



The Geopolitical
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INDIAN SHIPBUILDING: THE CASE TO BECOME A WARSHIP SELLER NATION

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AUTHOR'S PRESENTATION



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This observatory is directed by **Marianne Peron-Doise**, Senior Research Fellow at IRIS, and is part of the Asia-Pacific Programme.



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This Programme is directed by **Marianne Peron-Doise** and **Emmanuel Lincot**, Senior Research Fellows at IRIS.

India stands at a maritime strategic inflection point with an ambitious naval modernisation plan¹ and a growing need for a large merchant fleet. Its aspiration to become a leading global maritime power depends not only on securing its own naval capabilities but also on emerging as a credible global supplier of ships, both naval and civil. Shipbuilding in India has deep roots², from the Vedic period (2000-500 BCE) through British rule. But the industry declined for various reasons, and resurrecting it has been arduous, particularly in terms of finance and technology—areas where China, South Korea and Japan have surged ahead. Today, the shipbuilding industry stands at a tipping point. Both the central government³ and coastal state governments (like Maharashtra⁴ and Tamil Nadu), working with Cochin Shipyard and Mazagon Dock Shipbuilders Ltd⁵, are driving investment, while including foreign shipbuilders like HD Korea Shipbuilding & Offshore Engineering (HD KSOE)⁶ to accelerate capability.

This momentum can enable India to compete globally with affordable, high-quality warships that meet the needs of developing nations. Success would bolster the wider industrial ecosystem, generate jobs, and consolidate expertise in design, construction, and financing, addressing the challenges that emanate from operating in the global shipping market. Presently, India has one of the largest warship construction programs among developing nations, with public and private sector shipyards having successfully designed and built destroyers, frigates, corvettes, submarines, and aircraft carriers. There are 54 warships under

¹ Pandit, Rajat. "India eyes 200 warships, submarines by 2035." *The Times of India*, 8 Sep. 2025. <https://timesofindia.indiatimes.com/india/india-eyes-200-warships-submarines-by-2035/articleshow/123757072.cms>

² Institute of Marine Engineers, Science & Technology. *Journal of Naval Engineering*, vol. 34 no. 3 (year). "Title of Article." Accessed [date you accessed], <https://library.imarest.org/record/8401?v=pdf>

³ "Comprehensive 4-Pillar Approach to Strengthen Shipbuilding, Maritime Financing, and Domestic Capacity: Cabinet approves Rs. 69,725 crore Package to Revitalise India's Shipbuilding and Maritime Sector." Press Information Bureau, Ministry of Ports, Shipping and Waterways, 24 September 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170575>

⁴ "Maharashtra aims for ₹6,600 crore investment with six shipyards; 40,000 employment opportunities by 2030." *Construction Week Online*, 19 August 2025. Accessed 24 November 2025. <https://www.constructionweekonline.in/business/maharashtra-shipyard#:~:text=Maharashtra%20aims%20for%20Rs%206%2C600%2Dcr%20investment%20with%20six%20shipyards,-A%20consultant%20will&text=Maharashtra%20has%20outlined%20a%20plan,40%2C000%20employment%20opportunities%20by%202030>

⁵ "Tamil Nadu to become global shipbuilding hub with ₹30,000 crore investment from central PSUs." *Asian News International* (via HT Syndication), 23 Sept. 2025. Accessed 24 Nov. 2025. <https://www.htsyndication.com/asian-news-international/article/tamil-nadu-to-become-global-shipbuilding-hub-with-rs-30%2C000-cr-investment-from-central-psus/93485352>

⁶ "CSL plans to set up Rs 15k-cr shipyard in Tamil Nadu." *The Hans India*, 24 Sept. 2025.

various stages of construction in Indian shipyards, and the aim is to increase the strength to over 200 warships and submarines by 2035⁷.

Yet, despite these accomplishments, India has not translated its warship-building capacity into sustained exports that can establish it as a 'sellers nation'. While there is an equal push to develop the civil shipbuilding industry⁸, global competition and challenges in this area will make this path more complex compared to warship design, construction, and export. Given shifting geopolitics, supply-chain realignments, and India's role in the Indian Ocean Region (IOR) and Indo-Pacific, the moment is ripe for India to transform into a warship seller nation. The case rests on both the why and the how.

TRANSFORMATION TO A SELLERS NATION: BUILDING THE CASE

Transformation to a seller nation entails moving beyond domestic projects to meeting the needs of other nations. This requires a more elaborate and integrated value chain of associated and supporting industries, preferably indigenous, to reliably deliver ships to interested global buyers, and the ability to provide maintenance, repair, and overhaul (MRO) support. Such services sustain the ecosystem between orders while assuring long-term support to buyers. To achieve this, India must address systemic weaknesses and adopt a mission-oriented approach that merges national purpose with commercial rigour.

The Why

Shipbuilding is capital-intensive and technology-sensitive, and important for growth as it supports many ancillary industries. After independence in 1947, Public Sector Undertaking (PSU) shipyards began producing warships and merchant ships, while smaller private yards built fishing and coastal vessels. A critical institution, Warship Design Bureau (WDB), was established in 1964 (later the Directorate of Naval Design), and has since overseen the design and construction of 20 types of warships, from Seaward Defence Boats to Aircraft Carriers.

⁷ "Indian Navy scales up indigenous shipbuilding with 54 vessels under construction." *The Hindu*, 22 Sept. 2025. <https://www.thehindu.com/news/national/indian-navy-scales-up-indigenous-shipbuilding-with-54-vessels-under-construction/article70081584.ece#:~:text=54%20vessels%20are%20currently%20under,warships%20and%20submarines%20by%202035>

⁸ "India's Shipbuilding Surge: Navigating Potential Policies and Sea Challenges." *Team India Blogs*, Invest India, [date of publication if available]. Accessed [date you accessed]. <https://www.investindia.gov.in/team-india-blogs/indias-shipbuilding-surge-navigating-potential-policies-and-sea-challenges#:~:text=The%20broader%20investment%20outlook%20for,construction%2C%20and%20green%20shipping%20technologies>

India has evolved from a buyer navy to a builder navy. Starting with small patrol craft, it now constructs complex frontline platforms like the Godavari-class frigates, Delhi-class destroyers, Shivalik-class stealth frigates, and Kolkata-class destroyers. The construction of INS Vikrant in 2022 marked India's entry into a select club of nations capable of designing and building aircraft carriers. The Scorpene-class program and nuclear submarine projects have enlarged and strengthened India's sub-surface expertise, though indigenisation there remains partial.

On the surface, there is adequate proof of progress. Some recent examples include:

- INS Udaygiri (1 July 2025), the 100th warship designed by the bureau.
- INS Himgiri⁹ (2025), an advanced frigate delivered by Garden Reach Shipbuilders & Engineers (GRSE), under the Indian Navy's Project 17A, the 801st ship from the yard (of which 112 were warships).
- INS Nistar¹⁰ (8 July 2025), India's first indigenously designed Diving Support Vessel, delivered by Hindustan Shipyard Ltd.

HSL is looking at delivering the sister ship INS Nishant soon. INS Nistar is a highly specialised ship capable of Deep-Sea Diving and Submarine Rescue Operations, again placing India in a select club of nations with such a capability, which was showcased in the recently concluded Exercise Pacific Reach 2025¹¹.

The 2025 Technology Perspective Capability Roadmap (TPCR) lays down the Indian Navy's next 15 years of needs, supporting Atmanirbharta (self-reliance). The thrust on indigenous production will, in time, develop a robust domestic defence industry, including ship design and construction, and provide avenues for export. Indigenisation now stands at around 80% for smaller vessels up to the likes of Offshore Patrol Vessels (OPVs). These affordable platforms are natural entry points for exports, particularly in the IOR and Indo-Pacific, where many nations need cost-effective patrol and surveillance capability. Selling such ships, along with MRO, would align with India's vision of MAHASAGAR¹² and regional maritime cooperation.

⁹ "GRSE Delivers its 801st Vessel — 'Himgiri', an Advanced P17A Frigate to Indian Navy." Press Information Bureau, Ministry of Defence, 31 July 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2150868>

¹⁰ "Delivery of first indigenous diving support vessel — 'Nistar'." Press Information Bureau, Ministry of Defence, 9 July 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2143335>

¹¹ "Indian Naval Ship Nistar Enters Changi Naval Base, Singapore to Participate in Exercise Pacific Reach 2025." Press Information Bureau, Ministry of Defence, 15 Sept. 2025. <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2166790>

¹² Durai, Suchitra. "India's Maritime Vision: From SAGAR to Indo-Pacific to MAHASAGAR." *Embassy of India, Dili*, 14 Aug. 2025. Accessed 24 Nov. 2025. <https://www.indembassydili.gov.in/section/articles-commissioned-by-xpd-division/india-s-maritime-vision-from-sagar-to-indo-pacific-to-mahasagar-by-amb-suchitra->

The How

India already has a precedent of ‘gifting’ warships, as part of capacity-building engagements, to friendly foreign nations. This has so far been restricted to offshore patrol vessels and smaller patrol vessels to the Maldives, Mauritius, Mozambique, Seychelles, and Sri Lanka. India has also gifted a missile corvette to Vietnam and a Kilo-class submarine to Myanmar. Moving from gifting to selling requires identifying markets where demand exists for cost-effective alternatives to expensive Western or East Asian ships. Most large-scale global shipbuilders look at cutting-edge technology, especially in the area of weapons and sensors, based on the requirements of nations that seek such capabilities. However, there are nations that do not require such advanced capabilities or are unable to afford them. These are mostly developing nations that are within the primary and secondary areas of India’s maritime interests¹³ and can be identified as suitable target nations where opportunities for warship exports exist. These include nations in Southeast Asia and the Persian Gulf, where export options can extend to corvettes and frigates. In the IOR, including the east coast of Africa, the options could be initially limited to vessels that can address and combat non-traditional threats and, in some cases, extend to missile or anti-submarine corvettes and frigates. Indian-built warships could be offered as a cost-effective alternative to Western, Japanese and South Korean acquisitions. Nations like Indonesia¹⁴ and Australia¹⁵, looking to acquire Japanese-built frigates, could be engaged in the future.

To become a warship seller nation, especially in the face of existential and growing competition, India must reassess its shipyards and shipbuilding capacity, financing, and efficiency. This would include combining state-led industrial policy with export-oriented finance, deep supplier ecosystems, and advanced modular construction techniques. The comparative advantages that India can exploit are its large pool of engineering talent, competitive labour costs for skilled trades, major ports and drydocking facilities within the Indo-Pacific, and a growing domestic demand for coastal shipping, offshore platforms, and

[durai/#:~:text=MAHASAGAR%20marks%20a%20strategic%20evolution,aligned%20with%20the%20MAHASAGAR%20vision](#)

¹³ Directorate of Strategy, Concepts and Transformation, Integrated Headquarters, Ministry of Defence (Navy). *Ensuring Secure Seas: Indian Maritime Security Strategy (NSP 1.2)*. New Delhi: Integrated Headquarters, Ministry of Defence (Navy), October 2015. Accessed [date you accessed]. https://bharatshakti.in/wp-content/uploads/2016/01/Indian_Maritime_Security_Strategy_Document_25Jan16.pdf

¹⁴ “Indonesia to Intensify Frigate Acquisition Talks with Japan.” *Defense Mirror*, April 21, 2025. Accessed November 24, 2025.

https://www.defensemirror.com/news/39326/Indonesia_to_Intensify_Frigate_Acquisition_Talks_with_Japan.

¹⁵ “Japan Is Selling Top-Tier Warships to Another Key U.S. Ally: Here’s What This Means.” *CNN*, 11 August 2025. <https://www.cnn.com/2025/08/11/asia/japan-australia-frigate-deal-intl-hnk-ml#:~:text=The%20Australian%20Defense%20Ministry%20said,is%20putting%20in%20the%20water>

naval modernisation. The major challenge is to convert these advantages into an internationally competitive shipbuilding industry capable of exporting medium and high-complexity vessels, warships, and merchant ships before entering the warship sellers' market as a major player.

A five-pillar roadmap could guide this transformation:

- Demand-led policy: Institutionalise a credible warship-building programme with MRO and lifecycle support to ensure continuous orders and retained expertise.
- Clustered production: Establish dedicated maritime manufacturing clusters with public-private partnerships, supplier development, and modular construction.
- Deep financing instruments: Create long-term export-credit facilities, interest-rate subvention for shipbuilding loans, and guaranteed advance-payment mechanisms for projects.
- Capability building: Expand design centres and public-private research hubs focusing on hull forms, modular construction, and fuel-efficient propulsion.
- Export strategy and partnerships: Target markets that value affordability and alignment with India's geopolitical role while pursuing co-production with global shipbuilders.

India is poised to move from a buyer and builder of warships to a builder and seller of affordable, export-ready platforms. Achieving this requires reforms in design autonomy, financing, efficiency, and export strategy, backed by consistent policy and strategic diplomacy.

By building a sustainable export pipeline, from patrol craft to advanced frigates, India can strengthen self-reliance, boost its defence industry, and establish itself as a preferred security partner. Revitalising shipbuilding will secure national defence while turning shipyards into engines of industrial growth, influence, and strategic power projection.

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