
Saurashtra eyes USD 12 billion turnover in ship building

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A new chapter has started unfolding on the Saurashtra shoreline with the commencement of 2 new building yards and 4 more likely to come up soon. Saurashtra is now eyeing a turnover of USD 12 billion in the field of ship building in the next 5 years.

At Pipavav Shipyard in Amreli district, ship building operations began on February 11th 2008. Now, the biggest yard of India, Pipavav Shipyard, is starting with a big bang bagging projects to construct 26 Panamax vessels. The dry dock, which is under construction, would be ready by October 2008. The first ship will be delivered in March 2009. The Pipavav Shipyard Limited is all set to enter equity market with an IPO to the size of approximately INR 4,000 crore. Mr Debashish Bir president of Pipavav Shipyard said that "Our initial orders are from Norway, France and Greece to build 26 identical Panamax cargo ships of 74,500 tonnes. Each ship costs USD 40 million. The total building cost of 26 ships would be USD 1,060 million."

At Ghogha in Bhavnagar district, Modest Infrastructure Private Limited is set to begin ship making business within 3 months. It has orders for 12 vessels, including chemical and cargo vessels. Mr Mehul Patel director of MIPL said that "We have a yard at Bhavnagar. Along with expansion of current yard, increasing investment from INR 50 to INR 75 crore, a new yard would come up with an investment of INR 200 crore on 200,000 square meter area at Ghoga."

The longest coastline of 1,600 kilometer with a number of ports coupled with a boom in shipbuilding market globally has led to the development of this new industry in the region. Huge demand for ship building, coastline and availability of a number of ports have played a major role in the development of this industry. Besides, labor, both skilled and unskilled, is also available in the region.

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