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The Sagarmala POST



Ministry of Shipping, Government of India



Picture credit: Cochin Port Trust



"Maritime sector has a vital role in India's progress & Government is strengthening the sector through innovative initiatives."



Shri Narendra Modi
Hon'ble Prime Minister of India



"Shipping is just not ferrying of goods and passengers. It is all about the growth of the nation as it promotes trade."

”

Shri Nitin Gadkari
Hon'ble Minister of Shipping,
Road Transport & Highways



"It's a vision to sail together and cross borders for harbouring commitments towards an anchored investment."

”

Shri P.Radhakrishnan
Hon'ble Minister of State, Shipping, Road
Transport & Highways



"The flagship Sagarmala programme will harness India's 7,500 km coastline and will promote port-led development in the country."

”

Shri Mansukh L. Mandaviya
Hon'ble Minister of State,
Shipping, Road Transport & Highways

From the Secretary's Desk



It is a pleasure to share the first edition of the Sagarmala Post, covering the updates on the flagship Sagarmala Programme of the Ministry of Shipping.

The country, on its path to economic progress, needs to propel growth by fast-tracking regulatory reforms and implementing various projects. Sagarmala is one such comprehensive programme which holistically captures the opportunity of Port-led development in India by harnessing the potential of India's coastline and inland waterways. It is an ambitious programme geared towards making domestic manufacturing and EXIM more competitive as well as uplifting coastal communities.

The programme aims to drive the Port-led-development plan across areas of Port Modernisation & New Port Development, Port Connectivity Enhancement, Port-led-Industrial Development and Coastal Community Development.

It looks towards "transforming existing ports into modern world-class Ports" and integrate development of the ports, Industrial clusters and hinterland with efficient evacuation systems through road, rail, inland and coastal waterways resulting in ports to become the drivers of economic activity in coastal areas.

The Ministry of Shipping is delighted to invite you to be part of the Sagarmala Programme and make it a huge success.

RAJIVE KUMAR, IAS
Secretary, Ministry of Shipping

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Sagarmala- Port led prosperity

Need for improving India's logistics efficiency

Logistics costs account for a significant part of the Indian non services GDP. Total logistics cost is estimated at Rs 25 Lac Cr, or 19% of GDP. This compares to 10-12% for comparable countries as shown below.

Table 1: Logistics cost as % of GDP for countries comparable to India

| S.No. | Country | Logistics Cost as % of GDP |
|-------|-----------|----------------------------|
| 1 | India | 19% |
| 2 | China | 12.5% |
| 3 | Indonesia | 15.72% |
| 4 | UK | 13.43% |

¹Source : World Bank

Current logistics system in India falls far short of international standards in terms of cost, efficiency, sustainability and safety. In **Table 1**, World Bank's¹ Logistics Performance Index (LPI) India's ranking has improved from 47th in 2014 to 35th in 2016. However, India still lags behind leading emerging economies such as Malaysia, China, Turkey & South Africa.

Poor logistics eventually contribute to higher cost of doing business and higher prices for goods and services in the economy. For example, for power plants located in the hinterland (more than 1000 km away from coal mines) the cost of coal transportation alone adds 30-35% of total cost of power produced. Additionally, the long and variable lead times result in shippers holding higher inventories to compensate for the uncertainty in transit times. The environmental footprint of the existing logistics system is extremely high, given our heavy reliance on carbon intensive modes of transportation such as roads. Safety is another major concern, as total deaths on roads and railways in India are estimated at 175,000 annually.

As shown in **Table 2**, the modal mix of Indian logistics is skewed towards road, accounting for 55% of the tonne-kms (as compared to the more economical and environmental friendly modes such as railways and inland waterways / coastal shipping). The cost per tonne kilometre of moving cargo by sea or inland

waterway routes can be 60 to 80 per cent lower than by road or rail. However, the modal share of coastal shipping and inland waterways remain low.

Table 2: Current Modal Split in India

| S.No. | Mode | % Share | Cost (Rs/Ton KM) |
|-------|---|---------|------------------|
| 1 | Road | 54.36 | 2-3 |
| 2 | Rail | 32.65 | 1.2-1.5 |
| 3 | Waterways (Inland Waterways & Coastal Shipping) | 6.00 | 0.2 - 0.3 |
| 4 | Pipelines | 6.99 | 0.1 - 0.15 |

²Source : For coal (excluding pipelines) assuming a distance of 2000 KM

Sagarmala Programme: Promoting Port-led Development in India

To harness India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes, the Government of India has embarked on the ambitious Sagarmala Programme to promote port-led development in the country.

Vision of the Sagarmala Programme is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment. This includes:

- Reducing the cost of transporting domestic cargo by optimizing the modal mix
- Lowering logistics cost of bulk commodities by locating future industrial capacities near the coast
- Improving export competitiveness by developing port proximate discrete manufacturing clusters
- Optimizing time/cost of EXIM container movement

Objectives of Sagarmala Programme are Port Modernization & New Port development, Port Connectivity Enhancement, Port-Led industrialization and Coastal Community Development.

Sagarmala Key Milestones

Envisaged by the former Prime Minister Shri Atal Bihari Vajpayee, the concept of Sagarmala was approved by the Union Cabinet on 25th March, 2015. The National Perspective Plan (NPP), for the comprehensive development of India's coastline and maritime sector, was prepared and released on 14th April 2016 at the maiden Maritime India Summit 2016 by the Hon'ble Prime Minister Shri Narendra Modi.

The Sagarmala Development Company (SDC) was incorporated on 31st August 2016, after receiving Cabinet approval on 20th July 2016, for providing funding support to project SPVs and residual projects under Sagarmala.

Projects under Sagarmala

Under the Sagarmala Programme, more than 400 projects, at an estimated infrastructure investment of Rs. 8 Lac Cr, have been identified (Table 3) across areas like Port Modernization & New Port Development, Port Connectivity Enhancement, Port-

linked Industrialization and Coastal Community Development. Out of these, 199 projects are to be taken up between FY 16-17 & FY 18-19 (Table 4). Projects under Sagarmala will be implemented by relevant Central Ministries, State Governments, Ports and other agencies primarily through the private or PPP mode. Projects worth Rs. 1 Lac Cr are already under different stages of implementation and development.

Rs. 243 Cr has been released for 14 projects under Sagarmala in FY 15-16 & FY 16-17. This includes unique and innovative projects such as Gogha-Dahej RO-Pax Ferry Services Project (Rs. 117 Cr sanctioned and Rs. 58.5 Cr released) and RO-RO Services Project at Mandwa (Rs. 57.5 Cr sanctioned and Rs. 43.76 Cr released). In addition, TEFR is under preparation for development of underwater viewing gallery and restaurant at Beyt Dwarka Island and a consultant is being selected for preparing DPR for the National Maritime Heritage Centre proposed at Lothal.

Table 3: Summary of projects under Sagarmala

| S. No. | Project Theme | FY 15-16 | | FY 16-17 | | FY 17-18 | | FY 18-19 | | FY 19-20 to FY 24-25 | | FY 25-26 to FY 34-35 | | Total | |
|--------|-------------------------------|-----------|-----------------------|------------|-----------------------|-----------|-----------------------|-----------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|------------|-----------------------|
| | | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) |
| 1 | Port Modernisation | 62 | 27,700 | 46 | 22,670 | 13 | 2,193 | 20 | 35,512 | 27 | 26,588 | 21 | 28,165 | 189 | 142,828 |
| 2 | Connectivity Enhancement | 30 | 15,881 | 58 | 28,924 | 28 | 16,641 | 26 | 139,715 | 17 | 21,182 | 11 | 8,233 | 170 | 230,576 |
| 3 | Port-Linked Industrialisation | 2 | 325 | 1 | 3,000 | 2 | 5,000 | 17 | 94,426 | 11 | 318,130 | - | - | 33 | 420,881 |
| 4 | Coastal Community Development | 4 | 79 | 4 | 529 | 3 | 119 | 4 | 688 | 8 | 2,800 | - | - | 23 | 4,216 |
| | Total | 98 | 43,985 | 109 | 55,123 | 46 | 23,953 | 67 | 270,341 | 63 | 368,700 | 32 | 36,398 | 415 | 798,500 |

Table 4: Summary of Focus Projects under Sagarmala

| S. No. | Project Theme | FY 16-17 | | FY 17-18 | | FY 18-19 | | Total | |
|--------|-------------------------------|-----------|-----------------------|-----------|-----------------------|-----------|-----------------------|------------|-----------------------|
| | | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) | # | Project Cost (Rs. Cr) |
| 1 | Port Modernisation | 39 | 19,220 | 13 | 2,193 | 20 | 35,512 | 72 | 56,925 |
| 2 | Connectivity Enhancement | 43 | 14,504 | 28 | 16,641 | 26 | 139,715 | 97 | 170,860 |
| 3 | Port-Linked Industrialisation | 1 | 3,000 | 2 | 5,000 | 17 | 94,426 | 20 | 102,426 |
| 4 | Coastal Community Development | 3 | 516 | 3 | 119 | 4 | 688 | 10 | 1,373 |
| | Total | 86 | 37,240 | 46 | 23,953 | 67 | 270,341 | 199 | 331,534 |



Picture Source : Cochin Port Trust

Port Modernization & New Port Development

Master Plans have been finalized for the 12 major ports. Based on the same, 142 port capacity expansion projects (total cost: Rs. 91,434 Cr) have been identified for implementation over the next 20 years. Out of these, 30 projects (total cost: Rs. 11,612 Cr) have been proposed for implementation starting FY 16-17. In addition, TEFRs have been finalized for 6 new port locations, namely - Vadhavan, Enayam, Sagar Island,

Paradip Outer Harbour, Sirkazhi, and Belekeri. DPR has been prepared for a new port at Sagar Island and EFC approval has been obtained on 5th August 2016. DPR is under preparation for Vadhavan, Paradip Satellite Port and Enayam. Note seeking in-principle approval for setting up a major port at Enayam has been approved on 5th July 2016 by the Union Cabinet. The revised Cabinet Note for setting up a major port at Vadhavan is under process for approval.



Picture Source : Chennai Port Trust

Port Connectivity Enhancement

Indian Port Rail Corporation Limited (IPRCL) has taken up 25 works (Total cost: Rs. 5,284.38 Cr) across 9 major ports. Out of these, 8 works (Total cost: Rs. 159.24 Cr) have already been awarded and 4 more are to be awarded in the remaining part of FY 16-17. Out of the remaining 13

works, DPR has been prepared for 6 works (Total cost: Rs. 228.01 Cr) and is under preparation for 7 works (Total cost: Rs. 4326 Cr).

Out of the final list of rail connectivity projects identified under Sagarmala, 21 projects (~3300 Km, total cost: Rs. 28,000 Cr) are being taken up by Ministry of Railways and

4 projects (~151 Km, total cost: Rs. 3,590 Cr) are to be taken up either in Non-Government Rail (NGR) or JV model through Indian Port Rail Corporation Limited.

Out of 81 road connectivity projects identified under Sagarmala, 45 projects will be done by MoRTH / NHAI, including 18 projects under the Bharatmala scheme. The remaining 36 projects will be done by State PWD, Port Authorities and SDC in coordination with MoRTH / NHAI.

Scope of the Coastal Berth Scheme has been expanded and approved by the competent authority on 2nd August 2016. The scheme was also integrated into the Sagarmala

Programme. 5 projects were sanctioned in FY 15-16 and Rs. 70 Cr has been released. 30 proposals are under consideration in FY 16-17 and Rs. 19.72 Cr has been sanctioned for 6 projects so far.

An Inter-Ministerial Committee (IMC) has also been constituted to develop a strategy and implementation roadmap for the coastal shipping of coal and other commodities/products. Four meetings of the IMC have been held so far (22nd March 2016, 3rd May 2016, 1st June 2016 and 14th October 2016). Based on the recommendations of the IMC, DPR is under preparation for the heavy haul rail corridor between Talcher & Paradip.



Picture Source : V.O. Chidambanar Port Trust

Port-linked Industrialization

For promoting port-led industrialization, 14 Coastal Economic Zones (CEZs) covering all the Maritime States and Union Territories have been proposed. A CEZ is conceptualized as a spatial-economic region which could extend along 300-500 km of coastline and around 200-300 km inland from the coastline. Each CEZ will be aligned to relevant major and non-major ports in the State and is envisaged to tap synergies with the planned industrial corridors. CEZ perspective plans have been prepared and Detailed Master Plans will be prepared for 5 pilot CEZs (in Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh and Odisha) in the first phase of development.

Vision of the Sagarmala Programme is to reduce logistics cost and time for the movement of EXIM and domestic cargo and development of port-proximate future

industrial capacities near the coast is an effective step in this direction. In this regard, 29 potential port-linked industrial clusters across three sectors, namely – Energy, Materials and Discrete Manufacturing, have been identified under Sagarmala. These include 13 bulk clusters for basic input industries such as Power, Refineries & Petrochemicals, Steel and Cement, 2 Maritime clusters and 14 discrete manufacturing clusters, in the labour intensive sectors of Electronics, Apparel, Leather Products, Furniture and Food-Processing etc. The master plans for the proposed Maritime Clusters in Gujarat and Tamil Nadu have been prepared.

Based on availability of land with the Major Ports, Ministry of Shipping is developing a SEZ at JNPT, Free Trade Warehousing Zone (FTWZ) at Ennore and has also identified Kandla and Paradip for development of Smart Port Industrial Cities (SPICs).



Representative image : Fishery Projects at Kulai

Coastal Community Development

As part of the coastal community development objective of the Sagarmala Programme, the Ministry of Shipping is taking up a number of initiatives/projects. Notable among them are the coastal community skilling projects and projects for development of marine fisheries sector.

To support the development of fishermen community, Ministry is part-funding select fishing harbour projects under Sagarmala in convergence with Department of Animal Husbandry Dairying & Fisheries (DADF). In this regard, the project for modernization and upgradation of Sassoon Dock, at a cost of Rs. 52.17 Cr, has been already sanctioned. Ten additional proposals, across 5 Maritime States, are under consideration for approval. Ministry is also supporting the development of deep sea fishing vessels and fish processing centres in convergence with DADF.

Ministry of Shipping is taking up a number of projects to enhance livelihood / employment opportunities for the coastal communities and has already released Rs. 16.9 Cr, under Sagarmala, for skilling projects covering more than 20,000 people across 20 coastal districts. This includes

safety training for workers in Alang-Sosiya Shipyard in Bhavnagar District (Gujarat). Ministry is also undertaking skill gap analysis in 23 coastal districts to identify the skilling requirements and develop a roadmap for addressing the same. The action plan for 6 districts, in the first phase, has already been prepared.

To provide skilling for port & port user community, the Ministry of Shipping is planning to conduct cutting-edge skill training in ports & maritime sector and is evaluating the proposal for setting up Multi-Skill Development Centres linked to Major Ports, in collaboration with Ministry of Skill Development & Entrepreneurship.

Potential Impact

The projects identified under Sagarmala Programme are expected to mobilize more than Rs. 8 Lac Cr of infrastructure investment, double the share of domestic waterways (inland & coastal) in the modal mix, generate logistic cost savings of Rs. 35,000-40,000 Cr per annum, boost merchandise exports by USD 110 Billion and enable creation of 1 Cr new jobs, including 40 Lac direct jobs, in the next 10 years.

India 'Cruising' Towards Port-led Prosperity through International Cruise Tourism

India, with its vast shoreline, numerous ports and harbours and an enviable seafaring history, has always been a maritime nation at heart. However, when it comes to exploring International waters on luxury cruise liners, Indians still have to travel overseas, at great expense, to experience the pleasures of 'cruising'.

Under Sagarmala's vision of turning India's ports into drivers of economic development, Ministry of Shipping and Ministry of Tourism have collaborated to introduce our countrymen to the joys of International Cruise Tourism, straight from the ports of India. This enterprising initiative, in addition to giving Indian tourists a unique

The dream of making Mumbai, the 'Gateway to International cruise in India', was realised with the arrival of 'Genting Dream' - a brand new 18-Deck ultra-luxurious cruise liner from Germany.

vacation option, would bring scores of International cruise tourists to the shores of India.

Cruise Tourism doesn't just contribute substantially to the local economy, but also sparks a tremendous multiplier effect, creating a local economic boom leading to creation of thousands of jobs. 'Home-Porting' further induces greater spends by tourists, ushering in Port-led prosperity into the lives of the locals.

The dream of making Mumbai, the 'Gateway to International cruise in India', was realised with the arrival of 'Genting Dream' - a brand new 18-Deck ultra-luxurious cruise liner from Germany. On its maiden voyage, this behemoth recently docked at the



Genting Dream docking at Mumbai Port

Picture Source : Mumbai Port Trust



Picture Source : Cochin Port Trust

Mumbai Port. It was welcomed by two tugs with water cannon sprayed across at the time of its entry, this inaugural cruise was received by the Hon'ble Minister for Road Transport and Highways & Shipping Shri Nitin Gadkari and Hon'ble Chief Minister of Maharashtra Shri Devendra Fadnavis.

At the Mumbai Port, over 1800 passengers waited with bated breath and undisguised excitement. It was, after all, their first International voyage, from an Indian port. In order to ensure the best possible service, a number of special arrangements were also made. This included quick baggage and passenger check-in, immigration, customs and security arrangements.

This tremendous transformation has been made possible due to the various concrete steps being taken by the Ministry of Shipping along with the Mumbai Port Trust to attract cruise ships in India with the following initiatives:

- Providing certainty of berth
- Giving priority to cruise ships over cargo Ships

Mumbai Port aims to receive nearly 100 cruise ships in the next two years.

- Discount of upto 40% offered in the applicable charges to cruise ships.
- Removal of ousting charges on cruise ships.

These measures have already begun to show positive results. Approximately 59 ships have confirmed their arrival to the Mumbai Port starting 2016-2017. In order to provide cruise passengers with the ease of doing business, Ministry of Tourism has also issued a Simplified Standard Operating Procedure (SOP) for the various agencies involved in handling cruise passengers and ships.

To help grow this industry from its nascency to maturity, a number of fiscal incentives in the form of tax rebates, etc. are being contemplated. With financial considerations eased further, India would emerge as the preferred port-of-call for International Cruise Liners.

In addition to a Modern Cruise Terminal being planned at the Mumbai Port (estimated cost - Rs 250 crore) infrastructure developments in cruise circuits of Mumbai, Goa, Lakshadweep etc. are also being developed by the Ministry of Shipping.

Developing Coastal Economic Zones for Rapid Industrial Development

To give a fillip to port-led industrialisation, 14 Coastal Economic Zones (CEZs) have been identified under the Sagarmala Programme. The CEZs will be aligned with relevant ports in maritime states and will house Coastal Economic Units (CEUs) for setting up manufacturing facilities. Leveraging the port ecosystem, these CEZs will provide the geographical boundary within which industries will be developed.

Each of the CEZs will consist of multiple CEUs. The CEUs will house industrial clusters/projects. It has been suggested that 13 bulk industrial clusters, 14 discrete industrial clusters and 2 maritime clusters would be developed within the CEZs.

In all, 14 CEZs have been identified as a part of the National Perspective Plan of Sagarmala, out of which 4 pilot CEUs have been identified at Gujarat, Maharashtra, Andhra Pradesh and in the Land Bank of Salt Department of Ennore in TamilNadu.

Port linked industrialization will constitute approximately 53% of the total cost of projects identified under Sagarmala. The aim is to give a major boost to the 'Make in India' programme.

To further chalk out the future roadmap of CEZs, an interactive session was held under the Chairmanship of Vice Chairman, NITI Aayog on 7th December, 2016 with the CEOs of Industries and related Central Ministries of Government of India.

| | Proposed industrial clusters | Investment in land (` cr) |
|----------|--|------------------------------------|
| Energy | 2 refinery and petrochemical clusters | 7,200 |
| | 4 gas-based petrochemical clusters | 1,500 |
| | 3 coastal power clusters | 20,000 |
| Material | 2 steel clusters | 18,000 |
| | 2 maritime clusters | 6,000 |
| | 2 cement clusters | 1,300 |
| Discrete | 1 automotive cluster | 4,000 |
| | 2 food processing clusters | 4,300 |
| | 2 science and technology clusters (electronics, instruments) | 6,000 |
| | 3 apparel clusters | 8,500 |
| | 3 leather and footwear clusters | 5,000 |
| | 3 furniture clusters | 6,000 |
| | | Around Total 85,000- 90,000 |

Revised Coastal Berth Scheme to Support Coastal Shipping related Infrastructure Development

The Ministry of Shipping has revised the Coastal Berth Scheme, for the development of infrastructure to promote movement of cargo/passenger by Sea/National Waterways.

Under this scheme, financial assistance of up to 50% of the total cost of projects would be sanctioned. It envisages:

- A maximum of Rs 25 crore for projects related to the construction/upgradation of exclusive coastal berths for coastal cargo.
- A maximum of Rs 10 crore for the construction of platforms and jetties for hovercrafts and sea-planes by ports.
- A maximum of Rs 15 crore for the construction of berths/jetties in National Waterways and Islands by the State Governments.
- A maximum of Rs 50 crore both for capital dredging of operational non-major ports and for the construction of breakwater for existing and greenfield ports.

The remaining amount would be incurred by the respective ports/concerned State Government from their own resources.

• 11 Projects sanctioned & ` 89.77 Crore for the same released • 24 Proposals are under consideration

Sagarmala Development Company incorporated

With an initial Authorised Share Capital of Rs 1,000 Crore and a Subscribed Share Capital of Rs 90 Crore, Sagarmala Development Company (SDC) has been incorporated under the Companies Act, 2013. The First Board Meeting of the company was held on 21st September, 2016.

Sagarmala's primary objective is to identify Port-led development projects and to provide equity support for the Special Purpose Vehicles (SPVs) set up by the Ports / State

/ Central Ministries and residual projects under Sagarmala.

The Company would act as the nodal agency for coordination and monitoring of all the projects identified under Sagarmala and others that would emerge in the future. SDC will be raising funds as debt/equity (as long term capital), by leveraging resources provided by Government of India & from multi-lateral & bilateral funding agencies.

Empowering Coastal Communities Through Skill Development

As part of the coastal community development objective of the Sagarmala Programme, the Ministry of Shipping is taking up a number of initiatives/projects.

To support the development of fishermen community, Ministry is part-funding select fishing harbour projects under Sagarmala in convergence with Department of Animal Husbandry Dairying & Fisheries (DADF). Ministry is also supporting the development of deep sea fishing vessels and fish processing centres in convergence with DADF.

Ministry of Shipping is taking up a number of projects to enhance livelihood / employment opportunities for the coastal communities and has already released Rs 16.9 Crore, under Sagarmala, for skilling projects covering more than 20,000 people across 20 coastal districts. The Ministry is also undertaking skill gap analysis in 21 coastal districts. The action plan for 6 districts, in the first phase, has already been prepared.

To provide skilling for port & port user community, Ministry is planning to conduct cutting-edge skill training in ports & maritime sector and is evaluating the proposals for setting up multi-skill development centres linked to JNPT and a Centre of Excellence for ship building.

Skilling projects taken up for funding in FY 15-16:

- Rs 52.17 Crore sanctioned for upgrading Sasson Dock
- 10 additional fishing harbour proposals under consideration
- Rs 30 Crore sanctioned for safety training of workers in Alang-Sosiya shipyard
- Rs 13.77 Crore sanctioned for coastal districts skill training under DDU- GKY



A review meeting with coastal states on CEZs held on 16.12.16 at Transport Bhawan, New Delhi

forthcoming events

- Inauguration of Sagarmala Development Company Ltd. - 26th December, 2016
- Sagarmala at Vibrant Gujarat - 10-13 January 2017
- Workshop on Sagarmala- Promoting port-led-prosperity

3rd SCSC Meeting - Steering the Nation Towards Port-Led Development with Key Recommendations

At the 3rd meeting of Sagarmala Coordination and Steering Committee held on 25th November 2016, under the chairmanship of the Cabinet Secretary, the shelf of projects were discussed in detail with respect to phasing and funding plan. IMC for Coastal Shipping will examine the issue related to the efficient utilization of Rail-Sea-Rail routes.

The action points have been communicated to all the relevant stakeholders.

4th IMC meeting - Heavy Haul Corridor to Augment Coastal Shipping of Essential Commodities

Fourth meeting of Inter Ministerial Committee (IMC) on promotion of Coastal Shipping was held on 14th October 2016, in which a number of key action points for augmenting the coastal shipping of coal and other commodities / products, were discussed. The meeting was attended by Secretaries from the Ministry of Shipping, Ministry of Coal, Ministry of Power and Ministry of Road Transport & Highways. A positive outcome of the meet was the decision to develop **a Heavy Haul Corridor from Salegaon to Paradip Port project. The project would be developed in two phases, possibly as a Joint Venture between key stakeholders.**

Phase-I from Salegaon to Kandarpur will be developed by 2021. This will resolve the congestion prevailing at Cuttack Junction in the present alignment.

The Phase-II from Kandarpur to Paradip Port would be commissioned between 2024 and 2026. This would be in sync with the commissioning of the upcoming outer harbour at Paradip Port.

The total approximate project cost is Rs. 3298 crore.



The Union Minister for Shipping, Road Transport & Highways, Shri Nitin Gadkari addressing the Economic Editors' Conference, 10 November 2016, New Delhi

sagarmala project updates

First of Its Kind RO-Pax Ferry Services Between Gogha and Dahej to change history

In line with Sagarmala's vision of strengthening Port Connectivity, the Gujarat Maritime Board is sailing full-steam ahead to facilitate the establishment of RO-Pax ferry services between Gogha and Dahej.

With a proposed investment of more than Rs 500 crore, partly funded under Sagarmala Programme, this path-breaking project would effectively reduce the distance between the ports from 231 km to just 31 km, and cut down travel time from 7 hours to just 1 hour. Other benefits include sizable savings in fuel costs, reduction in CO₂ emission and road congestion and opening of new avenues in the Tourism Sector.



Heritage Site at Lothal

Maritime Heritage Complex at Lothal

A Maritime Heritage Complex Committee with the Secretary, Ministry of Shipping, Government of India as the Chairman has been constituted with members from related ministries and experts in maritime heritage for planning of a National Maritime Heritage Complex at Lothal. A meeting was held to deliberate upon the issues and for the preparation of concept design, DPR and finalization of the RFP.

New Ports Under Sagarmala Programme

Based on the cargo traffic scenario study and port master planning under Sagarmala, six potential new port locations, namely - Vadhavan in Maharashtra, Sagar Island in West Bengal, Paradip Outer Harbour in Odisha, Enayam and Sirkazhi in Tamil Nadu and Belekeri in Karnataka have been identified. Approval of competent authority has been obtained for setting up major port at Enayam and is awaited for Vadhavan. The Detailed Project Report (DPR) and related action for implementation of these projects are underway.

Six potential new ports



state focus andhra pradesh



Picture Source : Krishnapatnam Port

A total of 91 projects with estimated Investment of more than Rs. 1 lakh crore have been identified for development under Sagarmala in Andhra Pradesh

To reap the potential benefits and position of Andhra Pradesh as India's Gateway to the World, the development of ports is being integrated with industrial clusters, hinterland and efficient evacuation systems through road, rail, inland and coastal waterways under the Sagarmala Programme. A total of 91 projects with estimated Investment of more than Rs. 1 lakh crore have been identified across the four pillars of Port Modernisation, Port Connectivity, Port-led-Industrial Development and Coastal Community Development.

The projects are aimed at making ports as the drivers of economic activity in coastal areas.

A) Port modernization: 19 Projects have been identified for capacity augmentation at existing ports to meet

the future growth in cargo volumes. Feasibility of new port development at Machilipatnam were analysed under the National Prospective Plan.

Under the Coastal Berth Scheme 9 projects from the State are under active consideration of Ministry of Shipping, Government of India. These will provide a boost to the movement of cargo & passengers through the coastal waters of Andhra Pradesh.

B) Port connectivity: For enhancing Port-Connectivity to the hinterland and creating an optimal mode of evacuation to/from ports, 53 port connectivity projects have been identified. These include

- Port-Road connectivity projects
- Port-Rail connectivity projects

- Freight Expressway: from Sanathnagar Industrial Cluster (Hyderabad) to Vodarevu
 - Development of Inland waterways: NW4 for inland waterway movement
 - Multi-modal logistics hub: at Vizag Port
- C) Port led-Industrialisation: To leverage the ports for aiding industrialisation and facilitating export oriented manufacturing in the state, 6 projects have been identified. These include:
- 3 bulk clusters: Petrochemical cluster at Kakinada, Power cluster at Machilipatnam and a Cement cluster at Vizag
 - A port-based mega Food Processing Park in Kakinada
 - Development of an export based apparel cluster in Central AP
- D) Coastal Community Development: For holistic development of coastal areas & to increase job opportunities and upliftment of fishermen and other local communities, 13 projects under Coastal Community Development have been identified.

Krishnapatnam – A World Class Marine Hub

Krishnapatnam Port has risen to become the fastest growing port in India by creating the best in class infrastructure, and a well connected cargo distribution system. In a short span of eight years, it has excelled in several performance benchmarks and achieved many a feat. This has created ripples in the Indian maritime landscape. Its hinterland, and its varied industry segments gives the port a wide scope for in/out flow of cargo. The port has reached a volume performance of 40MMT in a short period and can go on to a total of 200+MT. Krishnapatnam Port handles various cargoes such as coal, iron ore, fertilisers, edible oil, agri-commodities, minerals and containers. Since its inception, various industries have come up in and around the port. Besides having a power cluster with 5 operational thermal power plants and 3 more to come up in the future, it is also recognised as an edible oil hub with 8 refineries set up and new ones coming up near the port. The port is strategically located with excellent road and rail connectivity. It has a cargo evacuation capacity of 5000 trucks and 25 rakes daily.

- Krishnapatnam Port operates 24x7 with a single window clearance and one stop shop solutions
- It has the deepest draft of 18.5 meters which is capable of handling 200,000 DWT super capesize vessels.
- It will soon have a Ro-Ro terminal, liquid bulk terminal, bunkering, rig repairing and offshore facilities.
- It will become the catalyst of an industrial revolution in the region by becoming the gateway for exports, imports and associated industries and zones.
- The development and growth of the port has resulted in the all round social and economic welfare of the community

"Krishnapatnam has been strategically selected as an Industrial Node in the Chennai Bangalore Industrial Corridor (CBIC) and the Vizag Chennai Industrial Corridor (VCIC). It plays a key role in these industrial corridors by connecting the major cities and towns and by becoming a natural gateway port in the east coast of India. It is also a part of Hon'ble PM's ambitious project - Sargamala."

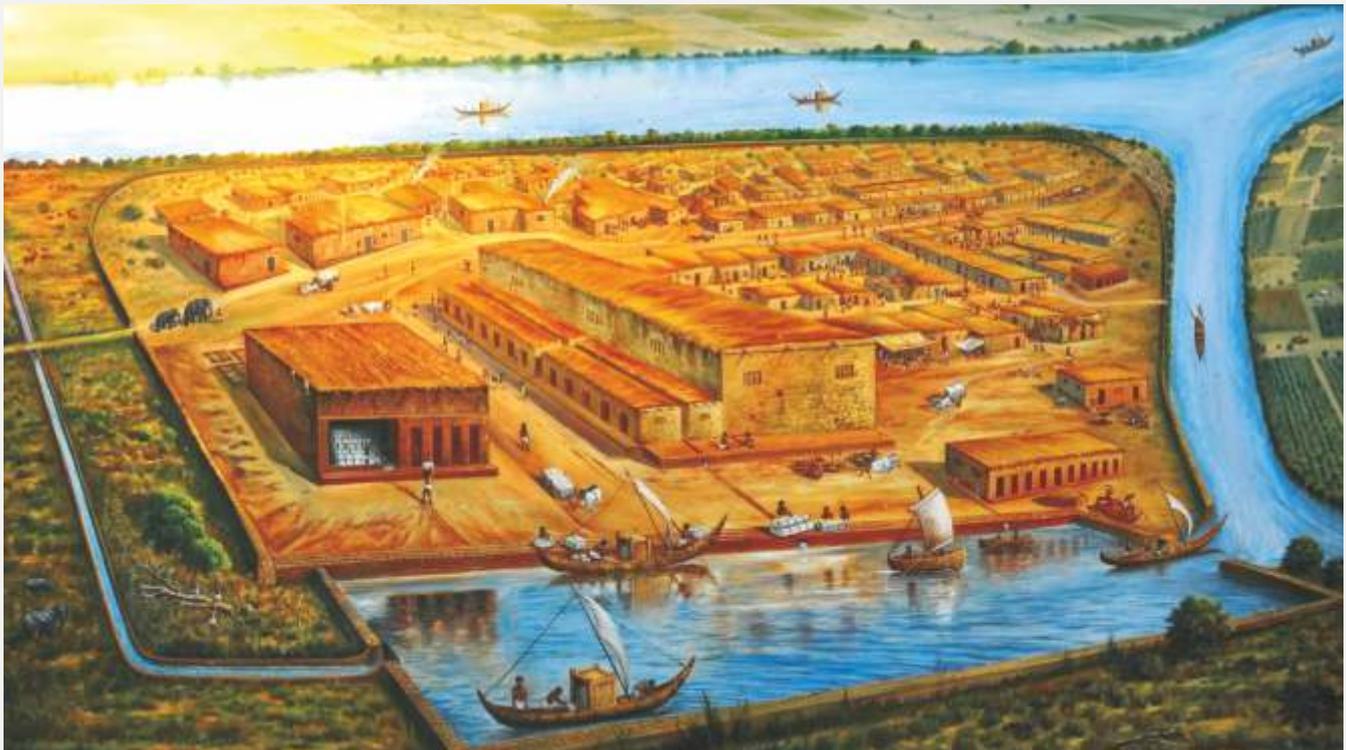
Anil Yendluri
(Director & CEO
Krishnapatnam Port)



Picture Source : Krishnapatnam Port

maritime glory

Looking Back.....and it is a long long long way



Courtesy : Gujarat Maritime Board

Pictorial representation of Lothal

**"Do Thou, Whose countenance is turned to all sides,
send off our adversaries as if in a ship,
to the opposite shore:
do Thou convey us in a ship across the sea for our welfare."**

- Rig Veda. 1, 97, 7 and 8 (translated)

India was discovered by Vasco Da Gama in 1498 states the school history text. Vasco Da Gama, "Rediscovered India" in the late 15th Century to "Reinitiate Trade" with Europe.

The history of India & its foray in maritime segment is as old as BC era and there are significant references in the earliest recorded history of the region.

Indians were, indeed the masters of trade via sea, reaching various parts of Asia, Africa & Europe. The strategic location of India, with a huge coastline, center to the ocean location, along with capability to build sea worthy ships, allowed traders to have an upper hand in sea borne trade.

One interpretation of The Old Testament refers to trade between India & Syrian coast in the period 1400 B.C. Regular trade relation, both by land & sea, in the 8th century B.C., between India & Mesopotamia, Arabia, Phoenicia, and Egypt are supported by archaeological evidences. Chinese literary texts refer to maritime & trade activity between India and China since the seventh century B.C. Some of the recent excavations in Philippines, Malay Peninsula & Indonesia confirm of early and extensive trade with India, during that period. Possessions of Ptolemy Philadelphus (285-246 B.C.) included items attributed to Indian women, hunting dogs, cows and spices carried on camels. Even the ruler of Egypt had a saloon lined with Indian stones in his yacht. There are multiple artifacts such as Seals of Sindhu Valley civilisation, with "representation of ship" signifying maritime activity.

Our ancient scriptures provide multiple references of voyages by sea. The water god, "Varuna", is known to have full knowledge of the sea routes (Rig Veda, I. 25.7). Mention of merchants frequenting every part of the sea for gain is

also listed (Rig Veda, L.56.2). Modern day Java & Sumatra islands are referred as Yavan & Suvarna Dvipa in "The Ramayana", while Lohta Sayara implies the Red Sea.

Manu Smriti, the oldest law book in the world, lists laws to govern commercial disputes having references to sea borne traffic. Lord Elphinstone has written that "The Hindus navigated the ocean as early as the age of Manu's Code because we read in it of men well acquainted with sea voyages."

There are many historical works, based on thorough research and evidence, of noted historians from across the world and India, which prove beyond doubt that the Indians in the past went out of the country, using sea routes for exploration, expansion of dominions, acquisition of wealth and development of trade, industry and commerce.

It is time for India to regain the glory of its past by commanding the sea routes of today for global trade and commerce.

(Contributed by Rajiv Gupta)



Courtesy : The Hebrew University of Jerusalem & The Jewish National & University Library

NITIN GADKARI
Union Minister

The minister for road transport, highways & shipping is confident he can be held responsible in the future for every number he cites

We are Looking to Usher in a 'Blue Revolution' in 5 Years

Mr Gadkari will have a lot to say about the shipping industry in the coming days. He is expected to speak at the Maritime India Summit, which is being held in Mumbai from July 10-12. He will also be addressing the Indian Shipping Conference, which is being held in New Delhi from July 13-14. He is expected to announce several new initiatives for the shipping industry during these events.



umbOrdarO rOvOr
 The biggest problem in our shipping sector is logistics cost. It is the main reason why Indian exporters are losing out to their Chinese counterparts. The reason is that 4% of China's goods is transported through water.

We have partly done

Several new shipping lines are being set up in India. This will help to reduce the cost of shipping and improve the efficiency of the sector.

बन गई सागरमाला डेवलपमेंट कंपनी

नई दिल्ली। सागरमाला परियोजना के तहत जलमार्ग के कार्य में तेजी लाने के लिए सरकार ने 1,000 करोड़ रुपये की आर्थिक अर्थोपेक्षा शेरर पूंजी के साथ सागरमाला डेवलपमेंट कंपनी को स्थापना कर ली। इसकी स्थापना कंपनी का लून 2013 के तहत की गई है। ऐसी कंपनी की स्थापना के लिए जुलाई में कैबिनेट ने इसको मंजुरी दी थी। इस कंपनी पर जहाजरानी मंत्रालय का प्रशासनिक

'Sagarmala — tax sops to attract investors'

By Anand Kumar, Mumbai, July 10, 2012. In a move to attract investors, the government has announced tax sops for Sagarmala Development Company.



The government has announced tax sops for Sagarmala Development Company. The sops include a 10% concession on income tax and a 10% concession on corporate tax. The government also plans to set up a Sagarmala Development Fund to provide financial support to the company.

Bring your innovations to India: Gadkari to US IT sector

PRESS TRUST OF INDIA
 SAN FRANCISCO, JULY 17

INDIA'S POLICY initiatives have brought positivity among entrepreneurs across the globe. Union minister Nitin Gadkari has said invited Indian IT professionals in the Valley to actively participate in India's movement.

Speaking at the Global Indian Tech Professionals Association (GITPRO), Gadkari invited Indian professionals to bring innovations and technologies to India sectors of the economy, particularly infrastructure sector. Noting that the agriculture sector is another area of cooperation.

Sagarmala Co Incorporated with ₹1,000-Cr Share Capital

NEW DELHI To give a push to port-led development under the ambitious Sagarmala project, government on Thursday announced incorporation of Sagarmala Development Company with ₹1,000 crore as initial authorised share capital. "As part of the efforts to promote port-led development in the country, the Sagarmala Development Company has been incorporated under the Companies Act, 2013. "The company will have an initial authorised share capital of ₹1,000 crore and a subscribed share capital of ₹90 crore," the Ministry of Shipping said in a statement. The main objective of the company is to identify port-

10 coastal economic zones to be developed

By Anand Kumar, Mumbai, July 10, 2012.

New Delhi: In its move to revive the NDA's flagship Sagarmala (string of ports) project, announced during the Vajpayee regime, the government will develop 10 Coastal Economic Zones (CEZs) in the next five years. The project would need ₹3,000 crore in the next five years, for modernisation of ports and efficient evaluation besides developing CEZs. This will come from gross



FLOATING ROAD
 Length of road is 1.5 km and width is 9 m wide

ject, Prime Minister Narendra Modi had asked the shipping ministry to focus more on port-led development. "The committee of secretaries will now take a decision on the government investment needed for Sagarmala and then it will be put before the PM," said a government source. The

Govt incorporates Sagarmala Co with ₹1k-cr share capital

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वर्षान्त का विकास
 देश में विकास को बढ़ावा देने के लिए सरकार ने नए-नए प्रयोग किए हैं। इनमें से एक है 'फ्लोटिंग रोड'। यह एक नया प्रकार का पुल है जो पानी पर तैरता है। इससे बड़े-बड़े जहाजों को आसानी से आना-जाना संभव हो पाएगा।

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Harnessing waterways for the rich

Political Economy
 Khandi Jha, New Delhi
 The government is planning to harness the waterways for the rich. This will help to reduce the cost of shipping and improve the efficiency of the sector. The government also plans to set up a Sagarmala Development Fund to provide financial support to the company.

'मैरीटाइम क्लस्टर' बढ़ाएंगे भारत की समुद्री ताकत

नई दिल्ली, 17 जुलाई (एन।पी।ए.)— सागरमाला परियोजना के तहत जलमार्ग के कार्य में तेजी लाने के लिए सरकार ने 1,000 करोड़ रुपये की आर्थिक अर्थोपेक्षा शेरर पूंजी के साथ सागरमाला डेवलपमेंट कंपनी को स्थापना कर ली। इसकी स्थापना कंपनी का लून 2013 के तहत की गई है। ऐसी कंपनी की स्थापना के लिए जुलाई में कैबिनेट ने इसको मंजुरी दी थी। इस कंपनी पर जहाजरानी मंत्रालय का प्रशासनिक



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Sagarmala Post

(A Newsletter on Sagarmala Programme by Ministry of Shipping)

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