

India to manufacture cargo containers on its own

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In news : To free the country's dependency on China and other foreign players in the logistics sector, India has begun the process of manufacturing cargo containers indigenously through two state-owned heavy-engineering behemoths.

Key updates

- Braithwaite and Bharat Heavy Electricals Limited have received developmental orders from Container Corporation of India (CONCOR), which owns 85 per cent of the container movements market, to try and make 1,000 containers each.
- Each container costs around Rs 2.5 lakh. In order for the engineering PSUs to invest in the development of the product from scratch, they needed a large order so that the development process is viable across the chain.
- Containers are moved on road by trucks and also on rail. By rail they cost less, bringing down the cost of logistics. After the prototype is made, it will have to be tested by relevant testing agencies and certified before they can be inducted

Current status:

India has currently no capability to manufacture its own cargo containers. They are all manufactured by foreign players, mainly Chinese. Currently, the components are not manufactured in India and PSUs such as Braithwaite are focusing on creating the first prototype. Post-Covid, with bilateral ties with China turning sour, government orders less than the value of Rs 200 crore cannot call for global tender

Technical hurdles to manufacture cargo containers

- Each component needs to be made from scratch, since India has never made them.
- There are critical components such as corner casting and structural components like channels which officials said are of “odd design” typical to wagons and are not designed by India’s premium iron and steel companies.
- So a PSU like Braithwaite needs to install a complete rolling mill to churn out these unique components with the desired designs.

Dominance of China

China is the global leader in cargo containers and routinely wins global tenders to manufacture and supply containers across the world, including in India. They are cheaper than global competition and operate at a scale unmatched by anyone.

What is a cargo/shipping container?

A shipping container is a container with strength suitable to withstand shipment, storage, and handling. Shipping containers range from large reusable steel boxes used for intermodal shipments to the ubiquitous corrugated boxes