



Ministry of Shipping  
Government of India



# INDIA'S MARITIME GOLDMINE



India  
Maritimeplus



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# SAILING TOWARDS PROSPERITY

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# INDIA: THE PREFERRED INVESTMENT DESTINATION

- India, the fastest growing large economy offers conducive environment and multiple investment opportunities for investors.
- 3<sup>rd</sup> largest economy by Purchasing Power Parity (PPP) and eleventh largest by nominal gross domestic product
- Home to 1.25 billion people with median age of 30 years by 2025
- Large pool of skilled manpower, strong knowledge base with significant English speaking population
- Full current account convertibility
- Progressive rationalization of business processes and tax structures
- Ranked 4<sup>th</sup> most attractive destination for FDI by UNCTAD
- Ranked 2<sup>nd</sup> among developing economies in Investment Promotion Agency's Promising Investor Economies for FDI (2013-2015).



# NAVIGATING INDIA'S MARITIME SPACE

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- 7500 km long coast line
- 12 Major and 200 non-major ports spread over 13 maritime states
- 14500 kms of navigable inland waterways
- Nearly 95% of India's merchandise trade passes through sea ports
- Huge untapped potential for use of inland waterways and coastal shipping for transportation of goods



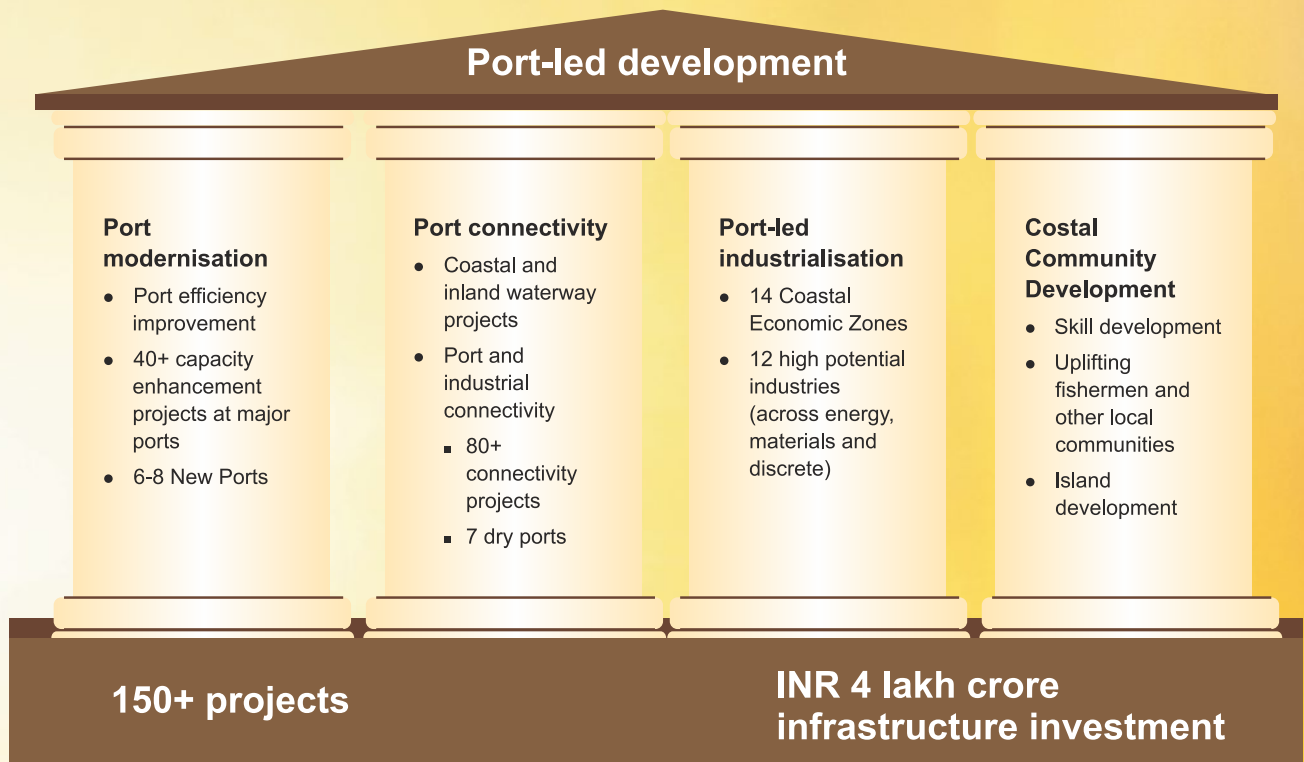


# SAGARMALA

## Leveraging Maritime Assets to Trigger Economic Growth

With a view to harness its vast coastline and underutilised navigable waterways, Government of India embarked on Sagarmala Programme that aims to promote port-led development in the country. The objective of the Programme is to bring Indian ports at par with the best global ports and promote port-led development through port modernisation, hinterland connectivity, port-led industrialisation and coastal community development along with development of Coastal Economic Zones.

- The initiative aims to set-up new ports, enhance port infrastructure and bring in port-led development through appropriate policy and institutional framework, working in coordination with Maritime States/Union Territory governments.



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# INVESTMENT OPPORTUNITIES

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## PORT MODERNISATION AND NEW PORT DEVELOPMENT

Cargo volume at Indian ports is projected to grow to 1650 MTPA by 2020 and 2500 MTPA by 2025. This will call for major expansion and modernisation of existing ports as well as development of 6-8 new ports.

This opens tremendous opportunities for port operators to invest in enhancing capacity of existing ports as also taking up development of new ports.

It is proposed to build new ports at Sagar in West Bengal, Paradip Outer Harbour in Odisha, Enayam

in Tamil Nadu, Vadhavan in Maharashtra, central Andhra Pradesh, south-eastern Tamil Nadu and northern Karnataka.

### Major Investible Projects

- Green Field ports at Vadhavan, Sagar and Enayam
- Development of Outer Harbour at Paradip Port
- Development of Outer Harbour at VOC Port, Tuticorin





## GREEN INITIATIVES

As part of their efforts to reduce carbon footprint, ports in India are taking several green initiatives that will help bring down carbon emissions. One major initiative taken by some of the ports is generation of solar and wind power. Given vast tracts of land and open sea, there are numerous opportunities for establishing wind/solar power

generation projects. Investors keen to invest in renewable energy projects may tap into this opportunity.

### Major Investible Projects

- 14.5 MW Wind Farm at Chennai Port
- 25 MW Solar Power Plant at Jawaharlal Nehru Port Trust

## SHIPPING

With India clocking highest growth rate among all large economies, international trade is bound to register rapid growth. India's container trade currently at 10.7 million TEUs is expected to grow further. Also transshipment hubs proposed to be developed at Vizhinjam (Kerala) and Enayam (Tamil Nadu) will attract container cargo from US, Europe and Far East to get trans-shipped in India. Local feeder and NVOCC market will also grow. Add to this, the increase in import of crude and LNG. Increase in coastal shipping and inland water transport will also call for deployment of more vessels by Indian companies.

Above trends would mean increased opportunities for shipping companies both for movement of domestic cargo, as well as international trade.

On its part, Government of India has taken several steps to boost shipping activities. These include introduction of one time trading license for vessels in lieu of annual renewal, cabotage relaxation for special vessels like Ro-Ro vessels and roll out of web based Port Community System to enhance shipping operations convenience.

**100% FDI is allowed in shipping sector.**



## SHIPBUILDING, SHIP REPAIR & SHIP RECYCLING

The Indian Shipbuilding industry has tremendous potential and provides ample opportunities for investors. With increasing energy needs, India's import of coal, oil and gas would lead to demand for new ships, such as gas tankers, Offshore Supply Vessels (OSVs) etc. (100% Foreign Direct Investment is permitted in shipbuilding sector).

Similarly, India is natural choice for ship repair industry given its long coastline, strategic location and availability of trained workforce. With 34 dry docks, India is geared to take up ship repair activity

in a big way. Service tax exemption and reduction of central excise duty on capital goods, raw materials and spares used for repairs have been granted.

India is home to the world's largest ship breaking and recycling yard. A number of measures are being taken to upgrade this yard.

### Major Investible Projects

- Development of Marine Cluster at Ennore
- New Dry Dock facility at Cochin Shipyard Limited, Kochi





## DEVELOPMENT OF INLAND WATERWAYS AND INLAND WATER TRANSPORT

Currently, inland waterways transport less than 0.5% of total cargo movement in India. Given the vast network of river systems, canals, backwaters, creeks and tidal inlets there is huge potential for transporting domestic cargo through inland waterways.

Government of India has notified 106 National Waterways to make optimum use of inland waterways for movement of cargo. This would open set of new opportunities for investors for developing jetties, terminals, bunkering and storage facilities. Also ship repair facilities will have

to be developed to meet future demands. Riverine cruise tourism is another promising area.

### Major Investible Projects

- Construction of Multimodal Terminal at Haldia
- Development of Multimodal IWT Terminal at Sahibganj, Jharkhand
- Movement of 3 MMTPA imported coal from Bay of Bengal to NTPC Barh, Bihar for a period of 10 years
- Capacity Augmentation of Navigational Infrastructure of NW1



## COASTAL SHIPPING

Despite substantial cost advantages, share of coastal shipping in movement of domestic cargo remains insignificant. Commodities such as coal, steel, cement, fertilisers and food grains can be moved coastally to save significant costs. It is expected that coastal shipping volumes may grow 5 times by the year 2025 reducing logistics cost by around Rs. 23000-25000 crore per annum.

### Major Investible Projects

- Development of Coastal food export berth for rice in Kakinada Anchorage Port
- Development of Coastal Berth for food grain imports at VOC Port, Tuticorin





## HINTERLAND CONNECTIVITY AND MULTI MODAL LOGISTICS

Inadequate capacities and congestion in hinterland connectivity have been leading to high costs, delivery delays, higher inventories and lower trade competitiveness. Realising the importance of efficient port connectivity, Government of India is taking several steps for development of required infrastructure. Development of dedicated freight corridor, private freight terminals, highways connecting ports with major industrial centres and boost to inland waterways are some of the initiatives taken in this regard.

Ultimate aim is to develop multi modal logistics solutions that may help meet the demands of industry. Extensive use of IT is also being encouraged to aid multi modal transport logistics. Development of several multi modal logistics parks are also in the pipeline.

### Major Investible Projects

- Expressway from Whitefield industrial cluster (Bangalore) to Enayam
- Development of Dry Port at Nagpur
- Expressway from Sarkhej (Ahmedabad) to Pipavav



## DEVELOPMENT OF SMART PORT CITIES & COASTAL ECONOMIC ZONES

As part of port-led development, Government of India proposes to develop a couple of smart port cities. These smart cities shall have all features of a modern IT driven infrastructure and civic facilities. Kandla and Paradip are slated to have the first smart port cities. Plenty of investment opportunities will be available for town developers, IT companies and civic services providers.

To give fillip to port led industrialisation, concept of Coastal Economic Zones (CEZs) has been introduced. CEZs will become the focal point for industrial development along Indian coast line. 12 major industries covering energy, material and discrete manufacturing have been identified on the basis of suitability of ocean mode of transportation for imports of raw materials or exports of finished products.

14 CEZs have been identified and specific industrial clusters relevant to each CEZs have been proposed. Multiple investment opportunities will be available especially in the areas of energy, steel, cement, food processing, electronics, apparel, leather products and footwear, furniture and automotive.

### Major Investible Projects

Smart Industrial Port cities at Kandla & Paradip

- Free Trade Warehousing Zones at Cochin and Kamarajar Ports
- Export based Electronics cluster in Northern Maharashtra
- Development of marble based furniture cluster in Kutch





## PROPOSED COASTAL ECONOMIC ZONES



## COASTAL AND RIVERINE TOURISM

India has significant opportunities for maritime tourism. Indian cruise shipping market is growing at a rapid pace. World class cruise terminals are being developed at Goa, Cochin, Mumbai and Chennai. It is expected that by the year 2030-31 India will have 1.2 million cruise tourists. India also has 189 lighthouses along its coastline including Andaman and Nicobar Islands and Lakshadweep. 78 lighthouses have been identified for development as tourist destinations.

Besides this, 12 river basins of the country offer scope for river based cruise tourism which is

currently limited to states of Kerala, Assam and West Bengal.

Development of riverine and coastal tourism present attractive investment opportunities for developing terminals, navigational aids, dredgers and also operation of cruise vessels.

### Major Investible Projects

- International Cruise Terminal at Cochin Port
- Development of Mega-cruise Terminal at Mumbai
- Development of Tourism at 78 Lighthouses



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# INVESTING IN INDIA'S MARITIME SECTOR

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Potential investors intending to invest in India's maritime sector may do so through following routes:

- **EPC Mode**—For sectors owned and controlled by Central and State Governments, private players may participate through EPC mode. Bids are invited for construction of specific projects by concerned authorities viz Major Ports, State Governments, IWA, DGLL and PSUs such as Cochin Shipyard Limited, Dredging Corporation of India etc. Projects are awarded after evaluation of technical and financial bids.
- **PPP Mode**— Increasingly emphasis is being laid on adoption of PPP mode for execution of projects and operation of facilities. Notably,

major ports are inviting private operators to build and operate terminals/ jetties for certain specified number of years. Projects are awarded through open competitive bidding with standardised model documents for Request for Qualification (RFQ), Request for Proposal (RFP) and Model Concession Agreement. Generally, The concession period is for 30 years.

- **Fully privately owned ventures**— With expansion of activities in maritime sector, number of opportunities are available for private operators. Most of the shipping lines, ship repair facilities, cruise lines are fully owned and operated by private entrepreneurs. However, they are subject to regulations applicable to the sector.





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## FOREIGN INVESTMENT IN MARITIME SECTOR

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Foreign investment in maritime sector is governed by the policy of foreign investment as updated from time to time by the Government of India.

100% FDI is allowed in almost entire maritime sector subject to applicable laws/ regulations, security and other conditionalities.

Some of the prominent global players that have invested in India's maritime sector particularly in ports, include A. P. Moller-Maersk, Demark, Dubai Ports International and PSA Singapore



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# INDIA MARITIME *plus*

*(A joint initiative of Ministry of Shipping, GOI and FICCI)*

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## About IMP

India Maritime plus is an initiative of the Ministry of Shipping, Government of India and FICCI aimed at providing investment promotion and facilitation services to companies seeking to invest in India's Maritime Sector.

The Cell has been incorporated to render advice and facilitate investments.

Manned by a lean team of dedicated hands, the Cell is equipped to provide sector specific inputs, and hand-holding support to investors through the entire investment cycle.



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## SERVICES OF INDIA MARITIME *plus*

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- Act as one-stop shop for all queries related to policy governing maritime sector in India.
- Disseminate information about investment opportunities in maritime sector among existins potential investors.
- Hand-hold and guide investors though entire investment cycle.
- Help identify JV and technical partners for investors.
- Guide prospective investors raise funds for their projects
- Arrange meetings between domestic and international players in the maritime sector
- Advocate policy changes affecting maritime business
- Act as a forum for putting before concerned authorities' grievances of investors and help tackle delays
- Support and advisory services fro running business.

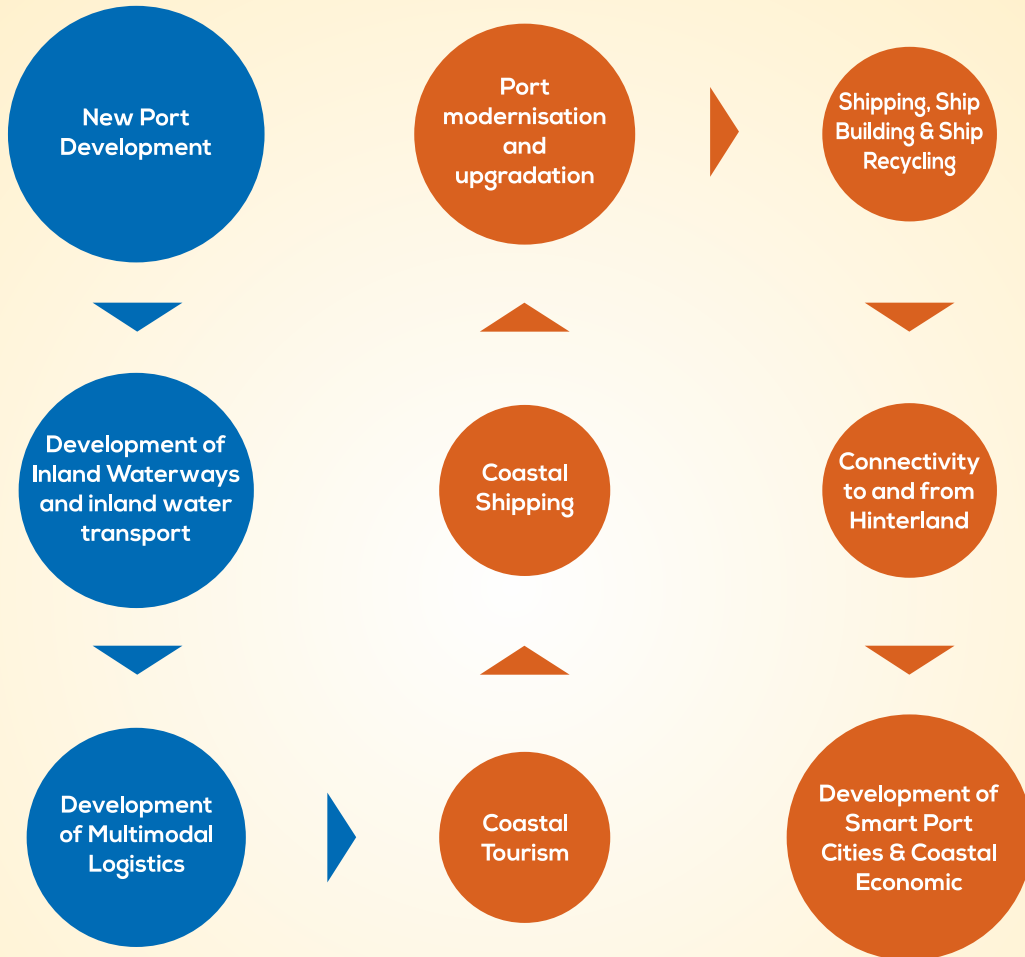




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## Areas identified for investments

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**SAGARMALA**  
PORT-LED PROSPERITY

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