SAGARMALA

NEW DIMENSIONS IN COASTAL ECONOMY

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The country's coastal economy is being strengthened through the Sagarmala programme, wherein along with modernization of old ports, new ones are being built. We believe that our Ports are gateways to development. Therefore the government has launched the Sagarmala programme to modernize the connectivity and infrastructure on the coast"

- Prime Minister Narendra Modi

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Introduction

The Sagarmala programme is the flagship programme of the Ministry of Ports, Shipping and Waterways to promote port-led development in the country by taking advantage of India's 7,500 km long coastline, 14,500 km long potentially navigable waterways and the strategic location on major maritime trade routes. The core vision of the Sagarmala programme is to reduce the logistics cost for EXIM and domestic trade with minimal infrastructure investment.

Main Points

- The concept of Sagarmala was approved by the Union Cabinet on 25th March, 2015

- Hon'ble Prime Minister released the National Perspective Plan (NPP) for the holistic development of the Indian Coastline and Maritime Sector on 14th April, 2016

- Currently, a total of 802 projects worth Rs. 5.53 lakh crore are part of Sagarmala Programme.

- Out of these, 172 projects worth of Rs. 88,235 crore have been completed and 235 projects worth Rs. 2.17 lakh crore are under implementation.

Improvement Measures

- Modern governance of major ports

- Ease of Doing Business

- Berthing Policy

- Operations Policy

- Policy Guidelines for Land Management

- One Time Settlement Scheme

- Institutional Mechanism for Dispute Redressal

- Enterprise Business Systems

- NLP-Marine

- Shipbuilding Financial Assistance Policy

- Biometric Seafarers Identity Document (BSID)

- Online Exit Exam

- Private Sector Participation in IWT

- Increasing IWT Cooperation with Bangladesh

- Promoting multi modal transport
- Establishment of new mega port

Increasing Efficiency

Modern governance of major ports

A new era has begun for the administration of major ports in India, in which they will have greater autonomy in decision making, adopting the 'Landlord Model' of development and providing world class port infrastructure.

Ease of Doing Business (EODB) in Major Ports and Shipping Sector:

- **Creating Smart Ports** - Several steps are being taken towards making major ports smart ports including implementation of Port Community System 1x; Logistics Data Bank Service; RFID Solutions; Enterprise Business Systems; Direct Port Delivery (DPD); Direct Port Entry (DPE); scanners/ container scanners and simplifying the procedures.

- **Digitization in Services** - In order to bring transparency and accountability, Director General of Shipping has introduced online training of seafarers, Biometric Seafarers Identity Document (BSID) as well as digitization of its services for issuance of certificates of ratings, etc.

- **Smooth Data Flow** - A centralized, web-based Port Community System (PCS) has been commissioned across all major ports which enables smooth data flow between different stakeholders through a common interface.

- **Paperless** - In order to move towards completely paperless regime, e-DO (Electronic Delivery Order) through PCS along with e-invoicing and e-payment has been made mandatory. In December 2018 an improved version of PCA1x has been rolled out.

- **PCS** - The Port Community System (PCS) has integrated the electronic flow of business related documents/information and functions as a centralized hub for secure exchange of electronic messages between all major ports of India and other stakeholders like shipping lines/agents, surveyors, stevedores, banks, container freight stations, customs agents, importers, exporters, railways/concor, government regulatory agencies etc. In the last one and half years, keeping in mind the ease of doing business, many new features like e-delivery order, e-invoicing and e-payment have been added to PCS1x. E-DO via PCS 1x was initially implemented only for DPD containers, but is now being carried forward by all patrons such as terminals, CFS/ICDs and other non-major ports using PCS 1x.

Policies to Boost Productivity

Berthing Policy:

The new berthing policy came into effect from August 2016. This policy gives a framework of norms. This will improve efficiency at ports and productivity parameters across all ports.

Stevedoring Policy:

The new stevedoring policy has been implemented from July, 2016. This has improved the productivity, efficiency and safety at ports.

Policy Guidelines for Land Management:

Policy guidelines for land management were issued to all major ports. Later, on 17 July 2015, some provisions on easing of policy guidelines for major ports were further clarified.

One Time Settlement Scheme:

Large lands owned by major ports are under lease of the Government of India or the State Governments. Interest on lease rent and penalty interest has been recovered on which the payments have not been made. Over a period of time this accumulated rent and penalty rent increased considerably and it became a hurdle in the settlement of rent. In order to streamline and speed up the recovery of these huge pending dues of Major Ports, Ministry of Ports, Shipping and Waterways on August, 2019 launched "One Time Settlement Scheme (OTSS)" with Ministries/Departments of Government of India/State Governments. Similarly, a new dispute settlement institutional mechanism in the form of SAROD-PORTS has been set up jointly by Indian Private Ports and Terminals Association (IPPTA) and Indian Ports Association (IPA).

> We are working with a big vision to make the entire coastal region an important center of development for New India. "There is another aspect of Sagarmala project and that is Blue Economy"
>
> - Prime Minister Narendra Modi

Integration of Processes

Enterprise Business System:

Enterprise Business System (EBS) is being implemented at 5 major ports (Mumbai, Chennai, Deendayal, Paradip & Kolkata) to provide a digital port ecosystem. This will give the ultimate aid to the processes. All re-engineered processes and performance and high standards of each department can be observed and controlled as needed. It also includes standardization of ERP modules (FI, CO, MM, PP, SD, etc.), port operation, asset operation and hospital management system (cafeteria model). The project includes equipping the existing port with the latest computing equipment and network. The infrastructure is also being modernize.

NLP-Marine:

In addition, the process of launching PCS1X is already underway in the National Logistics Portal-Marine (NLP-Marine) which will act as a unified digital platform for all maritime stakeholders and

provide complete digital solutions. NLP Marine + PCS1X / Platform is envisaged as a central hub for all kinds of interactions with various stakeholders like Ports, Terminals, Shipping Lines Agents, CFS and Customs Brokers, Importers/ Exporters etc.

A centralized web based application will be developed which will act as a single window for port community members/stakeholders to securely exchange messages electronically.

- Reducing the transaction time and cost of port business.

- Achieve paperless system in the port sector.

- Implementation of e-commerce portal for port community.

- Eliminating duplication of documents.

- Connecting multiple stakeholders.

- Uninterrupted sharing of information among stakeholders.

Biometric Seafarers Identification Document (BSID):

BSID is rolling out new security systems, which include embedding of biometric chip inside security based identity card. Records of each BSID

issued are maintained in a national database so that the relevant information is internationally accessible.

To encourage multimodal transport:

Inland Water Transport terminals are now intermodal terminals, earlier they provided only road and waterway connectivity. On NW-1, two Multi Modal Terminals (MMT) have been constructed at Varanasi and Sahibganj and one more MMT at Haldia is nearing completion. These MMTs also have potential for rail connectivity.

Establishment of new major port:

The Union Cabinet in its meeting held on February, 2020 has given 'in-principle' approval for setting up of a Major Port at Vadhavan in Dahanu, Maharashtra. The total estimated cost of this project is about Rs 65,544 crore. The Vadhavan port will be developed on the 'Landlord Model'. The implementation of the project will be done by Jawaharlal Nehru Port Trust (JNPT) with equity participation equal to or more than 50% in which all business activities will be undertaken by private developers under PPP mode.

Then and Now

Then:

Indian Traffic Scenario

- The total volume of traffic handled by Indian ports in FY2014–15 was 1,052.1 Million Tonnes Per Year (MMTPA)

Now:

- The current cargo handling capacity of Indian ports is now 1,500 MMTPA. At the same time, a roadmap has been prepared to increase the Indian port capacity to 3,300+ MMTPA by 2025 to meet the growing traffic. This includes improving port operational efficiency, capacity expansion of existing ports and new port development. As per the studies conducted under the Sagarmala Programme, it is expected that by 2025, the cargo traffic at Indian ports will be around 2,500 MMTPA

Then:

Infrastructure and its impact

Due to lack of adequate infrastructure

- Additional costs worth thousands of crores of rupees have been incurred in transporting the goods to the industries.

- The real potential of this sector was overlooked for decades in the development pace of the country.

Now:

Impact of infrastructure development

- Under Project Unnati, global benchmarks were adopted to improve the Key Performance Index (KPI) of efficiency and productivity for 12 major ports. Around 116 initiatives were identified across 12 major ports to unlock more than 100 MMTPA capacities through efficiency improvement. Out of which, 93 initiatives have been implemented to unlock more than 80 MMTPA capacity

- Enhance port connectivity

- Port-led industrialization plan

- Plan to set up industrial and maritime clusters under Sagarmala

- New Port Development- To fill the demand gap, a new major port planned at Vadhavan in Maharashtra.

Then:

Ignoring improvement

Reforms in the administration of ports were pending for decades, which had a serious impact on development

- The old Acts and Regulations had restricted development of Indian Ports.

Now:

Effect of improvement

- An amount of about Rs 40,000 crore will be saved annually by the industries

- GDP expected to grow by 2%

- More than 1 crore employment opportunities will be created.

- Sagarmala project is bringing infrastructure revolution in India.

- In the coastal areas of the country and around the ports, a network of better roads is being laid

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Under Sagarmala programme, 802 projects have been identified with an estimated investment of about Rs.5.53 lakh crore for implementation by the year 2035. These projects are being implemented by the concerned Central Ministries, State Governments, Ports and other agencies mainly through private or PPP mode.