

**Seminar on**  
**East Coast Ports – Vision 2020**  
08<sup>th</sup> July 2011 at 10.00 a.m. at Williamson Magor Hall, The Bengal  
Chamber of Commerce and Industry Kolkata

**RECOMMENDATIONS**

During the course of the discussion and presentations by top experts in the Shipping and Port Industries, the following proposals were evolved after a detailed scrutiny and consideration of the existing infrastructures.

It was observed that in view of the average industrial growth envisaged at 7-8% per annum there would be a quantum jump of volume to be handled particularly raw materials / finished products through all the major and minor Ports on the East Coast.

It was observed that the Ports on the East Coast lacks adequate infrastructure in various areas which severely constrains the growth of the handling capacities.

The areas which are on the scanner are as follows:

- i) Handling capacity augmentation
- ii) Additional berth/s
- iii) Inadequacy of draught
- iv) Insufficient backup and storage area
- v) Poor connectivity to the Indian Railway network and golden quadrant High ways

We give here commodity wise status of the various inadequacies and suggest some longtime & short time measures for your favorable consideration for meeting the challenges of the next decade:

**COAL:**

Projected coal import for the 12<sup>th</sup> 5year plan (2016-17) would touch around 1187 million tonnes against the projected indigenous production of 753 million tones i.e. a gap of 434

million tonnes in order to handling huge volume of imports at all the major Ports catering to Steel and Power Industries. The following actions are suggested:

- i) Increase in infrastructure capacity of Ports.
- ii) The existing major Ports at Haldia, Paradeep, Chennai, Vizag, etc must increase their capacity for catering to the additional coal tonnage.
- iii) Direct connectivity to the National Highways from above Ports is insufficient and must be taken up on a war footing, where ever possible four laning must be constructed for greater mobility and faster evacuation.
- iv) The additional coal from the Ports to importers premises requires Indian railways to urgently plan to increase their capacities as majority of the imported coal is moved out of the Port in Railway wagons.
- v) Infrastructure development on the national river way no. 1 is totally lacking. It has been a long dream for the coal consumers in north India to use the water ways as a cheaper and pollution full mode of transportation. Unfortunately, though it has been talked about in several seminars/workshops over many years, very little has been done to tap the huge potential. River transit on the river Ganges is hindered by lack of infrastructure such as jetties, discharging facility, connectivity to high ways etc. Furthermore, at several places on the river due to lack of draft the same have to be dredged to facilitate round the year movements. Dredging is meager & not in line with the requirements.
- vi) Besides, the import opportunity is being lost as this mode could be a for trouble free movement.
- vii) Coastal shipping rules need to be liberalized and made flexible with minimum formalities which would enable investors to invest in Coastal Shipping. This mode of coastal transportation would greatly assist in part movement of coal and other bulk cargoes in order to facilitate faster and smooth facilitation of coal and other bulk commodities.
- viii) It is suggested that handling of such materials at all major Ports should be mechanized. The present handling of bulk materials is normally carried by conventional method, which offers limited productivity.

## **IRON ORE:**

Most of the inadequacies of the major Ports on the East Coast which have been highlighted above are also affecting Iron Ore exports. This results in below and lower productivity. Furthermore, as the movements of Iron Ore from Mines of the Port are carried by the railways there is a constant shortage of railway wagons for transportation to the Ports. The Ports should also gear up for loading Iron Ore for exports by mechanical loading equipments which are in operation at some of the Ports. Iron Ore has large volume buyers in China, Japan and such augmentation of infrastructure will enable the Ports to handle the Cargoes efficiently and economically.

## **LIQUID BULK CARGO:**

Refining capacity is expected to grow from 184 million tonnes in 2010-11 to 358 million tonnes in 2020-25. India is poised to be a refining hub of the world. In addition to the above, growth in oil refining imports of edible oil in tankers is also expected to grow over the years.

The following actions are suggested:

- i) The additional tanker terminals should be set up in all East Coast ports so as to meet the above growth in crude, refined and edible oils.
- ii) LNG and LPG have a bright future in India and there are considerable imports of these two gas varieties.
- iii) The Offshore oil and gas exploration in K G basin has a greater future in exports after meeting domestic requirements. Hence construction of LNG/LPG terminals on the east coast should be planned and executed on top priority.

## **CONTAINER TRAFFIC:**

Container traffic through east coast ports is in the region of 2.50 million TEUs per annum. This is expected to grow about 6 million TEUs per annum.

The following actions are suggested for speedy implementation:

- i) Development of Diamond Harbour Container Terminal of Kolkata Port Trust must be expedited on priority. Diamond Harbour Container Terminal would have a higher draught at 9 meters which would be adequate in handling of large capacity Vessels (1000 - 1200 TEUs Capacity).
- ii) Container terminals originating from North and West India are being routed through Jawaharlal Nehru Port Trust and Mundhra Port resulting in severe congestion at Jawaharlal Nehru Port. It is suggested that underutilized container terminal at Vizag Container Terminal Pvt Ltd (VCTPL) may be utilized as an alternative.
- iii) East Coast of India needs more container terminals for handling future movements of container and this should be built/ executed away from the city so that no regular congestion in similar way being experienced at Chennai Port (CCTL and PSA Terminals).
- iv) The North-East Corridor of Railways terminating at Dankuni ,must be put on high priority which would speed-up rail traffic movement.

## **COASTAL SHIPPING:**

Coastal shipping has vast potential on the east coast as most of the Steel and Power products are located in this Eastern Region.

Coastal Shipping Rules and regulations are required to be modified so as to facilitate movements and volumes of transportation.

This huge potential for rapid movement of bulk and other cargos needs a big impetus from the Govt. so that future traffic could be speedily handled.

## **NEW PORTS/PORT TERMINALS COMING UP IN THE EAST COAST:**

The Exim trade would be benefited after the proposed plan of a new Port/Terminal site on the East Coast viz Sangor, Diamond Harbour, Shalukhali, Dhamra, Astaranga, Kirtaniya, Gopalpur, Machlipatnam, Kakinada, Gangavaram, Kodaicanal, etc. would increase Port activities and handling facilities.

Development of all the above small and medium Ports need to be expedited and completed in a time bound scale.

The following actions are suggested :

- i) Augmenting infrastructure to increase handling capacity
- ii) Connected by Rail and Road for rapid transportation
- iii) With the development of coastal shipping, transloading from larger vessel to smaller coastal vessel in anchorages need to be encouraged at various locations on the east coast.

Needless to mention to encourage the above operations, customs regulations would have to be totally overhauled and simplified failing which investment in this area would suffer. Existing customs regulations and requirements is too cumbersome.

## **PORT HANDLING COST:**

The current tariff at all major Ports both for vessel and cargo related charges are much higher compared to neighbouring country Ports, which needs to be rationalized.

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