

Sagarmala National Perspective Plan Released

Prime Minister Shri Narendra Modi today released the National Perspective Plan detailing the contours of Sagarmala, the government's flagship program to promote port-led development in the country at the inauguration of the Maritime India Summit in Mumbai.

The National Perspective Plan has been crafted after detailed consultations with key stakeholders in the central and state governments, public sector companies as well as private players from shipping, ports, ship-building, power, cement and steel sectors. It takes forward Sagarmala's vision of substantially reducing export-import and domestic trade costs with a minimal investment.

Union Minister of Shipping, Road Transport and Highways Sh. Nitin Gadkari later talking to newsmen said promoting water transportation is priority of the Government as it will considerably reduce the logistics cost which is very high in India compared to China and European nations.

The report estimates that the program could lead to annual logistics cost savings of close to Rs 35,000 crore and boost India's merchandise exports to \$110 billion by 2025. About one crore new jobs are estimated to be created, of which 40 lakhs will be direct employment.

This plan is based on four strategic levers – optimizing multi-modal transport to reduce the cost of domestic cargo, minimizing the time and cost of export-import cargo logistics, lowering costs for bulk industries by locating them closer to the coast, and improving export competitiveness by locating discrete manufacturing clusters near ports.

With a coastline of about 7,500kms covering 13 states and Union Territories, India enjoys a strategic location on key international trade routes. Nations like the United States, Japan, Korea and more recently, China, have leveraged their coastline and waterways to drive industrial development.

The Sagarmala programme, led by the Ministry of Shipping, aims to replicate these successes in India.

The potential for port-led development has for long been constrained in India by high logistics cost, long lead-times and poor linkages between industrial and logistics infrastructure. Growth was hindered by inadequate and poor port capacity. Transportation by waterways has historically remained under utilised in India although waterways are significantly cheaper compared to road and railways. The Sagarmala National Perspective Plan identifies specific opportunities for transportation of commodities such as thermal coal, fertilisers, foodgrains, cement and steel by coastal shipping and inland waterways.

Sagarmala aims to deliver impact through over 150 projects and initiatives in four broad areas. To modernize India's port infrastructure, 5 to 6 **new ports** have been proposed to be built. Additionally over 40 port-capacity enhancement projects will be taken up. Besides increasing capacity, these projects will result in a more modern port infrastructure through the mechanization of berths and deepening of drafts to accommodate larger vessels.

The second focus area is **port connectivity**, where over 80 projects are being planned. These include connectivity infrastructure projects like a heavy-haul rail corridor to evacuate large volumes of coal in Odisha, freight-friendly expressways to enable efficient movement of containers on key routes, and the development of strategic inland waterways.

The third set of projects aims to tap into the potential of **port-led industrialization** to boost industrial and export growth along the coastline. This will be realized through 14 Coastal Economic Zones (CEZs) along the coastline, each of which will house a number of industrial clusters. The clusters will have industries from the energy, bulk materials as well as discrete manufacturing

segments, all of which will be able to use high-quality infrastructure which is fully-integrated with the corresponding ports.

Finally, the potential of **coastal communities** will be harnessed by focused skill-development to support port-led industrialization. The set of initiatives under this head also includes developing opportunities for fishermen and other coastal communities as well as development of the numerous islands along India's coastline. In terms of economic impact, the program envisages investments of close to Rs 4 lakh crore to flow into infrastructure.

The Sagarmala program has taken shape using the government's core philosophy of cooperative federalism. Keeping this in mind, the National Perspective Plan was drawn up with stakeholder consultations in parallel. Momentum on some key projects and initiatives has already picked up even as the plan is being released. Detailed project reports are being drafted for some of the new ports identified in the plan as well as for the connectivity projects like the heavy haul rail corridor. A separate perspective plan for the CEZs and a detailed master plan for major ports are also in the works.