CURRENT AFFAIRS

MADE-IN-INDIA SHIPPING CONTAINERS: CAN ₹10,000 CRORE LOOSEN CHINA'S HOLD?

By **Kamlesh Bhagatkar**, *Politician, Author & Geopolitical Analyst · 20 November 2026*

On Thursday, 19 November, the Press Information Bureau published a detailed note on India's new container manufacturing scheme, the Container Manufacturing Promotion Scheme (CMPS). The Union Cabinet approved it on Wednesday, 28 October, with a budget of ₹10,000 crore that runs until the financial year 2039-40. Its aim, in the government's words, is "a globally competitive container manufacturing ecosystem in India", with less dependence on imports and more resilient supply chains.

The target is large. The government expects India's annual capacity to make shipping containers to rise about ten times, to 7.5 lakh twenty-foot equivalent units (TEUs). It estimates 3,000 direct jobs and more than 50,000 indirect jobs.

Few of us think about the steel box that carries our exports, though we have good reason to. According to the PIB note, as of February 2026 the sea carried 95 per cent of India's trade by volume and 70 per cent by value. An earlier PIB note, from August, said India imports nearly 2 million empty containers every year to meet demand and for repositioning. Our exporters ship Indian goods in boxes that were mostly made somewhere else, and most of that somewhere else is China.

How the scheme works

The money is split into three parts, according to the PIB note and the Cabinet briefing by Union Minister Ashwini Vaishnaw.

The smallest part, ₹859 crore, is interest subvention: a 3 per cent a year subsidy on term loans taken to build factories. A new (greenfield) plant qualifies only if it can make at least 1,00,000 TEUs a year. An expansion of an existing (brownfield) plant must add at least 25,000 TEUs. Both must be commissioned within three years of in-principle approval and meet global container standards.

The largest part, ₹8,891 crore, is operational support paid per container made and sold. A maker gets ₹49,500 for a 20-foot container and ₹86,625 for a 40-foot one. Specialised 20-foot containers get between ₹37,125 and ₹74,250. The PIB note says this is meant "to bridge the cost gap" with imported

boxes.

The third part, ₹150 crore, pays for shared testing and certification facilities, such as dynamic longitudinal impact testing. Outlook Business reported one more incentive: major port authorities may lease land to container units at 25 per cent of the applicable rate.

The scheme also has a condition I like. To receive support, a maker must use at least 70 per cent local content until 2031-32, and 90 per cent from 2032-33. That rule is there to pull steel, castings and paint suppliers into India. The PIB note names corner castings, specialised steel, wooden frames and paints as industries that should benefit. Vaishnaw said steel makers would be nudged to make container-grade steel, according to Swarajya.

The scheme changed between the Budget and the Cabinet. When it was announced in the Union Budget 2026-27, PIB described it as the Container Manufacturing Assistance Scheme, with ₹10,000 crore "over five years". The approved version keeps the amount and the capacity target, but spreads the money until 2039-40. Swarajya described it as 13 years. I think the longer horizon is better. A factory built in 2028 needs to know that support will still be there when its loan is half repaid.

Why China dominates, and why that matters to us

In 2021, FreightWaves reported data from the UK consultancy Drewry that Chinese factories built more than 96 per cent of the world's dry cargo containers and all of its refrigerated ones. Outlook Business put China's share of global container production at an estimated 90 to 97 per cent this July. The figures vary with the year and the type of box, but every estimate I have seen gives China the overwhelming majority.

This is a security question as well as a trade one. Drewry's analyst told FreightWaves that during the pandemic there were, in principle, enough containers in the world, but "the containers are all in the wrong place". Indian exporters felt that directly. The Core reported that freight rates for Indian shippers at times rose by as much as 400 per cent after the pandemic. I think that when one country makes nearly every container, a shortage or a political decision there reaches our ports within weeks.

I have written before about how Beijing uses its hold on equipment as leverage, most recently on China's licence rule for tunnel boring machines. At the India Japan 2+2 in Tokyo this week, the two governments jointly named "economic coercion" and "arbitrary export restrictions" as concerns, as I discuss in my piece on the 2+2 outcomes. A country with India's export ambitions should not depend on one supplier for its shipping boxes, whether or not that supplier ever uses the leverage.

The real test is price

Money alone will not do this, and the Beyond the FYP InfoPack makes the same point. The obstacle is cost. Outlook Business reported in July that Indian-made containers cost 30 to 40 per cent more than Chinese ones, a gap of $700 to $1,000 per container. Hasmukh Viradiya, chairman and managing

director of APPL Containers, gave Maritime Gateway the same 30 to 40 per cent range and said Chinese boxes were about $700 to $800 cheaper per unit. He suggested that the support be paid per container, to neutralise that gap. The approved scheme does put most of its money there.

Steel is the biggest part of the problem. Drewry estimates that Corten (weathered) steel is around 60 per cent of the cost of building a container, FreightWaves reported. If Indian container-grade steel is costlier, or scarce, the subsidy will be spent covering the difference instead of building scale. I think that makes the local-content rule and the push to steel makers as important as the per-box payment.

Scale matters too. Outlook Business pointed to China's economies of scale, highly automated factories and integrated supply chains for steel and parts, against higher land costs and smaller volumes in India. I read the greenfield threshold of 1,00,000 TEUs a year as a guard against a scatter of small units that never become competitive. I think that is the right choice, even if it means fewer applicants in the first round.

Early signs of demand

There are some early orders. According to PIB, in July 2026 India rolled out its first India-made export-import container for the shipping company A.P. Moller-Maersk, unveiled at the Maersk-CONCOR inland container depot in Dadri, Uttar Pradesh. Maersk then ordered 1,000 more Made-in-India containers from DCM Shriram Group.

Demand at home will grow too. In February 2026 the Ministry of Ports, Shipping and Waterways signed an MoU to set up the Bharat Container Shipping Line, bringing together the Shipping Corporation of India, CONCOR, the Jawaharlal Nehru, V.O. Chidambaranar and Chennai port authorities, and Sagarmala Finance Corporation. PIB says the plan envisages about ₹99,149 crore of investment in 51 container vessels and domestic container procurement. Maritime Gateway reported that the planned line alone is expected to need around 1 million TEUs for its operations. A national shipping line buying Indian boxes would give new factories a buyer at home while they learn to compete abroad.

What to watch next

The first sign will be the applications: how many greenfield plants of 1,00,000 TEUs come forward, from which companies, and in which states. The second is steel, and whether Indian mills start producing container-grade steel at a price close to what Chinese makers pay. The third is export orders. A 7.5 lakh TEU industry cannot live on the Indian market alone. It has to sell to the world's shipping lines, at their prices.

The scheme's payments run until 2039-40. The local-content requirement rises to 90 per cent in 2032-33, and by then we will know whether the industry can meet it.

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