

Shipping Sector to Boost Economy of Coastal States

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While addressing the media at the Regional Editor's Conference in Chennai today, the Secretary of Ministry of Shipping, Shri Rajive Kumar said that the last two years have marked a new high for the Indian Maritime sector, including the Ports. The Ministry of Shipping held its first global investment meet "The Maritime India Summit 2016" which saw very enthusiastic participation from more than 40 countries. 141 business agreements worth Rs. 82,905/- crores were concluded during the Summit. He informed the Editors that the Port sector achieved the distinction of handling more than 1 billion tonnes of cargo throughput in 2015-16. The 12 Major Ports have increased their Operating Profits by nearly Rs. 676 crores as compared to the previous year.

The Secretary said the Ministry of Shipping is keen to develop the Indian Ports to international standards both in terms of efficiency and infrastructure. International consultants have given 116 initiatives out of which 50 have been implemented. A number of new Ports are being developed by the Ministry of Shipping as well as the State Governments. Sagar Island, Enayam, Vadhavan in Maharashtra and a satellite Port at Paradip, Vizhinjam, Cuddalore. For the first time, the Ministry is developing port facilities outside the country at Chabahar in Iran. Additionally all major ports are installing solar or wind-based power system to promote use of renewable energy.

Shri Rajive Kumar told the gathering that to promote Ease of Doing Business, RFID systems are being installed to automate gate operations in all major ports. All container ports are fully equipped to provide Direct Port Delivery which will reduce the Container Dwell time for the trade. On the policy front, a new Major Ports Authority Bill has been formulated to replace the existing Major Port Trusts Act, 1963. The Tariff Authority for Major Ports (TAMP) which regulates tariff in Major Ports is proposed to be abolished in the new Act. The major ports and PPP operators will be free to fix their tariff based on the market conditions. The Model Concession Agreement (MCA) for PPP Port Projects has been reviewed and a new MCA will be approved soon.

The Secretary said that the Sagarmala Programme has been launched by the Govt. of India to promote port led development in the country. A National Perspective Plan for comprehensive development on India's coastline and maritime sector has been prepared. More than 150 projects at an estimated cost of Rs. 4 lakh crore have been identified in the areas of port modernization, connectivity, port led industrialization and coastal community development. For promoting port led industrialization, 14 Coastal Economic Zones covering all maritime states have been proposed. The Sagarmala Development Company which is a special purpose vehicle is being set up by the Ministry to provide equity support for identified projects. To provide efficient rail evacuation, a special purpose vehicle, Indian Port Rail Corporation Ltd. has been formed. This company has taken up 25 last mile rail connectivity projects for implementation.

The Shipping Secretary elaborated on how the Government plans to increase the share of Inland Waterway and Coastal Shipping in cargo movement. In addition to the existing 5 inland waterways, 106 more waterways have been notified as National Waterways. Ganga Jal marg

Vikas project with an estimated cost of Rs. 4300 crore has been commissioned. Under the project, multi modal terminals are being developed at Varanasi, Sahibganj and Haldia. To promote coastal shipping, cabotage relaxation has been given for specialized vessels like Ro-Ro for 5 years. The Govt. has also given grant to ports to develop exclusive coastal berths.

Shri Rajive Kumar also told the senior journalists on the steps taken by his Ministry to promote ship building industry like, financial assistance policy for Indian shipyards has been approved by the Government which offers monetary incentives to Indian Shipyards for ships built in India, Customs and Excise Duties have been exempted on inputs utilized for the purpose of manufacture of ships as well as those used in ship repair and Infrastructure status has been granted to shipyards which will reduce the financial stress and will enable shipyards to avail flexible structuring of long term project loans at lower rates.

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