

Standing Committee Report Summary

Promotion of infrastructure in India's Maritime Sector

- The Standing Committee on Transport, Tourism and Culture (Chair: Mr. T.G. Venkatesh) submitted its report on the Promotion of Infrastructure in India's Maritime Sector on August 4, 2021. The Committee examined the infrastructure of the Indian maritime sector. Key observations and recommendations of the Committee include:
- **Sagarmala Programme:** The Sagarmala Programme was launched by the central government in March 2015. It aims to reduce logistics cost for foreign and domestic trade, with minimal infrastructure investment. The programme includes: (i) reducing cost of transporting domestic cargo, (ii) optimising container movement, and (iii) improving export competitiveness. The Committee noted that since 2015, only 172 projects (worth Rs 88,000 crore) out of 802 projects (worth Rs 5.5 lakh crore) under the Sagarmala programme have been completed. To improve the speed of completing projects, the committee suggested increasing the fund utilisation.
- **Port Modernisation:** The Committee noted the lack of capacity at Indian ports to handle large cargo loads on account of increasing trade. To increase cargo handling capacity, the Committee recommended: (i) enhancing the minimum draft (minimum depth of water needed by a vessel for safe navigation) of Indian ports by dredging to handle larger vessels, and (ii) implementing modern cargo handling techniques for increased capacity at existing ports (especially for dry cargo).
- **Connectivity to Ports:** The Committee noted the lack of rail and road connectivity to ports. To improve connectivity to ports, the Committee recommended: (i) ensuring completion of all rail/road projects within the designated cost and timeline, (ii) conducting environmental impact assessment before releasing funds for connectivity projects to avoid project delays, (iii) finding logistical bottlenecks in the performance of all major and minor ports in the country, and (iv) linking private ports with major and minor ports for faster movement of goods.
- **Public Private Partnership (PPP) Projects:** The Committee noted the lack of private investment in the Indian shipping industry. To become more competitive with leading maritime nations, the Committee recommended: (i) rationalising taxes to attract foreign shipping companies, (ii) providing financing to private sector for modernisation of non-major ports, (iii) creating a specialised maritime fund for supporting inland waterway operations and vessel financing through PPP mode, and (iv) setting up a single window approval system for PPP projects.
- **Ship Repair Industry:** The Committee noted that 341 ships (out of 706) were repaired in private shipyards in 2018-19. Taking note of the negative impact of yard closures due to the COVID-19 pandemic on the ship repair industry, the Committee recommended: (i) supporting indigenous manufacturers of shipbuilding parts under Make in India campaign, (ii) granting deemed export status to ship repair industry, and (iii) developing programmes aimed at generating revenue and employment in the ship repair industry.
- **Promotion of Coastal Shipping:** The Committee noted the low contribution of waterways (6%) to freight movement in India in 2020-21. To enhance the role of waterways in moving freight, the Committee recommended promoting coastal shipping by: (i) developing dedicated coastal berths, fuel supply and storage facilities, and (ii) enhancing last mile connectivity to ports.
- **Maritime Training:** To enhance the quality and supply of maritime training in India, the Committee recommended: (i) carrying out a training need analysis for employees, keeping in mind the needs to operate port equipment, (ii) assessing the annual workforce requirement and formulating the approach to achieve the desired level, and (iii) establishing Centres for Coastal and Inland Maritime Technology in collaboration with IITs/ NITs/ IIMs to provide opportunities in applied research and development.

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