

## SHIPPING (REGIONAL)



"A sailing ship is no democracy; you don't caucus a crew as to where you'll go anymore than you inquire when they'd like to shorten sail. - Sterling Hayden

# Blue Economy - Wave 54

(Series on "Blue Economy" By Capt. Gajanan Karanjikar)



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**Sagarmala Development Company (SDC)**

- Implementation of the projects in Sagarmala will be taken up by relevant Ports, Line Ministries, State Governments and State Maritime Boards in the form of SPVs through private sector or PPP route
- Ministry of Shipping will set up the Sagarmala Development Company (SDC) to assist the project SPVs (State / Port / Line Ministry level SPVs)
- SDC may provide funding window / equity support / access to relevant technical consultants for the projects undertaken, as may be required and necessary
- SDC will implement only those residual projects that cannot be funded by any other means or mode

## THE SAGARMALA VISION

The broad vision of the Sagarmala program stands on four pillars

- Change how India moves logistically
- Increase competitiveness of the core

industry and the manufacturing sector by reducing supply chain cost and time.

- Increase the volume of trade via inland waterways and coastal shipping
- Create an IT-enabled national multi-modal logistics system
- Develop coastal roads through maritime states for inter-state port connectivity
- Boost development through ports and shipping
- Develop three to four new mega ports
- Develop a world-class transshipment port with a capacity of more than 10 million TEU
- Create additional capacity of 1,200-1,500 MMTPA by strengthening existing ports
- Develop maritime and manufacturing

clusters around the ports

- Develop 2-3 port-based smart cities and Coastal Economic Zones

- Create world-class institutions
- Set up Sagarmala Development Company to enable project implementation
- Set up world-class Private Partnership Programs in ports, waterways and connectivity projects
- Develop an Indian Maritime University as a centre of excellence for maritime education
- Set up best-in-class maritime services clusters in India
- Empower coastal communities
- Create more than 1 million jobs in maritime and related sectors
- Increase GDP contribution of maritime states and sectors through a comprehensive coastal community development plan



On these four pillars of Sagarmala the Blue Economy will thrive. The ports are the main gateways for all exports and imports. The modernisation of these sectors will improve the cargo handling capacities and efficiency. Port Modernisation would prove to be game changer. The cargo handling systems in other benchmarked countries are far better than us. Indian Ports are in dire need of improvement.

These projects will be taken up by the relevant federal ministries/agencies and

state governments, preferably through private sector participation or public-private-partnerships (PPP). The details are as below:

- Port modernization - 245 projects (US\$21 billion);
- Connectivity enhancement - 210 projects (US\$36 billion);
- Port-linked industrialization - 57 projects (US\$68 billion); and,
- Coastal community development - 65 projects (US\$1 billion).

In addition, the government has also proposed 14 coastal economic zones (CEZs), which will link coastal districts to ports. Such CEZs are envisioned to be much bigger than India's Special Economic Zones (SEZs), extending 500 kms (310 miles) along the coastline and 300 km (186 miles) inland. They will have coastal economic units for manufacturing facilities

The CEZs are also expected to aid the planned industrial corridors, such as the Visakhapatnam-Chennai Industrial Corridor as well as the Delhi-Mumbai Industrial Corridor.



India's respective states are expected to take the lead on developing CEZs, though experts feel that in order for CEZs to be successful, their actual implementation, tax structure, and incentives need to be emphasized.

## Privatisation of SCI is likely to gather momentum



NEW DELHI  
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The much delayed privatisation process of the state owned shipping corporation is gathering momentum and the government is expected to release expression of interest for potential bidders in the next fifteen days

Expression of interest will be given final touches in the committee on divestment headed by the cabinet secretary by December tenth.

### Companies likely to claim stakes in SCI

Among the companies which are likely to claim stakes in SCI include ESSAR shipping, GE Shipping, Vedanthga and Adani group. The companies are expected to take part in the bidding process. The global player who is likely to evince interest is the dubai based DP World.

The Union Cabinet had accorded "in-principle" approval for strategic

disinvestment of Government of India's shareholding of 63.75 per cent in SCI along with transfer of management control to a strategic buyer, late last year.

SCI is the largest Indian shipping company with a fleet strength of 59 vessels at present. It runs a fleet of 59 ships, including crude oil tankers, very large crude carriers, petroleum product carriers, liquefied petroleum gas carriers, bulk carriers, container ships, and off-shore support vessels.

## NEWS IN BRIEF

### DP World and P&O Ferries offer to transport COVID vaccines to UK for free

Pan-European ferry and logistics company P&O Ferries, owned by DP World, has offered to transport COVID-19 vaccines into the UK free of charge.

### After Malabar exercises with US navy, India conducts passage exercises with the Russian navy on the Indian Ocean

The Indian Navy (IN) is undertaking a Passage Exercise (PASSEX) with Russian Federation Navy (RuFN) in the Eastern Indian Ocean Region (IOR) from December 4th to 5th. The exercise involves participation of RuFN guided missile cruiser Varyag, large anti-submarine ship Admiral Panteleyev and medium ocean tanker Pechenga. IN is being represented by indigenously constructed guided missile frigate Shivalik and anti-submarine corvette Kadmat along with integral helicopters.

The exercise is aimed at enhancing interoperability, improving understanding and imbibing best practices between both the friendly navies, and would involve advanced surface and anti-submarine warfare exercises, weapon firings, seamanship exercises and helicopter operations.