

## Indian Maritime News Express

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### International Maritime Trade & Transport



### No Funds For Chabahar Port Project Amid US-Iran Tensions



**Union Budget 2026: Chabahar sits at the mouth of the Gulf of Oman and is Iran's first deepwater port, giving the country direct access to global maritime trade routes.**

New Delhi-India has made no allocation for the Chabahar port project in the 2026 Union Budget, a decision that comes amid escalating tensions between Washington and Tehran and uncertainty over US sanctions on Iran.

For several years, New Delhi had earmarked an annual outlay of Rs 100 crore for the development of Chabahar, a flagship connectivity project located in Iran's Sistan-Balochistan province along its southern coast. India is a major partner in the development of the port, which has long been seen as a key part of its regional trade and strategic outreach to Afghanistan, Central Asia and beyond.

Chabahar sits at the mouth of the Gulf of Oman and is Iran's first deepwater port, giving the country direct access to global maritime trade routes. The port lies to the west of Iran's border with Pakistan, roughly mirroring the position of Gwadar port to the east of the border in Pakistan. Gwadar has been developed by China as part of the Belt and Road

Initiative (BRI), making Chabahar not only an economic project but also India's counterweight in the region.

For Iran, Chabahar has been projected as a means to mitigate the impact of Western sanctions by opening alternative trade routes. For India, the port offers a crucial route that bypasses Pakistan, which has consistently denied India overland access for trade with Afghanistan and Central Asia. (Source: The Print/WION/NDTV)

## Malaysia briefly detains two tankers off Penang



Two tankers were briefly detained off Penang last week after Malaysian authorities intercepted what they say was an illegal ship-to-ship (STS) transfer of crude in waters long notorious as a hotspot for shadow fleet activity.

The Malaysian Maritime Enforcement Agency (MMEA) said a patrol vessel found two tankers about 24 nautical miles west of Muka Head, Penang anchored in close proximity and suspected of transferring oil. The agency detained both vessels briefly.

TankerTrackers.com, the open-source monitor of the shadow fleet, noted the detentions were short-lived: one tanker is now empty and routing back to Iran while the other, laden, appears bound for China. TankerTrackers.com flagged the common tricks – bogus flags and opaque ship identities – that let vessels slip through regulatory nets even after interdiction.

Malaysia's waters have for years been a favoured lane for clandestine STS transfers, used to mask cargo origins and dodge sanctions. The patchwork of flags, shell companies and brief rendezvous offshore create fertile ground for illicit transfers.

Kuala Lumpur has recognised the problem. In July last year, officials signalled a tougher posture, promising tighter enforcement and new scrutiny on STS activity and sanctions evasion in its maritime zones.

An advertisement for Yang Ming shipping. On the left, a large container ship is shown at sea. To its right, the text reads: "All-time excellence", "Ecological protection", and "Refined technology". Further right, the Chinese text "陽明海運承載您每一天的美好" and "Yang Ming delivers GOOD for life" are displayed. On the far right, the Yang Ming logo and name "YANG MING 陽明" are shown, along with the Chinese text "陽明海運股份有限公司" and the website "www.yangming.com".



## Indian Maritime Sector

### Shipbreaking turns to shadow vessels due to low availability in scrap



NGO Shipbreaking Platform has issued its latest quarterly update, providing an overview of developments that shape the shipbuilding industry in south Asia.

According to the report, the shipbreaking industry in South Asia is experiencing a significant downturn, with a sharp decline in vessels arriving for demolition. This slowdown is largely driven by currency depreciation, weak domestic steel prices, and changing global shipping dynamics, especially the surge in global freight rates caused by disruptions to key maritime trade routes, including the ongoing war in [Gaza and subsequent attacks on commercial vessels in the Red Sea](#).

#### India

In India, due to the extremely low availability of scrap vessels, yard owners have started purchasing [sanctioned or "shadow fleet" vessels](#). These tankers often come with extended payment terms and complex ownership structures designed to obscure the identity of their beneficial owners.

Industry sources expect a further influx of sanctioned vessels into Alang in 2026. It is estimated that more than 40% of Alang's future business could originate from sanctioned or shadow fleet vessels.

At its peak, Alang employed more than 60,000 workers; today, employment has fallen to fewer than 15,000, according to trade union sources. Of the 153 plots in Alang, only about 20 are currently operational, and even these are functioning at roughly 25% capacity.

#### Bangladesh

In Bangladesh, only 25 to 30 yards out of the about 150 yards in the country are operational. New regulatory requirements delayed clearances, and procedural complications are considered the reasons for a drop in activity. No Objection Certificates (NoCs) have not been issued since March 2025, effectively halting vessel imports.

Moreover, the government has yet to finalize the criteria for issuing the Document of Authorization for Ship Recycling (DASR), leaving yards unable to legally import ships for scrapping.

### **Pakistan**

In Pakistan, unfavorable economic conditions have discouraged ship owners from recycling vessels in the region.

## **Budget 2026 puts India on a new course with Rs 10,000 crore for containers & waterways**

India plans to launch 20 inland waterways and boost local container manufacturing. A new scheme will support coastal cargo movement. This aims to reduce empty container imports and promote domestic production. Initiatives will also incentivize shifting cargo from road and rail to waterways.

India will operationalise 20 inland waterways, boost local container manufacturing, and support coastal cargo movement, finance minister Nirmala Sitharaman said in her budget speech on Sunday.

The National Waterway-5 (NW-5) in Odisha will "connect mineral rich areas of Talcher and Angul with industrial centres like Kalinga Nagar to the Ports of Paradeep and Dhamra," Sitharaman said.

Ports, shipping, and waterways minister Sarbananda Sonowal said the budget initiatives will help create a globally competitive ecosystem for ports, shipping, and waterways in the country.

"Import of empty containers was leading to wasteful foreign exchange outgo. This will be plugged in the coming days with containers being made in India," Sonowal said.



# Indian Maritime Sector & Trade

## How the India-EU pact will remake maritime trade



### ***Wolfgang Lehmacher gives his thoughts on the mother of all FTAs, arguing it could usher in a quantum leap for shipping leaders.***

The new India-EU trade deal, called the 'Mother of all FTAs', is cutting tariffs, but more critically, it might change how shipping companies operate worldwide. The agreement brings in strict rules on environmental standards, digital tracking, and sustainability, forcing maritime leaders to rethink how they run their businesses. The most successful actors will use advanced technology to meet the new rules and gain an edge, making their operations more efficient, resilient, and trusted.

This deal is different from past trade agreements because it links business, the environment, and digital progress in a way that will reshape the sector. Shipping companies that follow the new sustainability and digital reporting rules will be better positioned to meet the demands of customers, investors, and regulators in an uncertain world. Using advanced technology for fleet management, route planning, and compliance will help companies cut emissions, reduce costs, and become more agile.

It is important for companies to make environmental standards a core part of their business. This goes far beyond regulatory compliance, as the agreement aims to build trust and improve their reputation. Digital tracking will help companies demonstrate they are meeting new requirements and give customers and regulators confidence. Working closely with technology experts, sustainability consultants, and regulators will help companies handle the complex new rules and find new ways to grow.

Creating a culture of innovation within the company, by investing in its people and trying new ways of working, will be key to long-term success. The mix of the India-EU trade deal

and advanced technology is creating a new era in which sustainability, digitalisation, and profitability go hand in hand. The best shipping leaders will use technology to turn environmental action into an advantage. By using these tools for fleet management, route planning, and compliance, leading actors are cutting emissions, saving money, and building the resilience and trust needed in today's world. This might be the big change that will shape the future of shipping.

The deal has its challenges. According to a report prepared by former Indian Trade Service officer Ajay Srivastava, the EU's Carbon Border Adjustment Mechanism (CBAM) and strict digital reporting requirements could force Indian exporters to lower prices by 15-22% to remain competitive, acting as a non-tariff barrier. High registration costs for chemicals and medical devices, and strict sanitary and phytosanitary standards, have been flagged as challenges for Indian agri and marine products, resulting in rejected shipments due to pesticide traces or compliance issues. Sensitive agricultural sectors, like dairy, sugar, rice, and ethanol, are largely excluded from the deal, limiting its benefits.

Despite these challenges, the India-EU FTA offers significant opportunities for shipping companies that can adapt and innovate. The most successful actors are those who use the regulatory standards to build resilience, agility, and trust. The deal is projected to double EU exports to India by 2032, driving sustained growth in containerised and breakbulk cargo, with Indian ports like Jawaharlal Nehru Port (JNPT), Mundra, and Pipavav well-positioned to capture increased Europe-bound volumes. European hubs like Rotterdam, Antwerp, Hamburg, Piraeus, and Valencia will benefit on the inbound side, reshaping trade corridors.

Government and industry are stepping up to support affected sectors. Initiatives such as innovation hubs and policy interventions are helping companies navigate the transition. As European Commission President Ursula von der Leyen stated, "We have created a free trade zone of two billion people, with both sides set to benefit." This could be a quantum leap that will define the future of maritime leadership in 2026 and beyond.

(Source: [Splash](#) February 2, 2026)



## **Govt aims to make India 5<sup>th</sup> largest shipping nation by 2047: The Minister was virtually inaugurating the Cochin Marine Seminar (Comarsem 2026)**

The Centre is working towards making India the fifth-largest shipping nation in terms of shipbuilding and ship ownership by Amrit Kaal 2047, said Sarbananda Sonowal, the Union Minister for Ports, Shipping and Waterways.

Shipbuilding, as a mother industry, has immense potential to generate large-scale employment while strengthening the national economy. At the same time, growth must be sustainable, with protection of the marine environment and safe living conditions for future generations, he said.

The Minister was virtually inaugurating the Cochin Marine Seminar (Comarsem 2026) organised by the Institute of Marine Engineers of India (IMEI) in collaboration with the Directorate General of Shipping.

## creating ecosystem

Referring to recent government initiatives, Sonowal said policies such as the Shipbuilding Financial Assistance Policy 2.0, Ship Recycling Credit Policy, Maritime Development Fund, and incentives for brownfield and greenfield expansions are aimed at creating a robust ecosystem for the sector.



Shipping is a strategic sector in today's highly unpredictable geopolitical environment. While these ambitions present challenges, they also open up significant opportunities for innovation, collaboration, and high-value business solutions. He highlighted the importance of platforms such as Comarsem in bringing together industry, policymakers, and investors to deliberate on critical issues, including the green transition in shipping.

Calling for collective action, the Minister urged stakeholders to work closely with the Government to realise India's Amrit Kaal vision.

Themed "Maritime India — Innovations and Collaborations," Comarsem 2026, which began here, brings together policymakers, industry leaders, technologists, academicians, and maritime professionals from India and abroad to deliberate on issues shaping the future of the maritime sector and India's aspirations to emerge as a global maritime powerhouse.



# Indian Logistics Sector

Cargo clearance approvals to be seamlessly processed through single window by year-end: FM

India Budget 2026: Finance Minister Nirmala Sitharaman announced that a single window for cargo clearances will be operational by year-end, streamlining approvals. The validity period for advance customs binding will be extended to five years, and duty exemptions will be provided for fish catch by Indian vessels. Baggage clearance rules for international travelers are also being revised.



The advertisement features a dark blue background with a circular inset image of a port terminal. On the left, the text reads: "Container Terminal Automation Conference Europe" with a red circular logo containing a white figure. Below this, it says "21 - 22 April 2026 | Las Arenas Balneario Resort Valencia". On the right, the text reads "Europe's Terminal Technology Hub" above a red button that says "SAVE THE DATE".

Presenting the Union Budget 2026-27, the finance minister also said validity for advance period, binding on Customs will be extended from three years to five years.

The government will also exempt duty on fish catch by Indian fishing vessels in exclusive economic zones or high seas, she added.

Sitharaman also announced revision of provisions related to baggage clearance during international travel, a move aimed to address genuine concerns of passengers.



The advertisement features a background image of a busy port with several large container ships and cranes. A white text box in the foreground contains the following information: "PHILIPPINE PORTS AND LOGISTICS 2026" with a logo of the Philippine flag. Below this, it says "Tuesday 10 to Thursday 12 March 2026" and "Solaire Resort, Manila, The Philippines".

# India's Foreign Trade

**India EU FTA: Zero duty for agri exports including tea, coffee, meat, fruits and vegetables**



**Kolkata:** The agriculture sector has traditionally been an anchor for the economy as well as the lifeline for the entire rural economy. It is also the largest employer in this country. While the domestic performance of the agri sector is always important, the export markets have always been a source of good margins for the entire sector. The [India-EU free trade agreement](#) (FTA) has created enormous possibilities for the agriculture sector which can export a large number of items free of duty once the deal is operationalised, which can be early 2027.

The government has provided a long list of items that can benefit from preferential market access to the EU region. These include processed foods, cash crops such as tea, coffee and spices, fruits such as table grapes, gherkins and cucumbers, some other fruit and vegetable products, sweet corn, dried onion and also sheep and lamb meat.

The direct outcome of the zero-duty access, which will result in a decline in prices of the items (all factors remaining constant) for the end consumer in the EU region will have positive economic spin offs for the rural incomes.

If rural incomes go up, it can have a cascading impact on the entire rural economy as consumption can rise too. Since a lot of women work in the agriculture sector in India, it can also spell benefits for the income of women, the social impact of which, in turn, is well known. Increased exports of agri products to the EU region will also enhance the country's position as a supplier of premium items in Europe and possibly also in other regions of the world, which regards Europe as a region of quality conscious buyers. (Source: MSN News)



## India cuts tariffs to support local manufacturing, boost US-hit exports

NEW DELHI, Feb 1 (Reuters) - India on Sunday cut a range of tariffs on capital goods and raw materials in a push to cut its dependence on China for products essential to the energy transition and to reduce costs for exporters hit by U.S. trade policies.



Customs duty reforms, analysts say, are critical to achieving India's \$1 trillion goods export target, arguing that lower input costs would help firms integrate into global supply chains and attract investment diversifying away from China.

Finance Minister Nirmala Sitharaman said India will cut the duty on capital goods needed to process critical minerals and make lithium-ion battery cells, which will aid the nation's energy transition efforts and wean it off China.

In the country's [annual budget](#), Sitharaman also eliminated tariffs on sodium antimonate used for solar glass production and monazite, a source of rare earth elements used in permanent magnets for electric vehicles.

Logos for URS (United Registrar of Services), UKAS (Management Systems), PALCOMAN (Clearing & Forwarding), and AEO (भारतीय सीमा शुल्क INDIAN CUSTOMS).

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China, which controls over 90% of global processing capacity for the magnets used for cars and other clean energy technology, placed curbs on exports of rare earth magnets last year, [hurting EV production](#) plans in India. (Source: Reuters)



## India-EU FTA Will Boost Footwear, Leather Exports: Official

The signing of the India-European Union Free Trade Agreement will be a major boost for the footwear and leather industry and open up new opportunities for exporters, a senior official of the CLE said here on Saturday.

The European Union is the largest market for India's footwear and leather sectors, accounting for 43 per cent of exports, Council for Leather Exports Executive Director R Selvam said.

The Council for Leather Exports functions under the aegis of the Ministry of Commerce and Industry and is the apex trade promotion organisation for India's leather and leather products sector.

"The India-EU Free Trade Agreement, which provides for zero per cent import duty in the EU for the footwear and leather sector, will open up new opportunities for exporters and help achieve our envisaged export target of USD 14 billion by 2030," Selvam said.

Speaking to reporters, he said the agreement would enhance cooperation between India and the EU not only in sourcing but also in investments.

India and the European Union on January 27 sealed a landmark free trade agreement, billed as the "mother of all deals", with Prime Minister Narendra Modi and top EU leadership unveiling a broad agenda to strengthen trade and defence cooperation and promote a rules-based world order.

Appealing to the Centre to implement the Focus Product Scheme for the footwear and leather sector, Selvam said the scheme was crucial to achieving the industry's targeted turnover of USD 50 billion by 2029-30, including domestic turnover of USD 36 billion and exports of USD 14 billion.

The current turnover of the footwear and leather sector stands at USD 24.6 billion, comprising domestic turnover of USD 19 billion and exports of USD 5.6 billion, he said.

Selvam, along with CLE Chairman Ramesh Juneja and senior officials, was in the city to announce the 39th India International Leather Fair (IILF) 2026, scheduled to begin on February 1 at the Chennai Trade Centre.

Commenting on the event, Juneja said the India International Leather Fair had served as the largest platform showcasing state-of-the-art technologies and innovations and had been a flag bearer of the Indian footwear and leather industry.

The three-day fair will showcase the entire range of leather and footwear products, from raw materials to finished goods. Germany and Italy will have country pavilions at the event.

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