

Year End Review 2018 – Ministry of Shipping

Aided by Progressive Policy Interventions the Capacity and Efficiency of Major Ports Rises Yet Again in 2018
Ease of Doing Business a Major Focus during the Year

Inland Water Transport Poised for Big Growth with the Launch of First Multimodal Terminal on Ganga, Rise in Cargo Movement and Expansion of Ro Ro Services

Sagarmala Sees the Completion of 89 Projects Even as it Surges Ahead with Over 400 More
Number of Seafarers in India Sees an Unprecedented Growth of 42.3%

The year 2018 has been a significant one for the Ministry of Shipping. Bolstered by progressive policy interventions like amendment of Model Concession Agreement, revision of tariff guidelines and the various steps taken towards facilitating Ease of Doing Business, the major ports kept up their impressive performance of the past four years in terms of capacity addition and improvement of efficiency parameters.

The Sagarmala Programme saw the completion of 89 projects, while 443 projects worth Rs. 4.32 lakh crore are under various stages of implementation and development.

The year was especially remarkable for developments in the inland water transport sector. The inauguration of the multi modal terminal on River Ganga at Varanasi by Prime Minister Shri Narendra Modi, the first ever post - independence movement of container cargo from Kolkata to Varanasi on the river, and the commencement of integrated movement of cargo from Kahalgaon in Bihar to Pandu in Assam over three waterways – Ganga, Brahmaputra and the Indo Bangladesh Protocol Route, have firmly established that the vision of inland water as a cheaper and more environment friendly mode of transport is fast becoming a reality.

Cruise tourism was another area with important developments like the inauguration of a modernized international cruise terminal at Chennai Port and the launch of Mumbai-Goa cruise service, as was the skill development sector with the setting up of Centre of Excellence in Maritime & Shipbuilding (CEMS) at Vizag and Mumbai, National Technology Centre for Ports,

Waterways and Coasts (NTCPWC), at IIT Madras in Chennai and the decision to set up Multiskill Development Centers (MSDC) at all major ports under Sagarmala.

The paragraphs below give the sector-wise details of the major work done by the Ministry during the year.

1. PORTS

1.1 Ports in India handle 90% by volume and 70% by value of India's external trade.

1.2 Capacity and Traffic

In order to meet the ever increasing trade requirements of the country, the focus has been on the infrastructure development and capacity enhancement of the Ports. Over the years the cargo handling capacity of the major ports has been growing steadily as under:

(In MTPA)

Year	Capacity
2012-13	744.91
2013-14	800.52
2014-15	871.52
2015-16	965.36
2016-17	1359.00*
2017-18	1451.19

*Re-rated – Ports capacity re-rated based on Berthing Policy as per International norms.

1.3 Traffic handled at the major ports has also been increasing as shown in the Table below:

(In MT)

Year	Traffic
2012-13	545.79
2013-14	555.49

2014-15	581.34
2015-16	606.47
2016-17	648.40
2017-18	679.37
2018-19 (upto October, 2018)	403.39



Jawaharlal Nehru Port Trust

1.4 Award of projects and investment

More than 50 Projects with an investment of over Rs. 10000 cr. and involving capacity addition of 90 MTPA are targeted for award during 2018-19. This is as against the 27 Projects were awarded during 2017-18, , involving an investment of Rs. 4146.73 crore and additional capacity of 21.93 MTPA created.

1.5 Improvement in efficiency parameters

While increasing the capacity of major ports, Ministry of Shipping has been striving to improve their operational efficiencies through policy interventions, procedural changes and mechanization. As a result key efficiency parameters i.e Average Turnaround Time and Average Output Per Ship Berth have improved considerably as shown below.

Year	Average Turnaround Time (in hours)	Average Output per ship berth (inTonnes)
2016-17	82.32	14576
2017-18	64.32	15333
2018-19 (upto 31.10.2018)	60.48	16166

1.6 Policy initiatives

The achievement of the Major Ports in terms of capacity augmentation, improved operational efficiency and higher operating surplus has been made possible due to certain pro-active policy initiatives taken by the Ministry of Shipping as explained below.

- i. The Model Concession Agreement has been amended with a view to obviate the problems being faced in execution of PPP Projects on account of certain provisions of the present MCA, in order to enhance confidence of investors and make the investments in the Port Sector attractive.
 - ii. The tariff guidelines were revised to provide flexibility to port operators to align the tariff closer to market tariff subject to achievement of certain performance standards.
 - iii. 100% FDI is being allowed in PPP Projects in the Port Sector.
 - iv. A new Major Ports Authorities Bill to replace existing Major Port Trusts Act 1963 to provide greater autonomy and modernization of institutional structure is under consideration and has been introduced in the Lok Sabha on 16.12.2016. This is awaiting consideration and passing by the Lok Sabha.
- v. Revised guidelines have been issued to all the Major Ports for moving away from the practice of parking their surplus funds solely in the Public Sector Banks and investing their pension /provident/gratuity fund and surplus funds in accordance with guidelines of Ministry of Labour and Employment and Department of Public Enterprises, consistent with the provisions of Major Port Trusts Act, 1963.

1.7 Ease of Doing Business

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. Towards facilitating 'Ease of Doing Business (EoDB)', Ministry of Shipping had identified various parameters for reducing dwell time and transaction costs in the Major Ports. These include elimination of manual forms, accommodation for laboratories to Participating Government Agencies (PGAs), Direct Port Delivery, Installation of Container Scanners, E-delivery orders; RFID based Gate-automation

System, etc. These initiatives have already been implemented at Jawaharlal Nehru Port Trust (JN Port) and are being taken up in other Major Ports.

Elimination of manual Forms has cut down long queues and waiting time for containers at the port gate and enabled faster evacuation of EXIM cargo and reduced congestion at port gates. The RFID solution has been implemented in all Major Ports to enhance security, remove bottlenecks for seamless movement of traffic across port gates, ensure tracking & tracing of man, material, vehicle, equipment, & other assets, and collection of revenue as per the notified rates.

A centralized web-based Port Community System (PCS) has been operationalized across all Major Ports which enables seamless data flow between the various stakeholders viz. Customs, CFSs, Shipping Lines & ICDs, Lines/Agents, Surveyors, Stevedores, Banks, Container Freight Stations, Government regulatory agencies, Customs House agents, Importers, Exporters, CONCOR/Railways, etc. through common interface. The present system PCS 1.0 has been upgraded to PCS 1x.

Ministry of Shipping has issued an order dated 27.3.2018 making use of e-invoice, e-payment and e-delivery order mandatory for all stakeholders across all Major Ports, all terminals within the Major Ports, private ports, private terminals and CFSs/ICDs.

Logistics Data Bank Service under Delhi Mumbai Industrial Corridor Development Corporation Ltd. (DMICDC), for enabling track & trace movement of EXIM container has been implemented at JNPT and is being implemented at other Major Ports.

JN Port is the first port to start Direct Port Delivery (DPD) and Direct Port Entry (DPE). DPD has increased from 5.42 % in March 2016 to 41.92% in August, 2018. In JNPT the percentage of Direct Port Entry of Export containers increased from 60% to 76.98% in August, 2018. The exporters are currently benefitted by savings in cost of about Rs.2,000/- per TEU and in time of 1 to 2 days while resorting to DPE.

At JN Port the dwell time of import containers has reduced from 58.08 hrs. in 2016-17 to 50.82 hrs. in 2017-18. The dwell time of export containers has reduced from 88.35 hrs. in 2016-17 to 83.71 hrs. in 2017-18.

Work order for procurement of 8 mobile container scanner has been issued. Site preparation at ports is in progress. Factory Acceptance Test (FAT) in respect of containerscanners meant to be procured for Paradip, Vishakhapatnam, New Mangalore, Mormugao, Kandla, Kamrajar and Kolkata Ports have been done. Procurement of Drive through (Roads) scanner (Nos. 4) is under process. Selection of site for Drive through (Rail) scanner is also under process.

Jawaharlal Nehru Port Trust which is the pilot port for implementation of reforms under EoDB has undertaken a no. of initiatives for ensuring convenience to trade & reduction in cargo EXIM Dwell time. To ensure faster cargo evacuation, JNPT has set up a Customs Processing Zones, Centralized Parking Plaza, besides undertaking widening of Port Highways. It has also developed a Common Rail Yard. JNPT has procured electronic RTGCs for increasing yard productivity, besides making ground breaking initiatives for increasing Direct Port Delivery & Direct Port Entry to facilitate trade. All these reforms are regularly communicated to the stakeholders through website update, social media & regular stakeholder meetings.

1.8 Major Initiatives/Achievements during 2018

i. JNPT

The Fourth Container Terminal (FCT) of Jawaharlal Nehru Port Trust (Phase-I) was inaugurated by Prime Minister Shri Narendra Modi. This is India's largest FDI Project in the port sector involving an investment of Rs. 7935 crore. With this the container handling facility at JNPT will increase from 5.15million TEUs to 7.55 million TEUs.

ii. Paradip Port Trust

iii. The 2nd Major Port after Deendayal Port (Kandla) to achieve the milestone of handling 100 MT of cargo during 2017-18.

iv. Created an all time record by successfully completing movement of 27 Vessels within 20 Hrs. i.e. from 0600 hrs on 13th October, 2018 to 0200 hrs on 14th October, 2018.

v. On 29th October, 2018 introduced possibly first time in India, the Mediterranean Mooring Method to discharge edible oil from "MT Delfine" without using the berth.

vi. VOCPT

There was no night navigation at the shallow water berth at VOCPT due to constraint in the available depth. The construction of Coastal berth along with dredging near the jetty and approaches were carried out during the month of April 2018. Subsequently with the lighting arrangement in the berth, the night navigation of shallow Water Berth for docking/un-docking was allowed from June, 2018.



Pic : The fully mechanized ore handling plant of VPT upgraded by ESSAR Vizag Terminals Ltd on PPP mode.jpg

iv. Vishakhapatnam

Port projects worth Rs. 1062 crore were inaugurated and foundation stone for port connectivity projects worth Rs. 679 crorewere laid at Visakhapatnam on 13th July, 2018. These included upgradation of iron ore handling facility at Outer Harbour of Vizagport, Construction of Grade Separator from H-7 area to Port Connectivity Road, by-passing convent junction, under Sagarmala and Development of 12.7 km road connectivity to VPT

from Shreelanagar Junction to Anakapalli-Sabbavaram/Pendurti- Anandapuram road (NH 16).

v. **Kolkata**

For the first time at Kolkata Port Trust, a Cape Size vessel M.V. Samjohn Solidarity carrying 1,64,928 MT of Dry Bulk (Coal) made a call at Sandheads Anchorage on 17.10.2018. The vessel discharged around 1 lakh MT of Coal on barges by two Floating Cranes; the entire cargo being discharged was brought to Floating Jetty at Haldia for discharge.

vi **Storage charges**

s. of the PPP Projects at Major Ports came under stress due to high Storage Charges. A committee under Chairman, Indian Ports Association (IPA) considered the issues. Based on the recommendations made by the said committee a methodology has been worked out for dealing with such abnormal storage charges and bring the stressed projects on track. Guidelines in this regard have been issued to the Major Ports on 11.07.2018.

t. **Utilization of Surplus funds**

s. per instructions issued by MoS in February, 2009, surplus funds were being invested by the Major ports in the Public Sector Banks (PSBs). The practice of the ports parking their surplus funds, solely in the fixed deposits with the PSBs, has been reviewed in the current economic scenario in the light of the guidelines on investment of Provident fund/pension fund/surplus funds issued by the Ministry of Labour and Employment and Department of Public Enterprises. In supercession of the earlier instructions, revised guidelines have been issued by this Ministry to all the Major Ports on 27.7. 2018 on investing of their pension /provident/gratuity fund and surplus funds.

viii **Relief and assistance to the flood affected areas in the Eranakulam district**

I. wake of the recent unprecedented rains and floods in the state of Kerala, the Cochin Port helped in bringing relief materials to the State during the initial days. The Port also took several measures for providing relief and assistance to the flood affected areas in the Eranakulam district. These included organizing Relief Camps, medical aids assistance, food distribution, priority berthing of vessels bringing flood relief materials etc. Relief materials brought by Naval Ship INS Deepak, INS Mysore, INS Mumbai, INS Sharda and Coast Guard Vessels ICGS Vikram were also handled on priority at the port. Cochin Port Trust contributed Rs.62 lakhs to the Chief Minister Relief Fund comprising Rs. 31 lakhs as employee's one day salary and equal amount from the COPT's funds. Similarly, employees of Kolkata Port Trust also contributed one day's salary (Rs.83 Lakhs) to Kerala Chief Minister Distress Relief Fund (KCMDRF) and also carried relief material in containers free of cost from Kolkata to Cochin Port.

II. **Award by Permanent Court of Arbitration**

In an arbitration case involving one of the projects in Kolkata Port, Louis Dreyfus Armateurs (LDA) had invoked Bilateral Investment Protection Agreement and had taken

the Union of India for arbitration at the Permanent Court of Arbitration. In its award dated 11.09.2018, the Permanent Court of Arbitration has ordered the LDA to pay India (a) USD 540,885.30 towards India's share of the Tribunal and PCA costs of arbitration, and (b) USD 6,626,971.85 towards India's costs and expenses of legal representation and assistance.

x. **Security Clearance of Bidders in PPP projects**

Revised guidelines have been issued on 31st January, 2018 for enhancing the validity period of security clearance of bidders/ companies participating in Public Private Partnership (PPP) projects and dredging projects in Major Ports from three years to five years so as to harmonise it with the validity period followed by Ministry of Home Affairs (MHA).

1.9 Chabahar Port Project

During the visit of the Iranian delegation to India in January 2018, a business meeting was organized in which number of prospective entrepreneurs interested in establishing units in the Chabahar Free Trade Zone participated. Issues relating to the investment opportunities in the development of Chabahar Port were also discussed during the meeting. The Interim operations contract for Chabahar Port was signed between the two sides on 17.02.2018. A bilateral meeting to discuss various issues relating to the Chabahar Port Project was held on 10.10.2018 in New Delhi between the Indian Delegation led by Secretary (Shipping) and Iranian Delegation led by Mr. Mohammad Rastad, Deputy Minister and Managing Director for Ports and Maritime organization (PMO) of Islamic Republic of Iran. The Iranian delegation accompanied by MD, Indian Ports Global Ltd. (IPGL) and representative from Ministry of Shipping, also visited Jawaharlal Nehru Port to understand port operations.

2. SAGARMALA

2.1 Sagarmala Projects

More than 605 projects having a total cost of Rs. 8.8 lakh crore(cr.) have been identified under Sagarmala. Of these, 89 projects worth Rs. 0.14 lakh crore are completed and 443 projects worth Rs. 4.32 lakh crore are under various stages of implementation and development. Sagarmala Programme aims to promote port-led development with a view to reducing logistics cost for EXIM and domestic trade.

2.2 Port Capacity Target

Ministry of Shipping, along with the State Governments are striving to increase the overall port capacity to 3500+ million metric tonnes per annum (MMTPA) to cater to the projected traffic of 2500 MMTPA by 2025. Towards this end, 249 port modernization projects have been identified. Out of these, 107 port capacity expansion projects (cost: Rs. 67,962 cr) were identified from the port master plans of 12 major ports and are expected to add 794 MMTPA to the major port capacity over the next 20 years.

2.3 Rerating of capacity of Major Ports

As per the Berthing Policy for Major Ports ,2016 approved by the Ministry of Shipping, a standardized methodology was laid down to calculate norms for dry bulk berths. An exercise was undertaken to benchmark port capacity with global standards set by the berthing policy and re-rate the capacities of major ports. The Declared capacity of major ports was 1066 MTPA as on 31.3.2017. After the re-rating exercise, the effective rated capacity and desired occupancy of major ports as on 31.3.2017 were 1359 MTPA and 989 MTPA respectively.

2.4 Port modernization

Under Project Unnati, global benchmarks were adopted to improve the efficiency and productivity Key Performing Indicators (KPIs) for 12 major ports. Around 116 initiatives were identified across 12 major ports to unlock more than 100 MTPA capacity just through efficiency improvement. Out of which, 91 initiatives have been implemented to unlock around 80 MTPA capacity.

2.5 Development of new ports

In addition to projects for capacity expansion of major ports, 6 new port locations, namely – Vadhavan (Maharashtra), Enayam (Tamil Nadu), Tajpur (West Bengal), Paradip Outer Harbour (Odisha), Sirkazhi (Tamil Nadu), Belekeri (Karnataka) have been identified to increase overall cargo handling capacity

2.6 Port Connectivity Enhancement

Rail and road connectivity projects are being undertaken to enhance port connectivity to the hinterland,

Rail

Indian Port Rail Corporation Limited (IPRCL) has taken up 32 works (cost : Rs. 18,253 cr) across 9 major ports of which 8 works (Rs. 175 cr) have been completed. In addition, 23 rail connectivity projects (Rs. 24,877 Cr) identified under Sagarmala are being taken up by Ministry of Railways out of which 7 projects (Rs. 2,491 cr) are completed. Further, 15 rail connectivity projects(Rs. 4,193 cr) have been taken up through Rail-ports and other operators out of which 3 projects (Rs 52 cr) are completed. A total of 52 projects (Rs. 44,605 cr) are in various stages of implementation by these agencies.

Indore- Manmad Rail Line

An MoU for implementation of the 362 km Indore- Manmad New Railway Line Project was signed on 28.08.2018 between Jawaharlal Nehru Port Trust, Ministry of Railways, Govt of Maharashtra and Govt of Madhya Pradesh. The new project will reduce the distance from Mumbai/Pune to key central India locations by 171 kilometers, resulting in lower logistics costs. This is especially significant as the new railway line will pass through the Delhi-Mumbai Industrial Corridor nodes of Igatpuri, Nashik and Sinnar; Pune and Khed; and Dhule and Nardana.

Road

112 road connectivity projects are being undertaken by various agencies. Out of the 112 road projects, 54 road projects (Rs. 22,158 Cr) are included under Bharatmalaprogramme. 102 projects will be executed by MoRTH and NHA and the remaining 10 road projects by State PWD, Port Authorities and Sagarmala Development Company (SDC) in coordination

with MoRTH / NHAI. A total of 5 projects (Rs 268 cr) have been completed and 97 projects (Rs 1,80,347 cr) are under implementation.

2.7 Port Led Industrialization

14 Coastal Economic Zones (CEZ) covering all the Maritime States and Union Territories have been identified. CEZ perspective plans have been prepared and Detailed Master Plans will be prepared for 4 pilot CEZs - Gujarat, Maharashtra, Tamil Nadu and Andhra Pradesh - in the first phase of development. Policy framework for development of CEZ is under finalization based on recommendation of Inter-Ministerial Committee(IMC) for CEZ development under the aegis of CEO, NITI Aayog.

In addition, 38 potential port-linked industrial clusters across Energy, Materials, Discrete Manufacturing and Maritime sectors have been identified. Out of these industrial parks, one mega food processing park at Satara, Maharashtra (Rs. 139 cr) has been completed and 3 Power Clusters (Rs. 76547 cr) in Krishnapatnam (AP), Ennore (TN) and Tuticorin (TN), 8 Electronics Manufacturing Clusters (Rs. 1704 cr) in AP, Gujarat, Odisha, Kerala, West Bengal and 3 Food Processing Parks (Rs. 1,348 cr) in Andhra Pradesh and Kerala are under implementation. Also under development are: SEZ at JNPT (Rs. 12,624 Cr), Smart Industrial Port City (SIPC) at Paradip (Rs. 3,350 Cr) and Kandla (Rs. 11,147 Cr) and Coastal Employment Units (CEUs) at VoCPT and KPL.

2.8 Coastal Shipping

Cabotage relaxation

To promote trade , ease of doing business and Coastal Shipping in India as per the stated objectives of the Sagarmala Programme, relaxation under Section 406 and 407 of the Merchant Shipping Act 1958 with respect to cabotage was notified with respect to fertilizers, agricultural products, fisheries, horticultural and animal produce commodities, and containers . Based on feedback of industry on this relaxation, a clarification was further issued in September 2018 that the minimum movement of fertilizer to the extent of 50% of the total cargo onboard a ship is applicable only for cargo loaded at any Indian port for coastal movement .

Perspective plan on Coastal Shipping

A study with an objective to prepare a robust perspective plan with actionable recommendations to promote coastal and short sea shipping, integrating seamlessly with IWT and leveraging multimodal linkages with rail and road is underway in association with the Asian Development Bank (ADB). As a part of this study two stakeholder workshops were organized in June 2018 and October 2018, wherein an analysis of commodities that can be transported through coastal shipping and a corresponding analysis of potential origin destination pairs was presented to ports, shipping lines and industries that can use coastal shipping.

Coastal Berth Scheme

41 projects (Rs. 1,535cr) have been sanctioned under the Coastal Berth Scheme for financial assistance of Rs. 633cr out of which Rs. 334 cr has been released to Major Ports/State Maritime Boards/State Governments.The Coastal Berth Scheme for creation of infrastructure to promote movement of cargo/passengers by sea/National waterways has

been extended upto March 2020 and its scope has been expanded to cover the cost of preparation of DPR and capital dredging at Major Ports.

2.9 Skill development

Ministry of Shipping has undertaken skill gap analysis for the coastal community in 21 coastal districts and assisted domain ministries and state governments in implementation of action plan for them. As a result, 1917 people have been trained and 1123 placed in jobs.

To support the development of the fishermen community, Ministry of Shipping is part-funding select fishing harbor projects in convergence with Department of Animal Husbandry Dairying & Fisheries (DADF) to improve livelihood of fishermen community. For this purpose, Rs. 323 Cr has been sanctioned for 13 projects (cost: Rs. 1189 Cr). These projects are expected to benefit over 1.5 Lakh fishermen and would have capacity to handle more than 2.3 Lakh tonnes of fish.

2.10 Centre of Excellence in Maritime & Shipbuilding (CEMS)

A Centre of Excellence in Maritime & Shipbuilding (CEMS) has been setup at Vizag and Mumbai in coordination with IRS & Siemens at a cost of Rs. 766 cr. The objective of the center is to meet the domestic skill requirement in ship design, manufacturing, operating and maintenance, repair and overhaul (MRO). The long term purpose is to become an international nodal centre in South Asia, attracting students from neighboring countries like Sri Lanka, Bangladesh, Thailand, Malaysia and Indonesia for skill development in the port and maritime sector. In 2018, the implementation of CEMS was initiated in both Vizag and Mumbai campuses. Workshops for orientation of stakeholders were held at both centres. The CEO, COO and other team members have been hired. Labs have been setup at both campuses. Training has also started in both campuses.

2.11 National Technology Centre for Ports, Waterways and Coasts (NTCPWC)

Ministry of Shipping has set up the National Technology Centre for Ports, Waterways and Coasts (NTCPWC), at IIT Madras in Chennai to provide innovative and research based engineering solutions to various issues related to ports, waterways and coasts in the country. NTCPWC will act as a technology arm of Ministry of Shipping for providing the needful technological support to Ports, Inland Waterways Authority of India (IWAI) and all other related institutions. The project cost of Rs 70.53 Cr is being shared by MoS, IWAI and the Major Ports. NTCPWC will provide indigenous software and technology, make technical guidelines and standards and address port and maritime issues with models and simulations. The areas of applied research of NTCPWC are 2D & 3D Modelling of Ocean, Coastal & Estuarine Flows, Sediment transport and morphodynamics, Navigation and Manoeuvring, Dredging & Siltation, Port and Coastal Engineering-Structures and Breakwaters, Autonomous Platforms & Vehicles, Experimental & CFD modelling of flow & Hull interaction, Hydrodynamics of multiple hulls and Ocean renewable energy.

NTCPWC started functioning in April 2018 from a new building within IITM. The staff has been hired and the 10 projects are currently being undertaken. The tender for equipments- Semateb and FRL have been issued and the tender for new campus construction is currently under approval process of IITM Board. The Ministry is also examining the matter of issuing of awarding work by MoS institutions nomination basis and a decision on it is expected soon. The first oversight committee meeting was held in

July 2018. The next oversight committee meeting is being planned along with an outreach event at NTCPWC, IITM

2.12 Multiskill Development Centres for Maritime Logistics

In order to achieve the vision of 100% skilled manpower at ports and fulfill skill requirements of the employers in the Port and Maritime sector, the development of Multiskill Development Centers (MSDC) at all major ports is being taken up under Sagarmala. In this regard, JNPT MSDC has already been setup and a private operating partner –All Cargo has been selected and the MoU has been signed. The process is underway at Chennai, Vishakapatnam and Cochin Ports.

2.13 Transshipment

Ministry of Shipping has issued a notification and general order for relaxation under section 406 and 407 of the Merchant Shipping Act, 1958 for Coastal movement of EXIM Transshipment Containers and Empty Containers. This relaxation allows both Indian entities to charter foreign flagships and allow foreign flagged ships by shipping lines to ply on the coastal routes without the hassle of getting a license with conditionalities. The relaxation for EXIM transshipment containers and empty containers will (i) promote shifting of transshipment of cargo from foreign ports to Indian ports leading to increased profitability of Indian containers handling ports and employment generation, (ii) increase in competition amongst shipping lines leading to reduced freight rates making Indian trade more competitive, (iii) increased logistics efficiency due to enhanced competition will improve competitiveness of Indian EXIM trade, (iv) promote coastal transportation of containers, (v) upon establishment of ecosystem in India, Indian ports can potentially attract cargo originating/destined from/for foreign ports for consolidation at Indian ports and (vi) retention of foreign exchange in India.

INLAND WATER TRANSPORT (IWT)

3.1 Jal Marg Vikas Project (JMVP)

The Cabinet Committee on Economic Affairs (CCEA) approved the implementation of the Jal Marg Vikas Project (JMVP) on 03.01.2018 at an estimated cost of Rs. 5369 crore with technical and financial assistance of the World Bank. The objective of JMVP is to improve navigability of National Waterway-I (NW-1) for plying of vessels of up to 2000 Dead Weight Tonnage (DWT). The major activities under the project are construction of multi-modal terminals, jetties, river information system, channel marking, navigational lock, river training and conservancy works. It is scheduled to be completed by March, 2023. The Loan Agreement and Project Agreement relating to IBRD loan of USD 375 million were signed on 02.02.2018. and these have become effective from 23.3. 2018. The status of implementation of different components of JMVP is given below:-

(a) Fairway Development

The work has commenced for providing least assured depth on the stretch between Farakka and Kahalgaon (146 kms) .Similarly, for the Sultanganj-Mahendrapur stretch (74 Kms) and Mahendrapur–Barh stretch (71 Kms) evaluation of tenders is in progress.

(b) Multi-modal Terminal, Varanasi

The multimodal terminal built at a cost of Rs 206 crore with a current capacity of 1.26 MTPA was inaugurated by the Hon'ble Prime Minister on 12.11.2018. It is the first multimodal terminal on river Ganga which is expected to generate 500 direct employment and 2000 indirect employment opportunities.

(c) Multi-modal Terminal, Sahibganj

The construction of the terminal was awarded at a cost of Rs. 280.90 crore and is scheduled to be completed in June, 2019. 54.81% work has been completed so far.

(d) Multi-modal Terminal, Haldia

Work for construction of the Terminal at a cost of Rs. 517.36 crore was awarded on 30.06.2017 and is scheduled to be completed in December, 2019. 22.43% work has been completed so far.

(e) New Navigational Lock, Farakka

The work was awarded on 24.11.2016 at a cost of Rs. 359.19 crore and is scheduled to be completed in April, 2019. 27.97% work has been completed so far.

3.2 Freight Village and Logistic Hub at Varanasi

To improve logistics efficiency, cargo aggregation, warehousing facilities and multimodal transportation, a Freight Village and Logistic Hub is proposed at Varanasi to be set up in continuation of the multi-modal terminal as part of the JMVP. The proposal for undertaking the pre-investment activities relating to setting up of the Project at an estimated cost of Rs.165 crore was appraised by the Delegated Investment Board (DIB) and approved by the Competent Authority.

3.3 Development of NW-4

As part of Phase-I of the development of of NW-4 from Muktiyala to Vijaywada, mainly for facilitating movement of construction material for Amravati, the upcoming capital city of Andhra Pradesh, Ro-Ro movement commenced in March 2018 and total quantity of Cargo moved till October, 2018 is 2.35 lakhs MT.

3.4 Development of eight (08) new NWs

Mandovi (NW-68), Zuari (NW-111),Cumbarjua (NW-27), Barak (NW-16), Gandak (NW-37), Rupnarayan (NW-86), Alappuzha-Kottayam-Athirampuzha Canal (NW-9) and Sunderbans (NW-97), were considered for development during 2017-18 and the progress thus far is given below:-

- A Tripartite MoU has been signed on 03.05.2018 between IWAI, Marmugao Port Trust (MPT) and Captain of Ports, Govt. of Goa for the development of three NWs (27, 68 & 111) of Goa. Tendering by MPT for floating jetties and aids to navigation is in advanced stage.
- The bandalling and channel marking in Gandakriver(NW-37) has been taken up and work is continuing in 2018-19 .
- Maintenance dredging for fairway development work in Silchar-Bhanga stretch of river Barak (NW-16) has commenced.
- In Sunderbans waterways (NW-97), work order has been issued for dredging work in May, 2018 and tender for floating pontoon terminal has been invited.

- In Rupnarayanriver (NW-86), work has been awarded for setting up of one floating terminal. Tender for dredging work is in progress.
- In Alappuzha – Kottayam – Athirampuzha Canal (NW-9),supply order for night navigation facilities has been issued and supply of buoys completed in September, 2018. Dredging is proposed departmentally.

3.5 New Ro-Ro Services

- Ro-Ro services between Ibrahimpatnam and Lingayapalem on NW-4 have commenced thereby reducing road distance of approximately 70 km.
- IWAI, in collaboration with Assam Government, has launched a new RO-RO facility connecting Neamati-Majuli island in Assam on 12 Oct 2018 . The facility is being provided by IWAI vessel, Bhupen Hazarika having a capacity to carry 8 trucks and 100 passengers. The Ro-Ro facility traverses a distance of only 12.7 km on the river route which has cut down the circuitous road route of 423 km that trucks take from Neamati-Majuli Island via Tezpur Road Bridge.

3.6 Procurement of Ro-Ro Vessels

IWAI has signed an agreement with M/s. Cochin Shipyard Limited for construction and supply of 10 Ro-Ro/Ro-Pax vessels at a cost of Rs 110 cr. on 11.07.2018. The vessels will be delivered between June, 2019 to December, 2019 for deployment in NW-1, 2 and 3.



Pic :GhoghaDahej Ferry Service

3.7 Movement of Cargo on NWs

IWAI has been making special efforts for promoting movement of cargo on National Waterways. In the first half of 2018-19, cargo traffic has increased to 33.8 MMT which is 102 % more as compared to 16.7 MMT in the same period in 2017-18.The prominent initiatives are given below:-

- Completion of the trial run of the longest haul of IWT cargo over a distance of 2085 kms from Kahalgaon (Bihar) on NW-1 to Dhubri (Assam) on NW-2 via the Indo-Bangladesh Protocol Route in October 2018 . The cargo comprising of 1235 MT of fly ash was transported in IWAI flotilla tug “Trisul” with dumb barges “Ajay” & “Dikhu”.
- Transportation of 925 MT of imported coal from Haldia dock complex on NW-1 to Dhubri on NW-2 using Indo – Bangladesh protocol route covering a distance of 1205 km.
- The first movement of container cargo on NWs for transportation of 16 containers of PepsiCo products from Kolkata to Varanasi (1280km) completed over a period of 12 days in November 2018. Return journey from Varanasi to Kolkata carried fertilizer of IFFCO Phulpur, Dabur products and PepsiCo products.



Pic : IWAI Vessel Carrying PepsiCo cargo across Farakka lock on River Ganga

3.8 Connecting cargo owners and shippers

The IWAI launched a dedicated portal to connect cargo owners and shippers with real time data on availability of vessels. The landmark e-connect measure will enable direct interaction among the vessel operators, shippers and cargo owners as currently, there is no platform for furnishing information on the availability of vessels in the market. It has been designed and developed by the in-house IT Department and the Traffic Wing of IWAI as part of its preparedness for optimal use of its ongoing capacity development on various National Waterways. Named as the Forum of Cargo-Owners and Logistics-Operators (FOCAL), the link of the portal is available on the homepage of IWAI website www.iwai.nic.in.

3.9 Modern new ship designs for Ganga

13 standardized state of art ship designs suitable for large barge haulage in low draft on river Ganga (NW-1) were made public by the IWAI on 31.08.2018. The designs will help overcome the unique navigation challenges river Ganga throws up due to its complex

river morphology, hydraulics, acute bends, shifting channels, meanders and current. These will also serve as an enabler for domestic shipbuilding industry working on inland vessels and open up huge possibilities for cargo and passenger movement on NW-1. Available free on the IWAI website, the new designs will obviate the dependence of Indian Shipbuilders on foreign ship design for IWT and translate into a savings of Rs. 30-50 lakh in the building of a vessel.

4. SHIPPING

4.1 Directorate General of Shipping

No. of ships and seafarers

- i. The number of ships under Indian Flag on 31.12.17 was 1374 while as on 31.10.18 the number of ships is 1399 [12.79 Million Tonnes]. There is an increase of 25 numbers of ships in last 10 months
- ii. The number of seafarers in India has seen an unprecedented growth of 42.3% due to various policy level changes brought in by the Government in the last four years. The number of seafarers in December' 17 was 1,54,349 while the number of seafarers now has increases to 1,79,599.

Maritime Labour Convention, 2006

- i. The applicability of provisions of Maritime Labour Convention, 2006 has been extended to merchant vessels of below 500 Gross Tonnage, thereby ensuring the benefit of welfare measures available under the Convention to seafarers working on smaller ships as well.

Ease of doing business

- i. A Module has been developed and implemented for Recruitment and Placement Agencies [RPS] for filing fresh applications, annual inspections and renew inspection online. This will facilitate easy approval of RPS agencies and their monitoring.
- ii. New CDC Rules, 2017, which ease the process of issuance of CDC based on five STCW courses has been put into force w.e.f 14.01.18, for an ease of seafarers. The issuance of CDC is completely online. There is now no need to undergo long time pre-sea courses for getting CDC by the seafarers.

Admiralty Act and Rules

- i. The Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017, has been enforced w.e.f. 01.04.18. As per new Act High Courts of all the coastal states shall exercise admiralty jurisdiction over maritime claims which include several aspects not limited to goods imported and chattel as earlier, but also other claims such as claims in relation to payment of wages of seamen, loss of life, salvages, mortgage, loss or damage, services and repairs, insurance, ownership and lien, threat of damage to environment etc. The Act accords highest priority to payment of wages of the seafarers. The Act also provides for protection against wrongful and unjustified arrest and has provision for transfer of cases from one High Court to other High Court.
- ii. The Admiralty (Assessors) Rules drafted under the Admiralty (Jurisdiction and Settlement of maritime Claims) Act, 2017 has been notified. This will facilitate the appointment of Assessors for use of the Admiralty Courts as and when required during the admiralty proceedings.

India re-elected to IMO Council

- i. India has been re-elected to the Council of the International Maritime Organization [IMO] under Category “B” representing the States with the largest interest in international seaborne trade, for the biennium 2018-19, at the 30th session of the Assembly of the IMO, held at London on 1st December, 2017, by securing second highest votes in the said category.

4.2Cruise shipping

- i. A modernized International Cruise Terminal at Chennai Port was inaugurated on 12.10.2018.
- ii. Mumbai Goa cruise service was launched at a function organized on 20.10.2018

4.3Shipbuilding

The Government of India has an ongoing Rs. 4000 crores Shipbuilding Financial Assistance Policy for 10 years (2016-2026) to encourage domestic shipbuilding. Under this policy, financial assistance is granted to Indian Shipyards equal to 20% of lower of ‘Contract Price’ or the ‘Fair Price’ or actual receipt of each vessel built by them. The rate of financial assistance will be reduced by 3% after every three years.

An updated version of the web portal launched by this Ministry for processing applications is being operated by DG (S).

DG (S) has received applications for inprincipleapproval / financial release for 30 vessels. Ministry of Shipping has so farreleased Rs. 11.89 cr. for 4 vessels to 3 Indian Shipyards.

4.4 Cochin Shipyard Limited (CSL)

- i. CSL has launched two 500 paxvessels for Andaman & Nicobar Administration for interisland transportation on30.10.2018.
- ii. CSL to construct and supply two Ro-Ro and eight Ro-Pax vessels to IWAI for which an Agreement was signed on 11.07.2018. The vessels are expected to be delivered betweenJune, 2019 to December, 2019 for deployment in NW-1, NW-2 and NW-3.
- iii. Foundation stone was laid on 30.10.2018for setting up India’s largest Dry Dock at Cochin Shipyard costing Rs. 1799cr. The new large sized stepped dock at CSL premises has a length of 310 m, width of 75/60 m and draft of upto 9.5M.
- iv. AnMOU was signed by CSL on January 18, 2018 with Defence Research and Development Organization (DRDO) for export of Defence vessels incorporating Defence systems developed by DRDO and produced by Indian OEMs.
- v. CSL has signed a contract on 29.1.2018 for construction of 16 nos. Tuna Long Lining & Gillnetting Fishing Vessels under the diversification of trawl fishing boats from Palkbay into deep sea fishing boats under Central sector on Blue Revolution Scheme with financial assistance fromGovernment of India and the Government of Tamil Nadu.



Pic :Relief Material reaching Cochin Port

4.4 Ship repair facilities

- MOU signed by CSL and Mumbai Port Trust on 11.1.2018 for operations and management of shiprepair facility and allied services at Indira Dock.

- MOU signed with Kolkata Port Trust on 17.3.2018 for operations and management of ship repair facility and allied services at Netaji Subhash Dock.

4.5 Shipping Corporation of India

In recognition of SCI's commitment to the principles of gender diversity & equality at the workplace reflected by the representation of women across hierarchical grades including SCI Board, SCI was awarded 'Winner' under the category 'Contribution of Women in PSEs'.

4.6 Andaman Lakshadweep and Harbour Work

The Andaman Lakshadweep Harbour Works (ALHW) is entrusted with the responsibility of formulating and implementing the programme of the Government for providing Ports and Harbour structures including allied facilities in the Andaman and Nicobar and Lakshadweep Islands. The following works were undertaken/initiated in 2018 at A&N and Lakshadweep Islands:-

- Restoration of damaged Breakwater at Hut Bay - Placing of CC block of size 1m x 1m x 1m and 8T Tetra pods from 800m to 1200 m chain age at Sea side of Breakwater at Hut Bay in Little Andaman at an estimated cost of Rs. 14.66 crore and it will be completed by August, 2019.
- Restoration of damaged breakwater at Kalpeni Island in Lakshadweep at an estimated cost of Rs. 34.56 crore and the project would be completed by June, 2020.
- Construction of Sea wall /Shore protection work at Mus in Car Nicobar in Andaman & Nicobar Islands at an estimated cost of Rs. 49.19 crore. The project would be completed by Dec, 2020.

4.7 Indian Maritime University

- Training programs for African officials have been completed under the International Technical & Economic Cooperation (ITEC) program of Ministry of External Affairs in the domain of Port Management, Marine Engineering and Ocean Engineering.
- IMU conducted one day workshop in its Kolkata Campus on 26.11.2018, organized by CIMAC (*Conseil International des Machines a Combustion*) –the International Council of Internal Combustion Engines, based at Frankfurt, Germany.
- IMU is in final stages of complete automation of the examination process with the proposed introduction of onscreen valuation of answer scripts.

4.8 Directorate General of Lighthouse and Lightships

- DGLL organized Aids to Navigation (AToN) Manager Course Level-1 from 23/07/2018 to 17/08/2018 at NTI Kolkata. Participants from India and other countries viz. Sudan, Thailand, Sri Lanka, Malaysia, Somalia, Singapore, Bangladesh, China, Myanmar, Indonesia, Fiji attended the course.

- DGPS (Differential GPS) is a system to provide positional corrections to GPS signals. DGPS uses a fixed, known position to adjust real time GPS signals to eliminate pseudorange errors. Under Recapitalisation (Replacement of Equipment) of Differential Global Positioning System (DGPS) Phase I, equipment at 13 DGPS sites have been upgraded to Differential Global Navigation Satellite system (DGNSS). The upgraded system has capability to respond to Navigation with Indian Constellation (NavIC) / Indian Regional Navigation Satellite System (IRNSS) signals.

5. INTERNATIONAL CO-OPERATION

Bangladesh

As a follow up of an MoU signed by India and Bangladesh for development of fairway in the Ashuganj-Zakiganj and Sirajganj-Daikhawa stretches of Indo-Bangladesh Protocol Route by sharing the cost on 80: 20 (India : Bangladesh) basis Bangladesh Inland Water Transport Authority (BIWTA) has issued the work orders for both the stretches and work is expected to commence shortly.

The Shipping Secretary Level talks and the 19th Meeting of Standing Committee on Protocol on Inland Waterways Transit and Trade were held between India and Bangladesh at New Delhi on 24th and 25th October, 2018. At these meetings, the two sides agreed to extend the Protocol route and include new ports of call. Specifically , it was decided to include a stretch of Rupnarayan River (National Waterway-86) in the protocol route and to declare Kolaghat in West Bengal and Chilmari in Bangladesh as new ports of call; declare Badarpur on river Barak (NW- 16) as the extended port of call of Karimganj in Assam and Ghorasal of Ashuganj in Bangladesh on reciprocal basis. Currently 3.5 MMT of cargo is transported on protocol routes through inland waterways which is expected to increase substantially after the formal declaration of additional ports of calls and extension of protocol routes.

India and Bangladesh agreed that a Joint Technical Committee will explore the technical feasibility of operationalisation of Dhulian-Rajshani protocol route upto Aricha and the reconstruction and opening up of Jangipur navigational lock on river Bhagirathi subject to the provisions of the Treaty between India and Bangladesh on Sharing of Ganga Waters at Farakka, 1996. This move has the potential to reduce the distance to Assam by more than 450 kms on the protocol routes.

To bring about significant reduction in logistics cost and faster delivery of Bangladesh export cargo, Indian side raised the point regarding permitting 'Third country' EXIM Trade under Coastal Shipping Agreement and PIWTT by allowing transshipment through ports on the East Coast of India. Bangladesh agreed to hold stakeholder consultations and revert on the matter.

The following Agreement/Standard Operating Procedure (SOP) were signed by the two countries on 25.10.18:-

- To facilitate connectivity to North Eastern States through Kolkata and Haldia ports, movement of EXIM cargo and reduce logistic costs, an Agreement on the use of Chattogram and Mongla Port for movement of goods to and from India between the people's Republic of Bangladesh and the Republic of India.
- To open up connectivity for passengers and tourists from the two countries through Indo-Bangladesh Protocol route, a Standard Operating Procedure (SOP) of MoU on Passenger and Cruise Services on the Coastal and Protocol route between India and Bangladesh.
- To add Pangaon from Bangladesh and Dhubri in Assam as new Ports of Call, an Addendum to the Protocol on Inland Water Transit and Trade (PIWTT).

Nepal

As a follow up of the decision taken in April, 2018 by the Prime Ministers of India and Nepal to introduce inland waterways connectivity between the two countries, Technical Scoping Missions have visited each other's facilities and discussions have been held at Kathmandu and Kolkata in May and September 2018, respectively. The development and training requirements of Nepal IWT sector, reduction of logistic cost, transshipment options through Sahibganj (Jharkhand) & Kalughat (Patna) to Nepal from Kolkata have been discussed.

Memorandum of Understanding

- An MoU was signed with Republic of Korea on Mutual Recognition of Certificate of Competency of sea farers. It will open up employment opportunities on Korean Ships for more than 1.5 Lakh Indian Seafarers.
- An MoU Signed with Malta on Maritime Cooperation in the field of research and innovation related to IMO.

NP/MS/MS

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