, maintenance, and construction of small-medium vessels
(b)	Maldives Ports Limited Dockyard Project (Planned)	Maldives Ports Limited – State-owned enterprise	Planned development of a national dockyard for ship repair, marine engineering services, and maritime logistics support

Table 5.4: Shipyards in the Maldives

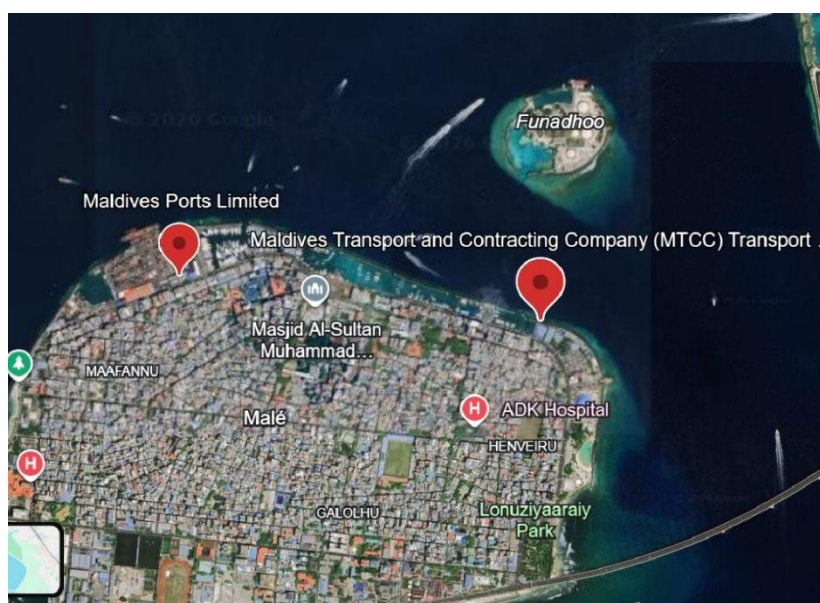


Fig. 5.2: Shipyards in Maldives

MTCC Shipyard

32. MTCC Boatyard (now being upgraded and rebranded as “MTCC Shipyard”) is a mid-scale repair and docking facility at Thilafushi that is being positioned to move into full-fledged boatbuilding for vessels up to about 2,000-ton class, embedded inside what is rapidly becoming the Maldives’ primary port–industrial hub.

33. The MTCC Boatyard is located on the industrial island of Thilafushi, near the Maldivian capital Malé. Thilafushi lies just south-west of Malé within the Malé region and has been designated as the Maldives’ “industrial hub of tomorrow,” hosting boat manufacturing, cement packing, gas bottling, warehousing and other heavy activities, all linked by the planned ThilaMalé bridge and adjacent to an international port being shifted from Malé. The port relocation and Thilafushi International Logistics Terminal (ILT) are designed to move container and cargo operations to Thilafushi, with a new terminal sized initially for around 2,000 containers and phased relocation of Malé Commercial Harbour operations over the next couple of years.²²

34. **Economic Factors.** As part of the larger MTCC corporation, specific yard-level financial metrics are unavailable. However, the parent company shows a modest yet stable economic position. In 2024, sectoral and company reports indicate that MTCC’s total revenue fell by about one-third to approximately USD 140 million compared to 2023, reflecting a ~33 per cent year-on-year decline, driven by delays in receivables and cash-flow pressures in core construction and dredging operations. Net profit also contracted heavily to around USD 2.9 million, roughly a 53 per cent drop vs 2023, signalling margin pressure and liquidity challenges for the company.²³

35. On the vessel side, MTCC has not historically been a major builder of complex craft; instead, it has focused on harbour works and domestic transport operations and has outsourced ferry construction to foreign yards. For example, it contracted UAE-based Gulf Craft to build at least 17 high-speed ferries for the Integrated National Public Ferry Network (Raajje Transport Link, RTL), with deliveries starting around 2021–2022.²⁴

36. MTCC and the government have announced plans to build an additional 55 ferries for expanding RTL, with a policy shift that future ferries should, as far as possible, be built by Maldivian companies rather than exclusively by foreign yards.²⁵ Concurrently, MTCC’s CEO has publicly committed to commencing in-house boatbuilding, backed by a technical feasibility study and upgraded yard infrastructure.²⁶ Taken together, these moves suggest a nascent but real order pipeline for domestic ferries and workboats, in which an Indian partner could participate as a co-builder.

²² Aishath Shaaleen, “MTCC completes first phase of Thilafushi logistics terminal”, *MMTV*, 02 September 2025, <https://en.mmtv.mv/5789>.

²³ Corporate Maldives, “State-Owned Enterprises Report MVR 12 billion in Revenue for Q2 2024”, 03 February 2025, <https://corporatemaldives.com/state-owned-enterprises-report-mvr-12-billion-in-revenue-for-q2-2024/>.

²⁴ Gulf Craft, “Gulf Craft contracted to build high-speed ferries for MTCC”, n.d., <https://maldives.gulfcraftinc.com/blog/maldives-ferryboat-contract>.

²⁵ PSM News, “MTCC to allow Maldivian companies to build RTL ferries”, 05 August 2024, <https://psmnews.mv/en/141587#:~:text=construction%20of%2055%20new%20ferries>.

²⁶ The Edition Business, “MTCC to begin boat building services”, *The Edition*, 18 July 2024, https://edition.mv/fayyaz_ismail_minister_of_economic_development/34715.

37. **Technical Factors.** Corporate profiles describe MTCC Yard at Thilafushi as a one-stop docking and marine engineering facility able to handle a range of vessels using boat hoists, cranes with duplex slings, slipways, boat trailers and airbag technology. It operates a 200-ton boat hoist—among the largest in the country—with the ability to service roughly 16–20 vessels simultaneously (depending on yard configuration) and includes a slipway that can take at least two barges of about 250 feet each.²⁷

38. The ongoing upgrade aims to raise its capacity from having served 222 dockings cumulatively to being able to handle vessels up to about 2,000 tonnes, which implies movement from a pure light-repair dockyard into a modest regional ship-repair/shipbuilding facility for small coasters, barges, ferries and patrol-sized craft, though no large drydock is yet indicated publicly.²⁸

39. While the yard is not in a position to complement India’s need to expand its shipbuilding/repair capacities, given the Maldives’ geopolitical relevance for India, and the yard’s own requirement to urgently upgrade itself, smaller Indian yards with strong small-craft expertise could partner with the yard to transfer designs and production capabilities to MTCC.

Maldives Ports Limited Dockyard Project

40. The Ihavandhoo dockyard project by Maldives Ports Limited represents a strategic initiative aimed at expanding maritime support services in the northern Maldives. Situated in Haa Alifu Atoll, the facility lies along a north–south corridor in the Indian Ocean that is increasingly significant for regional trade and maritime operations. While the Maldives is not on the main east–west global shipping lanes, Ihavandhoo’s location allows it to serve regional feeder traffic between South Asia, West Asia and East Africa. For an Indian investor, this presents an opportunity to establish a foothold in the region as a greenfield project opportunity.²⁹

41. From an economic perspective, MPL is a government-owned entity with a modest revenue base. The dockyard and slipway are part of a broader northern Maldives maritime expansion, including bunkering services and logistical support. While MPL has historically focused on port management and small-scale vessel servicing, the Ihavandhoo project opens a pathway for private investment through partnerships, joint ventures, or service concessions. Given that the project is in its early stage, there is no substantial order book or history of large-

²⁷ Corporate Maldives, “MTCC Boatyard — Revolutionizing Docking and Engineering Services in the Maldives”, 10 April 2023, <https://corporatemaldives.com/spotlight/mtcc-boatyard-revolutionizing-docking-and-engineering-services-in-the-maldives/#:~:text=The%20boatyard%20has%20the%20capacity%20to%20service%20sixteen%20vessels%20at%20any%20given%20time%2C%20including%20a%20slipway%20that%20can%20comfortably%20accommodate%20two%20250%20feet%20barges>

²⁸ The Edition Business, “MTCC to begin boat building services”, *The Edition*, 18 July 2024, https://edition.mv/fayyaz_ismail_minister_of_economic_development/34715.

²⁹ Corporate Maldives, “MPL Signs Agreement to Develop Dockyard in Ihavandhoo”, 21 December 2024, <https://corporatemaldives.com/mpl-signs-agreement-to-develop-dockyard-in-ihavandhoo/>.

scale shipbuilding, so investment opportunities are best structured around repair, maintenance, and technical operations rather than capital-intensive shipbuilding ventures.³⁰

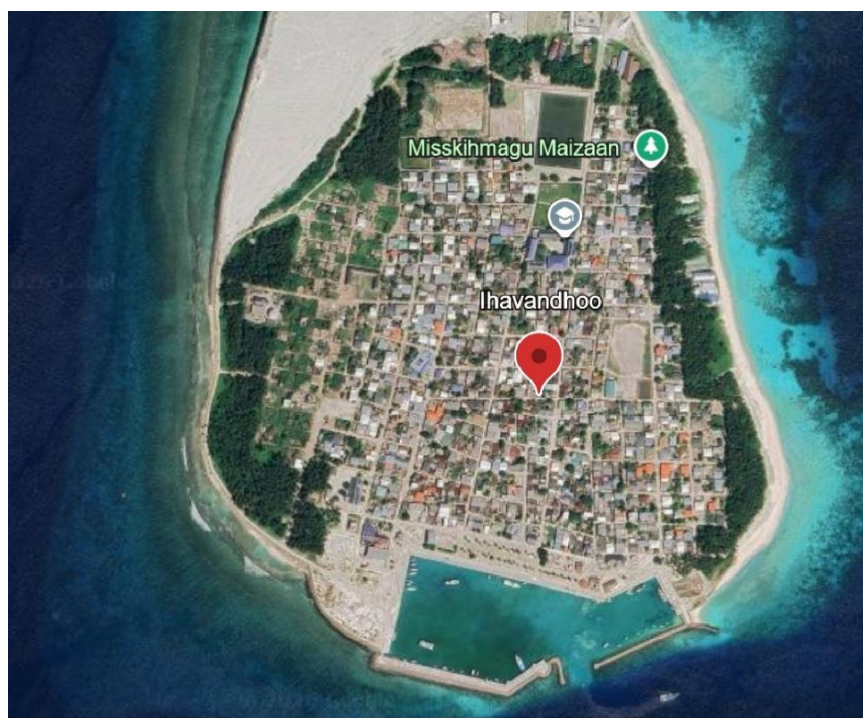


Fig. 5.3: Planned Location of Ihavandhoo Dockyard

42. **Assessment.** Technically, the dockyard is expected to support small- to medium-sized vessels, including fishing boats, coastal freighters, yachts, and service craft. The inclusion of a slipway indicates a focus on routine maintenance and repairs, aligned with the emerging bunkering and maritime support infrastructure in the region.³¹ For Indian shipyards, this offers an opportunity to export technical expertise, manage operations, and train the local workforce, creating strategic leverage and complementary capability for India's maritime interests.

³⁰ Corporate Maldives, "MPL Signs Agreement to Develop Dockyard in Ihavandhoo", 21 December 2024, <https://corporatemaldives.com/mpl-signs-agreement-to-develop-dockyard-in-ihavandhoo/>.

³¹ Corporate Maldives, "MPL Signs Agreement to Develop Dockyard in Ihavandhoo", 21 December 2024, <https://corporatemaldives.com/mpl-signs-agreement-to-develop-dockyard-in-ihavandhoo/>.

CHAPTER SIX

AUSTRALIA

Introduction

1. This chapter evaluates publicly listed shipyards across Australia by examining three key dimensions: (a) the political environment in which these yards operate, (b) their economic viability and the frameworks governing foreign investment, and (c) their technical infrastructure and the extent to which their capacities align with Indian shipbuilding requirements. Together, these factors form an integrated analytical framework for identifying and prioritising shipyards in Australia that could serve as potential partners, subsidiaries, or acquisition targets for Indian shipyard investors.

2. **Overview.** Australia occupies a central maritime position in the Indo-Pacific, surrounded by major corridors linking the Indian Ocean and Pacific Ocean. This geography positions the country near critical trade routes.

3. Australia offers a high-value, strategically aligned, but tightly regulated environment for an Indian shipbuilding investor seeking to enhance their build & repair capacities, especially in naval and niche defence shipbuilding. The country is currently undertaking a major structural expansion of its indigenous naval shipbuilding industrial base, but foreign investment in critical shipyards is closely screened by the Foreign Investment Review Board (FIRB).¹ In strategic sectors such as defence shipbuilding, the government may impose ownership caps or security conditions.

4. Australia's shipbuilding and repair industry is dominated by the naval segment, with defence shipbuilding/repair accounting for roughly 65% of the of the sector.² The core focus is on naval vessels and submarines, including Offshore Patrol Vessels (OPVs), frigates, and now nuclear-powered submarines.

5. Australia has announced plans for a major long-term expansion of its naval shipbuilding sector, with total investments projected to reach up to USD 100 billion over the next 30 years³. The initiative forms part of the country's broader defence modernisation strategy and aims to establish domestic naval shipbuilding capability.

6. Beyond fleet modernisation, the investment is also intended to generate significant employment. Government projections suggest that the naval shipbuilding enterprise could

¹ Department of Foreign Affairs and Trade, "Australia's foreign investment policy", *Government of Australia*, n.d., <https://www.dfat.gov.au/trade/investment/australias-foreign-investment-policy>.

² Foley & Associates, "Industry Report Maritime Sector – Australia", *Virginia Economic Development Partnership*, 21 July 2020, https://exportvirginia.org/sites/default/files/2020-08/Australia_Maritime_July20.pdf.

³ The Maritime Executive, "Australia Plans Investment of Up to US\$100 Billion in Naval Shipbuilding", *The Maritime Executive*, 20 December 2024, <https://maritime-executive.com/index.php/article/australia-plans-investment-of-up-to-us-100-billion-in-naval-shipbuilding>.

support around 8,500 by 2030, with the broader submarine program potentially creating up to 20,000 jobs over 30 years.⁴

7. However, despite the primarily military nature of the Australian shipbuilding landscape, there exists significant leverage for Indian shipyards to pursue partnerships with Australia. Australia identifying India as a “top-tier security partner” in its 2024 National Defence Strategy signals Canberra’s intent to expand practical defence cooperation, including defence-industry collaboration.⁵ This was further reinforced in 2025 during a bilateral meeting with the respective defence ministers of both nations, wherein Australia thanked India for the offer of maintenance, repair and overhaul of Royal Australian Navy ships in Indian shipyards during their deployment to the Indian Ocean Region.⁶ This signals potential entry into allied naval sustainment supply chains, giving Indian yards opportunities to service foreign warships.

8. Under the mandate of this report, the following Australian shipyards have been identified for partnerships with Indian yards:

Ser	Shipyard & Location	Ownership / Listing	Primary Focus
(a)	Austal Shipyard (Henderson), Western Australia (Henderson)	Publicly listed – Austal Limited	Construction and repair of aluminium naval vessels, patrol ships and high-speed craft
(b)	Tropical Reef Shipyard – Cairns, Queensland, Australia	Privately owned Australian company	Ship repair, refit, and maintenance for naval, commercial, offshore support, and tourism vessels; slipway services and defence sustainment support
(c)	Civmec Limited, Henderson and Newcastle	A publicly listed company in Australia and Singapore	Heavy engineering, steel fabrication, and modular construction for defence, energy, and infrastructure projects, with a growing role in naval shipbuilding and maritime sustainment.
(d)	BAE Systems Shipyard, Henderson Yard, Osborne Yard and Williamstown Shipyard	Publicly listed British defence and aerospace company	Construction of submarines and large naval surface combatants for the Royal Australian Navy

Table 6.1: Shipyards in Australia Identified for Partnerships

⁴ The Maritime Executive, “Australia Plans Investment of Up to US\$100 Billion in Naval Shipbuilding”, *The Maritime Executive*, 20 December 2024, <https://maritime-executive.com/index.php/article/australia-plans-investment-of-up-to-us-100-billion-in-naval-shipbuilding>.

⁵ Rezaul H Laskar, “India is top-tier security partner”: Australia in first national defence strategy”, *Hindustan Times*, 18 April 2024, <https://www.hindustantimes.com/india-news/india-is-top-tier-security-partner-australia-in-first-national-defence-strategy-101713437790806.html>.

⁶ Press Information Bureau, “India-Australia Defence Ministers’ Joint Statement”, *Ministry of Defence, GoI*, 09 October 2025, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2176670®=3&lang=2>.

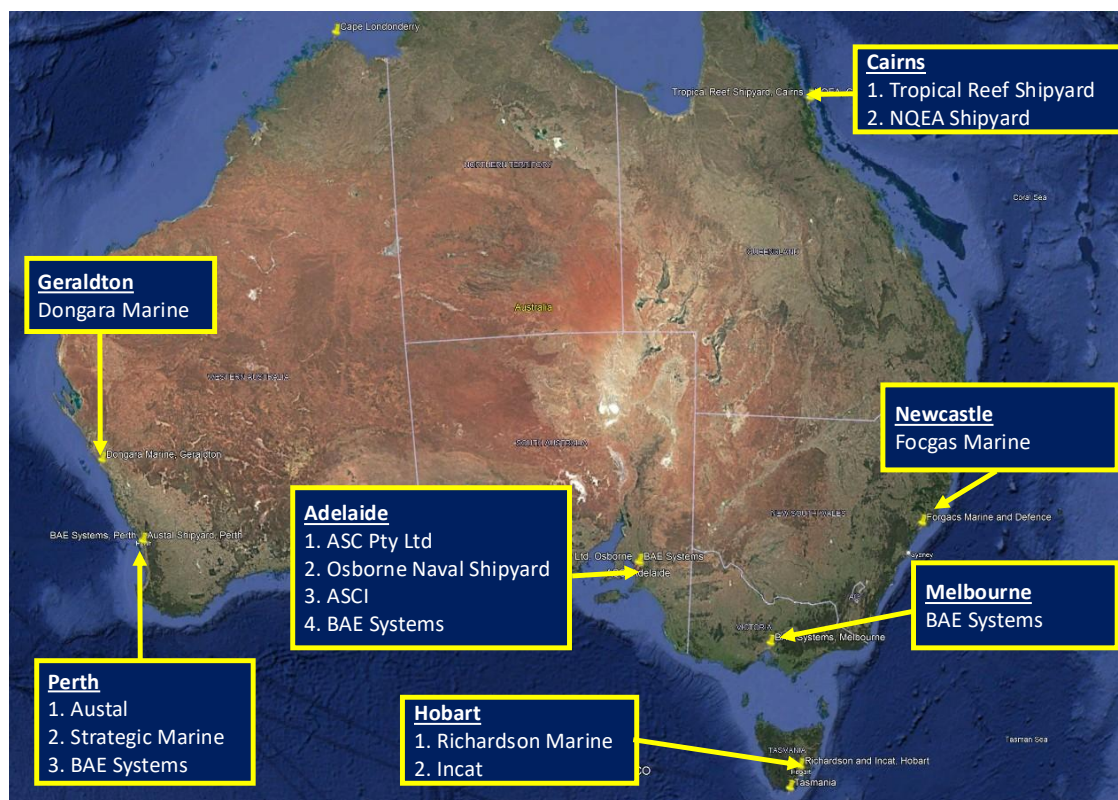


Fig 6.1: Shipyards in Australia

Austal Shipyard

9. Austal Shipyard is one of Australia’s largest shipbuilders, specialising in the construction of aluminium naval vessels, patrol boats, and high-speed ferries. Its principal Australian shipyard is located in Henderson, Western Australia, while the company also operates a major shipbuilding facility in Alabama, United States, as well as fabrication and support facilities in the Philippines and Vietnam.

10. Austal’s primary facility is in Henderson, near Fremantle Port on Australia’s west coast, providing direct access to merchant traffic. The port handles USD 45.2 billion worth of trade annually.⁷ Furthermore, the shipyard benefits from proximity to key maritime routes linking the region to West Asia, Africa, and Asia-Pacific markets. While not itself a major transit hub, its location within Western Australia’s principal port and energy export region provides indirect linkage to global energy and bulk commodity flows.⁸

11. In 2020, Austal announced that it had completed the acquisition of BSE Maritime Solutions, a ship repair and support company operating facilities in Cairns and Brisbane, Australia, for USD 19.5 million.⁹ The acquisition integrated BSE into Austal Australia’s service centre network, expanding the company’s maintenance and sustainment capabilities for defence, commercial, and private vessels.

⁷ Fremantle Port, “The Port”, Fremantle Ports Authority, <https://www.fremantleports.com.au/the-port>

⁸ Invest & Trade Western Australia, “Energy”, n.d., <https://www.investandtrade.wa.gov.au/our-industries/energy>.

⁹ Ship Technology, “Austal signs agreement to buy BSE Maritime Solutions”, *Ship Technology News*, 23 October 2020, <https://www.ship-technology.com/news/austal-buy-bse-maritime-solutions/>.

12. The Strategic Shipbuilding Agreement (SSA) between Austal Limited and the Commonwealth of Australia, signed in August 2025, establishes a long-term framework for continuous naval shipbuilding in Western Australia. Under this agreement, a new subsidiary—Austal Defence Australia—is designated as the government’s strategic shipbuilder for Tier 2 surface vessels. The arrangement gives Austal end-to-end responsibility as a prime contractor, covering design, construction, integration, testing, and delivery of naval platforms. It is structured as a long-term partnership (up to 15 years), aimed at ensuring sustained shipbuilding capability and reducing reliance on intermittent project cycles.¹⁰

13. The SSA is anchored around initial pilot programs for the Australian Army, specifically the LAND8710 project. This includes the planned construction of 18 Landing Craft Medium (LCM) vessels over roughly eight years and 8 Landing Craft Heavy (LCH) vessels, subject to final approvals.¹¹ These vessels are designed to enhance Australia’s amphibious capabilities. A central objective of the SSA is to strengthen Australia’s sovereign shipbuilding capability, of which Austal is a pivotal anchor for the Western Australian region.

14. All these factors reflect the yard’s strategic positioning within Australia’s defence and security paradigm, making it near impossible for Indian shipyards to invest in the yard via equity acquisition and even pursuing a JV would require government-level negotiations between the respective countries.

15. **Economic Factors.** Austal reported a record order book of approximately A\$17.7 billion (~USD 12.4–12.6 billion) as of February 2026. This figure includes contract options and has been driven in large part by major defence awards, particularly around A\$5 billion (~ USD 3.5 billion) in Landing Craft Medium and Heavy vessel contracts under Australia’s Strategic Shipbuilding Agreement. The scale and expansion of the order book indicate a deep pipeline of committed and potential work, positioning the company for sustained activity across both Australian and US operations.¹²

16. In terms of revenue, Austal generated around A\$1.1 billion (~ USD 780 million) in the first half of FY2026, representing a 34.4% year-on-year increase from A\$825.7 million (USD 583 million) in the previous corresponding period.¹³ Overall, the combination of rising revenues, a healthy order book and being backed by the government as a national priority, underscores the fact that the company is in a steady expansion phase.

17. While Austal Australia has delivered over 300 vessels historically, comprehensive lists are not publicly exhaustive; below is a tabulated summary of major recent/current programs from available sources:

¹⁰ Austal, “Strategic Shipbuilding Agreement”, Austal Shipyard, 28 August 2025, <https://www.austal.com/strategic-shipbuilding-agreement>.

¹¹ Austal, “Strategic Shipbuilding Agreement”, Austal Shipyard, 28 August 2025, <https://www.austal.com/strategic-shipbuilding-agreement>.

¹² Austal, “Austal continues to add to Order Book - Increasing Resilience and Diversity”, *Austal*, 23 February 2026, <https://www.austal.com/media-releases/austal-continues-add-order-book-increasing-resilience-and-diversity>.

¹³ Austal, “Austal continues to add to Order Book - Increasing Resilience and Diversity”, *Austal*, 23 February 2026, <https://www.austal.com/media-releases/austal-continues-add-order-book-increasing-resilience-and-diversity>

Vessel	Number	Year Delivered/ Planned	Client
Guardian-class Patrol Boats ¹⁴	24 (23 delivered by Jan 2026)	2018–2026	Australian Department of Defence (for Pacific Island Nations and Timor-Leste)
Cape-class Patrol Boats ¹⁵	08 delivered + awarded contract for 02 more	2012–2015	Australian Border Force
Cape-class Patrol Boats (additional) ¹⁶	02	2017	Royal Australian Navy
Cape-class Patrol Boats ¹⁷	02	2021	Trinidad & Tobago Coast Guard
Evolved Cape-class Patrol Boats ¹⁸	10	2021–2026	Royal Australian Navy
Landing Craft Heavy (LCH) ¹⁹	08	To be delivered in the next 08 years, post contract-finalisation	Australian Department of Defence
Landing Craft Medium (LCM) ²⁰	18	To be delivered in the next 08 years, post contract-finalisation	Australian Department of Defence
Independence-class LCS 2,4,6,8,10,12,14,16,18,20,22,24,26,28,30,32,34,36,38 ²¹	19	2010-2024	US Navy (built by Austal, Alabama, USA)
General-purpose frigates (Upgraded Japanese Mogami-class frigate) ²²	11	2029	Royal Australian Navy (jointly built by Australia and

¹⁴ Austal, “Austal Patrol 40 (Guardian-class)”, *Austal*, n.d., <https://www.austal.com/ships/patrol-vessels/guardian-class>.

¹⁵ Austal, “Austal Australia awarded contract for two additional Evolved Cape Class Patrol Boats for Australian Border Force”, *Austal*, n.d., <https://www.austal.com/media-releases/austal-australia-awarded-contract-two-additional-evolved-cape-class-patrol-boats-1>.

¹⁶ Marine Log Staff, “Austal Australia books contract for two more Evolved Cape-class patrol boats”, *Marine Log*, 01 January 2026, <https://www.marinelog.com/news/austal-australia-books-contract-for-two-more-evolved-cape-class-patrol-boats/>.

¹⁷ Marine Log Staff, “Austal Australia books contract for two more Evolved Cape-class patrol boats”, *Marine Log*, 01 January 2026, <https://www.marinelog.com/news/austal-australia-books-contract-for-two-more-evolved-cape-class-patrol-boats/>.

¹⁸ Austal, “Austal delivers tenth Evolved Cape-class Patrol Boat to Royal Australian Navy”, *Austal*, 03 March 2026, <https://www.austal.com/media-releases/austal-australia-awarded-contract-two-additional-evolved-cape-class-patrol-boats-1>.

¹⁹ Austal, “Strategic Shipbuilding Agreement”, Austal Shipyard, 28 August 2025, <https://www.austal.com/strategic-shipbuilding-agreement>.

²⁰ Austal, “Strategic Shipbuilding Agreement”, Austal Shipyard, 28 August 2025, <https://www.austal.com/strategic-shipbuilding-agreement>.

²¹ Program Executive Office Unmanned and Small Combatants (PEO USC) Public Affairs, “U.S. Navy Accepts Delivery of Final Independence-Variant Littoral Combat Ship, *Pierre*”, *US Navy Naval Sea Systems Command*, 11 July 2026, <https://www.navsea.navy.mil/Media/News/Article-View/Article/4241744/us-navy-accepts-delivery-of-final-independence-variant-littoral-combat-ship-pie/>.

²² Royal Australian Navy, “General purpose frigate”, n.d., <https://www.navy.gov.au/capabilities/ships-boats-and-submarines/general-purpose-frigate>.

Vessel	Number	Year Delivered/ Planned	Client
			Mitsubishi Heavy Industries, Japan)

Table 6.2: Vessels Delivered/on Orderbook of Austal Shipyard

18. However, the strategic and sensitive nature of the firm has not hindered Austal's ability to forge partnerships with foreign players. Its yard in Alabama (USA) has built nineteen LCS for the US Navy, which is its most significant and tangible foreign partnership, enabled by the close strategic ties between the USA and Australia.

19. Similarly, the Australian government has approved a proposal by Hanwha Group to increase its investment in Austal Limited, allowing the South Korean defence conglomerate to raise its shareholding from 9.9% to 19.9%, which would make it the largest single shareholder in the Australian shipbuilder. The approval followed scrutiny by Australia's foreign investment regulators and comes with strict conditions to safeguard national security, including limits on access to sensitive defence information and operational oversight. Despite the higher stake, Hanwha will remain a minority shareholder, and the government has emphasised that the arrangement must protect Australia's sovereign shipbuilding capabilities and defence programs.²³ To increase the stake in Austal, Hanwha first had to get the approval of the U.S. Committee on Foreign Investment (CFIUS) because of Austal's yard in Alabama that builds vessels for the United States Navy, making it part of the U.S. defence industrial base.²⁴

20. The approval shows that Australia is open to foreign strategic capital in its shipbuilding sector but only under tight security safeguards, especially when the yard is involved in sensitive naval programs. This comes after Austal rejected an earlier complete takeover bid by Hanwha in 2024.²⁵

21. However, despite this, Japan has raised its voice against the increase of Hanwha's stakes in Austal, citing concerns that the move could complicate efforts to safeguard sensitive Japanese defence technology associated with a major naval program between Japan and Australia.²⁶ The concerns are particularly linked to Australia's decision to adopt an upgraded version of the Mogami-class frigate as the future general-purpose frigate for the Royal Australian Navy. Under this program, the first three ships will be built in Japan by Mitsubishi Heavy Industries, while the remaining eight are planned to be constructed by Austal at its Henderson shipyard in Western Australia. Japanese officials argue that because the program will involve extensive technology

²³ Doug Stevens, "Hanwha gets nod from Australian Government to increase investment in Austal", *Naval Officers Association of Australia*, 13 December 2025, <https://www.navalofficer.com.au/hanwha-gets-nods-from-australian-government-to-increase-investment-in-austal/>.

²⁴ Hanwha Group, "Hanwha Group welcomes U.S. support for interest in Austal", *Press Release Hanwha Group*, 13 June 2025, <https://www.hanwha.com/newsroom/news/press-releases/hanwha-group-welcomes-us-support-for-interest-in-austal.do>.

²⁵ Scott Murdoch and Heekyong Yang, "Austal Rejects Hanwha's \$662 Million Takeover Offer", *Marine Link*, 02 April 2024, <https://www.marinelink.com/news/austal-rejects-hanwhas-million-takeover-512665>.

²⁶ Takahashi Kosu, "Japan Voices Concerns as South Korea's Hanwha Expands Stake in Australian Shipbuilder", *The Diplomat*, 19 December 2025, <https://thediplomat.com/2025/12/japan-voices-concerns-as-south-koreas-hanwha-expands-stake-in-australian-shipbuilder/>.

transfer and collaboration over many years, protecting proprietary systems and design features is critical.²⁷

22. This shows that any equity acquisition bid in Austal is both unfeasible (a foreign firm already has a 19.9% stake in the yard, US approval is likely also required) and geopolitically sensitive. However, the Austal-Mitsubishi JV provides a blueprint for collaborative naval production. Instead of attempting to develop entirely new platforms independently, Indian yards (with warship production capabilities) could partner with Austal, wherein the first few ships are produced in Australia, and later units are built in India or vice versa. However, this would certainly require higher government-level negotiations before it can be greenlit.

23. **Technical Factors.** The key infrastructure at Austal’s main Australian facility in Henderson (WA) is tabulated below:²⁸

Facility/Component	Specifications
Assembly Halls/Bays	Bay 1-2: 107.8m L x 14.9m W Bay 3: 93m L x 21m W x 14.9m H Bay 4: 95m L x 30m W x 21.8m H Bay 5: 99m L x 35m W x 21.8m H Bay 6: 99m L x 23m W x 14.9m H
Cranage	2x60t gantry, 2x5t gantry, 2x10t gantry, 5x3t gantry, 30x3.2t monorail (main); South end: 1x5t, 2x10t, 9x20.9t, 2x80t gantry
Max Vessel Capability	~120m LOA (upgrades); 3,900-4,000t displacement (e.g., LCH); Uses CUF for larger sustainment
Naval Bay	Bay 4 Section 1: 47.61m long x 17.9m wide South End Door Opening 10m wide Section 2: 84.9m long x 12m wide Bay 5 170m long x 22m wide North End Door Opening 10.67m wide South End Door Opening 10.67m wide Bay 6 129m long x 20.8m wide North End Door Opening 12m wide South End Door Opening 12m wide Bay 7 129m long x 20.8m wide North End Door Opening 12m wide South End Door Opening 12m wide
Cranage (Naval Bay)	1 x 5.0 tonne gantry 1 x 10.0 tonne gantry 1 x 10.0 tonne gantry 9 x 20.9 tonne gantry 2 x 80.0 tonne gantry

Table 6.3: Infrastructure at Austal Shipyard

24. The yard’s current infrastructure makes it capable of producing a range of large patrol vessels, offshore patrol vessels, high-speed ferries, expeditionary support vessels, and landing

²⁷ Takahashi Kosu, “Japan Voices Concerns as South Korea’s Hanwha Expands Stake in Australian Shipbuilder”, *The Diplomat*, 19 December 2025, <https://thediplomat.com/2025/12/japan-voices-concerns-as-south-koreas-hanwha-expands-stake-in-australian-shipbuilder/>

²⁸ Austal, “Austal Henderson” *Austal*, 2024, [https://www.austal.com/sites/default/files/2025-12/Austal%20Henderson%20Shipyards%20Data%20Sheet%202024%20\(1\).pdf](https://www.austal.com/sites/default/files/2025-12/Austal%20Henderson%20Shipyards%20Data%20Sheet%202024%20(1).pdf).

craft. However, to have the capacity to build frigates, as planned, the yard is expanding via the Henderson Defence Precinct around the facilities of Austal Limited in Henderson, which is intended to upgrade the shipyard from a medium-vessel builder to a yard capable of constructing large surface combatants such as frigates.²⁹



Fig 6.2: Austal Shipyard, Henderson

25. **Assessment.** Overall, an Indian defence-oriented shipyard, through a carefully negotiated government framework, can partner with Austal, especially in light of the Australian government’s renewed focus on upgrading its naval fleet, and may consider co-production and design opportunities with Austal.

Tropical Reef Shipyard

26. Tropical Reef Shipyard is located in the Cairns Marine Precinct in northern Queensland, adjacent to HMAS Cairns, a key naval base used by the Royal Australian Navy. The yard sits on the main shipping channel and is close to Cairns International Airport, allowing rapid access for international clients and supply chains.

27. The shipyard’s proximity to HMAS Cairns is strategically significant. The naval base hosts patrol vessels, hydrographic ships, and support vessels operating in northern waters. Over the past two decades, the yard has supported maintenance and repair of Royal Australian Navy ships and vessels from allied navies, including the United States and the United Kingdom.

28. **Economic Factors.** Established in 1977 and based in Cairns, the company operates as an independent Australian firm specialising in ship repair, refit, and sustainment services for

²⁹ Alex Luck, “Australian Government announces major investment for continuous shipbuilding and AUKUS at Henderson”, *Naval News*, 16 September 2025, <https://www.navalnews.com/naval-news/2025/09/australia-spends-a12-bn-on-henderson-for-aukus-shipyards/>.

defence and commercial vessels. Its workforce is relatively modest, <150, but is supported by a wider network of contractors and marine service suppliers within the Cairns Marine Precinct.³⁰

29. While no reliable reports are available to ascertain the yard's exact economic position, the yard's partnerships and projects indicate its stability and expertise. Tropical Reef Shipyard has undertaken numerous defence-focused repair, refit, and sustainment projects, primarily for the Royal Australian Navy (RAN) and allies, with limited public details on commercial or exhaustive lists. Key documented projects are tabulated below:

Project/Vessel	Year	Client	Description
HMAS <i>Leeuwin</i> (hydrographic survey vessel) ³¹	2012, 2016, 2017, 2020	Royal Australian Navy	5-yearly surveys, maintenance, sonar upgrades, propulsion/electrical repairs, full repaint
Leeuwin Class vessels (general) ³²	Over 20 years (ongoing since ~2000s)	Royal Australian Navy (HMAS Cairns fleet)	Maintenance and refit
Landing Craft Heavy (LCH) ³³	Pre-2020s (until decommissioning)	Royal Australian Navy	Life of Type Extension (LOTE), refit, repairs
7 x 7.5m watercraft ³⁴	2021 (contract award/build; to be built with BME NQ Boatyard Australia)	Australian Army	Newbuild for amphibious ops, survey/safety; includes spares/training
HMS <i>Spey</i> (River class OPV) ³⁵	June 2023	UK Navy (RN, forward-deployed Indo-Pacific)	Maintenance
HMS <i>Spey</i> and HMS <i>Tamar</i> ³⁶	2024	UK Navy	Hull Inspection

Table 6.4: Services Track-Record of Tropical Reef Shipyard

30. Additionally, Thales Australia, Austal and Tropical Reef Shipyard signed a Memorandum of Understanding (MoU) to collaborate in supporting the Australian government's National

³⁰ Tropical Reef Shipyard, "Our Team", *Tropical Reef Shipyard* n.d., <https://trshipyard.com.au/our-team/>.

³¹ Tropical Reef Shipyard, "Case Studies", *TRS*, n.d., <https://trshipyard.com.au/case-studies/>.

³² Tropical Reef Shipyard, "Defence", *TRS*, n.d., <https://trshipyard.com.au/defence/>.

³³ Tropical Reef Shipyard, "Defence", *TRS*, n.d., <https://trshipyard.com.au/defence/>.

³⁴ Army Technology, "Tropical Reef Shipyards, BME NQ to build new watercraft for Australian Army", 24 May 2021, <https://www.army-technology.com/news/tropical-reef-shipyards-bme-nq-to-build-new-watercraft-for-australian-army/>.

³⁵ Ben Felton, "Tropical Reef eyes foreign customers as it looks to grow Defence footprint", *Australia Defence*, 07 July 2023, <https://www.australiandefence.com.au/defence/sea/tropical-reef-eyes-foreign-customers-as-it-looks-to-grow-defence-footprint>.

³⁶ Ben Felton, "Tropical Reef eyes foreign customers as it looks to grow Defence footprint", *Australia Defence*, 07 July 2023, <https://www.australiandefence.com.au/defence/sea/tropical-reef-eyes-foreign-customers-as-it-looks-to-grow-defence-footprint>.

Naval Shipbuilding and Sustainment Enterprise. The agreement aims to strengthen cooperation between defence industry partners to improve ship support, sustainment, and lifecycle management for the Royal Australian Navy.³⁷ This highlights the deep integration of Tropical Australia's broader naval sustainment ecosystem. While TRS lacks the scale and infrastructure to compete for major shipbuilding contracts, partnerships with large defence firms such as Thales and Austal allow it to participate in sustainment, repair, and lifecycle support activities associated with Royal Australian Navy vessels.

31. For an Indian shipyard, the agreement indicates that Tropical Reef Shipyard already has embedded relationships with major Australian defence contractors, serving as a gateway into Australia's naval sustainment supply chain rather than as a standalone commercial repair yard. An Indian investor could potentially leverage this ecosystem to participate indirectly in sustainment activities related to Royal Australian Navy platforms. However, any partnership would be strictly regulated and overseen and would require necessary political approvals.

32. **Technical Factors.** The yard infrastructure of TRS is tabulated below:³⁸

Category	Infrastructure / Specification
Maximum vessel size	Vessels up to 110 m in length
Lift / haul-out capacity	3,000-ton lift capacity
Slipway	135 m long dry rail slipway
Slipway draught	7 m draught
Wet berthing/fit-out wharf	220 m wet fit-out berthing, single berth up to 110 m × 8 m
Heavy lifting equipment	100-ton crawler crane, 20-ton mobile crane, forklifts and elevating work platforms
Material handling	Two 4-ton forklifts and multiple elevated work platforms
Docking support	Dockmaster services, pilots, divers and workboats for vessel movements
Workboats	Three workboats up to 3-ton bollard pull

Table 6.5: Infrastructure at Tropical Reef Shipyard

³⁷ Asia-Pacific Defence Reporter, "Thales Australia, Austal and Tropical Reef sign MOU", *ADPR*, 11 March 2021, <https://asiapacificdefencereporter.com/thales-australia-austal-and-tropical-reef-sign-mou/>

³⁸ Tropical Reef Shipyard, "Location & Facilities", *TRS*, n.d., <https://trshipyard.com.au/location/>.



Fig 6.3: Tropical Reef Shipyard

33. These specifications show that Tropical Reef Shipyard is primarily a medium-scale repair and refit yard, capable of handling patrol vessels, offshore support vessels and small cargo ships, but not large naval combatants or major commercial vessels.

34. **Assessment.** Overall, from the perspective of potential Indian investors, despite Tropical Reef Shipyard’s integration within the Royal Australian Navy sustainment ecosystem, the yard’s limited capacity makes it a relatively weak candidate for investment. India’s ship repair sector is currently focused on expanding domestic capacities, and the scale of vessels serviced by Tropical Reef Shipyard does not align with the operational or commercial requirements of Indian shipowners. Consequently, it is unlikely that Indian-operated vessels of comparable size would need to rely on repair facilities in Australia, reducing the strategic and economic rationale for investment in the yard.

Civmec Limited Shipyards

35. Civmec’s shipbuilding and heavy engineering capabilities are concentrated primarily at its Henderson shipyard in Western Australia and Newcastle (Tomago) facility in New South Wales, with additional regional support facilities at Gladstone and Port Hedland. The Henderson facility is located in the Australian Marine Complex (AMC), roughly 30 km south of Perth, one of Australia’s largest marine industrial precincts with direct access to naval bases and heavy-lift infrastructure.³⁹

36. Civmec’s primary Henderson yard (near Fremantle Port, Perth) is strategically positioned in Western Australia. Henderson provides proximity to key energy hubs, facilitating repairs for Indian vessels transiting to/from the area.⁴⁰ Meanwhile, its Newcastle facility, located on the

³⁹ Civmec, “Marine and Defence”, *Civmec Brochure*, 2024, <https://civmec.com.au/wp-content/uploads/2024/03/Marine-and-Defence-Brochure-SINGLE-PAGE-DIGITAL-VERSION-v4.pdf>.

⁴⁰ Invest & Trade Western Australia, “Energy”, n.d., <https://www.investandtrade.wa.gov.au/our-industries/energy>.

Hunter River about 14 km from the Port of Newcastle, provides Civmec with a shipbuilding and fabrication base on Australia's east coast.⁴¹

37. Civmec is deeply embedded in Australian defence and naval programs, particularly through its shipbuilding role for the Royal Australian Navy. Additionally, the Australian government has identified Henderson as one of the two national centres for continuous naval shipbuilding, meaning the yard will likely play a role in future defence infrastructure expansion and maritime industrial development.⁴²

38. **Economic Factors.** Civmec Limited is a publicly listed Australian company, traded on the Australian Securities Exchange (ASX: CVL), which means its ownership is distributed among institutional and retail shareholders rather than a single private owner. The company's shareholder base includes a mix of Australian superannuation funds, investment firms, and individual investors, with the board and executive management responsible for strategic and operational decisions. Civmec operates through subsidiaries, such as Civmec Defence Industries for naval and shipbuilding activities, and other divisions focused on infrastructure, mining, and energy projects.

39. While specific figures for the yard have not been provided, the group's 2025 annual report denotes a stable position for the parent group. At the group level, revenue totalled ~USD 510.8 million, down due to project deferrals in resources. EBITDA was ~USD 57.8 million (11.3% margin). Operating cash flow was ~USD 61.6 million, supporting ongoing investments and dividend distributions. Net assets reached ~USD 334.0 million, with cash on hand of ~USD 64.9 million and borrowings reduced to ~USD 37.8 million.⁴³ This combination of liquidity, asset strength, and operational resilience positions Civmec as a credible industrial partner capable of supporting medium- to large-scale naval and commercial shipbuilding projects.

40. A list of major projects undertaken by Civmec shipyards is tabulated below to provide a better picture of the yard's operational viability:

Vessel/Project	Year/Status	Client	Role
HMAS <i>Arafura</i> (Arafura-class OPV 1) ⁴⁴	Commissioned June 2025	Royal Australian Navy	The first Arafura-class OPV was primarily built at Osborne Naval Shipyard, with Civmec providing steel blocks and fabrication support.

⁴¹ Civmec, "Newcastle", *Civmec*, n.d., <https://civmec.com.au/facilities/newcastle/>

⁴² ASA Media, "New Defence precinct at Henderson to deliver continuous Naval shipbuilding and nuclear-powered submarine maintenance", *Australian Submarine Agency*, 21 October 2024, <https://www.asa.gov.au/news/new-defence-precinct-henderson-deliver-continuous-naval-shipbuilding-and-nuclear-powered-submarine-maintenance>.

⁴³ Civmec, "Annual Report 2025", *Civmec Group*, 2025, https://civmec.com.au/wp-content/uploads/2025/09/Civmec-Ltd-Annual-Report-2025_digital.pdf.

⁴⁴ Defence Connect, "HMAS Arafura marks shipbuilding milestone, say Civmec, Luerksen Australia", *Defence Connect*, 01 July 2025, <https://www.defenceconnect.com.au/industry/16347-hmas-arafura-marks-shipbuilding-milestone-says-civmec-luerksen-australia>.

Vessel/Project	Year/Status	Client	Role
NUSHIP ⁴⁵ <i>Eyre</i> (Arafura-class OPV 2) ⁴⁶	2025 (accepted)	Royal Australian Navy	Civmec took over construction and steel fabrication for the Arafura-class OPVs, starting with NUSHIP Eyre after the program was transferred from its original shipyard.
NUSHIP <i>Pilbara</i> (Arafura-class OPV 3) ⁴⁷	2025 (launched)	Royal Australian Navy	Third OPV launched by Civmec at Henderson
NUSHIP <i>Gippsland</i> (Arafura-class OPV 4) ⁴⁸	Under construction	Royal Australian Navy	Under construction at Henderson Naval Shipyard
NUSHIP <i>Illawarra</i> (Arafura-class OPV 5) ⁴⁹	Under construction	Royal Australian Navy	Under construction at Henderson Naval Shipyard
NUSHIP <i>Carpentaria</i> (Arafura-class OPV 6) ⁵⁰	2025 (keel laid)	Royal Australian Navy	Keel laid at Henderson; mid-build stage.

Table 6.6: Vessels built by Civmec Shipyard

41. These ships show Civmec’s shipyards are economically anchored in long-term, government-backed naval work with proven complex-build capability, which is a relatively low-risk, strategic platform for an Indian investor rather than a speculative commercial yard.

42. **Technical Factors.** The yard infrastructure of Civmec’s two major shipbuilding yards — Henderson (Western Australia) and Newcastle- is tabulated below:⁵¹

Specification	Henderson Shipyard	Newcastle Yard
Location & Size	Within the Australian Marine Complex (AMC) on ~200,000 m ² waterfront land	Tomago site on ~227,000 m ² riverfront land with 535 m Hunter River frontage
Fabrication Capacity	Up to 80,000 tonnes of steel per year production capacity with modern fabrication and robotic welding facilities	Up to 25,000 tonnes of steel per year fabrication capacity in the main hall
Assembly Hall	53,000 m ² high bay modular assembly hall (70 m height, 400 t crane lifts)	Unspecified

⁴⁵ “NUSHIP” is the prefix used by the Royal Australian Navy (RAN) for newly commissioned ships that are not yet formally commissioned with the HMAS.

⁴⁶ Civmec, “Key milestone achieved for OPV2 NUSHIP Eyre”, *Civmec News & Media*, 14 July 2025, <https://civmec.com.au/key-milestone-achieved-for-opv2-nuship-eyre/>.

⁴⁷ Naval News Staff, “Civmec launches NUSHIP Pilbara for Royal Australian Navy”, *Naval News*, 04 November 2025, <https://www.navalnews.com/event-news/indo-pacific-2025/2025/11/civmec-launches-nuship-pilbara-for-royal-australian-navy/>.

⁴⁸ Civmec, “Civmec delivers 1H FY26 EBITDA of A\$46 million and strengthens order book to A\$1.35 billion”, *Civmec News & Media*, 02 February 2026, <https://civmec.com.au/key-milestone-achieved-for-opv2-nuship-eyre/>.

⁴⁹ Civmec, “Civmec delivers 1H FY26 EBITDA of A\$46 million and strengthens order book to A\$1.35 billion”, *Civmec News & Media*, 02 February 2026, <https://civmec.com.au/key-milestone-achieved-for-opv2-nuship-eyre/>.

⁵⁰ Australian Government, “Offshore Patrol Vessel NUSHIP Carpentaria Keel Laying Ceremony”, *Australian Government, Defence*, 29 August 2025, <https://www.defence.gov.au/news-events/releases/2025-08-29/offshore-patrol-vessel-nuship-carpentaria-keel-laying-ceremony>.

⁵¹ Civmec, “Facilities”, Civmec, n.d., <https://civmec.com.au/>.

Specification	Henderson Shipyard	Newcastle Yard
	accommodating modules up to ~187 m long	
Module & Structure Size Capability	Modules up to 29 m wide, 18 m high and 150 m long (central bay); larger assembly modules up to ~187 m long	Modules up to 22 m wide, 9.5 m high and ~136 m long

Table 6.7: Yard Specification of Civmec's Yards

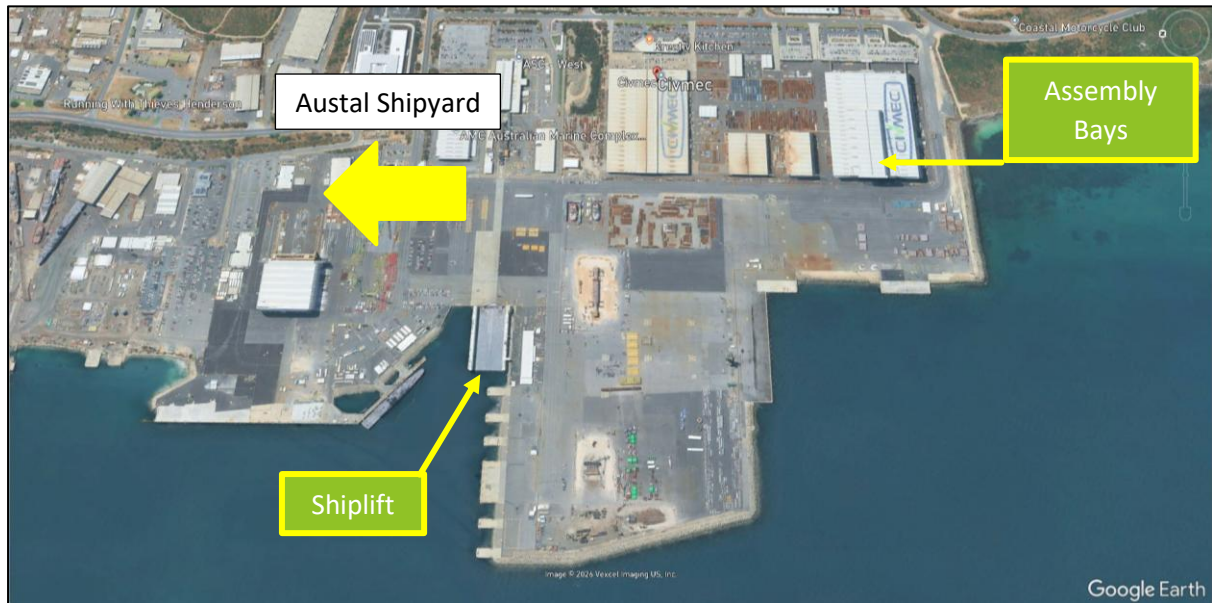


Fig 6.4(a): Civmec Shipyard, Henderson



Fig 6.4(b): Civmec Shipyard, Tomago

43. **Assessment.** Cvmec has the physical capability to construct larger combatants, but it does not do so under current Australian defence programs due to government contracts and strategic program allocation. While the Henderson yard has the technical capacity to handle larger warships, it is not engaged in full-scale combat ship construction or systems integration, which is critical for India's capacity-expansion requirement. This limits the strategic and operational value of any investment. Therefore, investment is not recommended.

BAE Systems Shipyard

44. BAE Systems Australia is the Australian subsidiary of BAE Systems plc (UK), one of the world's largest defence and aerospace companies. It is a prime contractor for the Australian Defence Force (ADF), specialising in naval shipbuilding, combat systems, and integrated defence solutions.

45. BAE Systems' Australian shipbuilding presence is currently anchored in South Australia (Osborne-Henderson) for new-build frigates, while the legacy Williamstown Dockyard in Melbourne is now largely a repair and maintenance facility. In 2024, it was reported that BAE put the Williamstown Dockyard for sale at USD 200 million.⁵² With no further updates on a sale, it is safe to assume that the dockyard is actively on the market, and BAE is exploring sale and leaseback options, but the transaction has not been completed, and no definitive buyer or lease partner is public yet.

46. BAE's Australian operations focus on building, upgrading, and sustaining complex naval vessels, including destroyers, frigates, and offshore patrol vessels, and it is tightly integrated into the National Naval Shipbuilding Enterprise (NNSE), which coordinates Australia's sovereign naval shipbuilding capabilities. The Australian Government, through the Australian Submarine Agency, is progressing the build of Australia's future SSN-AUKUS nuclear-powered submarines in a sovereign industrial partnership with ASC Pty Ltd and BAE Systems, who will form a joint venture responsible for delivery, safety, security, and regulatory compliance of the program. Work is already underway to prepare facilities at Osborne, South Australia.⁵³

47. **Economic Factors.** BAE Systems Australia Holdings Ltd, the Australian defence subsidiary of the UK-based BAE Systems group, operates primarily in shipbuilding, repair services, and integrated defence solutions for the Australian Defence Force. According to industry data, the company generated total revenue of approximately USD 2.42 billion in fiscal year 2024 (the most recent comprehensive public figure available), reflecting its scale as one of Australia's major defence suppliers in the maritime sector.⁵⁴

⁵² Nicole Lindsay, "Williamstown's shipyard hits the slipway with a price tag of \$200m", *The Sydney Morning Herald*, 21 June 2024, <https://www.smh.com.au/business/companies/williamstown-s-shipyard-hits-the-slipway-with-a-price-tag-of-200m-20240620-p5jnfl.html>.

⁵³ Australian Submarine Agency, "SSN-AUKUS shipbuilder", *Australian Submarine Agency Business and Media*, n.d., <https://www.asa.gov.au/business-industry/build>.

⁵⁴ IBIS World, BAE Systems Australia Holdings Limited", *IBIS World*, 2024, <https://www.ibisworld.com/australia/company/bae-systems-australia-holdings-limited/6766/>.

48. BAE Systems Australia has undertaken numerous repair, upgrade, and sustainment projects alongside its builds at the Henderson and Williamstown yards. The table below compiles key projects:

Vessel/Project	Year/Status	Client	Role
Hunter-class frigates (06) ⁵⁵	First delivery expected 2032; followed by further ships into 2030s–2040s	Royal Australian Navy	Main surface combatants under the SEA 5000 program; full design & construction by BAE Systems Maritime Australia at Osborne Naval Shipyard (6 ships contracted). Construction started in mid-2024.
HMAS <i>Adelaide</i> (L01) – Canberra-class LHD ⁵⁶	Commissioned 4 Dec 2015		BAE Systems Australia completed fit-out & final outfitting at Williamstown after hull construction in Spain; BAE integrated systems.
HMAS <i>Canberra</i> (L02) – Canberra-class LHD ⁵⁷	Commissioned 28 Nov 2014		BAE Systems Australia carried out outfitting and systems integration at Williamstown Dockyard.
HMAS <i>Brisbane</i> (DDG 41) – Hobart-class AWD ⁵⁸	Commissioned 27 Oct 2018		BAE Systems Australia built modules/blocks as part of the AWD construction consortium.
HMAS <i>Sydney</i> (DDG 42) – Hobart-class AWD ⁵⁹	Commissioned 18 May 2020		BAE Systems Australia contributed modules/blocks with the AWD Alliance team.
HMAS <i>Hobart</i> – Hobart-class AWD ⁶⁰	2017		BAE Systems Australia contributed modules/blocks with the AWD Alliance team.
Anzac-class Frigate; construction and Sustainment (ongoing) ⁶¹	1989-ongoing		30+ years of mid-life upgrades, ASMD refits, radar/combat system modernisations at Henderson/Williamstown.
SSN-AUKUS Nuclear Submarines ⁶²	First delivery expected early 2040s		8–12 nuclear-powered submarines: The Australian Government will collaborate with ASC Pty Ltd (ASC) and BAE Systems to construct Australia's SSN-AUKUS nuclear submarines.

Table 6.8: Vessels Constructed by BAE Australia

⁵⁵ Naval News Staff, “Australia Cuts Steel on its First Hunter-class Frigate”, *Naval News*, 21 June 2024, <https://www.navalnews.com/naval-news/2024/06/australia-cuts-steel-on-its-first-hunter-class-frigate/>.

⁵⁶ Royal Australian Navy, “HMAS Adelaide (III)”, *Ships, Boats and Submarines*, n.d., <https://www.navy.gov.au/capabilities/ships-boats-and-submarines/hmas-adelaide-iii>.

⁵⁷ Royal Australian Navy, “HMAS Canberra (III)”, *Ships, Boats and Submarines*, n.d., <https://www.navy.gov.au/capabilities/ships-boats-and-submarines/hmas-canberra-iii>.

⁵⁸ Royal Australian Navy, “HMAS Brisbane (III)”, *Ships, Boats and Submarines*, n.d., <https://www.navy.gov.au/capabilities/ships-boats-and-submarines/hmas-brisbane-iii>.

⁵⁹ BAE Systems, “Hobart Class Air Warfare Destroyers”, *BAE Systems*, 2023, <https://www.baesystems.com/en/product/air-warfare-destroyers>.

⁶⁰ BAE Systems, “Hobart Class Air Warfare Destroyers”, *BAE Systems*, 2023, <https://www.baesystems.com/en/product/air-warfare-destroyers>.

⁶¹ BAE Systems, “Anzac class frigates”, *BAE*, 2023, <https://www.baesystems.com/en/product/anzac-class-frigates>.

⁶² Australian Submarine Agency, “SSN-AUKUS shipbuilder”, *Australian Submarine Agency Business and Media*, n.d., <https://www.asa.gov.au/business-industry/build>.

49. For an Indian investor, BAE Systems Australia represents a highly strategic but restricted opportunity. Its operations are deeply embedded in Australia's national security programs, including the Hunter-class frigates and AUKUS nuclear submarine projects, with close ties to the UK and US through parent company and alliance frameworks.

50. **Technical Factors.** BAE's shipyard infrastructure and capacity are tabulated below:

Shipyard / Facility	Key Specs	Purpose
BAE Systems Henderson Shipyard ⁶³	Syncrolift & Dry Berths – Shiplift rated ~8,065 t displacement, max vessel length ~150 m, width ~25 m, draft ~9.4 m; rotary turntable transfers to multiple dry berths (e.g., 100 m, 180 m, 190 m, 90 m long) totalling ~640 m linear berth space. Wet berths – Two berths ~140 m and 110 m with ~11.5 m depth. Wharf – Roll-on/roll-off wharf ~500 t capacity. Support buildings – Shiplift support tower and offices to assist mid-life upgrades and sustainment work.	Supports ship repair, maintenance, refit, conversion and commercial projects (e.g., offshore vessels, survey, tugs). The shiplift and transfer system facilitates fast docking and servicing, including ANZAC-class warships.
Osborne Naval Shipyard – South (Osborne South, SA) ⁶⁴	Land & Building Size – Osborne Naval Shipyard covers ~175 ha. Steel Fabrication Hall – ~14,300 m ² (multiple sub-halls). Block Assembly Hall – ~160 m × 48 m × ~28.5 m. Blast & Paint Hall – ~60 m × 30 m × ~23 m. Block Outfitting & Assembly Hall – ~190 m × 90 m × ~50 m. Pipe Fabrication Hall – dedicated production hall. Common User Facility – Wharf (~213 m), dry berth, runway, shiplift system	Modern shipbuilding hub for surface combatants (e.g., Hunter-class frigates). Covered halls enable construction, outfitting and systems integration inside controlled environments.
Osborne Naval Shipyard ⁶⁵	Submarine / Nuclear Yard Infrastructure – Planned expansion for SSN-AUKUS submarine construction includes major fabrication and consolidation halls (to support modular builds), secure nuclear precinct areas, and supporting basins/launch infrastructure at the cost of USD 2.76 billion	Designed to support world-class nuclear submarine construction and sustainment, with robotic welding, modular assembly and high-precision facilities. Construction is progressive through the late 2020s.

⁶³ Syncrolift, "BAE Systems Australia-Henderson", n.d., <https://syncrolift.com/customer-stories/bae-henderson/>.

⁶⁴ Australian Naval Infrastructure, "Osborne South", n.d., <https://www.ani.com.au/osborne-naval-shipyard/facilities/osborne-south/>.

⁶⁵ Reuters, "Australia pledges \$2.7 billion to progress nuclear submarine shipyard build", n.d., <https://www.reuters.com/world/asia-pacific/australia-pledges-27-billion-progress-nuclear-submarine-shipyard-build-2026-02-15/>.

Shipyard / Facility	Key Specs	Purpose
Williamstown Yard ⁶⁶	BAE Systems no longer operates Williamstown as an active shipbuilding yard. After completing work on projects like the Air Warfare Destroyer blocks and Landing Helicopter Dock outfitting, shipbuilding activity at Williamstown effectively wound down around 2015–2016 due to a lack of follow-on defence work. BAE sold off much of the fabrication equipment, and although the site remains owned by BAE, there are no current contracted naval shipbuilding projects there, and the yard is largely inactive in that role	NA

Table 6.9: Infrastructure of BAE’s Shipyards

51. Only Osborne handles the construction of large warships and will be central to building Australia’s AUKUS submarines. Henderson focuses on repairs and refits for vessels up to around 8,000 t.

52. **Assessment.** In sum, the above-mentioned factors hinder an Indian firm’s ability to invest in or partner with BAE Systems, Australia. First, BAE is highly embedded within the Australian government’s national security and fleet upgradation plans, which restricts external participation. Second, since BAE’s parent company is UK-based, any negotiation would likely necessitate involving a third-country intermediary, adding complexity to negotiations. Third, BAE’s operations are closely tied to the AUKUS security framework, further constraining opportunities for foreign involvement in its strategic projects.

⁶⁶ ABC News, “BAE Systems says Williamstown shipyard at risk because of industry's 'valley of death'”, 14 April 2015, <https://www.abc.net.au/news/2015-04-14/bae-tells-senate-hearing-shipbuilders-reached-valley-of-death/6392338>.

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATIONS

Current Challenges in Indian Shipbuilding Industry

1. The broad approach recommended in this study is offshoring of Indian shipbuilding industry ***as a supplementary measure and not as an alternative to the long-term strategy of enhancing domestic shipbuilding capacity.*** Therefore, this research study proposes a strategy of “*Make by India, Make across the World*” to supplement the Government of India’s policy of “*Make in India, Make for World*” in order to establish the country as one of the leading shipbuilding nations in the world. To be sure, India is already in the reckoning; UNCTAD’s 2025 Review of Maritime Transport positions her in the ninth place (although the UNCTAD’s current database which is updated as of June 2025 places India in the 16th position). Yet, data shows that advancing from her current position requires India to take huge leaps in shipbuilding output. For instance, advancing from the 16th position to the 10th position (at least) entails a four-fold increase in production from 40923 GT to 160460 GT.⁶⁷

2. This study has identified that the Indian shipyards are beset with two major problems. The first is that of capacity. India’s current shipbuilding capacity (as against shipbuilding output) is remarkably low. As an illustration, China – the world’s largest shipbuilder – is estimated to have an installed capacity of 53 million DWT⁶⁸ which is 170 times India’s current shipbuilding capacity of 311160 DWT. This major challenge has several components, which are beyond the scope of this study. The second major problem is that of efficiency. The core metric for efficiency is ‘man-hours per CGT or MH/CGT’ which indicates how many man-hours are needed to build one GT and is thus a reliable indicator of labour productivity or efficiency. Leading shipbuilders such as Japan and South Korea use 10-15 MH/CGT whereas in the case of Indian shipyards, this figure is roughly 150-180 MH/CGT.⁶⁹ Efficiency too, like capacity, has many contributory factors which are beyond the scope of this study. However, this study acknowledges that the only way to position India as a leading shipbuilding nation globally is to enhance the capacity as well as efficiency of Indian shipyards. In addition to the two main problems of capacity and efficiency, India’s shipbuilding industry also faces certain other challenges in regulatory and fiscal domains.

3. This research also notes that the government’s supportive policies in the shipbuilding sector have not yet had the desired impact. It also notes that the order books of Indian shipyards, taken as a whole, are more than their total installed capacity. Further, export orders in

⁶⁷ In 2024, Singapore was ranked at the 10th position with about 160,000 gross tonnage built (0.22% market share), while India was ranked at the 16th position with about 40,000 gross tonnage (0.06% market share).

⁶⁸ China’s installed shipbuilding capacity is not usually published as a single, official CGT-per-year figure in open sources. However, in 2025, China’s actual output was about 53.7 million DWT (roughly equivalent to around 17–18 million CGT delivered) and that has been assumed as an indicator of installed capacity.

⁶⁹ Lecture on “Shipbuilding as a Tool of Foreign Cooperation in the Indian Ocean Region”, Cmde Mohit Goel, 07 January 2026, National Maritime Foundation, New Delhi.

terms of percentage of DWT ordered are nearly half of the total order book of Indian shipyards. While domestic orders comprise 87 per cent of total order book by number of vessels on order (and 50 per cent in terms of DWT), nearly 95 per cent of Indian owned vessels are imported.⁷⁰ These facts lead to some interesting conclusions. The first is that Indian shipyards have a relatively low efficiency, resulting in a mere 10 per cent of installed capacity being delivered annually. Therefore, unless the aspect of low productivity is addressed, attracting new orders by way of policy changes would not result in an increase in shipbuilding output. The second conclusion is that policy on its own can only have a limited effect because the core driver of shipbuilding productivity is yard efficiency. The third conclusion is that Indian shipbuilding, as a brand, has high value as indicated by export orders. The most relevant conclusion for this study, however, is that notwithstanding low productivity, the addition of capacity is likely to boost the output of Indian shipbuilders. But addition of capacity by way of building new shipyards has a long lead time. It is in this context that this study has examined potential opportunities in the Indian Ocean Region for partnership with foreign shipyards and recommends offshoring.

Research Findings

4. **54 shipyards in 25 countries** across five sub-regions of the IOR – South Asia, Southeast Asia, West Asia, East Africa, and Australia – have been examined in this research. The criterion for selecting a country is its past and current political relations with India, resulting in elimination of countries such as Pakistan from the study. Additionally, some countries such as Brunei, Cambodia, Iraq, Yemen, Timor Leste, Comoros, Eritrea, Sudan, etc have been omitted due to reasons such as lack of shipbuilding expertise in these countries, financial viability of projects, and a cost-benefit factor.

5. **Criteria for Analysis.** The analysis in this research is based in three primary criteria:

5.1. **Government Policies.** The policies of a government, especially those relating to foreign investments, support to its own shipbuilding industry, financial policies, and the ease of doing business. In addition, certain countries have strategic partnerships with India (some with specific focus on cooperation in the field of trade, connectivity, and maritime transport), and this has been factored in the analysis as well.

5.2. **Shipyards' Financial Health.** The financial health of each shipyard has been evaluated in the report. In many cases, especially for privately-owned shipyards, where financial data could not be accessed, the financial health has been inferred based on related indicators such as news reports, ship deliveries, etc. This criterion enables the identification of shipyards with dubious credentials, as well as the loss-making ones. It also enables identification of profitable shipyards. This criterion has been applied to identify potential take-over or investment opportunities.

⁷⁰ Lecture on “Shipbuilding as a Tool of Foreign Cooperation in the Indian Ocean Region”, Cmde Mohit Goel, 07 January 2026, National Maritime Foundation, New Delhi.

5.3. **Shipyards' Technical Capabilities.** Each shipyard has also been assessed with regard to its technical capabilities. This criterion includes the capability of the shipyard – whether shipbuilding or ship-repairing or both – and its associated infrastructure. It also examines past deliveries and the track-record in shipbuilding, with insights into its client-base.

6. Post-analysis, the findings of this research have been tabulated for individual shipyards at **Annexure 1**. This research finds that **24 shipyards** are suitable for partnership with Indian entities, whether private, state-owned, or through a G2G agreement. These are described in succeeding paragraphs.

7. **Asian Marine Services PCL (ASIMAR), Thailand.** ASIMAR is recognised for work on commercial, offshore-service and government vessels, including projects for the Royal Thai Navy, the Port Authority of Thailand and the Marine Department, which indicates that it is an established player in both commercial and state-related markets without being a State-Owned Enterprise (SOE). Although ASIMAR is a micro-cap company with a market capitalisation of about 410.68 million baht ($\approx$ USD 11.7 million), it has good yard infrastructure with a consistent track-record for delivering small and medium-sized vessels. Asimar's revenue model has gradually shifted from shipbuilding to ship-repair. An analysis of last 10 annual reports of the company indicates that the revenue from ship repair has dominated (60 to 70 per cent) the revenue from shipbuilding (30 to 40 percent). The shipyard is profitable and holds promise for a future joint venture or investment by an Indian shipyard.

8. **Bangkok Dock Company Ltd, Thailand.** The Bangkok Dock company is a state-owned enterprise under the oversight of Thailand's Ministry of Defence. It presents as a potential partner for Indian state-owned shipyards, subject to G2G agreements. Indian shipyards would bring their technical expertise and indigenous warship designs to the table, while the existing capacity of Bangkok Dockyard could be leveraged for joint production. Commercially, however, this shipyard does not present itself as an attractive investment opportunity.

9. **Malaysia Marine & Heavy Engineering (MMHE).** MMHE is the core operating subsidiary of Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), a major marine and energy-infrastructure group. It is fundamentally a repair, conversion and offshore-fabrication yard. Since MMHE is optimised for LNG/tanker repair, FPSO/FSO conversion and offshore platform fabrication, it is an attractive investment and partnership candidate that could support India's own SBSR capabilities in this niche area.

10. **Shin Yang Shipyard, Malaysia.** Shin Yang Group Berhad (SYG), the listed parent of Shin Yang Shipyard, has delivered strong financial growth driven by shipbuilding, repair and shipping. Its portfolio of ships includes LSTs, OPVs, tugs and OSVs, fast crew boats, barges, and floating docks. Although the yard's capacity is limited, Indian yards can benefit by gaining access to the Malaysian energy circuit, and Shin Yang's MMEA/RMN approvals for

patrol/LST bids, while contributing to vessel designs and green tech (LNG-powered vessels) to upgrade Shin Yang for better environmental compliance.

11. **PT PAL Indonesia.** PT PAL Indonesia is a 100% state-owned enterprise (SOE) under Indonesia's Ministry of State-Owned Enterprises, with no private or foreign shareholders, and is positioned as the anchor for national shipbuilding consolidation. In May 2025, the Marketing Director of PT PAL Indonesia had stated that the yard was willing to pursue various forms of cooperation to strengthen the defence industrial ecosystem, particularly with India, whose ancillary and supporting industries are considered well-developed and mature. In 2023, the company reported revenue of USD 240 million (up 42% year-on-year), with a target of USD 340 million for 2024. Its growth is driven by naval exports such as Strategic Sealift Vessels (SSVs) for the Philippines, work on *Scorpène* submarines, and commercial tanker and bulk construction. It actively seeks FDI for capacity expansion and India's May 2025 cooperation MoU opens the doors for co-production under the Comprehensive Strategic Partnership. For India, PT PAL Indonesia is a strong strategic fit as a regional co-production/ ship-repair partner in Southeast Asia.

12. **PT Daya Radar Utama (DRU), Indonesia.** PT Daya Radar Utama (DRU) is a privately owned shipyard with limited public financial disclosure, showing modest but stable operations typical of a mid-tier private player focused on naval and commercial projects. DRU has constructed naval vessels like a 98 m OPVs, tank landing ships (LSTs), patrol vessels and fast craft, as well as commercial vessels such as ro-ro ferries (1,500 GT), crew/cargo ships (1,200 GT), azimuth tugs, tractor tugs, FRP boats, floating docks, navigational buoys, barges and accommodation OSVs. It is recommended as a potential partner for investment.

13. **Dumas Tanjung Perak Shipyard.** This is a privately-owned shipyard which has built 166 new ships in various sizes and models, ranging from Ro-Ro ferries, passenger ships, patrol vessels, tugs & barges, fast crew supply vessels, special purpose ships, to full-sized tankers. No comprehensive annual reports or balance sheets for recent years were identified in public sources. The shipyard's capacity for shipbuilding is 20,000 GT per year, and ship repair is 40,000 GT per year. Given its relatively small operational and financial footprint, but an advantageous location next to the Tanjung Perak port area, this shipyard is assessed to be a potential candidate for investment by Indian entities.

14. **Sembcorp Marine (Seatrium), Singapore.** Seatrium Limited, formed in 2023 from the merger of Sembcorp Marine and Keppel Offshore & Marine (Keppel O&M), is Singapore's largest offshore marine yard with global facilities. It is effectively a state-linked enterprise. In FY2024, Seatrium's revenue rose 27 per cent to about S\$9.2 billion, while net profit reached roughly S\$157 million. That year, it also secured around S\$15.2 billion in new orders bringing its net order book to approximately S\$23.2 billion and covering 27 projects with deliveries stretching to 2031, of which S\$7.9 billion related to renewables and "green or cleaner" solutions. Seatrium Offshore Technology Pte Ltd (SOT) signed an MoU with Cochin Shipyard Limited (CSL) in 2025 to "strengthen cooperation in the offshore sector across Asia," explicitly identifying India as a key long-term growth market given its fast-growing offshore energy sector and maritime infrastructure demand. Its infrastructure overshadows even the largest Indian

shipyards. Therefore, for India, an equity stake in Seatrium would be a strategic choice rather than a necessity from Seatrium's side. This study recommends project-based collaboration with this shipyard.

15. **SBIC, Vietnam.** The Shipbuilding Industry Corporation (SBIC) is Vietnam's state-owned shipbuilding holding company, created in 2013 from the restructuring of the troubled Vinashin Group and inheriting about 4 billion USD of legacy debt. Despite solid industrial capabilities and busy order books at several subsidiary yards, SBIC as a corporate entity is now in court-supervised bankruptcy, with a government-approved roadmap to liquidate or transfer assets while allowing profitable units to continue operating under new ownership structures. This creates both opportunities and risks for an Indian shipyard seeking strategic entry into Vietnam's shipbuilding ecosystem. SBIC's main yards—Ha Long, Nam Trieu (NASICO), Pha Rung, Bach Dang, Song Cam, Saigon SSI, Cam Ranh and Thinh Long—can collectively build a wide range of vessels from small workboats to Panamax bulkers, tankers, container ships, offshore vessels and increasingly complex wind-farm and cruise ships. For Indian shipyards, investing directly in SBIC equity makes little sense. The real opportunity lies in selectively partnering with, investing in or acquiring specific SBIC shipyards (as highlighted above) that match Indian shipbuilding capacity requirements. Since the SBIC is state-owned, the Government of India could leverage its diplomatic heft to secure favourable deals for Indian entities.

16. **Mogadishu Marine Repair Yard, Somalia.** Given the absence of genuine shipyard infrastructure, the still-high security and political-risk profile of Somalia, and the capital-intensive nature of drydock construction, Indian entry is technically feasible but commercially and politically challenging, and is best viewed as a long-horizon strategic project rather than an immediately attractive, ready-to-invest shipyard opportunity. Therefore, Indian investment in Mogadishu to specifically enhance shipbuilding and repair capacity of the yard is recommended.

17. **Berbera Marine Workshop & Repair Yard, Somalia.** Berbera presents a moderately attractive but high-risk, long-horizon investment prospect for Indian shipyards seeking to expand regional repair capacity. Berbera remains fundamentally a cargo-focused port, lacking essential shipyard infrastructure such as drydocks, slipways, and specialised fabrication facilities. Any meaningful ship repair capability would therefore require substantial greenfield capital investment. While Somaliland's relative stability and DP World's operational presence mitigate some operational risks, the absence of international recognition and persistent regional geopolitical sensitivities limit its commercial viability. This notwithstanding, the establishment of a ship-repair facility in Berbera is recommended. From a long-term perspective, the setting up of a shipyard may also be considered.

18. **Kenya Shipyards Limited (KSL), Kenya.** KSL's track record shows it can successfully build and refit small ferries and similar craft, but it has not yet demonstrated the scale or diversity needed for large commercial vessels. Therefore, the facility is not ideal for an Indian investment seeking significant capacity expansion. However, from a long-term perspective, given the yard's quick growth, government backing, advantageous geographic

positioning and naval linkages, it presents a compelling opportunity for a long-term, strategic investment.

19. **African Marine & General Engineering Co. Ltd (AMGECO), Kenya.** AMGECO presents some limitations that reduce its appeal as an investment opportunity for Indian shipyards. The company's lack of publicly available financial data makes it difficult to assess profitability, cash flow stability, or potential return on investment. Its operational track record is sparse, with only a few documented repair projects and no comprehensive record of large-scale vessel construction or maintenance. Additionally, the yard's current infrastructure and capacity are modest, limiting it primarily to small- and medium-scale ship repair rather than full-scale shipbuilding. Together, these factors suggest that AMGECO may not offer sufficient strategic or commercial value for Indian investors seeking substantial returns. However, it also represents an opportunity for the acquisition of a controlling stake by an Indian entity with potential capture of market in East African littoral States.

20. **Southern Engineering Company Ltd (SECO), Kenya.** The shipbuilding track record of SECO is impressive when compared with other shipyards on the eastern coast of Africa. Given that this shipyard has already established business ventures in Uganda and Mozambique, and also caters to other customers across Africa, a partnership with this shipyard is recommended.

21. **Songoro Marine Transport Ltd (SMT), Tanzania.** The firm is family-held business, led by Major Songoro (MD) and Khalid Songoro (Director), which implies a tightly controlled, unlisted private company with high founder influence and flexibility for bespoke deals, but also elevated risks around transparency and decision-making for investors. It has not published any financial audits or annual reports which make estimation of the yard's revenue and P&L difficult; however, third party business intel platforms estimate SMT's turnover between 2024-25 to be USD 2.66 Mn. It possesses solid technical capabilities tailored to inland and coastal vessel construction and repair, with over 30 years of experience in steel, aluminium, GRP, and fiberglass hulls for ferries, Ro-Pax, patrol boats, research vessels, and small cargo craft. It is thus a good fit for India's inland/coastal, Ro-Pax, patrol and research-vessel segment, especially where India wants to export designs or co-produce with African partners.

22. **Sandock Austral Shipyards, South Africa.** Sandock Austral Shipyards in Durban stands out as Africa's premier shipyard, offering an Indian investor a strategically positioned platform with proven Panamax-class docking, large fabrication halls, and a robust track record in naval auxiliaries, tankers, and offshore conversions—making it highly compatible for joint production with Indian defence PSUs. Sandock merits priority pursuit via project-specific alliances.

23. **Dormac Marine & Engineering, South Africa.** For an Indian shipyard, Dormac Marine & Engineering is highly attractive as a repair and offshore-fabrication partner at the Cape of Good Hope, with strong geography, mature infrastructure and a broad track record across commercial and offshore vessels. It is not the right vehicle if the strategic goal is to acquire

overseas newbuilding capacity; its value lies in extending India's global repair footprint, under a carefully structured partnership with rather than a control acquisition.

24. **CNOI (Chantier Naval de l'Océan Indien), Mauritius.** CNOI is worth considering for investment by India in a focused, minority or JV form, not as a cornerstone acquisition. Strategically and politically, it sits in a very friendly jurisdiction, on important routes, with low security risk; technically, it is strong in small-to-medium repair and construction with credible infrastructure and a long repair order book; financially, it is sound, low-gear and well-rated. The natural play for an Indian yard would be: a strategic minority stake or structured JV with the Group to co-develop small patrol, workboat and fishing-support designs and to secure priority repair slots for Indian-linked fleets.

25. **International Maritime Industries, Saudi Arabia.** IMI's core strengths in VLCC and large bulker construction, offshore rigs, and OSV support align closely with India's energy shipping and offshore activities in the Gulf. This creates scope for collaboration in VLCC/bulk carrier newbuilds, conversions, and major repairs for Indian shipowners operating Gulf-India routes when domestic yard capacity is constrained. Additionally, IMI's jack-up rig and OSV ecosystem, supported by partners such as ARO Drilling and Zamil Offshore, offers potential for joint offshore builds, upgrades, and shared MRO services for Indian E&P operators. For an Indian shipyard or maritime investor, IMI should be approached primarily as a collaboration platform, rather than something to acquire or take large equity stakes in. Indian shipyards should actively pursue cooperation with IMI, but through strategic partnerships and joint projects.

26. **Abu Dhabi Ship Building (ADSB), UAE.** For an Indian shipyard investor, engagement with ADSB should be pursued primarily through strategic partnership or programme-based collaboration. ADSB's relatively stable economic position and strong pipeline of naval contracts from the UAE Ministry of Defence and participation in export programmes through EDGE Group indicate stable demand in patrol vessels and medium combatants. Its partnerships with foreign builders demonstrate openness to collaborative production models and build export orders in foreign yards. Indian shipyards should therefore focus on co-production and joint export programmes for patrol vessels, corvettes, and auxiliary craft, using ADSB as a regional gateway to Gulf and African defence markets.

27. **Arab Shipbuilding & Repair Yard (ASRY), Bahrain.** ASRY has a strong track-record of commercial ship-repair and ship-conversion, as well as warship repairs. For Indian shipyard investors, ASRY offers a strong opportunity for joint ventures or minority stakes, with a diversified portfolio spanning commercial, offshore, and naval repair, plus expanding ship recycling capabilities (where specifically India can lend its expertise).

28. **ISOICO – Iran Shipbuilding & Offshore Industries, Iran.** ISOICO is Iran's flagship shipyard and offshore fabrication complex, located near Bandar Abbas. Historically, ISOICO has engaged with foreign partners to support modernisation and enable technology transfer. In 2016, Daewoo Shipbuilding & Marine Engineering (DSME) of South Korea signed an MoU with the Iranian government to manage and modernise ISOICO. Although the

financial data of the company is unavailable, it has a robust and modern yard infrastructure that allows ISOICO to build up to two LNG, LPG, or VLCC-class tankers per year while servicing other ships. The most viable approach for India is a selective, project-based partnership or joint venture focusing on specific retrofit, repair, or offshore fabrication projects and phased technology transfer.

29. **Western Marine Shipyard Ltd, Bangladesh.** For an Indian shipyard, WMS presents a potential strategic partnership opportunity in the small-to-medium vessel segment, given its established export track record, skilled workforce, and experience delivering vessels to international buyers. However, the yard's high leverage and past contractual disputes highlight financial and execution risks, indicating that any Indian investment should ideally take the form of a joint venture partnership, as seen before between WMS- IHC Merwede.

30. **MTCC Shipyard, Maldives.** MTCC Boatyard (now being upgraded and rebranded as "MTCC Shipyard") is a mid-scale repair and docking facility at Thilafushi (near Male) that is being positioned to move into full-fledged shipbuilding for vessels up to about 2,000-ton class. As part of the larger MTCC corporation, specific yard-level financial metrics are unavailable. However, the parent company shows a modest yet stable economic position. While the yard is not in a position to complement India's need to expand its shipbuilding/repair capacities, given the Maldives' geopolitical relevance for India, and the yard's own requirement to urgently upgrade itself, smaller Indian yards with strong small-craft expertise could partner with the yard to transfer designs and production capabilities to MTCC. Government of India could also explore the feasibility of Indian assistance in the Ihavandhoo dockyard project by Maldives Ports Limited, which is being promoted by the Maldivian government and represents a strategic initiative aimed at expanding maritime support services in the northern Maldives.

31. **Australia.** This study finds that Australia deserves greater attention by the Government of India and Indian shipyards in the matter relating to expansion of India's ship building and ship repair capacity. In spite of possessing well-established shipyards such as Austal, BAE systems, Osborne, etc, Australia does not build any commercial ships. Almost all of its shipyards are engaged in defence shipbuilding, a sector that they find lucrative. The reason for this is perhaps the high labour cost and taxation regime in Australia. Yet, as one of the leading economies of the world, which is completely dependent on maritime trade for its sustenance and growth, Australia needs commercial vessels. It is, therefore, surprising that Australia does not figure prominently either as a flag of registration or in ownership of vessels. The Australian government has sought to correct this asymmetry (if not paradox) through the launch of its Maritime Strategic Fleet concept, aiming to build a core of up to 12 privately owned and commercially operated Australian-flagged vessels (tankers, cargo, container, and Ro-Ro types) that can be requisitioned in emergencies. Accordingly, this report finds that although there is little opportunity for Indian shipyards for collaboration with their Australian counterparts in warship construction, there could potentially be an enormous opportunity for them in the commercial shipbuilding sector.

Recommendations

32. **Indian Shipyards/ Investors.** It is recommended that Indian entities, whether private or State-owned undertake further examination of the feasibility of investing in shipyards that have been identified in this report. The quantum of investment and share of stake that each Indian entity would hold in a given shipyard would be determined by the Indian partners' own policies and financial health.

33. **Government of India.** The Government of India may formulate a policy to supplement its existing thrust on boosting Indian shipbuilding capacity through overseas investments. Towards this, the following broad measures may be required:

33.1. Incentivisation of investment in foreign shipyards, including setting-up greenfield shipyards, where applicable.

33.2. G2G agreements to facilitate Indian investment, where applicable.

33.3. Formulation of a comprehensive and coordinated investment plan in foreign shipyards.

33.4. Exploring India-Australia cooperation in commercial shipbuilding sector.

34. **Ministry of Ports, Shipping, and Waterways (MoPSW).**

34.1. The Transport Research Wing (TRW) of MoPSW may institute measures to refine the existing data being collected for publication in their annual publication *Indian Shipbuilding Statistics*. Specifically, the following are recommended:

34.1.1. Report shipbuilding data in terms of GT and CGT, in addition to DWT which is currently being followed. This is because GT (or CGT) and *not* DWT is the appropriate measure of shipbuilding capacity.

34.1.2. Report 'Order Book' and 'Deliveries' by the type of ship for each shipyard, instead of merely providing the number of ships delivered and the total DWT delivered. This would provide a more accurate picture of what is being built in Indian shipyards.

34.1.3. Encourage all privately owned shipyards to report their data for each Financial Year.

34.2. **Indian Maritime Centre (IMC).** The IMC, which was set up as an integrated maritime body representing stakeholders of India's maritime sector in pursuance of MIV 2023, and incorporated as a Section 8 company in September 2024, functions as a think tank, offering strategic insights for policy formulation and providing sector focused

recommendations. It is recommended that the IMC examine the findings of this study and collaborate with suitable partners to implement its recommendations that are found to be feasible. It is also recommended that the IMC interacts with other foreign think-tanks that have been set-up with similar goals. The Malaysian Industry-Government Group for High Technology (MIGHT) that was established in 1993 as a market-driven technological partnership think tank under the Ministry of Science, Technology and Innovation (MOSTI) to advance Malaysia's high-technology capabilities is one such entity for partnership. Its research on Malaysia's SBSR sector is of high quality, and a partnership with MIGHT could facilitate research on Malaysia-India partnership in the maritime sector, including in the SBSR sector.

LIST OF SHIPYARDS ANALYSED IN THE STUDY

Notes:

(a) This table presents a country-wise list of the shipyards that have been examined and analysed in this report. The analysis has been carried out on the basis of three specific criteria: Geopolitical factors pertaining to the country, financial health of the shipyard, and technical parameters of the shipyard. A numerical assessment has been done for these three criteria. The numerical assessment should be interpreted in the following manner:

3 – Strongly favourable factor. Shipyard is suitable for investment and/ or partnership by Indian shipyard. In some cases, the report recommends setting up a greenfield facility.

2 – Investment and/ or partnership is subject to substantial risks OR no tangible advantage is envisaged to be accrued to Indian entities

1 – Unfavourable factor

(b) The shipyards in green-shaded cells are recommended for partnership with Indian shipyards and other entities.

		Criteria for Assessment				
		Ownership	Geopolitical	Economic/ Financial	Technical	Other Factors/ Remarks
Thailand						
1.	Unithai Shipyard & Engineering Ltd Laem Chabang, Chonburi	Private (unlisted)	3	1	2	
2.	Asian Marine Services PCL (ASIMAR), Samut Prakan	Private (listed)		2	3	
3.	Bangkok Dock Company Ltd, Bangkok & Mahidol Adulyadej Naval Dockyard, Sattahip	State-owned		2	3	
4.	Marsun Public Company Limited, Samut Prakan	Private (listed)		1	1	

		Criteria for Assessment				
		Ownership	Geopolitical	Economic/ Financial	Technical	Other Factors/ Remarks
5.	Italhai Marine Ltd, Samut Prakan	Private (listed)		1	2	
Malaysia						
6.	Lumut Naval Shipyard	State-owned (listed)	3	1	1	
7.	Malaysia Marine & Heavy Engineering (MMHE)	Private (listed)		2	3	
8.	Labuan Shipyard & Engineering	Private (listed)		1	1	
9.	Shin Yang Shipyard	Private (listed)		3	3	
Indonesia						
10.	PT PAL Indonesia	State-owned (listed)	3	3	2	
11.	PT Daya Radar Utama (DRU)	Private (listed)		3	2	
12.	PT Industri Kapal Indonesia (IKI)	State-owned (listed)		1	2	
13.	PT Dok & Perkapalan Kodja Bahari	State-owned (listed)		1	2	
14.	PT Dumas Tanjung Perak	Private (listed)		3	3	
Singapore						
15.	Sembcorp Marine (Seatrium)	Private (listed)	3	1	3	
16.	PaxOcean	Private (listed)		1	1	
17.	ASL Shipyard	Private (listed)		1	1	
The Philippines						
18.	Tsuneishi Heavy Industries (Cebu), Inc.	Private (listed)	3	1	1	
19.	Agila Subic Shipyard (formerly Hanjin Subic)	Private (listed)		1	1	

		Criteria for Assessment				
		Ownership	Geopolitical	Economic/ Financial	Technical	Other Factors/ Remarks
Viet Nam						
20.	Shipbuilding Industry Corporation (SBIC) Shipyards	State-owned	3	3	3	
Somalia						
21.	Mogadishu Repair Yard, Mogadishu (Part of Mogadishu port)	PPP	1	2	2	Albayrak Group in agreement with the Federal Government of Somalia
22.	Berbera Yard, Berbera (Part of Berbera port)	Private (unlisted)		2	2	Port operated under development agreements involving DP World
Kenya						
23.	Kenya Shipyards Limited (KSL)	State-owned	3	2	3	2023 MoU between Goa Shipyard Limited (GSL) and KSL
24.	African Marine & General Engineering Co. Ltd. – Mbaraki Creek, Mombasa	Private (unlisted)		3	3	
25.	Southern Engineering Company Ltd, Mombasa	Private (unlisted)		3	3	
Tanzania						
26.	Songoro Marine Ltd	Private (unlisted)	2	2	2	
27.	TASHICO Shipyard	State-owned		1	1	
Djibouti						
28.	Djibouti Ship Repair Yard	PPP	2	1	1	
South Africa						
29.	Sandock Austral Shipyards – Durban	Private (unlisted)	3	2	3	

		Criteria for Assessment				
		Ownership	Geopolitical	Economic/ Financial	Technical	Other Factors/ Remarks
30.	Dormac Marine & Engineering – Durban / Cape Town / Saldanha Bay / Richards Bay	Private (unlisted)		1	2	
Egypt						
31.	Alexandria Shipyard – Alexandria	State-owned	3	2	1	
32.	Suez Shipyard – Suez	State-owned		2	1	
Madagascar						
33.	SECREN SA	State-owned	2	2	1	
Mauritius						
34.	CNOI	Private (listed)	3	2	1	
Seychelles						
35.	Taylor Smith Naval Services	Private (unlisted)	3	1	1	
Saudi Arabia						
36.	International Maritime Industries, Ras Al-Khair	PPP	2	2	3	
37.	Zamil Offshore Services Shipyard, Dammam	Private (unlisted)		1	1	
UAE						
38.	Drydocks World (DDW), Dubai	Private (listed)	3	1	1	MoU with CSL to develop ship repair clusters in India, including an advanced ecosystem in Kochi
39.	Abu Dhabi Ship Building (ADSB), Mussafah, Abu Dhabi	Private (listed)		1	1	
40.	Safeen Drydocks (Noatum), Khalifa Port, Abu Dhabi	Private (listed)		1	1	

		Criteria for Assessment				
		Ownership	Geopolitical	Economic/ Financial	Technical	Other Factors/ Remarks
Oman						
41.	Asyad Drydock – Port of Duqm, Oman	State-owned	3	1	2	
42.	Duqm Naval Dockyard – Port of Duqm, Oman	State-owned		2	1	
Bahrain						
43.	Arab Shipbuilding & Repair Yard (ASRY)	Private (unlisted)	2	2	2	
Qatar						
44.	Qatar Shipyard Technology Solutions, Ras Laffan	Private (unlisted)	2	1	1	
Iran						
45.	ISOICO – Iran Shipbuilding & Offshore Industries	PPP	2	2	2	
Israel						
46.	Israel Shipyards Ltd (ISL)	Private (listed)	2	1	2	
Bangladesh						
47.	Western Marine Shipyard Ltd., Chattogram	Private (listed)	3	2	3	
48.	Ananda Shipyard & Slipways Ltd., Meghnaghat (Narayanganj)	Private (unlisted)		1	2	
Maldives						
49.	MTCC shipyard	State-owned (listed)	3	2	1	
50.	Maldives Ports Limited Dockyard	State-owned		NA	NA	Planned shipyard

		Criteria for Assessment				
		Ownership	Geopolitical	Economic/ Financial	Technical	Other Factors/ Remarks
	Project (Planned)					
Australia						
51.	Austal Shipyard (Henderson), Western Australia	Private (listed)	3	1	1	While none of the existing shipyards in Australia are considered suitable for Indian investment for commercial SBSR activities, there is a need for a long-term plan of collaboration through G2G initiatives. Please see Chapter 7 for details.
52.	Tropical Reef Shipyard – Cairns, Queensland, Australia	Private (unlisted)		1	1	
53.	Cimtec Limited, Henderson and Newcastle	Private (listed)		1	1	
54.	BAE Systems Shipyard, Henderson Yard, Osborne Yard and Williamstown Shipyard	Private (listed)		1	1	