

India's Port

SHIPPING SECTOR POISED FOR A BIG LEAP WITH GOVERNMENT BACKING

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INDIA'S PORT & SHIPPING SECTOR POISED FOR A BIG LEAP WITH GOVERNMENT BACKING

The port and shipping industry in India is vital to the country's economy as it handles approximately 95% of trade by volume and 70% by value, acting as the backbone for international commerce and domestic trade. India, with its 7,516 km coastline, is the sixteenth-largest maritime nation in the world and a critical player in global trade. The country's maritime infrastructure is anchored by 12 major ports and more than 200 notified minor and intermediate ports, with six new mega ports planned under the National Perspective Plan for Sagarmala. The industry is responsible for transporting essential goods like crude oil, petroleum products, and raw materials, and plays a key role in the economy through shipbuilding, ship repair, and providing employment.

India's shipbuilding sector is entering a promising phase of growth, supported by a series of progressive initiatives and policy reforms. These measures aim to modernize infrastructure. enhance domestic manufacturing capabilities, and attract global investment, laying a strong foundation for long-term development. By focusing on innovation, sustainability, and skill development, the sector is well-positioned to meet the strategic goals outlined in Maritime India Vision 2030. Furthermore, its expansion aligns seamlessly with the broader national aspiration of Viksit Bharat 2047, contributing to economic resilience, employment generation, and competitiveness. With continued alobal collaboration between industry and government, India's shipbuilding industry is set to become a key pillar of the country's maritime strength and a driver of inclusive growth.







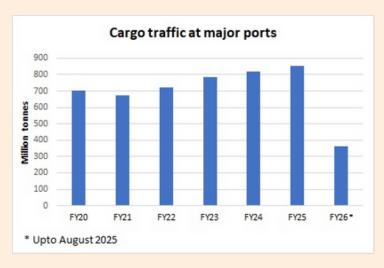




CARGO TRAFFIC AT INDIA'S MAJOR PORTS

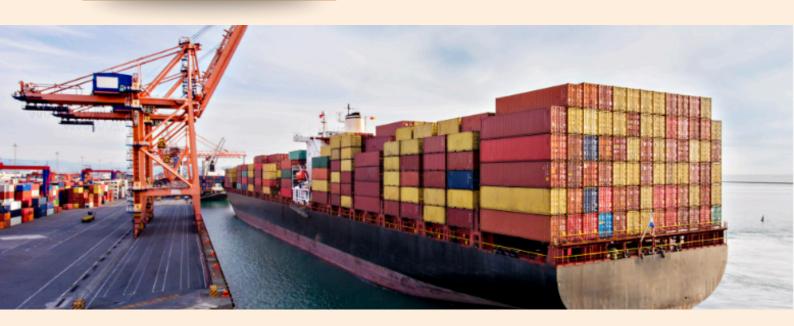
India's 12 major ports have achieved unprecedented milestones in the financial year (FY) 2024–25, marking a landmark year for the country's maritime sector. In FY25, India's major ports registered an impressive annual growth rate of 4.3% in cargo handling, increasing from 819 million tonnes (MT) in FY24 to 855 MT in FY25. This growth highlights the resilience and capacity of major ports in accommodating rising trade volumes. The increase in traffic was driven by higher container throughput (10%), fertilizer cargo handling (13%), POL cargo handling (3%), and handling of miscellaneous commodities (31%) compared to the previous fiscal year. Among commodities handled at major ports, Petroleum, Oil, and Lubricants (POL)—including crude, petroleum products, and LPG/LNG—led the charts with a volume of 254.5 million tonnes (29.8%), followed by container traffic at 193.5 million tonnes (22.6%), coal at 186.6 million tonnes (21.8%), and other cargo categories such as iron ore, pellets, fertilizers, and more in FY25.

During April-August 2025-26, major ports in India handled 364.30 MT of cargo, a 4.67% increase from the 348.05 MT handled during the same period in the previous year. The growth was driven by a 7.24% increase in coastal cargo and a 3.92% increase in overseas cargo.



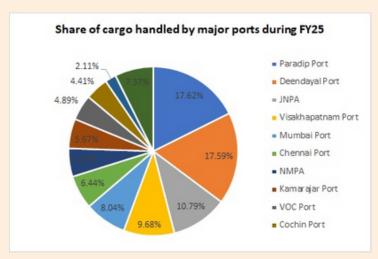


PORT-WISE SHARE OF CARGO HANDLED



During April-March 2024–25, Paradip Port handled the maximum share of cargo, accounting for 17.62% of the total cargo handled by all major ports. This amounted to a total of 150.41 MT of cargo throughput for the port during that period. Paradip Port continues to lead in cargo handling across both major and non-major ports on India's eastern coast despite facing market challenges, including reduced demand for iron ore exports and coking coal imports.

Deendayal Port Authority (DPA), Kandla, has also crossed the 150 MT mark in cargo handling for the FY25, achieving 150.16 MT — the highest-ever cargo volume handled in its history. It achieved a 13 per cent year-on-year growth, the highest among all major ports, in FY25. Meanwhile, Jawaharlal Nehru Port Authority (JNPA) achieved a record by handling 7.3 million twenty-foot equivalent units (TEUs) in FY25, a 13.5% increase compared to 6.43 million TEUs a year earlier. This record performance is JNPA's highest since it began operations more than three decades ago.



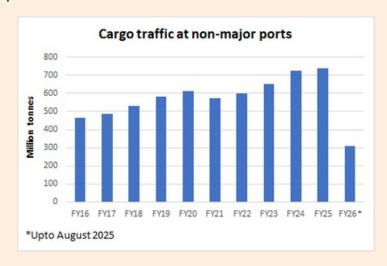




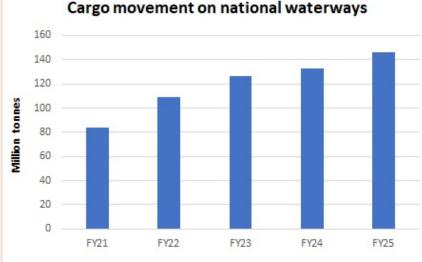
CARGO TRAFFIC AT NON-MAJOR PORTS

Cargo traffic at India's non-major ports experienced growth in FY25, with a 2.22% increase in total cargo handling to 739.47 MT as compared to the previous fiscal year. This growth was influenced by factors like increased international cargo, although the performance of individual ports varied. The overall cargo trend for the non-major ports indicates a steady rise.

For April-August 2025–26 period, non-major ports handled 308.53 MT of cargo, a 2.26% increase as compared to 301.71 MT handled during April-August 2024–25. Gujarat handled the maximum cargo among the State Maritime Boards/Directorates of Ports during the April-March 2024–25 fiscal year. It handled 449.25 MT of cargo in this period, which was significantly higher than the other state ports.







CARGO MOVEMENT ON NATIONAL WATERWAYS

Cargo movement on India's National Waterways (NWs) has significantly grown, reaching a record high of 145.84 MT in fiscal year 2024-25, a 74.43% increase from 83.61 MT in 2020-21. This milestone underscores the effectiveness of sustained investments and policy initiatives aimed at enhancing the country's inland waterways infrastructure. The number of operational national waterways has also increased from 24 to 29 during the same period, reflecting a strategic push towards multimodal connectivity and sustainable transport solutions. Five commodities i.e. coal, iron ore, iron ore fines, sand and fly ash constituted over 68% of total cargo moved on NWs during the year.

The government plans to have 76 inland waterways operational by 2027, with cargo volume expecting to surge by 156 million tonnes per annum (MTPA) by end of FY26. The footprint of inland water transport is expected to expand significantly from 11 states in FY 2024 to 23 states and 4 Union Territories by FY 2027. To support this growth, projects worth Rs 1,400 crore were launched or announced during the Inland Waterways Development Council (IWDC) meeting held on January 10, 2025. Additionally, the IWAI is conducting 10,000 km of longitudinal survey each month to assess Least Available Depth (LAD) for improved navigability. Cargo Volume is likely to make an incremental growth up to 156 MTPA by March, 2026 inching closer towards the Maritime India Vision 2030 target of 200 MTPA.

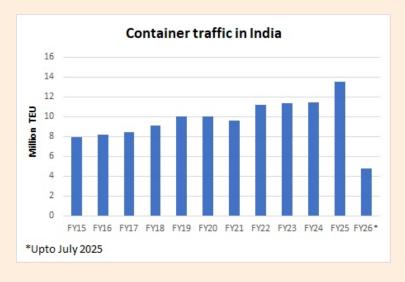


RISING CONTAINER TRAFFIC

India's container traffic has significantly increased in recent years, driven by economic growth, policy support, and improved port infrastructure, with volumes nearly doubling to 13.5 million TEUs in FY 2024–25 from 7.9 million TEUs in FY 2014–15. The increase in containerisation—the shift from bulk cargo to containerised shipping—reflects India's expanding role in global trade. The country has climbed to 6th globally in container traffic, and a major project, the Vadhvan Port, is expected to further double its container capacity upon completion. In FY26 (April–July), India's trade in container shipments experienced notable growth, totalling nearly 4.8 million TEUs, marking a 11.14% increase from the same period last year.

India's container traffic boom reflects a robust trade and economic landscape that is increasingly integrated into global markets. While challenges remain in the form of logistics costs, congestion, and regulatory inefficiencies, the country's commitment to modernising port infrastructure and fostering seamless connectivity indicates a promising trajectory. With continued policy support and investments, India is poised to harness the full potential of its container traffic growth, fostering trade competitiveness, boosting the manufacturing sector, and contributing to the nation's overall economic prosperity. This boom in container traffic represents not only a shift in the way India manages its trade but a vital transformation for the country's position in global trade networks.

In the recent times, the country has made large-scale investments to expand port capacity by building new terminals and upgrading existing infrastructure with modern cranes and cargo-handling systems. At the same time, operational reforms such as streamlining customs processes and introducing time-saving logistics solutions have helped reduce vessel turnaround times, allowing ships to load and unload more quickly.



GOVERNMENT INITIATIVES

Govt passes Indian Ports Bill, 2025, Replaces Colonial-era Law: The government passed the Indian Ports Bill, 2025, a sweeping reform designed to replace the Indian Ports Act, 1908, ending more than a century of colonial-era regulation and ushering in a modern framework for India's maritime sector. The legislation, already cleared by the Lok Sabha, will soon be sent for Presidential assent. hydrogen ecosystem and advancing India's transition towards clean energy. The National Green Hydrogen Mission, launched by the Government of India, aims to position the country as a global hub for the production, utilisation, and export of green hydrogen and its derivatives. The Mission promotes the development of large-scale hydrogen hubs to serve as focal points for production and consumption, thereby facilitating the establishment of a sustainable and competitive hydrogen economy. Recognising the logistical and technical challenges associated with longdistance hydrogen transport, the Mission adopts a cluster-based development model. This approach enhances early-stage project viability, enables infrastructure convergence, and helps achieve economies of scale in identified regions. The recognition of these ports is expected to catalyse industrial participation, attract green investments, and promote innovation in clean fuel technologies, supporting India's broader vision of achieving energy self-reliance and net-zero emissions by 2070.

Govt passes Merchant Shipping Bill, 2025 after Rajya Sabha Adoption: The government passed the Merchant Shipping Bill, 2025. The bill is a landmark legislation aimed at modernising India's maritime framework, aligning domestic laws with international best practices & International Maritime Organisation (IMO) conventions, ensuring that India's maritime sector remains equipped, ready & relevant to the contemporary and future challenges. Replacing the bulky & outdated Merchant Shipping Act, 1958, which had 561 sections, the new Bill offers a streamlined framework of 16 parts & 325 clauses. It ensures comprehensive adoption of India's obligations under major international conventions, reduces compliance burdens to improve ease of doing business, enhances safety in navigation & life at sea, safeguards the marine environment, strengthens emergency preparedness and salvage operations, boosts tonnage under the Indian flag & protects India's coastline & maritime interests.





Govt clears Coastal Shipping Bill, 2025 to boost India's Coastal Economy: In a historic moment towards boosting the Coastal Economy of the country, the Coastal Shipping Bill, 2025 was passed by the government. This historic act is set to unlock the tremendous and vast potential of India's 11,098 kms long strategic coastline, spanning nine coastal states and four union territories. The Bill seeks to simplify and modernise the legal framework governing coastal shipping, replacing Part XIV of the Merchant Shipping Act, 1958 with a new-age, progressive legislation aligned with global cabotage norms. The Coastal Shipping Bill, 2025 comprises six chapters and 42 clauses. It introduces a simplified licensing system for coastal shipping and lays down the framework for regulating foreign vessels engaged in coasting trade. Additionally, the Bill mandates the formulation of a National Coastal and Inland Shipping Strategic Plan to guide future infrastructure development and policy direction. The legislation also provides for the creation of a National Database for Coastal Shipping, enabling real-time access to authentic and regularly updated data. This database will keep potential investors informed about the government's development plans and policy priorities in the sector, promoting transparency and confidence.

Govt recognises three major ports as Green Hydrogen Hubs under National Green Hydrogen Mission: The government has formally recognised three major ports Deendayal Port Authority (Gujarat), V.O. Chidambaranar Port Authority (Tamil Nadu) & Paradip Port Authority (Odisha) as Green Hydrogen Hubs under the National Green Hydrogen Mission (NGHM). This recognition marks a significant step towards creating an integrated hydrogen ecosystem and advancing India's transition towards clean energy. The National Green Hydrogen Mission, launched by the Government of India, aims to position the country as a global hub for the production, utilisation & export of green hydrogen & its derivatives. The Mission promotes the development of largescale hydrogen hubs to serve as focal points for production & consumption, thereby facilitating the establishment of a sustainable & competitive hydrogen economy. Recognising the logistical & technical challenges associated with long-distance hydrogen transport, the Mission adopts a cluster-based development model. This approach enhances early-stage project viability, enables infrastructure convergence & helps achieve economies of scale in identified regions. The recognition of these ports is expected to catalyse industrial participation, attract green investments & promote innovation in clean fuel technologies, supporting India's broader vision of achieving energy self-reliance & net-zero emissions by 2070.







Govt approves Rs 69,725 crore package to revitalize India's Shipbuilding and Maritime Sector: Recognizing the strategic and economic importance of the maritime sector, the government has approved a comprehensive package of Rs 69,725 crore to revitalize India's shipbuilding and maritime ecosystem. The package introduces a four-pillar approach designed to strengthen domestic capacity, improve long-term financing, promote greenfield and brownfield shipyard development, enhance technical capabilities and skilling, and implement legal, taxation, and policy reforms to create a robust maritime infrastructure. Under this package, the Shipbuilding Financial Assistance Scheme (SBFAS) will be extended until March 31, 2036 with a total corpus of Rs 24,736 crore. The scheme aims to incentivize ship building in India and includes a Shipbreaking Credit Note with an allocation of Rs 4,001 crore. A National Shipbuilding Mission will also be established to oversee the implementation of all initiatives. In addition, the Maritime Development Fund (MDF) has been approved with a corpus of Rs 25,000 crore to provide longterm financing for the sector. Furthermore, the Shipbuilding Development Scheme (SbDS), with a budgetary outlay of Rs 19,989 crore, aims to expand domestic shipbuilding capacity to 4.5 million Gross Tonnage annually, 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. The overall package is expected to unlock 4.5 million Gross Tonnage of shipbuilding capacity, generate nearly 30 lakh jobs, and attract investments of approximately Rs.4.5 lakh crore into India's maritime sector.

IWAI signs MoU with global giant Rhenus Logistics India: In a major development, Inland Waterways Authority of India (IWAI) under the Ministry of Ports, Shipping and Waterways (MoPSW) has signed a Memorandum of Understanding (MoU) with Rhenus Logistics India, to operate their barge services in various national waterways in India. Rhenus Logistics is a Germany-based international logistics service provider operating globally in more than 70 countries with an annual turnover of EUR 8.2 billion. Under the MoU, Rhenus Logistics will deploy 100 cargo vessels along with pusher tugs in a phased manner along NW-1, NW-2, NW-16 and the Indo-Bangladesh Protocol (IBP) routes. During the first phase -- starting from the third quarter of 2025, about 20 barges and six pusher tugs are expected to be deployed in these waterways. A combination of pushers and barges, to suit low-draft navigation in waterways, will be used to transport both bulk and break-bulk cargo across North and East India, North-East India, and subsequently to neighbouring countries. The operations will gradually be scaled up to include other national waterways in the country.



India, Singapore sign LOI on Green Shipping & Digital Corridor Collaboration: India and Singapore have signed Letter of Intent (LOI) on maritime digitalisation (Digital Corridor Collaboration) and Decarbonisation (Green Shipping). Under the LOI, both sides will collaborate on maritime digitalisation and decarbonisation projects, including identifying relevant stakeholders who could contribute to the effort, and work towards formalising the partnership through a memorandum of understanding on a Singapore-India Green and Digital Shipping Corridor (GDSC). India is a leading player in information technology with the potential to become a major producer and exporter of green marine fuels. Singapore, as a key transshipment and bunkering hub, also supports a dynamic research and innovation ecosystem. The Singapore-India GDSC, when established, will enhance collaboration from both countries and help accelerate the development and uptake of zero or near-zero GHG emission technologies and the adoption of digital solutions.

OUTLOOK

The Indian port and shipping industry has a promising outlook for the coming future, driven by strong government support, massive infrastructure investment, and rising domestic and international trade. The industry is set for significant expansion, with cargo handling and operational efficiency reaching new milestones in FY 2024-25. The Indian government's Maritime India Vision 2030 is a strategic blueprint to modernise the maritime sector. It includes expanding port capacity, automating operations, and improving last-mile connectivity. These upgrades will reduce bottlenecks, lower logistics costs, and make Indian ports more globally competitive--directly benefiting exporters and importers. The Shipbuilding Financial Assistance Policy (SBFAP), extended until March 2026, is playing a pivotal role in strengthening the shipbuilding industry, with added incentives for green-fuel and hybrid propulsion systems driving technological advancement. Complementing this, the Sagarmala programme's massive pipeline of 574 projects worth Rs 6,00,000 crore (\$82 billion) is reshaping coastal and port infrastructure. Mega investments at Kandla Port and the establishment of the Rs 25,000 crore (\$2.87 billion) Maritime Development Fund reaffirm the government's commitment to capacity building and global competitiveness. As these initiatives converge, India is well-positioned to not only lower logistics costs but also to evolve as a sustainable, technology-driven maritime hub. The road ahead will be marked by enhanced efficiency, greater selfreliance, and a stronger presence in global shipping and trade networks.







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