

India Surges 23 Ranks in ease of doing Business with port-led Development under Sagarmala Improving ‘Trading Across Border’

As per the World Bank report 2019 on Ease of Doing Business, India has taken a huge leap of 23 ranks from 100 in 2017-18 to 77 in 2018-19 indicating it is continuing its steady shift towards global standards. One of the key indices which has contributed immensely toward this growth is ‘Trading across borders’ which shows an impressive improvement from 146 rank last year to 80th rank this year.

The Ministry of Shipping has been taking initiatives to improve the parameter of ‘Trading across border’ as 92% of India’s Export- Import trade by volume is handled at ports.

The report mentions that this is mainly due to India’s continued reform agenda, which has made it the top-ranked economy in the region. Upgradation of port infrastructure, Improvement of processes, and digitization of document submission has substantially reduced Export/Import cargo handling time at ports which has significantly contributed towards improving the trading across border parameter and India’s impressive growth in the World Bank’s report. The World Bank has recognized India as one of the top improvers for the year.

According to the report, under the Border Compliance Criterion relevant to the Port Sector the Cost to Export has come down from \$ 382.4 to \$251.6. Similarly, the Cost to Import has come down from \$ 543.2 to \$ 331.

“Focused efforts at improving the export/import cargo handling at major ports has contributed to improving the Ease of Doing Business in India and thus will help in economic growth & more jobs opportunities for the youth.”, said Shri Nitin Gadkari, Union Minister for Shipping, Road Transport & Highways and Water Resources, River Development and Ganga Rejuvenation.

The Government has initiated a series of steps to make India’s EXIM logistics more competitive in terms of time and cost. A series of studies to bench mark the performance of Indian Major Ports with their international counterparts has been undertaken and steps to increase the capacity and productivity to global standards have been initiated. Specifically 114 initiatives which were identified have been undertaken.

“The focus has been on development of port infrastructure and capacity enhancement, improvement in last mile connectivity and development of multi-modal hubs to promote EXIM while reducing logistics cost and time. Under Sagarmala, port-led-development initiative of the Govt, 266 port modernization projects with an investment of more than Rs 1.45 lakh Crore has been identified for implementation over next 10 years.” said the Minister.

80 projects worth Rs. 13,701Cr have been completed and projects worth 2.39 lakh Crore are under implementation.

“In order to enhance last mile connectivity, 211 road-rail projects worth Rs 250,907 Crore have been identified under Sagarmala. 15 multimodal logistic parks with an investment of Rs3,989 will help in improving efficiency in freight movement under the programme”, the minister added.

With more than 5 % average growth at major ports over last 4 years, the Ministry of Shipping, has taken several steps to improve their operational efficiencies through policy and procedural changes and mechanization.

As a result, key efficiency parameters have improved considerably. The Average Turnaround Time has reduced from 82 hrs to 64 hrs in 2017-18. The Average Output Per Ship Berth day has increased from 14,583Tonnes in 2016-17 and to 14,912 Tonnes in 2017-18. The traffic at major ports increased to 6794.7 lakh tonnes during 2017-18 over 6483.98 lakh tonnes during 2016-17.

Transfer of conventional activities to digital platforms, use of technology for moving cargo and simplification of processes have been done to promote business and facilitate ease of doing business. Steps taken include the following:

Radio Frequency Identification (RFID) system installed in 11 Major Ports to enhance security, remove bottlenecks for seamless movement of traffic across Port gates. The RFID system automatically identifies the trucks and drivers without the need to stop at the port gates for manual checking.

- DMICDC's Logistics Databank system (LDB) for tracking & tracing movement of EXIM container in the Major Ports thereby enabling the consigners and consignees to track the movement of the Containers from portal.
- Direct Port Delivery (DPD) and Direct Port Entry (DPE) enable direct movement of containers from factories / port without intermediate handling requirement, thus saving cost & time
 - Direct Port Delivery of Import containers increased from 3% in November 2016 to 40.62% in July, 2018. The DPD importers are benefited by savings in cost of upto Rs.15,000/ and average saving in delivery time of 5 days.
 - The percentage of Direct Port Entry of Export containers increased from 60% in April 2017 to 82.66 in July, 2018.
- Installation of drive-through Container Scanners to save time at Major Ports
- Reducing paper work- Issuance of e- Delivery orders, e-invoice and e-payment across all the Major Ports. Digitalization of processes has considerably reduced the processing time.
- Upgradation of the Centralized Web Based-Port Community System (PCS) to provide global visibility and access to the central database to all its stakeholders through internet based interfaces

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MODERNISING PORTS, MODERNISING INDIA

Capacity addition at Indian Ports

Projects identified to increase the capacity to 3500+ MMTPA to cater to the projected traffic of 2500 MMTPA by 2025.

	Number	Cost (Rs. Crore)
Total Projects under Port Modernisation	266	145,334
Total Capacity Addition Projects at Major Ports	119	75,414
Total Completed Capacity Addition Projects at Major Ports	29	8,280
Work in Progress Projects for Capacity Addition at Major Ports	90	67,134

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SAGARMALA Project Implementation

The Sagarmala Programme is based on the 4 key pillars for Port-led development and comprises of 605 projects across 19 States and UT's.

Sagarmala Overview

605 Projects

Port Modernisation	Port Connectivity	Port-linked Industrialisation	Coastal Community Development
266 Projects	213 Projects	57 Projects	69 Projects
Rs. 145,334 Cr Value of Project	Rs. 250,907 Cr Value of Project	Rs. 474,893 Cr Value of Project	Rs. 7,299 Cr Value of Project

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SAGARMALA Project Implementation

VALUE OF PROJECTS AWARDED

Year	Value (Rs. Cr)	Cumulative Value (Rs. Cr)
Upto 2015-16	130,995	130,995
2016-17	81,700	212,695
2017-18	27,495	240,190

VALUE OF PROJECTS AT COMPLETION

Year	Value (Rs. Cr)	Cumulative Value (Rs. Cr)
Upto 2015-16	290	290
2016-17	2,544	2,835
2017-18	10,011	12,846

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SAGARMALA Project Implementation

More than 80% of the 605 projects are in various stages of implementation.

Sagarmala Programme (Projects in Different Stages of Execution)

Stage	Projects	Project Cost (Rs. Cr)
Completed	80	13,701
Under Implementation	173	239,436
Under Tendering	40	5,837
DPR Stage	154	132,495

NP/MS/MS
(Release ID: 1551719)