



"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 58

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



Capt. Gajanan Karanjikar, Blue Economy Social Activist & Multi Modal Logistics Expert

Blue Economy and Sagarmala (cont...)

While support for the blue economy agenda has been welcomed by a wide range of actors, there has been limited, if any, discussion on the financial viability, the environmental implications and social costs of pushing it. This is set to change now with the compilation of, perhaps, the first consolidated critique for the Indian context.

Port led development:

Industrialisation positively impacts per capita income and hence the prosperity of the region. However, for industrialisation to be competitive, it needs to have effective and efficient logistics. Proximity and/or adequate linkages to ports are important factors industry to be competitive. The



opportunity from pursuing port-led development is immense in India, as evident from a comparative analysis with China (Exhibit 3). China leads India by a factor of seven times to 16 times on the measured parameters.

Vision of the Sagarmala Programme is to reduce logistics cost and time for the movement of EXIM and domestic cargo. Development of port-proximate industrial capacities near the coast, in future, is a step in this direction. In this regard, the concepts of Coastal Economic Zones (CEZs), Coastal Economic Units (CEUs), Port-Linked Industrial & Maritime Clusters and Smart Industrial Port Cities have been introduced.

- Coastal Economic Zones (CEZs): CEZs could be spatial economic regions comprising of a group of coastal districts or districts with a strong linkage to the ports in that region. CEZs are also envisaged to tap synergies with the planned industrial corridor projects

EXHIBIT 3

Comparative impact of port-led development on economies of India and China

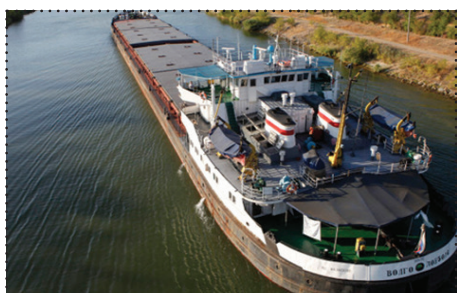
		India	China	China/India	
Size	Land mass (mn sq km)	3.3	9.6	3X	
	GDP (USD trillion)	1.9	9.2	5X	
Port-led development	Energy	Cost of energy (cents/kWh)	19	11	42%
		Electricity production (bn kWh)	1,000	5,000	5X
		Petchem crackers (number)	07	46	7X
	Materials	Steel production (mn tonne)	87	823	10X
Cement production (mn tonne)		280	2,480	9X	
Discrete Mfg	Container traffic (mn TEUs)	11	174	16X	
	Merchandise export (USD bn)	317	2,343	7X	
Services	Mobile subscribers (mn)	1,000	1,290	1X	
	Internet subscribers (mn)	354	659	2X	

- Coastal Economic Units (CEUs): CEUs will be specific industrial estate projects with a demarcated boundary similar to the DMIC nodes. The CEUs will house the industrial clusters / projects proposed within the CEZ.

Therefore, in the context of Sagarmala project, India could begin by creating one Shenzhen-style Coastal Economic Zone (CEZ) on its western coast and another on the eastern coast near deep-draft ports capable of accommodating very large and heavily loaded ships. To be successful, these zones would have to cover a large area (Shenzhen covers

2,050 square kilometres) and would have to have some existing infrastructure and economic activity. They would need to must provide a business-friendly ecosystem including ease of doing business, especially, ease of exporting and importing, swift decisions on applications for environmental clearances and speedy water and electricity connections. Apart from conventional infrastructure, the zones would need to create urban spaces to house local resident workforce. For firms that create a threshold level of direct employment (e.g., 50,000 jobs), a tax holiday for a pre-specified period may be considered.

Inland Waterways Authority of India takes up projects in South India



Ministry of Shipping waived waterway usage charges considering the Government of India's vision to promote inland waterways as a supplementary, eco-friendly and cheaper mode of transport. The charges are waived initially for three years

Ministry has taken up work for the first time beyond Ganges and Brahmaputra when they commenced work on dredging and setting up of floating terminals for development of Krishna river in Andhra Pradesh according to Port and Shipping ministry's official document.

The phase one of the National Waterways Project Four on river Krishna has been taken up by the ministry between Vijayawada and Mukitiyala. Ro Ro services for movement of both passengers and freight have been introduced between Ibrahimpattanam and Lingayapalam for transportation of construction materials

The Authority has commenced works on 10 new NWs

The Authority has commenced works on 10 new NWs declared under the National Waterways Act, 2016, but the document however did not mention the names of the rivers where the project will be taken up.

Cargo movement on National Waterways mostly in the Ganga and Brahmaputra rivers during was 73.61 Million Metric Tons during 2019-20 as against 72.3 Million Metric Tons during last year. The total cargo movement during April-September, 2020 is 30.38 Million Metric Tons, which is 16 per cent less than the corresponding period last year owing to COVID-19 induced restrictions.

To promote inland waterways Ministry of Shipping waived waterway usage charges

Ministry of Shipping waived waterway usage charges considering the Government of India's vision to promote inland waterways as a supplementary, eco-friendly and cheaper mode of transport. The charges are waived initially for three years. The decision is estimated to increase the inland waterway traffic movement to 110MMT in 2022-23 from 72MMT in 2019-20. It will benefit the economic activities and development in the region.

Major Inland Water Transport (IWT) projects are under construction in 2020-21 under the Jal Marg Vikas Project (JMVP) on National Waterway-1 (NW-1) (river Ganga) from Haldia to Varanasi

Under the JMVP being implemented with World Bank assistance, latest technological interventions are being introduced to overcome technical challenges. To support the 24x7 navigation, the digital solutions in the form of state-of-the-art River Information System (RIS) & Differential Global Positioning System (DGPS) is being implemented on NW-1.

Freight Village & Logistics Hubs are proposed to be developed adjacent to the Varanasi and Sahibganj MMTs to enable cargo aggregation & transshipment. Pre-investment works have been initiated for the Freight Village, Varanasi.

On National Waterway (NW-2) (River Brahmaputra), Ro-Ro service between Dhubri & Hathsingimari, Neamati & Kamlabari and Guwahati & North Assam is operational.