

Promoting coastal shipping in India under Sagarmala: Ministry enlarges the scope of Central Sector Scheme

The Ministry of Shipping has formulated a revised Central Sector Scheme to provide financial support to Major/ Non-Major Ports/ State Governments for creation of infrastructure for movement of cargo/ passenger by sea or National Waterways. This is in line with the Ministry's port-led- development programme- Sagarmala for creating better infrastructure and promoting costal shipping for saving logistic costs.

Under the Scheme, projects for construction/ up-gradation of exclusive coastal berths for coastal cargo and berths/jetties for passenger ferries; mechanization of coastal berths; capital dredging for operating non-major ports; construction of breakwaters for existing & Greenfield Non-major ports; construction of berths/ jetties in National Waterways and islands by State Governments/UT; and construction of platforms/ jetties for hovercrafts/seaplanes will be considered for assistance.

Financial assistance under the revised scheme would be given up to 50% of the total cost of the project, subject to following, while the balance cost will have to be borne by respective ports/concerned State Govt. from their internal/own resources.

- a) a maximum of ₹ 25 Crore in case of construction/ up-gradation of exclusive coastal berths for coastal cargo and passengers in ports' water
- b) a maximum of ₹ 10 Crore for construction of platforms / jetties, National Waterways and islands
- c) a maximum of ₹ 15 Crore in case of Mechanisation of coastal berth
- d) a maximum of ₹ 50 Crore in case of capital dredging for operating non-major ports
- e) a maximum of ₹ 50 Crore in case of construction of breakwater for existing and Greenfield Non-Major Ports.

The main objective of the revised scheme is to promote coastal shipping and increase its share in domestic cargo movement, which is currently only as low as 7%, compared to other developed countries in Europe and Asia. Better infrastructure for coastal shipping in terms of handling facilities will decongest rail and road network as well as ensure cost competitive and effective multi-modal transportation solution. The country has high potential to use coastal shipping for its internal cargo movement given its 7500 kms long coastline. The National

Perspective Plan of Sagarmala envisions the potential to save around INR 21000-27000 Crore through coastal shipping of 230-280 MMTPA of key commodities like coal, cement, fertilizers, iron & steel, food grains and POL by 2025.

Under the scheme, the creation of exclusive berths for coastal shipping and its mechanization will reduce waiting time for coastal vessels resulting in reduced cost. The capital dredging and construction of breakwaters shall help in smoother navigation of large vessels into the ports and thus facilitate development of existing and Greenfield ports. With coastal shipping being more environment friendly mode of transport compared to rail and road, it would also help in reducing pollution.

The revised scheme brings appropriate synergy & convergence with the Sagarmala Programme which too aims at promoting coastal shipping along with port modernization and new port development, port connectivity enhancement, port-led industrial development and coastal community development. The revised scheme is also in conformity with Plan Priorities and National objectives of the Government as in the 12th Five Year Plan which emphasises on the need for incentivizing coastal shipping.

The financial assistance (grant-in-aid) given under the Scheme will be subject to audit by the CAG of India. The revised scheme has been released on the website of Ministry of Shipping

<http://shipping.nic.in/showfile.php?lid=2340>

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