



Sagar Sandesh

Guiding Spirit to Shipping Industry

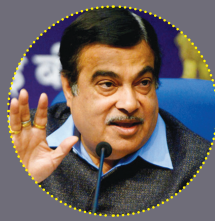
Maritime Tabloid English Weekly E-Paper

In association with R L Institute of Nautical Sciences, Madurai, Tamil Nadu. | RNI No. TNENG/2012/41759 | Wednesday, August 07, 2019 | Voyage 8 Wave 27



SHIPPING - 4

Shipping industry still in choppy waters: ...



LOGISTICS - 7

Transport Minister Nitin Gadkar assures that amendment...



EXIM - 9

Commerce Minister assures the IT industry ...



PORT - 10

Port of Antwerp's August Road Show ...

To the best of my knowledge, nowhere in the world, you could find major ports situated in such close proximity: S. Velumani

S.VELUMANI, Born on 23rd November 1952, is a Post-graduate in Chemistry. Had his collegiate education at St. Joseph's College, Tiruchirapalli, the grand old college older than University of Madras. Immediately after acquiring his PG degree, he had a brief stint of academic profession teaching Chemistry in Colleges for about 2.5 years.

He joined the Central Secretariat Service on being successful in the IAS etc Examination, 1975. From March 1977, as member of Central Secretariat Service served in various Ministries of Govt of India like Shipping, Petroleum & Natural Gas, Environment and Forests as Under Secretary, Deputy Secretary, Director, PS to Union Environment Minister

He worked as General Manager in charge of HR and Corporate Planning of Chennai Petroleum Corporation. He joined as Chairman cum Managing Director of Kamarajar Port Ltd, the only PSU in Port Sector.

During his Six and a half years innings as the Chief executive, Ennore Port saw a spectacular transformation as a multi cargo port having modern facilities to handle cargoes like Automobiles, POL, Iron Ore, Containers, Rail connectivity etc.

His vast experience in Shipping Sector over 16 years in the Ministry, 9 Years in Oil sector and 4 years in Environment and Forests at the top level had put him in good stead as the Chief of Kamarajar Port.



S.VELUMANI

Question Answer session with Mr S Velumani former Chairman of the Kamarajar port Ennore

Sagar Sandesh: Chennai was the lone port serving entire Southern India till about two decades ago. Now we have four ports in Chennai's vicinity vying for the same cargo and the same hinterland. How do you see the prospects for the four ports in near and Long term?

S Velumani: It is not four but five ports since we have to include Karaikal port also since this port in Central Tamil Nadu coast also shares the same hinterland though it is slightly away from Chennai.

It is true that Chennai was the only port for the entire Southern India while the cargo handling activities of ports like New Mangalore, Cochin and Visakhapatnam

were confined to small areas within the states of Kerala, Karnataka and Andhra Pradesh.

The trade requirement of the vast majority of South India's hinterland was taken care by the Chennai port.

Of the five ports, if you leave out Krishnapatnam and Karaikal, you are left with Chennai, Kamarajar (Ennore) and Katupalli ports situated in close proximity. In fact Kamarajar and Katupalli ports share the common boundary wall.

To the best of my knowledge, nowhere in the world, you could find major ports situated in such close proximity. Absolutely, there is no scope for three ports catering to the same hinterland. The three ports Chennai, Kamarajar-(Ennore) and Katupalli vying for the same cargo and

the same hinterland certainly do not augur well for the future of all the three ports.

Naturally a situation could build up where there will be survival of the fittest. The theory does not apply only to animal kingdoms. When competition among the three ports becomes brutal, the theory of survival of the fittest will come to operate among these ports too.

It is difficult to say as to which of three ports will pay the price immediately for the

severe competition at this point of time. Business strategies and plans to achieve them keep on changing and if these ports are going to adopt themselves to the emerging scenarios, that port will emerge as winner. Whichever port is going to take best advantage of the changing times will not only survive but flourish.

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Mumbai:

Mr Deepak Saindane
+91 99203 30976

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Ms Ranjani Kumar
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Editor speaks...

With reference to the competition that the three ports Chennai, Kamarajar (Ennore) and Katupalli ports, have to face efficiently, S.Velumani's perception is to the exact point: Whichever port is going to take best advantage of the changing times will not only survive but flourish. To take advantage of the changing times, the only primary thing required is efficiency. The word efficiency encompasses all the crucial facts of commerce. The focus on the customer and his needs must be the sole goal of the efficient administrator. Focusing on the customer means knowing his needs and also, more importantly, knowing the rivals who are watching the customer so closely that any lapse on the part of the company must be exploited to the advantage of the rival company. All customers demand attention to his business and any initiative that encourages and also enhances his business returns will be welcome by him. So, fault-free satisfaction of the customer is the only source of effective business relation. And ease of doing business is the cardinal point of fault-free satisfaction.

Now, the entire shipping industry is concerned with IMO2020 sulphur cap. It is certainly a keen expression

of social responsibility that desires and acts to promote environmental protection. All the shippers and shipping companies appear now getting ready to comply with the new regulations. Despite financial challenges and weak market scenario, the industry and the international bodies welcome the new regulations now. Of course, the companies know better how to go about so that the trade will remain vibrant.

Of course, Indian ministry has rightly described the present situation the industry is passing thru. Somebody said it long ago bringing out the essential fact of the shipping industry that too many vessels chase too little cargo. This cryptic statement hits the nail on its head. The sooner this imbalance is reduced, the better will it be for the industry; better for those dependent on this industry.

We have started a new feature called 'Blue Economy' by a very experienced expert from the industry. This will trace the past of the ships and their origin and development and come to deal with the issues that pose challenges to the shipping in general. We are sure you will enjoy its informative coverage of the topic.

Wishing you an interesting and informative reading, and with warm regards.

To the best of my knowledge,.. From Page -1

Sagar Sandesh: In this context, Whether the decision of the Shipping Ministry to permit Chennai port take over the equity of Kamarajar port Ennore instead of allowing the latter port to disinvest its equity is a wise decision from the standpoint of future growth of Kamarajar port?

SV: When Kamarajar port was conceived during the beginning of the century, its main cargo was thermal coal and iron ore which were diverted from Chennai port on environmental grounds.

The government adopted a different business model for Kamarajar port, as a Corporate Port under Landlord model different from the Port Trust model of Chennai. Kamarajar port operated with minimum manpower, maximum operational freedom and financial authority. It was supposed to do better than the Port trust model adopted in Chennai and other major ports of the country.

The new model proved that the government's expectations were not belied. For the past ten years or more, Kamarajar port has been paying handsome dividend to its promoters both Government of India and Chennai Port.

The Kamarajar port is a Board managed company with all the financial and operational powers vested with the board. This situation should not alter after the port becoming a subsidiary of Chennai port. The Kamarajar port should continue to be an independent board managed corporate entity in public sector. This may improve the finances of Chennai port and there is nothing wrong in that. But if the intention to is take over the total management control of Kamarajar port by Chennai, it would be better the port became an integral part of Chennai Port.

The Kamarajar port is a corporate entity and running it on Port Trust model by virtue of management control will not help both the ports. I would like to emphasize that the corporate character of the port should be retained and it should continue to operate as a board managed company.

Sagar Sandesh: Whether the virtual merger of

Kamarajar port with Chennai will consolidate the business of both the ports or accentuate the existing contradictions?

SV: My own personal view is that the coming together of both the ports will not help consolidation of business, but will only increase the already existing contradictions in terms of Work culture and management model.

As of now, the idea seems to be to retain the status of Kamarajar port as corporate entity while remaining as a subsidiary of Chennai Port. If this is going to be followed in letter and spirit without any dilution of Kamarajar port's management power for planning development and for conducting day to day operations, there should not be any problem.

Sagar Sandesh: While the Shipping Ministry favored the disinvestment of Kamarajar port two years ago, Niti Ayog decided that the equity of the port be sold to Chennai port. Whether the decision to disinvest would have been a better option for the future growth of Kamarajar port?

SV: The Shipping Ministry's earlier proposal to disinvest its stakes in Kamarajar port would have been a better option but for the limited purpose of raising resources for the government.

Disinvestment is a welcome proposal, but its timing is also equally important. The Kamarajar port is currently going through the second phase of project development. The port is yet to realize the goals of second phase of development. The port has the potential to develop an ultimate capacity of 120 million tons per annum.

Hence the timing for disinvestment of the port would have been better if it was undertaken after both the container terminals of the port are commissioned and not at this stage. Disinvestment at this stage is like killing the duck that lays the golden egg. If privatization is attempted at this stage, the long term loser will be the government of not getting a fair price for the investment.

(To be continued...)

Centre readies 27 coal blocks for commercial mining



NEW DELHI
Sagar Sandesh News Service

Blocks to be auctioned in three tranches – 8th, 9th and 10th

The centre has decided to auction 27 coal blocks to private companies who can sell 25 per cent of the produce in the open market at a premium of 15 per cent over their bid price for winning these blocks. Rest of the coal is meant for captive consumption intended for iron & steel, cement, captive power plants.

Final allotments likely by November 11

Financial bidding are to be held between 10th October and 8th November while final allotments are likely to happen by November 11 according to the timeline prepared by the centre.

Blocks would be auctioned in three tranches – 8th, 9th and 10th. Under the 8th tranche, 20 blocks are on offer and it is for iron & steel, cement and captive power plants, excluding steel makers using coking coal.

Under the 8th Tranche, the centre is offering a total of 20 blocks, 10 blocks from Maharashtra, four each from Chhattisgarh and West Bengal. One each are from Jharkhand and Madhya Pradesh

The 9th Tranche of blocks on offer includes 6 blocks for iron and steel producers only. Under this tranche the centre has offered 5 blocks from Jharkhand and from Madhya Pradesh.

Last year, the centre had floated tenders for auctions blocks for commercial mining under Tranche 6 and 7. However, these were cancelled as bidder wanted more time and elections were nearing.

The 10th Tranche is for a single block meant for iron & steel, cement and captive power plants, excluding steel makers using coking coal. The centre has offered only one block from Odisha under this tranche.

Last year, the centre had floated tenders for auctions blocks for commercial mining under Tranche 6 and 7. However, these were cancelled as bidder wanted more time and elections were nearing.

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In association with R.I. Institute of Nautical Sciences, Madurai, Tamil Nadu.

Mumbai Office
217, Secands Road, Unique Industrial Estate, off Veer Savarkar Marg,
Bombay Dyeing Compound, Prabhadevi, Mumbai - 400025
Ph: 022 - 24211583 / 24210193. Fax: 022 - 2421 2149

Chennai Office
No.6, Ground Floor, Nungambakkam First Lane (Opp. Regional Office, Indian Oil Corporation), Nungambakkam High Road, Chennai - 600 034
Ph: 044-42664408 / Mob: +91 72000 84866

Admin. Office
21 "LAKSHMI", Sathya Sai Nagar, Madurai-625 003. Ph : 0452 437 8300 / +91 72000 84864

EDITOR & PUBLISHER : **Dr R Lakshmipathy**
EXECUTIVE EDITOR : **Dr G.R. Balakrishnan**, M.A Phd.,
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**SHIPPING - 4**

Threat of Indian ports becoming feeder ...

**LOGISTICS - 7**

India at the forefront in Climate Change dialogue at ...

**EXIM - 9**

Economic growth means "more money in ...

**PORT - 10**

Adani Ports keen on building Port at ...

15th Aug 2019
73rd



Happy

Independence

Day

Sagar Sandesh

The new ports which face no evacuation issues have gained at the expense of Chennai and Kamarajar ports: S. Velumani



S. Velumani

(Interview Continued)

Sagar Sandesh: While the cargo volumes at Chennai port has stabilized at around 45 million tons, other ports in the vicinity are also doing volumes in range of 30 to 45 million tons. The trend only means that the new ports have not taken away Chennai's traffic but new volumes are being created from the same hinterland. While the Container volumes handled at Katupalli and Krishnapatnam are growing, the volumes of Chennai port remains virtually static may be a marginal increase in the last few years. How do you explain the situation?

S. Velumani: If you study the connectivity issues of the three ports, what has happened, is that the last mile connectivity for Chennai and Kamarajar ports is not yet fully established. In fact both the ports suffer from transport bottlenecks for the past two decades.

Efforts to relieve the problem were made through the proposed execution of projects like Chennai Port Maduravoyal Elevated Corridor, Ennore-Manali Road Improvement Program (EMRIP) and North Port Access road in respect of Kamarajar port.

While EMRIP saw the light of the day after ten long years, other two projects are yet to take off. EMRIP alone will not address the evacuation problems of both Chennai and Kamarajar ports since it did not provide the last mile connectivity ie access to the Port Gates.



Ennore-Manali Road

The other new ports which are situated far away from Chennai city and therefore face no evacuation issues have gained at the expense of Chennai and Kamarajar

ports. This is the reality why volumes are increasing at the new ports.

But once these infra projects are commissioned say in three to four years Chennai and Kamarajar port will be better placed in terms of cargo aggregation as well as evacuation. But in the bargain, these port lose their customer base, it will be difficult to retrieve them for the simple reason that the competing ports Katupalli and Krishnapatnam are in the private sector.

Sagar Sandesh: The evacuation problem for Kamarajar port at present appears to be not that serious as Chennai port since the port itself is situated away from the city and has good rail connectivity besides pipelines to carry POL and conveyor belts to carry coal to nearby thermal stations. But if infra projects like North Port Access road are indefinitely delayed, then the port may face the same problem like Chennai? What is your take on the issue?

SV: There is no issue for evacuation of bulk cargo like Coal or petroleum products or Liquefied Natural Gas (LNG) from the port since there are conveyor belts to carry coal to nearby thermal plants, pipelines to carry petroleum products and crude besides good rail connectivity from the port for other cargo.

But Kamarajar port is becoming a multi cargo port handling automobiles and containers. In addition, the nearby Katupalli also has container terminal.

The Access road to both the ports is common, a narrow two lane road, up to five kilometer distance from the Port to National Highways five. The road is now being developed to four lane high way. I do not know whether the project work has been completed.

The road needs to be developed as an eight lane Expressway from Vallur Junction to Kamarajar port gate then on to Katupalli port. The early completion of North Port Access road assumes importance as this will help quick evacuation of cargo from both Kamarajar and Katupalli ports.

Sagar Sandesh: Coal continues to be the main cargo for Kamarajar port and infrastructure in the port is largely designed for the purpose. But coal consumption by thermal plants in North Tamil Nadu is coming down over the years. Coal handling by the port has come to 30 million tons in FY 2017 against 32.2 million tons in 2016. With the increased dependence on cheap and clean non conventional energy sources like Wind and solar energy by states like Tamil Nadu, dependence on power from thermal plants is likely to come down. Has the time come for Kamarajar port to diversify its cargo mix to meet the possible shortfall in coal handling by the port?

20 Gujarat Fishermen feared dead in Mid Sea owing to rough Monsoon weather



Ahmedabad
Sagar Sandesh News Service

At least 20 fishermen are feared dead after their boats capsized in the sea off Dwarka and Porbandar coasts in the rough weather caused by the monsoon in North Gujarat according to local police.

Their boats are believed to have capsized due to heavy rain during the weekend and the bodies started washing ashore at different locations since August 12th.

Six boats from Rupen port in Dwarka left for fishing flouting the ban

The police said six boats from Rupen port in Dwarka had left for fishing last week

flouting the two-month ban in the wake of rough weather caused by the monsoon. Fourteen fishermen managed to swim through and reached different shores.

Bodies of seven fishermen have been found off the Porbandar coast. The eighth body was found near Rupen port on August 13th, the police said while 88 fishermen have been rescued since August 10th

The Coast Guard and the state marine police teams have been looking for the missing fishermen.

The state meteorological department had issued warnings for fishermen asking them not to venture into the sea over the weekend in the wake of forecast of heavy rain.

The new ports which face ...

From Page -1

SV: The initial plan of the shipping ministry was to develop the port as an Energy port. Coal berths were set up to meet the requirements of thermal stations run by Tamil Nadu Electricity board.

Initially the port was catering to coal requirements of around 2000 MW capacity created in the vicinity. Now thermal capacity itself has gone up to more than 4500 MW. Two more berths were created to meet the demand for coal.

Another berth has also created to handle non TNEB coal. Initially the port has catering to the requirements of Mettur thermal plant as well. I am told that coal handling for Mettur thermal plant has since been diverted to Karaikal port. These diversions notwithstanding the core demand for coal will remain for the port.

But I do not foresee the possibility of existing coal berths in the Port being under-utilized.

Sagar Sandesh: The Shipping Ministry was planning to set up a Mega size Shipyard of international standards at Kamarajar Port way back in 2007. But Larsen and Toubro upstaged you and took over Katupalli port to run a shipyard as well as a commercial port. Can you tell us how the Ministry's project fell through?

SV: The initial plan of the Shipping Ministry was not to create one more port at Katupalli but to use the infrastructure available near Kamarajar port to develop an international standard Ship Yard at Katupalli in the public sector under the aegis of the port. The Ministry felt that the existing infrastructure at Kamarajar port was adequate to set up a Mega Shipyard.

The port thereafter started doing the ground work for the ship yard project. It called for expression of interest and qualified firms were shortlisted. Incidentally Larsen and Toubro was one of the shortlisted firms. But before the project could take off, Tamil Nadu government, which owns the adjacent land to Kamarajar Port at Katupalli had a different plan.

The state government intended to develop a port as well as a shipyard and handed it over to the private sector. The ministry therefore has to drop the proposal.

Katupalli port has the same infrastructure as a major port in terms of size and port infrastructure though it is technically described as a Minor port.

(To be continued...)

A 33-year old Jharkhand farmer creates a low-cost tractor from scooter scrap

NEW DELHI
Sagar Sandesh News Service

Bright, innovative and perseverant minds are found not just in startups, but they reside in India's hinterland as well. One such example is thirty-three-year-old Mahesh Karmali, a local inhabitant of Uncha Ghana village in Bishnugarh near Hazaribagh in Jharkhand, who literally proved that survival is the mother of innovations.

Karmali managed to design a low-cost tractor to plough his 12-kattah farmland. And that too from the scrap of an old Bajaj Chetak scooter which is bought from his friend's garage for Rs 4,251. An elementary school drop-out Karmali then named his innovation 'Power Tiller'.

Worked as a mechanic in Bajaj showroom about 7 years

"I used to work as a mechanic in Bajaj showroom for about seven years and that knowledge helped me a lot in developing this tractor. It took me three days to design this new machine," Karmali told ETAuto.

Before taking up farming, he was working as a mechanic in a Bajaj Auto Showroom at Pune in Maharashtra. However, due to some financial problems, he quit that job and decided to work on farms to help his family.

His Rs 12,000 tractor ploughs 8,640 sq ft at the expense of 2.5 litres of petrol only

Highlighting the efficiency of the tractor, he said that he has spent Rs 12,000 on transforming the scooter which now ploughs 8,640 sq ft at the expense of 2.5 litres of petrol only. Comparatively, this is cheaper and more efficient than a conventional tractor, he underlined.

Future plan; heavy-duty plougher for harvesting also

In the pilot stage, one has to walk along with the machine while ploughing. But Karmali is planning



Mahesh Karmali

to bring in more bigger and powerful version of Power Tiller by next year where he will be able to sit on the vehicle. "Just like tractors one will be able to ride on it. Additionally, the modified model will not only be a heavy-duty plougher, but it will also be used for harvesting crops and cutting and suppressing of weeds on the frame," he explained.

Lots of order for his Power Tiller; seeks financial support for a workshop

Going forth, Karmali aspires to open an engineering workshop to produce other low-cost variants of agri-machinery for his fellow farmers. "I started receiving lots of orders from my neighbors for Power Tiller ever since I started ploughing my farm. However, to build such machines in bulk I need drilling, cutting and welding tools which require a collective investment of Rs 3-4 lakh. Currently, I am eagerly looking for some financial support which can help me establish a workshop where I can design these vehicles," he added.

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Mumbai Office
217, Secands Road, Unique Industrial Estate, off Veer Savarkar Marg, Bombay Dyeing Compound, Prabhadevi, Mumbai - 400025
Ph: 022 - 24211583 / 24210193. Fax: 022 - 2421 2149

Chennai Office
No.6, Ground Floor, Nungambakkam First Lane (Opp. Regional Office, Indian Oil Corporation), Nungambakkam High Road, Chennai - 600 034
Ph: 044-42664408 / Mob: +91 72000 84866

Admin. Office
21 "LAKSHMI", Sathya Sai Nagar, Madurai-625 003. Ph: 0452 437 8300 / +91 72000 84864

EDITOR & PUBLISHER : **Dr R Lakshmipathy**
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SHIPPING - 4

MoS lists key achievements of July 2019



LOGISTICS - 7

The common human had only one echo ...



EXIM - 9

India, China no longer 'Developing Nations', ...



PORT - 10

Common user empty container yard ...

Relaxation of cabotage laws to permit foreign flag carriers to move coastal cargo will help movement of goods from the east coast.



S. Velumani

(Interview Continued)

Sagar Sandesh: Environmental damage to the Ennore Creek has been a constant issue since the Ennore port and nearby thermal stations came into existence since 2001. Now the nearby Katupalli port run by the Adanis is planning to set up a Mega Port Complex with 350 million ton cargo handling capacity. Environmentalists and the local fishing community are up in arms against giving environment clearance for the project. Will the proposed Mega port complex be environmentally sustainable?

S Velumani: The 350 million ton capacity target is set by the Katupalli port for a Mega port complex. The ports in the region handling 35 to 50 million tons per annum is a mind boggling figure. If the project is commissioned the total cargo handling volumes in the region will go up to eight hundred million tons. I really do not know whether there is need for creating such huge capacity.

Secondly the carrying capacity of such a huge project needs to be studied from environment angle. Its impact on environment, eco system, shore line and navigational safety needs to be studied by experts. The project's impact on Pulicat Lake, a rare marine gift to the eco system in Tamil Nadu Andhra Pradesh border also needs to be examined.

Navigational Safety needs to be studied in depth since as many as 20,000 ships are likely to sail into these ports annually once this project is commissioned. It will not be prudent to clear the project unless these aspects are looked into.

SS: It took nearly two decades for the state owned Indian Oil Corporation to commission the LNG terminal at Ennore. But its five million ton capacity is not fully utilized since the cross country pipelines to Tuticorin and Bengaluru are yet to be laid. Should not IOC have taken up pipeline laying work along with the commissioning of the LNG terminal?

SV: When Madras Refinery was planned in the late 1960's, work on the fifteen kilometer pipeline to connect the refinery from Bharathi docks in Chennai port was taken up simultaneously. When the refinery was commissioned the pipeline was in place ready to evacuate the products from the port to the refinery.

Work on the LNG terminal was taken up four years ago. Time was sufficient to lay the pipeline from Ennore to Tuticorin so that the five million ton capacity of the terminal is fully utilized. The delay in commissioning the pipeline only shows lack of planning and execution of the project.

SS: Consumption of petroleum products is increasing in southern parts of country. Consumption in Tamil Nadu alone is round 24 million tons per year and is being met from Chennai and Narimanam Refineries whose combined capacity is less than ten million tons. Since you did have stints in Chennai Petroleum Corporation, can you tell us the problems that came in the way of implementing a second full fledged refinery at Narimanam?

SV: A new Grass-root Refinery of six million ton capacity was planned at Narimanam in Central Tamil Nadu coast was planned way back in late 1990's. It is surprising that the project is yet to see the light of the day, even though according to available information, IOC is still vigorously pursuing the project. The Corporation's board has cleared the

project a few years ago. The delay in execution only shows lack of will on the part of the Oil marketing company to implement development projects in this part of the country.

The fact that IOC is still pursuing the project shows they have not yet jettisoned the project. There is adequate demand for petroleum products in Central and South Tamil Nadu which this proposed grass root refinery could cater to.

Summary (of the previous issues) of the interview with Mr S Velumani, former Chairman of Kamarajar Port, Ennore

There is no scope for three ports Chennai Kamarajar (Ennore) and Kattupalli, vying for the same cargo and catering to the same hinterland to flourish. Nowhere in the world, we have a situation where three ports are located in such close proximity, and this trend did not augur well for the future of the three ports.

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Mr Deepak Saindane
+91 99203 30976

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Ms Anjana Sai
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Ms Ranjani Kumar
+91 98846 62852

Bengaluru:

Mr Mukesh Chakraborty
+91 96202 33277

Ms Sabiha Shaikh
+91 82918 91713

Cochin:

Mr Binoy Jose
+91 99477 78270

Kolkata:

Mr Anjan Roy
+91 98748 13382

Pune:

Mr Indrajeet Patil
+91 91676 64553

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Kamarajar port observes Independence Day



Independence Day celebrations at Kamarajar Port

The Nation's 73rd Independence Day was celebrated at Kamarajar Port on August 15th Mr P. Raveendran, Chairman-cum-Managing Director unfurled the National flag and delivered his speech on the occasion.

While addressing the gathering Mr Raveendran highlighted the important milestones achieved by the Port. He also distributed cash awards to the children of Port employees/CISF Personnel and Self Help Group Women deployed at Kamarajar Port for their performance in the academic year 2018 -19.

Senior Officials and Employees of KPL, Port users, School children and Public from nearby villages participated in large numbers.

Relaxation of cabotage laws to... From Page -1

Faced with the situation of brutal competition between the three ports, the theory of survival of the fittest will operate. Whichever Port, among them, took advantage of the changing situation in the shipping industry will not only survive but flourish.

On the recent decision of government to permit Chennai port take over the equity of Kamarajar port and making it its subsidiary he said instead of consolidating the strength of both the ports, it will lead to increasing the already existing contradictions in work culture and management model.

As of now the idea of Chennai Port administration seem to be keen on retaining the Corporate character of Kamarajar port even as the port remained a subsidiary of Chennai port. If this practice is going to be followed in letter and spirit without any dilution of Kamaraj port's management powers for planning and development of the port and for day to day operations, there should be no problem. Mere merger is not going to attract more cargo for both the Ports.

Kamarajar port is a Corporate entity and running it on Port Trust Model by virtue of management control to be exercised by the Chennai port, will not help both the Ports. The Ports' Corporate character should be retained and it should continue to be run like Board managed company as in the past.

The Ministry has developed as a different management model for Kamarajar port from the prevailing Port Trust model for other major ports of the country in the public sector.

Kamarajar port is a Corporate Port, a Board Managed Company with the CEO enjoying maximum freedom and financial authority. The model, did not belie the expectations of the shipping ministry since it is getting handsome dividend for the past ten years along with Chennai Port. Both jointly own the port.

Though the disinvestment of the port as per the original plan of Shipping Ministry would have been a better option than Chennai port buying the stakes of Kamarajar port, the timing is not ripe for disinvestment. Government will be the loser if it went in for disinvestment now for the earnings would not be adequate at present.

The Port is going through second phase of development and fruits of it, is yet to reach the balance sheet. Disinvestment could have been a better option if it was undertaken after the commissioning of the second phase of the Container Terminal.

On Chennai port losing cargo to private ports in the vicinity, he said Chennai and Kamarajar ports could have done well in increasing the volumes, provided they were not handicapped by the lack of last mile connectivity for the past two decades. The last mile connectivity for both the ports are yet to be fully established. Both the public sector ports have transport bottlenecks affecting cargo aggregation and evacuation.

Besides the infrastructure projects, conceived to tackle the problem have not seen the light of the day. The Ennore Manali Road Improvement Program (EMRIP) providing a dedicated road lane for container trailers operating in both the ports has been implemented, after a ten year delay. EMRIP alone did not provide last mile connectivity and access to Port Gates.

The other two major projects Chennai Port- Maduravoyal Elevated Corridor to provide infra for seamless movement of containers from Chennai port to the National Highway and North Port Access Road providing connectivity to Kamarajar port are yet to take off. The Private ports, both Katupalli and Krishnapatnam have gained at the expense of infrastructure inadequacy at Chennai and Kamarajar Ports.

The situation could improve once these infra projects are commissioned in the next three to four years. But if the public sector ports loses customer base, it would be difficult to retrieve them since the competitors are from the Private sector.

Unlike Chennai port, Kamarajar port is not facing evacuation problem for the existing bulk cargo at present. While thermal coal moves by conveyor belts to nearby thermal stations, the POL products are fed into the pipelines from the port to nearby refinery. The rail connectivity is good at the port and it handles rest of the bulk cargo.

Kamarajar port is however emerging as a multi-cargo port handling automobiles exports and container traffic in a big way and it needs a good road infrastructure to handle this traffic. The present access to the Port is a two lane road which needs to be upgraded to Eight lane Expressway at the earliest. Work is on upgrade the road to a four lane highway.

Besides the traffic from Kamarajar and Katupalli ports, the two lane road is taking care of movement requirements of Indian Oil Corporation's bottling plants and POL terminals of Oil Marketing companies.

Though there is some marginal reduction in coal traffic in Kamarajar port during the last two years, retention of the existing coal traffic by the Port should not pose a major problem in the coming years. The port has set up elaborate coal handling terminals to handle black fuel. According to his assessment the port will continue to feed coal to thermal plants of about 5000 MW capacity.

Kamarajar port has planned to set up a Mega Ship Yard Project to international standards and had even shortlisted firms after inviting Expression of Interest in 2007-08. But the project had to be given up since the Tamil Nadu government had different plans to set up a Port and a Ship yard at Katupalli. While the public sector effort failed, Larsen and Toubro put up the Port and the Shipyard.

Kamarajar port Ennore will have a new Chairman

CHENNAI
Sagar Sandesh News Bureau

The state owned Kamarajar port Ennore will have a full fledged Chairman after a span of three years when the Appointments Committee of the Union Cabinet approved the candidature of Mr Sunil Paliwal for the post.

Port without a full-fledged Chairman for past three years

The port was not having a full-fledged Chairman for the past three years since Mr Bhaskarcharya retired after superannuation. Chairman of Chennai port Mr P Raveendran was acting as the chairman of the Port.

Mr Sunil Paliwal is 1993 batch IAS official from the Tamil Nadu Cadre and Shipping Ministry had forwarded his candidature for the post of Chairman cum Managing Director of the Kamarajar Port to the Appointments Committee of the Union cabinet last week.

His tenure for five years or until further orders

His tenure will be for a period of five years from the date of assumption of charge of the port or until further orders, whichever is earlier, according to an official release.

The character of Kamarajar port has changed considerably during the last few months when Chennai port has acquired majority of the equity from the government of India and has since become its subsidiary. The port had an independent identity before as the only Corporate Port of the country and has been providing substantial dividend to the government.



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Mumbai Office
217, Secands Road, Unique Industrial Estate, off Veer Savarkar Marg,
Bombay Dyeing Compound, Prabhadevi, Mumbai - 400025
Ph: 022 - 24211583 / 24210193. Fax: 022 - 2421 2149

Chennai Office
No.6, Ground Floor, Nungambakkam First Lane (Opp. Regional Office, Indian Oil Corporation), Nungambakkam High Road, Chennai - 600 034
Ph: 044-42664408 / Mob: +91 72000 84866

Admin. Office
21 "LAKSHMI", Sathya Sai Nagar, Madurai-625 003. Ph : 0452 437 8300 / +91 72000 84864

EDITOR & PUBLISHER : **Dr R Lakshmipathy**
EXECUTIVE EDITOR : **Dr G.R. Balakrishnan**, M.A Phd.,
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SHIPPING - 4

Iran Says
Major
Waterways
Won't Be as ..



LOGISTICS - 7

Skill
Development
emphasized
at Colombo ...



EXIM - 9

India,
Zambia sign
6 pacts;
strengthen...



PORT - 10

VPT
launched
end-to-end
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The Sethu Ship Canal project had to be stopped midway in the wake of Supreme Court orders following public interest litigation

(Interview Continued)

Sagar Sandesh: Sethu Ship Canal project has been abandoned by the government midway even though Supreme court had asked the Shipping Ministry to find an alternative alignment for the project. Will the revival of the project help promote coastal shipping in southern parts of the country?

S. Velumani: The Sethu Ship Canal project had to be stopped midway in the wake of Supreme Court orders following public interest litigation. The project will go a long way to promote Indian Coastal Shipping from Kandla to Kolkata ports without having to circumnavigate Sri Lanka, a saving of nearly three day's voyage. The canal will ensure seamless movement of ships from East to West coast. It is more than ten years since the project has been languishing. It does not augur well for the Indian shipping sector particularly Coastal shipping.

SS: Tuticorin port in South Tamil Nadu has become virtually a feeder port since main line vessels have stopped calling at the port nearly 15 years ago due to lack of infrastructure in the port. The Outer harbor project was promised to the port way back in 2014 through both Union Cabinet and the Union budget.

SV: It is time that the ministry implemented the project in all earnestness. The port could be developed as a transshipment hub and Indian cargo need not have to depend on Colombo port for transshipment.

When the port project was conceived in 1960's, the central government held the view that the port proposal at Tuticorin was unviable. At the most the area could be developed as a fishing harbor was the center's contention then.

The then Tamil Nadu Chief Minister late Annadorai gave an assurance to the Centre that losses if any would be compensated by the state government. Consequent to the assurance a Major port was set up there. Now the port has become a profitable venture.



S. Velumani

While the Container terminals in the West Coast particularly JNPT and Mundra are over worked having achieved a capacity utilization of nearly 140 per cent, the terminals in the east coast are working to 40 per cent capacity.

Both these west coast ports have world class rail connectivity to industrial commercial and consuming centers in North India while the east coast ports have to share passenger railway tracks to move goods.

The east coast ports need world class rail connectivity to National capital region and central India. Otherwise the port capacity created in the east coast will become redundant and will not pay dividend to the nation.

Dedicated freight rail corridors should be constructed between Chennai and Delhi and Chennai and Mumbai without any further delay.

Relaxation of cabotage laws to permit foreign flag carriers to move coastal cargo will help movement of goods from the east coast.

SS: Coastal shipping has not taken off despite several concessions announced by the central government including construction of exclusive berths at major ports for coastal shipping and several concessions. Can you identify reasons

why the traffic is not picking up and what needs to be done?

SV: For coastal shipping to succeed in this country, you need to have seamless movement of ships in the shortest possible route to save freight. The purpose could be achieved only when

the government implemented the Sethu Ship canal project which will obviate the need for ships moving from west to east and vice versa to avoid circumnavigating Sri Lanka, a saving of about four hundred nautical miles and three days extra voyage.

(Continuation and final part of the summary)

On Katupalli port's proposal for setting up a 350 million ton Mega port complex, he said there was no need for setting up such huge capacity when the terminals in the vicinity were handling 40 per cent of their capacity.

Experts need to ascertain whether the Carrying Capacity for such huge capacity expansion from environment standpoint is available in the area.

The proposed project's impact on environment, eco system, shore line and Navigation safety needs detailed study. If this project is to be implemented, it would involve sailing of about 20,000 ships in a narrow corridor and hence the issue of navigational safety assumes importance. The project's impact on Pulicat lake, a rare marine eco system, nature's gift to Tamil Nadu and Andhra Pradesh also needs to be examined before environment ministry gives clearance to the project.

The LNG terminal put up by the Indian Oil Corporation at Kamarajar Port took nearly five years for commissioning and hence sufficient time was available to lay the cross country pipelines to evacuate Gas to Tuticorin and Bengaluru. The Pipeline laying project should have been taken up simultaneously along with the commissioning of the five million ton capacity terminal, so that the facility could have been fully utilized.

Tamil Nadu state's demand for petroleum products is estimated at 24 million tons per annum while the capacity of existing refineries in the state is around ten million tons.

The proposal for setting up a six million ton grass root refinery at Narimanam in Central Tamil Nadu coast was conceived way back in 1990's. IOC is vigorously pursuing the project, but there is no will to implement the project in this part of the country. The Corporation's board has cleared the project.

The Sethu Ship canal project to provide connectivity between east and west coast ports has been languishing for over ten years following a Supreme Court order based on a PIL petition. The delay does not augur well for the Indian Shipping industry particularly the coastal shipping

The Rs 12000 crore Outer Harbor project for VOC Port Tuticorin cleared by the Union Cabinet and the 2014 Union budget should be taken up by the ministry immediately to facilitate resumption of call by Main line vessels. The Port could be developed as a transshipment hub.

Coastal shipping in the country from Kandla to Kolkata Ports, along West and East coast will receive a boost if the work on Setu Ship Canal project is resumed and implemented. The project would facilitate seamless movement of Coastal ships through a short distance, without having to circumnavigate Sri Lanka. It results in saving of four hundred nautical miles and three days of extra sailings