

July - August, 2019



Ministry of Shipping
Government of India



THE SAGARMALA POST



SPOTLIGHT



EVENTS DETOUR



VIEWPOINT



MARITIME GLORY

CONTENTS

SPOTLIGHT

- India Bangla protocol route facilitates inexpensive logistics for Bhutan-Bangladesh trade
- IIT Kharagpur to come up with its ship design and testing facility
- Boost to Indian maritime logistics as India signs MoU with Maldives
- A new data centre for container terminal
- Ministry of Shipping announces measures to promote Indian Coastal Shipping
- Shipping and Tourism Ministries come together to discuss Maritime Tourism
- Shipping Ministry to focus on seafarers' training
- JNPT creates record in container handling of cargo
- JNPT organizes training for seaport emergency handlers
- Odisha's first desalination plant to be set up at Paradip Port
- Increased cargo movement through our inland waterways

EVENTS DETOUR

- Shipping Minister Shri Mansukh Mandaviya meets MbPT officials to discuss port plans
- V.O. Chidambaranar port trust signs MoU with CWC
- JNPT awarded "Best Port Of The Year" Award for 2019
- JNPT to have an additional liquid cargo jetty worth Rs. 309 crores
- "Spectrum Of The Seas" docks into Cochin Port
- V.O. Chidambaranar Port creates new record in cargo handling

VIEWPOINT

- Shri. Mansukh L. Mandaviya, Minister of Shipping (I/C) speaks about the progress made by the Union Ministry of Shipping
- An interview with Managing Director SDCL

MARITIME GLORY

- A peek into India's Maritime History under the Chola rulers

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FROM THE SECRETARY'S DESK



I am happy to share with you the July-August issue of “The Sagarmala Post”. Through this bimonthly magazine, the Ministry of Shipping aims to disseminate news and events relating to the maritime world and, more importantly, share with the nation and the stakeholders in particular, the developments that have taken place in the sector. The Sagarmala Programme is the flagship programme of the Ministry of Shipping and is one of the boldest moves taken by the Government to improve nationwide, road, rail and inland waterway connectivity thus reducing logistics costs substantially. The addendum to the Indo-Bangladesh protocol and the agreement on use of Chattogram and Mongla Ports for transit of Indian goods signed on October 25, 2018 between the two countries is a classic example in this regard.

Early in March 2019, the Ministry of Shipping approached the Sagarmala Programme with renewed vigour. One of the measures taken was to set up the Centre for Inland and Coastal Maritime Technology (CICMT) at IIT Kharagpur. The launch and working of this research centre will be in sync with the “Make in India” approach, thus, enabling applied research and development for the inland and coastal waterways sectors. The centre is primarily a model testing and experimentation facility for inland and coastal vessels.

Sound infrastructure is core to the success of logistics. The government's focus on promoting inland waterway transport is through its flagship Jal Marg Vikas Project being implemented by the Inland Waterways Authority of India (IWAI). In this regard, the multimodal terminal on the Ganga river at Sahibganj in Jharkhand would be made operational in September 2019. Several measures have been put in place by the Ministry to promote coastal shipping which, inter alia include, chartering of foreign-flagged ships to be deployed for coastal trade without the need to apply for any prior license from the Directorate General of Shipping for movement of certain specified cargo. We have also signed an MoU with Maldives to allow passenger and cargo services between the two countries through the sea route.

Our ports have been excelling in their performance with commendable efforts. The country's largest container port, Jawaharlal Nehru Port, continues to excel in performance both in terms of capacity and efficiency. Recently awarded as the “Best Port of the Year- Containerised” at the 4th India Maritime Awards in June 2019, the success of this port can be attributed to strategic initiatives taken by the port. V.O. Chidambaranar Port forged a new record by handling 27, 546 tonnes of rock phosphate in a single day on June 24, 2019. Cochin Port received the world's fourth largest cruise ship “Spectrum of the Seas” in its docks on May 11, 2019.

All organisations under the Ministry have been including yoga in their work culture for the benefit of their employees. International Day of Yoga was observed with vigour on June 21, 2019. Seafarers and staff participated in large numbers to inculcate the benefits of the age-old spiritual practice of yoga in their daily life.

Yet, another initiative of the ministry has been to focus on seafarers' training. The government has directed the maritime training institutes to provide necessary practical training to the seafarers so that they may serve in multiple capacities on a ship.

GOPAL KRISHNA, IAS
Secretary, Ministry of Shipping





Shri Mansukh Mandaviya digitally flags off MV AAI along Brahmaputra river

INDIA BANGLA PROTOCOL ROUTE FACILITATES INEXPENSIVE LOGISTICS FOR BHUTAN- BANGLADESH TRADE

The Indian logistics scenario is now on a roll as the first inland cargo ship MV AAI arrived with its consignment sailing along Brahmaputra river to Bangladesh on July 19, 2019. The cargo ship containing 1000 tonnes of crushed stone aggregate was flagged off by Shri Mansukh Mandaviya, Minister of State for Shipping (I/c) and Chemicals & Fertilizers from Dhubri in Assam on July 12, 2019.

INDIAN LOGISTICS ON A HIGH



The Indo-Bangladesh Protocol Route marked in blue

For the first time in Indian history, an Indian waterway was used to move cargo between two countries as MV AAI sailed along the Indo-Bangladesh Protocol routes. The use of inland waterways to transport cargo from our landlocked neighboring country Bhutan, to Bangladesh is a significant move in terms of ease of transportation and reduced logistics costs. Speaking on the occasion, Shri Mansukh Mandaviya, the Minister of State for Shipping (I/C) and Chemicals & Fertilizers said, "The move will be beneficial to India as well as Bhutan and Bangladesh and strengthen relations between the neighbouring countries. The transportation of cargo through this route will cut short travel time by eight to ten days and reduce transportation cost by 30 per cent, thus, bringing down logistics costs," adding, "It will also be a more environment-friendly mode of transport."

Bhutan is a major exporter of crushed stone aggregate and had been exporting significant quantities to Bangladesh through the land route. Transportation through waterways will nearly halve the carrying time in addition to reduced haulage costs. MV AAI transported jute and rice on its return voyage from Bangladesh to India.

Inland waterways are being used in India for transportation of cargo on the Kolkata-Varanasi and the Kolkata-Patna container cargo routes, ever since they were opened for logistics purposes by the Inland Waterways Authority of India (IWAI). While these were mostly confined to inter-state transport, international cargo movement received a fillip for the first time as the three neighbouring countries agreed to boost international trade using Indian waterways as the transit.





Signing of MoU between IIT Kharagpur and MoS

IIT KHARAGPUR TO COME UP WITH ITS SHIP DESIGN AND TESTING FACILITY

The Ministry of Shipping is actively promoting the use of indigenous technology under the "Make in India" programme. To improve ports and shipping infrastructure, ensure port development and consequent operational efficiency under the Sagarmala Programme, the Ministry of Shipping has entered into an agreement with IIT Kharagpur for setting up the Centre for Inland and Coastal Maritime Technology (CICMT).

The programme funded to the tune of Rs 69.20 crores by the government would allow modern technologies for inland water transportation and cargo haulage through coastal shipping. Explaining the purpose of setting up CICMT at IIT Kharagpur, Shri Mansukh Mandaviya, the Minister of State for Shipping (I/C) and Chemicals & Fertilizers said, "To boost 'Make in India' drive of the Prime Minister and develop advanced vessels on the latest technology here in India, we will set up Centre for Inland and Coastal Maritime Technology (CICMT) at IIT Kharagpur. So far, only a few nations such as Germany, Netherlands, Russia and Belgium possess these technologies and excel in maritime research. The facility can be used not just by Indian shipyards, but also by shipyards outside India as well."



Ministry of Shipping signs an agreement with IIT Kharagpur for setting up CICMT

First of its kind in India, the CICMT will help push the domestic shipbuilding industry forward with the use of indigenous technology. Additionally, the centre will work on projects related to ship design for coastal and inland waterways, shipbuilding technology and structural design, transport systems & logistics, cryogenic cargo handling, green/renewable energy harvesting from coastal and inland waters and automation and Artificial Intelligence (AI) for maritime operations.

Deemed as a major leap, CICMT will be futuristic in approach, thus, reducing India's dependence on foreign technology while ensuring savings in terms of costs and time for projects related to inland waterways and coastal shipping.





India signs MoU with Maldives to boost Maritime Logistics

BOOST TO INDIAN MARITIME LOGISTICS AS INDIA SIGNS MoU WITH MALDIVES

Relations between India and Maldives received a boost when an MoU was signed between the two countries, thus, allowing passenger and cargo services between the two countries through the sea network. The MoU was signed on June 08, 2019 during the Prime Minister's visit to the Maldives.

Till date, tourists travelling to Maldives preferred taking the air route. However, the agreement between the two countries will encourage connectivity between Kochi and other ports in India and Male in Maldives by a ferry service. This will not only likely encourage inbound tourism but would also lead to greater cargo movement through the sea route.

A NEW DATA CENTRE FOR CONTAINER TERMINAL

Jawaharlal Nehru Port Trust continues to advance its development plans as it added a new Data Center for Container Terminal on May 03, 2019. The new data centre has been designed with a futuristic approach and is supported by advanced technical infrastructure, thus, enabling smooth integration of technology into port operations. The centre launched by JNPT is an additional step towards enhancing its operational efficiency necessary for providing efficient service coupled with ensuring "Ease of Doing Business" for the EXIM community.



Unveiling of new container terminal data centre at JNPT

Appointment

Chairman NMPT. Shri AV Ramana has been appointed as the Chairman of the New Mangalore Port Trust. Shri Ramana took over on June 11, 2019. Prior to this appointment, Shri Ramana had served as Chairman of the Cochin Port Trust (additional charge).

A postgraduate in Mechanical Engineering from BITS Pilani, Shri Ramana has served in various capacities at Kolkata Port Trust, Indian Ports Association and the Indian Maritime University.





MINISTRY OF SHIPPING ANNOUNCES MEASURES TO PROMOTE COASTAL SHIPPING

Shipping of goods, especially horticulture, fisheries and animal husbandry commodities have now received a boost as the Union Ministry of Shipping relaxed cabotage rules under Sections 406 & 407 of the Merchant Shipping Act, 1958.

Shri Mansukh Mandaviya, Minister of State Shipping (I/C) and Chemicals & Fertilizers informed, "In order to promote coastal shipping, the Ministry of Shipping, in exercise of powers vested in the Central Government vide Section 407(3) of the Merchant Shipping Act, has relaxed cabotage rules and allowed foreign-flagged ships to engage in coastal trade in India without obtaining licence from Directorate General of Shipping for coastal movement of certain specified items." The relaxation has been provided for the following:

- Specialised vessels including RO-RO, RO-PAX, Hybrid Ro-Ro, pure car carriers, pure car and truck carriers, LNG vessels and over-dimensional cargo or project cargo
- EXIM or empty containers
- Agriculture, horticulture, fisheries and animal husbandry commodities
- Fertilizers

The rules were amended to bridge the gap between the requirement and the availability of ships operating in the coastal routes. The amendment will permit an Indian citizen, a company or a cooperative society registered within the country to carry out coastal trade of certain specified cargo items without the requirement to obtain a licence from the Directorate General of Shipping. Major ports in India have shown good growth in coastal shipping during the past few years.



SHIPPING AND TOURISM MINISTRIES COME TOGETHER TO BOOST MARITIME TOURISM

Maritime tourism is set to receive a fillip as Shri Mansukh Mandaviya, Minister of State Shipping (I/c) and Chemicals & Fertilizers met Shri. Prahlad Singh Patel, Minister of State for Tourism & Culture (I/c) on July 31, 2019. The meeting was held to discuss ways and means of garnering the potential of maritime tourism in India, both domestic and international.

A committee comprising of senior officials of both the Ministries has been set up to explore the avenues for coastal tourism in the country.



Shri Mansukh Mandaviya meeting Shri. Prahlad Singh Patel to discuss prospects of maritime tourism

SHIPPING MINISTRY TO FOCUS ON SEAFARERS' TRAINING

The importance of infrastructure cannot be overstated considering that a solid infrastructure is fundamental to any country's economic growth. However, infrastructure needs skilled human resources to support it. In order to increase the number of qualified Indian seafarers' as also to multi-skill them, the ministry has instituted several measures. Initiating a slew of measures, Shri Mansukh Mandaviya, Minister of State Shipping (I/c) and Chemicals & Fertilizers said, "Creating job potential by increasing the number of seafarers will be one of the priority areas for the Shipping Ministry. During the last five years, the number of seafarers had increased from 92,000 to two lakhs. Seafarers earn in dollars, and they can work in various capacities in a ship, including in the kitchen," adding that, "there is scope to retrain several people located along the coast, as seafarers."

The Shipping Ministry has directed maritime training institutes across the country to provide the skills and necessary practical training to seafarers. Moreover, terms and conditions have been relaxed to ensure increased availability of vessel slots to train students interested in working with the maritime sector.



Maritime institutes told to give practical training to seafarers

JNPT CREATES RECORD IN CONTAINER HANDLING OF CARGO

During the FY 2018-19, Jawaharlal Nehru Port (JNPT) handled container cargo to the tune of 5.13 Million TEUs as opposed to 4.83 Million TEUs handled during the previous year. The port had handled 4.71 lakh TEUs in March 2019 alone setting a record of sorts. Performance statistics of the port reflects the port's improved operational efficiency in terms of port-led development and better cargo handling ability.

Upgradation and expansion of infrastructure at our ports, over the past few years, as part of the Sagamala Programme has led to improved operational performance and would shift cargo movement from road and rail to coastal shipping, in due course.



JNPT creates record in container cargo handling

JNPT ORGANIZES TRAINING FOR SEAPORT EMERGENCY HANDLERS

Security issues must never be ignored. Keeping this in mind, Jawaharlal Nehru Port Trust (JNPT) in conjunction with the Indian Ports Association (IPA), National Disaster Management Authority and Institute of Nuclear Medicines and Allied Sciences conducted a training programme on "CBRN Emergency Management" for seaport emergency handlers. The four-day programme included information on the safety and regulatory aspects of the CBRN materials in the port. More than 40 personnel from the JNPT, private port operators, tank farms and CISF in addition to other stakeholders participated in the port's efforts directed at issues related to port vulnerability, psychosocial issues with CBRN emergencies and demo activities at seaport.



Focus on training of seaport emergency handlers

ODISHA'S FIRST DESALINATION PLANT TO BE SET UP AT PARADIP PORT

The Ministry of Shipping (MoS) is keen on implementing Coastal Community Development, an important pillar of the Sagarmala project, considering a chunk of the country's population lives in the coastal areas. In a bid to do away with the current water crisis affecting various Indian states, the Paradip Port Trust (PPT) is setting up the first state-of-the-art 10 million litres per day desalination plant in Odisha. In this regard, an MoU was signed between PPT and National Institute of Ocean Technology (NIOT), Chennai under Ministry of Earth Sciences, Govt. of India on July 15, 2019.



Paradip Port to setup desalination plant for community welfare

The plant that works on Sea Water Reverse Osmosis (SWRO) technology will benefit the people living in the PPT township.

INCREASED CARGO MOVEMENT THROUGH OUR INLAND WATERWAYS

The Ministry of shipping is set to develop, in a phased manner, the technically viable 111 National Waterways, for increasing shipping and navigation. The focus on using waterways for national transportation of cargo and passengers has led to enhanced cargo haulage on waterways to 72.31 MT in 2018-19 from 55.20 MT in 2016-17 a growth of 30% in the past three years.



More cargo to be transported through Inland Waterways

Replying to a question raised by the Members of the Parliament in the Lok Sabha on July 11, 2019, Shri Mansukh Mandaviya, Minister of State Shipping (I/c) and Chemicals & Fertilizers informed, "Various initiatives have been taken by the Government to increase the use of

Inland Waterways and Coastal Shipping for greater cargo shipment. These include providing the assured depth of water in the waterways, navigation aids like GPS and River Information System, terminals at regular intervals, facilities for mechanized handling of cargo handling, etc."

To augment the coastal movement of cargo at major Indian ports, the Ministry has announced a minimum of 40 per cent discount in berthing to coastal vessels in addition to priority in berthing. Also, the Ministry of Chemicals & Fertilizers and Department of Promotion of Industry and Internal Trade have announced subsidies on fertilizer transportation in addition to the passage of raw materials and finished products to the country's North-Eastern region using its inland waterways network.





Shri Mansukh Mandaviya with Mumbai Port officials

SHIPPING MINISTER SHRI MANSUKH MANDAVIYA MEETS MbPT OFFICIALS TO DISCUSS PORT PLANS

The Mumbai Port Trust (MbPT) welcomed Shri Mansukh Mandaviya, Minister of State Shipping (I/c) and Chemicals & Fertilizers on its docks on August 10, 2019. During the review meeting, Shri Sanjay Bhatia, Chairman, MbPT shared details on the port's future proposal plans including master plan, land policy, a super speciality hospital, offshore container terminal, and the port's vision plan and road map for current and future projects. Post a complete review of the ongoing projects, the Hon'ble Minister inspected the working of the projects of the Mumbai Port Trust International Cruise Terminal and Offshore Container Terminal.

Concluding his visit and appreciating the efforts of the port officials, the Honble Minister said, "The commitment and dedication from one and all will lead to better productivity as well as improvement in the work culture." The Honble Minister also attended a meeting with the port's stakeholders including importers, shipping agents, clearing agents, operators, oil PSUs, etc. where the latter suggested measures towards the improvement of service quality while also reducing the logistics cost.





Exchange of MoU between VoCPT and CWC

V.O. CHIDAMBARANAR PORT TRUST SIGNS MoU WITH CWC

The V.O. Chidambaranar Port Trust, Tuticorin signed an MoU with the Central Warehousing Corporation (CWC) on June 10, 2019 that would enable Direct Port Entry (DPE) of e-sealed, factory stuffed export containers to the port.

With this MoU in place, the CWC would have access to the 18,357 sqm area allocated in the Truck Parking Terminal, thus, allowing it to manage the DPE facility for a continuous period of 30 years on a lease-rental basis. Allowing the DPE facility would enable unhindered container movement from factories to the port, which means that shipping companies can send their goods directly to the container terminals without any hindrance. The export clearance process will gain speed while shippers will benefit from cost reductions.

JNPT AWARDED “BEST PORT OF THE YEAR-CONTAINERISED” AWARD FOR 2019

Jawaharlal Nehru Port Trust (JNPT) was recently rewarded with the "Best Port of the Year- Containerised" award at the 4th India Maritime Awards event held on June 21, 2019. Commenting on the award, Shri Sanjay Sethi, Chairman, JNPT said, “We are delighted to win such a high honour, as it validates our continuous efforts to not only meet global standards but also ensure best quality service to our customers. We continue to upscale our offering and a slew of strategic initiatives are already underway to drive the next phase of transformation of the port, which will augment our growth trajectory and also voyage the Indian maritime sector in new directions of success.”



JNPT awarded for its quality services in container cargo transport



JNPT TO HAVE AN ADDITIONAL LIQUID CARGO JETTY WORTH ₹ 309 CRORES

JNPT gets an additional jetty to handle liquid cargo

Shri Mansukh Mandaviya, Minister of State Shipping (I/c) and Chemicals & Fertilizers, laid the foundation stone of an additional liquid cargo jetty at the Jawaharlal Nehru Port Trust (JNPT) on August 09, 2019. The jetty will meet the increased demand for handling liquid cargo like LPG, edible oil, molasses, chemicals, etc. Additionally, it will make provision for berthing to ships carrying liquid cargo. The project is expected to cost Rs 309 crores.

Speaking on the occasion, Shri Mandaviya said, “The Prime Minister Shri Narendra Modi has laid focus on port-led development. Keeping this in view, India's ports are being developed and modernized in line with global best practices. There is an increased domestic and industrial demand for liquid commodities like LPG etc in the country, with PM's plans to reach gas stoves to every home. The present liquid cargo capacity of JNPT is around 6.5 Million Tonnes Per Annum (MTPA). The new terminal for which foundation is being laid today will increase this capacity by 4.5 MTPA. This will help to better fulfil national requirements and be good for the port too.”

Before the unveiling, Shri Mandaviya met with the Chief Executive Officers of all the terminal operators, port staff, service providers and JNPT officials to discuss the port's progress and its prospects with a view to gain a comprehensive understanding of the port's operations and recent developments.



“SPECTRUM OF THE SEAS” DOCKS AT COCHIN PORT

The Spectrum of the Seas, the fourth largest cruise ship in the world, docked at the Cochin Port on May 11, 2019. The ship with 4007 passengers and home to over 1700 crew members is built specifically for Asian travellers and boasts of a breath-taking and extraordinary three-level main dining space with more than a thousand seats. Besides, the ship is reputed for its technologically advanced features and offers myriad fun and adventure activities. The Captain of the ship exchanged plaques with Shri AV Ramana the then Deputy Chairman of CPT.



Spectrum of the Seas entering Cochin Port

V.O. CHIDAMBARANAR PORT CREATES NEW RECORD IN CARGO HANDLING

The V.O. Chidambaranar Port handled a record amount of cargo to the tune of 27,546 tonnes of rock phosphate on June 24, 2019 as opposed to the prior single-day record of 26,527 tonnes of the same material on September 08, 2012. Elucidating the success of the port's efforts, T.K. Ramachandran, Chairman, V.O. Chidambaranar Port Trust said, "We at V.O. Chidambaranar Port are committed to ensuring that we offer the best facilities, the highest possible levels of service and productivity to all our customers. High level of mechanization, committed employees and port users are behind this success."



V.O. Chidambaranar Port handles record amount of cargo



We expect India's trade to grow at a rapid pace from the current 1000 MTPA to 2500 MTPA by 2025

There is an ardent need to develop India's maritime infrastructure to ensure increased movement of cargo through coastal shipping and use of the country's inland waterways. Keeping this in mind, the Union Ministry of Shipping has unveiled a roadmap that would cater to India's projected cargo traffic of 2,500 MMTPA by 2025.



Shri Mansukh Mandaviya, Union Minister of State for Shipping (I/c)

The Sagarmala project launched by the government in 2016 has been designed to harness the maritime and waterways potential of the country. Three years down the line, where have we reached and what potential is being tapped in the coming years?



A lot of potential is left untapped in maritime logistics. The Sagarmala Programme, the flagship programme of the Ministry of Shipping, aims to harness the benefits associated with the country's long coastline of 7,516 Km that allows increased cargo transportation through the seas and inland waterways.

- Under the Sagarmala Programme, 610 projects have been identified so far which are expected to mobilize more than Rs. 7.8 Lac Cr of infrastructure investment;
- Out of the 610 projects, 118 projects (Cost: Rs. 24,926 Cr.) have been completed and 375 projects (Cost: Rs. 4.34 lac Cr) are under various stages of implementation and development;
- The total Port capacity has increased from 1716 MTPA in 2015-16 to 2406 MTPA in 2018-19;
- The average Turn-around Time (TAT) at Major Ports has reduced from 87 hours in 2015-16 to 60 hours in 2018-19;
- Operating surplus at Major Ports has increased from Rs. 4296 Cr. in 2015-16 to Rs.6530 Cr. in 2018-19;
- Coastal shipping volume has gone up from 83 MTPA in 2015-16 to 120 MTPA in 2018-19;
- Multiple Ease of Doing Business initiatives have been undertaken. These include:
 - A centralized web-based Port Community System (PCS) has been operationalized across all Major Ports, which enables seamless data flow between the various stakeholders through a common interface. An upgraded version PCS1x has been launched in December 2018;
 - Deployment of Drive through container scanners is now being undertaken at Major Ports to facilitate the quick evacuation of cargo;
 - Elimination of manual gate forms;
 - RFID-based gate access;
- The National Technology Centre for Ports Waterways and Coasts (NTCPWC) has been established at IIT Chennai to act as a technology arm of the Ministry and provide technological support to ports, IWAI and other related institutions;
- The Centre for Inland and Coastal Maritime Technology (CICMT) is being set-up at IIT Kharagpur for developing technology for building ships for coastal and inland waterways;
- A roadmap for 3300+ MTPA of port capacity to cater to 2500 MTPA of cargo, 7000+ kilometres of roads and 8000+ kilometres of rail line for port connectivity, cargo movement of 370 MTPA through domestic waterways and industrialisation of 2200 acres of port land by 2025 has been prepared.

Several landmark events have occurred in the recent past in terms of enhancing the multi-modal transportation model in the inland waterways. Could you kindly elaborate the measures implemented?

Logistics costs in India constitute about 14% of total GDP, which is much higher than in developed economies at about 6-8%. The adoption of multimodal transportation by integration of road, rail and inland waterways can lower logistics cost for individual cargo parcels. Moreover, by aggregating cargo into larger parcels, economies of scale can be channelised to further lower the per unit logistics cost.

To encourage multimodal transportation on National Waterway (NW)-1, IWAI is developing three multimodal terminals where road, rail and IWT converge. The details of such terminals are given below:

- **Varanasi Multimodal Terminal:** Till date, Phase 1 has been completed and inaugurated by the Hon'ble Prime Minister on November 12, 2018. The selection process for the concessionaire on PPP mode for Operation, Maintenance and Development (Phase 2) is in advanced stage. The scheduled bids submission date is September 09, 2019;
 - **Sahibganj Multimodal Terminal:** The Phase1 of this project is near completion and may be inaugurated in September 2019. The selection process for the concessionaire on PPP mode for Operation, Maintenance and Development (OMD) (Phase 2) has been initiated;
 - **Haldia Multimodal Terminal:** This project is scheduled to be completed by December 2019;
- Apart from these, the IWAI is planning to develop two freight villages adjacent to Varanasi and Sahibganj Multimodal Terminals to improve the integration between various supply chain elements, especially, various modes of transportation. It will also facilitate logistics cost (and time) optimisation for shipper and freight forwarders by offering the option of multimodal logistics and cargo aggregation. Such freight villages provide modal choice to the shipper and increase efficiency in logistics supply chain by reducing logistics cost and time;
- The land acquisition process for both the freight villages have been initiated.

The cost effectiveness of the Indian merchant marine is presently not at par with the global trends. What steps is the Government taking to ensure Indian companies are competitive globally, both in terms of cost of construction and cargo movement?

The Government is committed to the sustainable development of Indian shipping industry. To make the Shipping industry more attractive and competitive, the Government has taken several measures for the sector. Some of them include:

- Government has reduced GST from 18% to 5% on bunker fuel used in Indian flag vessels
- The Government has removed licensing requirement for chartering of foreign registered ships by citizens of India, companies incorporated in India and Registered Societies to encourage coastal movement of agriculture and other commodities, fertilizer, EXIM transshipment containers and empty containers
- The Indian Shipping industry has been provided cargo support in the form of right of first refusal and policy of Free On Board (FOB) import is being followed for government owned / controlled cargoes
- The Government has taken a policy decision to allow shipping enterprises based in India to acquire ships abroad, and flag them in the country of their convenience
- The Government has brought parity in the tax regime of Indian seafarers employed on Indian flag ships vis-a-vis those on foreign flag ships
- Acquisition of all types of ships through import has been brought under the Open General License (OGL)
- To attract investment for the growth of this sector, the Government has allowed 100% Foreign Direct Investment (FDI) in the shipping sector

- With a view to provide a level playing field to the Indian shipping sector, the Government has introduced tonnage tax system, which has effectively brought down the tax liability of the shipping companies to a level comparable to the international level from the previous levels of the corporate tax regime.

In a recent study on coastal shipping, the various costs associated with ownership and operation of ships with an Indian flag have been compared with those in other countries. Additional policy measures that would ensure cost competitiveness are being worked out based on the recommendations of the study.



Movement of cargo domestically as also to neighbouring countries using coastal shipping is an innovative measure taken by the Ministry of Shipping. For the benefit of the readers, could you highlight the vision of the government in this regard?



The Sagarmala Programme also encompasses the idea of optimising the potential of inland waterways to transport cargo. The idea of allowing transportation of EXIM cargo through the inland waterways is in line with the vision of the Ministry of Shipping.

- The main vision of the Sagarmala Programme is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment;
- Sagarmala programme aims to double the share of domestic waterways (inland & coastal) in the modal mix from 6% to 12%;
- The projected volume of cargo transported on domestic waterways by 2025 is expected to be 370 MTPA, which includes 220 MTPA of coastal shipping and 150 MTPA of inland water transport.

Amongst the many reasons that hinder our shipping companies from being competitive is the inadequate infrastructure at our ports in terms of jetties, adequate deep draft for vessels, cargo handling and rapid extraction facilities. The Sagarmala project was designed to specifically address these issues. What steps have been taken in the past three years towards development of our ports?



With a 7500-km coastline dotted with major and minor ports, there is always a need to modernise and upgrade the facilities for maritime trade. Considering the urgent need for an upgrade, the Ministry has instituted the following:

- Berthing Policy was released in 2016 after which benchmarking of port capacity with global standards was done. The declared capacity of major ports increased from 1066 MTPA to 1359 MTPA on 1st April 2017
- Under Project Unnati, the global benchmarks were adopted to improve the efficiency and productivity KPIs for 12 major ports. A total of 116 initiatives have been identified, out of which, 91 initiatives were implemented to unlock around 80 MTPA capacity
- Port Master Planning was carried out at 12 Major Ports and 106 port capacity expansion projects (Cost: Rs. 62,342 Cr) were identified for implementation over the next 20 years and are expected to add 765 MTPA to the major port capacity. Out of these 106 port master plan projects, 26 projects (Cost: Rs. 15,831 Cr) have been completed adding 161 MTPA and 35 projects (Cost: Rs. 17,023 Cr) are under implementation
- Ease of doing business initiatives include
 - Introduction of DPD and DPE to enable faster evacuation from ports
 - Changes to Model Concession Agreement to address issues raised by PPP operators
 - Installation of container scanners
 - Gate automation systems
 - Various IT initiatives

There have been several issues raised with regard to the safety environment, work culture and training of the work force at the Alang Ship Recycling facility. What steps have been taken by the government to address these issues?



The Alang Ship Recycling Facility has long been criticised for lack of proper employee welfare measures, thus, resulting in unwarranted accidents. Recently, the following steps have been undertaken by the Ministry of Shipping that include:

- To improve Alang's business environment and condition of the working condition of the workers, the Ministry of Shipping has sanctioned Rs. 30 crores for skill development of the workers focused on occupational safety and health training
- Workers undergo a 12-day skills training program before they can begin work in any shipyard. More than 4000 workers have already been trained
- The Indian Register of Shipping (IRS) is now conducting third-party assessments on the trainings being conducted.

There is a lot of potential in domestic cruise tourism. Is the Government taking any steps to rekindle this sector to tap its economic potential?



The Ministry of Shipping has turned its focus towards maritime tourism to promote domestic and international tourism. Some of the recent steps to rekindle the sector include:

- A national roadmap for development of cruise tourism has been made through an internationally renowned consultant, which has projected the possibility of phenomenal growth over 25 years in number of passengers from 0.2 million in 2016 to 4 million in 2041, increase in ship calls from 166 to 955 and passengers per ship from 1200 to 4100, employment potential of 2,50,000 persons from the existing 5000 persons and economic potential of Rs.35,500 crore compared to Rs. 712 crores in 2016
- Currently, ports of Mumbai, Goa, New Mangalore, Cochin and Chennai are primarily the ports of call for cruise lines. However, Coasta New Classica cruise has made Mumbai a home port in 2017-18 & 2018-19
- In addition, India's first domestic Cruise Ship Angriya, with best in-class amenities, has commenced operations between Mumbai and Goa on every alternate day. So far, this cruise ship has made 64 calls at each of the ports of Mumbai and Goa and 55798 passengers have been handled during 2018-19
- A task force under the joint Chairmanship of Secretary (Shipping) and Secretary (Tourism) was constituted in November 2015 for coordinated efforts to create an enabling eco-system for the development of cruise tourism in India
- Standard operating procedures (SOPs) have been revised and operationalized from November, 2017 at Major Ports. A monitoring Committee has been constituted to ensure smooth implementation of SOPs
- Foreign flag cruise vessels have been allowed to call at Indian ports without obtaining license from DGS and this facility has been extended until February 05, 2024
- To make India attractive to cruise passengers and to promote cruise tourism, e-visa procedure has been streamlined for quick immigration clearance. Passengers arriving with e-visa have been exempted from the requirement of biometrics

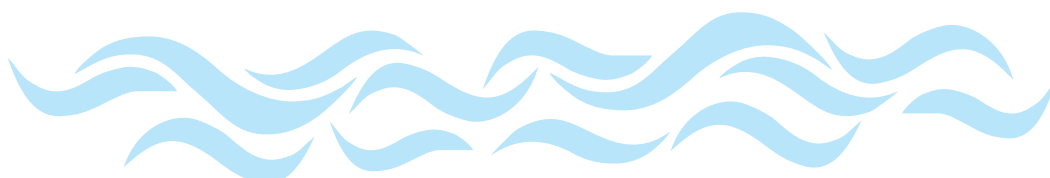
- Port charges have been rationalized at all major ports to attract cruise ships
- Port-level committees under the respective major ports' chairmen have been constituted to address manpower, coordination and logistic issues
- Cruise terminals with modern facilities have been constructed/being constructed at the five major ports as mentioned above.

Roughly 18% of the country's population lives in India's coastal areas. As an essential measure of coastal community development, what measures are you planning to impart skill sets in the communities living near the ports?



Coastal community development is an essential pillar of the Sagarmala Programme and its development is essential for the overall development of the maritime logistics sector would be futile. Considering the need to impart skills to the part of the population that lives along the coasts and relies on coastal resources for their livelihoods, the following steps have been taken.

- The Ministry has set an objective to ensure 100% availability of trained manpower in the port and maritime sector
- A skill gap analysis in 21 coastal districts has been undertaken by the Ministry and domain ministries & concerned state governments have been asked to implement the district action plans
- To address skill gap in ports and maritime sector in 21 coastal districts, the Ministry of Shipping will fund skill development under DDU-GKY to train 10,000 persons annually for the next three years. Till date, 1917 people have already been trained and 1123 placed
- A multi-skill development centre has been set up at JNPT and is now being planned at ChPT, CoPT and VPT. The centre will provide skill development in maritime logistics and placement to over 1050 students per year in port and maritime sector
- The Centre for Excellence in Maritime and Shipbuilding (CEMS) is the first of its kind initiative in Asia with a capacity to train more than 10,500 students in collaboration with Siemens and Indian Register of Shipping (IRS) and has been developed at a cost of Rs 765.9 crores
- It has two campuses operational in Vizag and Mumbai] with a Hub & Spoke Delivery Model for full-time and part-time training



SDCL will invest in projects aligned to Sagarmala Programme



Dilip Kumar Gupta, Managing Director, Sagarmala Development Company Limited

High logistics costs are an impediment to development. However, with the implementation of the Sagarmala Programme, the country's logistics sector is expected to turn around for the better. Under this flagship programme of the Union Ministry of Shipping, maritime logistics will be given preference as ports are now being developed and modernized to ensure increased cargo transportation through the sea route. The inland waterways are now in focus as the government focuses on improving multi-modal transport for faster cargo movement.

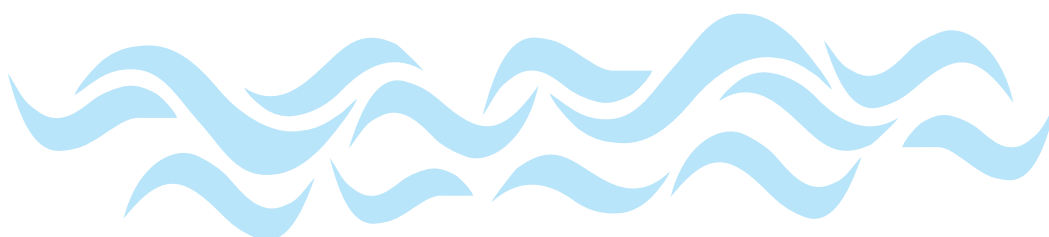
In an interview with the Sagarmala Post, Dilip Kumar Gupta, Managing Director & Director (Projects), Sagarmala Development Company Limited elucidates on his company's role in ongoing projects of the Sagarmala Programme and his views on the programme's viability.

What is the role of SDCL in the Sagarmala programme ?

Sagarmala Development Company Ltd, a schedule B CPSE under Ministry of Shipping, was incorporated in August 2016. The objective of the company is to fund projects through equity under the SPV framework. SDCL will make equity investments in projects which are identified under the four pillars of Sagarmala Programme namely Port Development/Modernization, Port Connectivity, Port Led Industrialization and Coastal Community Development. SDCL will invest in projects after a detailed assessment, subject to at least 12-13% returns on equity.

One of the objectives of SDCL is to develop projects from the National Perspective Plan. Please tell us something about these projects. ?

The projects listed under the NPP were at a very conceptual level. The respective project proponents (major ports, state maritime boards, project SPVs etc.) had to conduct further investigations including site selection, feasibility study, DPR preparation etc. before investment decision on these projects could be taken. SDCL has reached out to many project proponents and some of these project proponents have approached SDCL. Currently, SDCL has established working relationships with these project proponents and has commenced project development activities, viz., preliminary studies, site identification and selection, preliminary approvals and clearances, etc.



What is the pattern of raising funds from various agencies? Are these debt or equity borrowings? Which agencies have shown interest in funding the Sagarmala? Also, list the projects that you have raised funds for till date? ?

SDCL has an authorized capital of Rs. 1,000 crore, as per the cabinet mandate. This is the initial authorized capital which can be increased as per the requirements going forward.

SDCL has so far invested in four projects namely Krishnapatnam Railway Company Ltd, Rail Over Bridge projects in Vizag and Haldia port and Indian Ports Global Ltd (100% subsidiary of SDCL –for Chabahar Port operations).

In addition to these investments, around 40-45 projects are under evaluation. The investment will be done only after completion of detailed financial and legal due diligence of the projects. SDCL is investing in projects, which have the potential of delivering at least 12-13% returns on investments.

What is SDCL's participation in port-specific rail and road projects? Which projects are being funded by the SDCL ?

SDCL has so far invested in one rail project–Krishnapatnam Rail Company Limited.

The project involves:

- Single Railway line between Venkatachalam and Obulavaripalle – Phase-I
- Double Railway line between Krishnapatnam port and Venkatachalam – Phase-II

The railway line is about 70 km shorter than the existing railway line and, thereby, reduces overall logistics cost. Both the phases of the project have been completed and the commercial operation of the railway line started in June 2019. Similarly, to improve the cargo evacuation from the ports, SDCL has invested in Rail Over Bridge projects in Vizag port and Haldia Port.

Do you visualize any impediments that may stall the completion of projects in time? Kindly elaborate. ?

There are hurdles in every project. But, our country is in the mood of development right now. Undoubtedly, the land acquisition process poses a challenge in moving projects ahead, but state government support is always there for the development. Sometimes, resentments on environmental issues come up but efforts are made to maintain a fine balance between development and natural resources. Moreover, environmental challenges are not deemed as hurdles as sustainable development is the need of the hour.

You raise funds from agencies as debt or equity to fund project requirements. Which agencies have you approached so far? Also, list the projects that you have raised funds for till date? ?

No debt has been raised by SDCL as of now. However, as per MoA of SDCL, SDCL can raise funds from multilateral/bilateral agencies as per the requirements of the SDCL. As already mentioned, SDCL has an authorized capital of Rs. 1,000 crores, as per the cabinet mandate.

To what extent does SDCL provide equity support towards setting up of the SPVs? ?

As per normal practice, SDCL prefers to use the SPV route for funding of projects. SDCL can finance up to 49% of the equity requirement of the project.

How many SPVs have been funded since the inception of SDCL? Also, how many are in the pipeline? ?

Four SPVs have been funded by SDCL since the inception of the aforementioned projects. As already mentioned above, 40-45 projects are under evaluation process.



A PEEK INTO INDIA'S MARITIME HISTORY UNDER THE CHOLA RULERS

The Indian maritime sector is huge and it is not surprising considering the huge chunk of trade that the country does via the sea route. The current focus of the incumbent government is to look for ways that can enhance the working of this sector by developing and modernizing its existing ports while scouting new areas to build ports and maritime facilities. A close look at this sector brings forth evidence at how the economic condition of various Indian states had flourished during the ancient times due to their knowledge of shipbuilding and persistent naval activities.

Be it the folklore that forms an integral part of our country's history or the Silpa Sastras preserved in India's libraries or historical texts authored by eminent historians then and now, what remains noticeable is the use of ships and boats to transport men and cargo, thus, indicating the ubiquity of Indian maritime enterprise.

Boost to Maritime Affairs Under the Cholas

A detailed reference to the maritime activity under the Chola rule highlights how navigation on the sea triggered commercial activities. Established by the third century BCE, the Chola rulers used ships and boats for improved logistics and naval warfare. Though not much is known about the origins of the Chola dynasty, the rulers after gaining prominence took a greater interest in maritime affairs, thus, resulting in increased trade, banking and commerce. The motive to propel the maritime industry was purely economic than expansionist, thus, explaining the use of large-capacity ships to transport cargo from one port to the other.



MAHARRATTAGRABS AND GALLIVATS ATTACKING AN ENGLISH SHIP
(From a picture in the possession of Sir Ernest Robinson)

The Cholas pursued an aggressive military policy and had a very strong Navy, which reached far away shores to conquer them. The conquest of distant lands was to promote mercantile interests. The expansion afforded greater opportunities to their merchants to penetrate overseas markets. During the reign of the Cholas, the mercantile fleet was also well developed. The state spent money on infrastructure to develop Ports, Lighthouses and roads. Mamallapuram (now Mahaballipuram) was the main port of the period. Archaeological pieces of evidence point out to Kaveripattinam, located at the point where the river Cauvery meets the Bay of Bengal, as another important port of the Cholas. Later the Cholas also developed Nagapattinam, Kancheepuram, Kulachal, Thootukodi, amongst others, to promote trade.

Invasion of South East Asia

During the Chola period, King Rajendra I invaded the Sailendra Empire and occupied the Malay peninsula, Java and Sumatra and by bringing this region under his control, he thwarted Chinese attempts to bring a stop to the flourishing Chola trade with that region.

Knowledge of Ship Building and Sailing

Kappal Sattiram is a treatise on shipbuilding. Proof of extensive knowledge of ship building, ship-technology, shipping and navigation has been gleaned by historians through literary writings and numismatic evidence of the Chola period including those found on the East Coast of China and South East Asia and are indicative of the vast and flourishing trade that existed during that period. Shipping technology was, therefore, at its zenith during this period and an increasing number of ships were used to undertake international trade, import and export of goods and movement of people-groups with religious beliefs. Though references to sea battles exist, greater stress is laid on trade through the sea route.

Chola's “Look East Policy”

Surprising as it may sound, the Government's “Act East Policy” is similar to the Chola rulers' “Look East Policy” during their times as there was substantial economic activity from trade with China and South-East Asia. The surplus earnings from sea trade laid the groundwork for urbanization in the South. Impetus was given to improving trade infrastructure, thus, explaining the high quality of living of the people during that period. Cultural exchange followed, thus, explaining the stark contrast of people living in the South with those living in Northern India.





CELEBRATING THE
73RD INDEPENDENCE DAY

The Sagarmala Post

(A Newsletter On Sagarmala Programme By Union Ministry Of Shipping)