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## Useful Links

Embassy of the Netherlands in India:  
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Consulate General of the Netherlands in Mumbai:  
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Sagarmala:  
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Ministry of Ports, Shipping and Waterways:  
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Inland Waterway Authority of India:  
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Indian Ports Association:  
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## Why this newsletter?

The Ministry of Infrastructure and Water Management of the Netherlands together with the Netherlands Governmental Network in India and RVO the Netherlands Enterprise Agency, have been actively promoting the maritime cooperation between the two countries for many years. The COVID Pandemic resulted in a standstill of business visits, official delegations and live seminars and forums. Virtual meetings came in place, such as the 4<sup>th</sup> Indo Dutch Port-led Development Forum which took place on 28 September 2020.

India also embraced the concept of virtual events, and in March 2021 the India Maritime Event was organized with the participation of a range of Dutch speakers. During this event India's Maritime Vision 2030 was presented and lots of new initiatives and investment projects were launched.

A hybrid event was organised in Mumbai at 22 October 2021 at the occasion of the visit of HNLMS Evertsen to India, with physical and virtual participation from India and the Netherlands.

The Ministry of Ports, Shipping and Waterways of India and the Ministry of Infrastructure and Water Management of the Netherlands are in the process of renewing the Memorandum of Understanding on Maritime Cooperation between the two countries, which will extend and partly renew the basis for active collaboration in this field.

The maximum involvement of Netherlands enterprises, organisations and institutions in this maritime cooperation is envisaged.

With this first Newsletter, the Ministry of Infrastructure and Water Management, the Netherlands Embassy and Consulates-General and NBSO's in India, have the intention to inform the Dutch maritime stakeholders about recent developments in India in the maritime field, the planned activities for the coming period, and the possibility to participate in the cooperation programme and events. The Newsletter is also an open invitation to readers to propose topics of interest for future activities.

The Newsletter is sent to the companies, organisations and institutions that have participated in recent maritime events, took part in business delegations and meetings, organized by the Dutch network in India.

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## Contents



The Newsletter presents the headlines of the Maritime India Vision 2030. This is the latest policy document for the maritime sector and contains the strategy for ports, shipping and waterways.

Over 150 initiatives are identified which should boost performance and productivity of the maritime sector.

The Maritime India Vision 2030 is a holistic approach and contains policy initiatives and reforms for furthering ease of doing business to creating modern infrastructure of global standards to ensure modern multimodal connectivity.

The full document can be downloaded via the following link:

<http://sagarmala.gov.in/sites/default/files/MIV%202030%20Report.pdf>

As an introduction to the vision, the Newsletter first presents an overview of India's Maritime Industry, as provided by the Ministry of Ports, Shipping and Waterways.

Recently, the Eastern Waterway Connectivity Transport Grid (EWaCTG) was launched. A special project office was established to develop a waterway grid to connect India with its neighbouring countries (notably Bangladesh, Nepal, Bhutan and Myanmar) and at the same time improving the connections with India's North eastern States. The EWaCTG concept is described in the Newsletter.

Other relevant developments in India are briefly described in addition.

The last part of this Newsletter deals with the Seminar on Ports Digitization that was held in Mumbai on 22 October, and following the first ideas about the maritime cooperation issues, including the intention to organize the 5<sup>th</sup> Indo-Dutch Port-led Development Forum in 2022, and the possibilities for the Dutch industry to submit ideas and to participate.

## Overview of India's Maritime Industry



The data presented here is supplied by the Ministry of Ports, Shipping and Waterways, and presented during the India Maritime Summit (2021).

India's Port sector comprises of 12 major and 200+ non-major ports along the 7,500 Km coastline and vast network of navigable waterways of 5,000 Km.

JNPT and Mundra Port rank #33 and #37 respectively, featuring in the list of top 40 global container ports.

Maritime routes contribute to 95% of the India's trade volume and 65% of the trade value.

The top 4 commodities, namely POL, coal, iron ore and containers contribute 90% of traffic volume. Traffic handled by Indian ports was 1.2 bn MT, which is anticipated to reach 2.5 bn MT by FY 2030.

Eight-fold increase in Major Ports capacity from 173 MTPA in Fiscal Year 1993-94 to 1,535 MTPA in Fiscal Year 2019-20.

A 19% growth (CAGR) in cargo volumes has been witnessed over the last 5 years for Inland Waterways.

PPP projects taken up in the maritime sector have been immensely successful, with 36 projects being operational with 358 MTPA capacity attracting approximately USD 3.87 billion investment, and 16 projects currently under implementation with 131 MTPA capacity and drawing ~USD 1.26 billion investment.

Operationalized Port Community System (PCS) is a centralized web-based platform interconnecting all Major Ports, enabling seamless data flow between various stakeholders through common interface.

40% reduction in average turnaround time with 25% increase in average ship berth-day output over last 5 years.

India's ranking in Trading Across Border (TAB) parameter of Ease of Doing business (EoDB) has improved 12 places from #80 to #68, owing to simplification and digitization of procedures.

India ranks #2 in ship recycling and #21 in ship building in the world.

India ranks amongst the top 5 countries for supplying trained manpower, with 17% growth in seafarers over the last 3 years.

35% growth in Indian cruise industry over the last 3 years.

## Maritime India Vision 2030



'Maritime India Vision (MIV) 2030 – taking India to Global Maritime Leadership', is a blueprint to ensure coordinated and accelerated growth of India's maritime sector in the next decade.

The vision has been formulated with over 350+ public and private sector stakeholders, comprising ports, shipyards, inland waterways, trade bodies and associations, national and international industry and legal experts

MIV 2030 identifies over 150 initiatives across 10 themes covering all the facets of the Indian maritime sector and is a comprehensive effort to define and meet national maritime objectives. These 10 key themes are considered to be essential for India to secure its place at the forefront of the Global Maritime Sector:

### 1. Develop best-in-class Port infra structure

Total traffic handled at Indian Ports rose from 885 MTPA in 2010-11 to 1300 MTPA in 2019-20. The 12 Major Indian Ports handled nearly 54 per cent of the total cargo in 2019-20 and have witnessed just about ~4% CAGR growth in overall cargo traffic over last 5 years. Given the evolving global shipping market and 10-year traffic projections across commodities and regional clusters, India needs to upgrade its port infrastructure to increase its market share.


MIV 2030 has identified key interventions across 4 areas: brownfield capacity augmentation; developing world-class Mega Ports; development of transshipment hub in Southern India; and infrastructure modernization.

### 2. Drive E2E Logistics Efficiency and Cost Competitiveness

The overall logistics cost in India is higher than best-in-class benchmarks, primarily as a result of larger hinterland distances and higher unit costs. Port land industrialization, a means to bring industries closer to ports has started

4 challenges resulting in high shipping logistics costs

#### Key focus areas

-  Cargo modal-shift and growth of coastal shipping
-  Reducing Cost of Doing Business (CoDB)
-  Improving port productivity and evacuation efficiency
-  Port-led Industrialization

35+ shipyards, 20+ shipyards currently operational



gaining traction with port based SEZ developed at JNPT and efforts across other ports. Sagarmala has outlined 200+ port connectivity projects to improve access to ports via road, rail, coastal & inland routes.

To be globally competitive, the India Ports must drive mechanization and adoption of technology to improve productivity and establish ancillary services (e.g., PGA nodal offices) within port premises to improve evacuation time.

Report outlines key interventions such as operational efficiency improvement, better evacuation, cost reduction, coastal shipping promotion and port land industrialization to drive competitiveness and efficiency.

### 3. Enhance Logistics Efficiency through Technology and Innovation

With an aim to achieve ~5% share in world exports, India's exports need to grow aggressively in next 5 to 10 years and it is imperative for Indian Ports to strengthen maritime capabilities and improve Ease of Doing Business (EoDB).

Key interventions identified to enhance efficiency include creation of a National Logistics Portal (Marine), functional processes digitalization across maritime stakeholders, Digital-led smart ports, and system-driven port performance monitoring.

### 4. Strengthen Policy and Institutional Framework to Support all Stakeholders

MIV 2030 has identified key interventions for improving governance mechanisms, amendments in existing legislatures, strengthening MCA, and promoting PPP, fiscal support, and financial resilience to enable overall sustainable growth of the sector.

### 5. Enhance Global Share in Ship Building, Repair and Recycling

Global downturn and rising competition have resulted in pressures on Indian ship building industry leading to a decline in its global share to <1%. While India is one of the market leaders in ship recycling, ship repairs is a very nascent market.

MIV 2030 has identified domestic demand channelization for ship building; development of common platforms for ancillary and marine design ecosystem; creation of ship repair clusters; and, promoting waste to wealth through increased scrap usage in Steel industry as key interventions to enhance the country's market share.

### 6. Enhance Cargo and Passenger Movement through Inland Waterways

India's modal share of freight moved on inland waterways has significant potential to improve compared to other best in class benchmarks. It is imperative to increase share of the country's inland waterways as they are highly economical and an eco-friendly mode of transport.

Key interventions identified to enhance passenger and cargo movement include terminal infrastructure and fairway development; fiscal and regulatory policies to encourage IW vessel operators and cargo owners; and promotion of Ro-Ro and ferry services in India.

### 7. Promote Ocean, Coastal and River Cruise Sector

The Indian cruise industry, though in its nascent stage, is growing at over ~35% due to multiple government interventions in the last 3 years. With global ocean cruise industry highly concentrated (80%+ share with top 3 players), attractive and stable policy framework is critical to attract global players to India.

Developing ocean, coastal, river and inland cruise hub

FY14

75K

passengers

125

ship-calls

FY20

468K

passengers

451

ship-calls

Over the next decade, the Indian cruise market has the potential to increase by 8X driven by rising demand and disposable incomes. However, to do so, India will have to focus on the development of infrastructure to unlock demand. Optimized development and phasing strategy are necessary for development of this sector.

Key interventions identified for development of cruise sector include terminal infrastructure development; theme-based coastal and island circuits; cruise training academies; island ecosystem development; and operationalization of ferry and river cruise terminals on National Waterways.

#### 8. Enhance India's Global stature and Maritime Co-operation

India's trade with the BIMSTEC nations has grown at an annual rate of 10%+. However, the geographical proximity and maritime connectivity offer an even higher potential for collaboration. With India being the largest BIMSTEC economy, the country needs to take a leadership position to drive cooperation and collaboration among the nations.

While multiple efforts are being undertaken to develop and strengthen connectivity (ferry, cruise, cargo) with neighbouring countries such as Bangladesh, Sri Lanka, Maldives, additional areas can be explored to further bolster maritime cooperation like strengthening permanent representation at IMO, common standards, and promoting "Resolve in India". Also, concerted efforts to drive collaboration with advanced maritime countries (such as the UK, US, Netherlands, etc.) are required.

#### 9. Lead the World in Safe, Sustainable & Green Maritime Sector

India has set a target to achieve 40% national energy through renewable sources by 2030. Indian Ports need to be in adherence with International Marine Organization's alignment to 9 UN SDG which includes obligations on safe, efficient and sustainable ports.

To reduce environmental pollution, Indian ports have started multiple initiatives such as driving solar and wind energy adoption, Swachh Bharat Abhiyan, Swachh Sagar portal for waste management, etc. Also, to ensure safe work environment, Indian ports are striving to introduce multiple safety measures to prevent accidents/ incidents.

In order to be in line with best in class practices, MIV 2030 has identified key interventions like increasing usage of renewable energy, reducing air emissions, optimizing water usage, improving solid waste management, Zero accident safety program, and centralized monitoring system identified to further bolster India towards leading the world in Safe, Sustainable and Green ports.

#### 10. Become Top Seafaring Nation with World Class Education, Research & Training

India currently contributes to 10-12% of world seafarers but is facing rising competition from other countries in South East Asia such as Philippines.

Key interventions have been identified for promoting Research & innovation, enhancement of Education & Training, development of conducive ecosystem for seafarers and port led capability development.

MIV 2030 envisions an overall investment of INR 3,00,000 – 3,50,000 Cr (~35 – 41 billion EURO) across ports, shipping, and inland waterways categories.

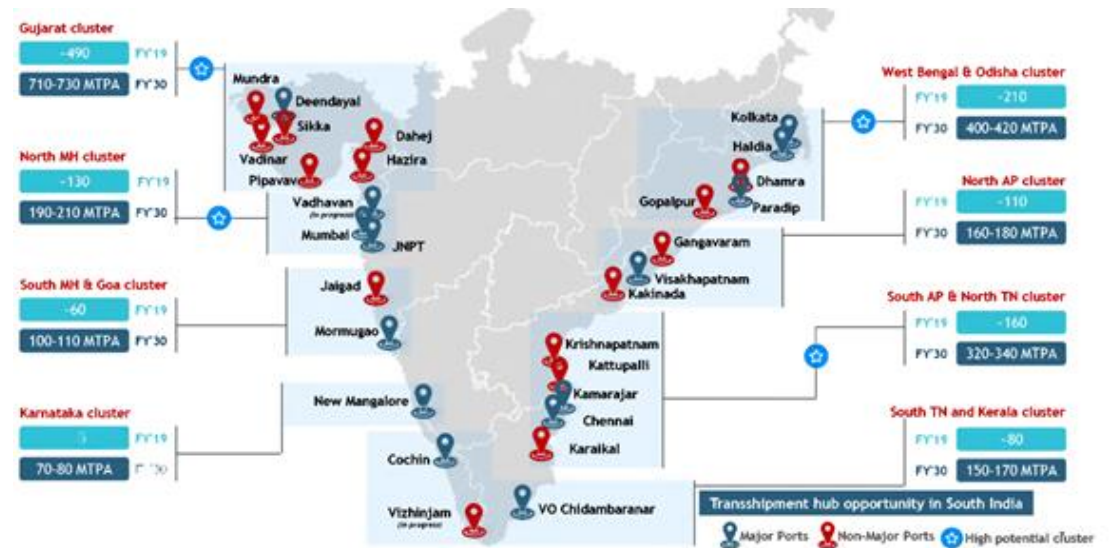
The 10 key areas offer ample opportunities for the Netherlands' maritime industry to participate, as a number of them concern key areas of expertise of the Dutch companies and institutions. The Indo-Dutch maritime cooperation programme

sector will take into account these priorities and will closely follow implementation steps.

In order to stimulate private sector involvement, a series of incentives for investment have been announced. The major ones are listed below.

- Up to 100% foreign direct investment allowed under automatic route for port development and ship building activities.
- Tax holiday of 10 consecutive years offered for infrastructure development in ports and inland waterways.
- Financial assistance amounting to 20% of contract price to Indian shipyards for contracts signed between 2016 and 2026, for promoting Indian shipbuilding industry.
- Exemptions in customs duty and central excise duty for inputs used in ship building and ship repair.
- Infrastructure status provided for ship building for facilitating domestic loans at competitive rates.
- Viability gap funding offerings for PPP projects, up to 40% of project cost.
- Port tariff discount offerings for coastal shipments.
- Special discounted rates for calling cruise vessels on Indian ports.

The more than 150 initiatives across Ports, Shipping and Waterways that are identified concern hundreds of projects. According to the Ministry, as many as 400 projects are ready for investors.



## Eastern Waterway Communication Transport Grid (EWaCTG)



The Ministry of Ports, Shipping and Waterways has set up a dedicated office for the development of the Eastern Grid Waterways in South Asia Region (SAR).

The EWaCTG project aims to provide seamless connectivity between National Waterway-1 (NW-1) and NW-2 through the Indo-Bangladesh Protocol (IBP) routes.

## 2030 IWT targets and impact

Key performance indicators	Current	Target (2030)
1 # of operational National waterways for Cargo and ferry movement	16	23
2 Annual cargo moved on National Waterways	73 MTPA	>200 MTPA
3 Modal share of inland cargo movement	2%	5%
4 Annual passengers moved by ferry operations	14 Cr.	70 Cr.

An economic corridor of 4,200 km of waterways and coastal shipping is developed for Uttar Pradesh, Bihar, Jharkhand, West Bengal and the North-Eastern states of India.

The aim is to pave the way for the regional integration of five countries — India, Nepal, Bhutan, Bangladesh and Myanmar — in the South Asian region.

The Grid builds on the existing network of Indo-Bangladesh Protocol Routes (IBP) - a series of waterways which India and Bangladesh can use as transit routes or to trade with each other. Currently, 10 IBP routes have been earmarked under the Indo-Bangladesh Protocol for Inland Water Transit and Trade.

India can transport goods to and from its isolated North-Eastern states far more quickly and cheaply than via the 'chicken's neck' - a narrow stretch of land that connects the north eastern states with the rest of the country - a long and arduous 1,600 km journey by road.

For landlocked countries as Nepal and Bhutan the primary focus would be how they could reduce the cost of logistics using the Eastern Grid and its extension with coastal as well as land connections.

The two countries can make use of the waterway systems of India and Bangladesh, even set up their own fleets, to better connect with ports for imports and exports of their goods.

With the cost of transporting bulk goods by water being just one fifth of that by road, the Eastern Waterways Grid will help spur trade in the eastern subcontinent. Despite sharing the fifth longest border in the world, the World Bank estimates that Indo-Bangladesh trade stands well below its \$10 billion potential.

Improved navigation will lead to the establishment of terminals, jetties, container depots and storage facilities along the waterways, creating new jobs, spurring the development of ancillary industries, and triggering the development of green economic zones on both sides of the border.

And once these inland waterways are linked with coastal shipping, new commercial corridors with Myanmar, Singapore and Thailand are likely to emerge, generating a chain of multiple impacts across the region.

Both India and Bangladesh are keen to take the Grid forward.

## Other relevant developments and programmes



India has set up several other dedicated programmes for the maritime sector, aiming at speeding up of developments in this sector and adding additional and innovative components to ongoing programmes.

A special policy has been announced for seacoast development: Sagartat Samudri Yojana.

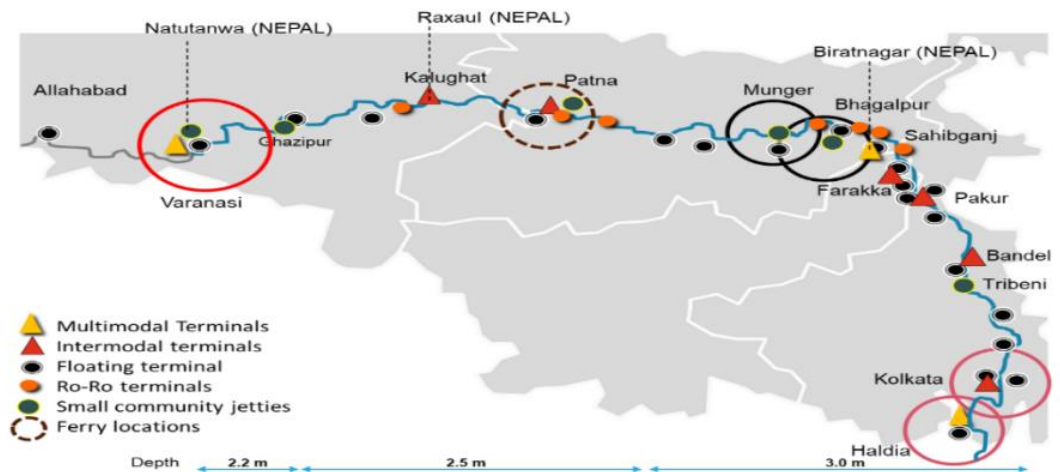
The main aim of the programme is to stimulate the setting up of industries along the seacoast. The Ministry of Ports, Shipping and Waterways Port stressed the need to develop entire 100-150 km area in the vicinity of ports. Next to the berth and terminal, issues like international border safety and rail road connectivity are linked, and industrialisation is associated. Industry players will be facilitated and encouraged to set up industries, industrial parks etc where the government can also take equity. About 225 projects have been identified under the programme.

In addition to the development of National Waterway-1, which is mainly looking at the investments in the waterway, traffic management, terminals and fleet, the Arth Ganga project was launched. Arth Ganga will channelize economic activity along the banks of Ganges River. The project aims at boosting economic development and inclusive growth for farmers, small traders and villagers along the waterway.

Almost half of the Indian population lives around the Ganges River belt. Moreover, of India's total freight, about 1/5th originates and 1/3rd terminates in the states around Ganges Belt.

The conceptualization of Arth Ganga was finalized to energize economic activities which will impact the overall ecosystem along the riverbank. Inland waterways are one of the most important pillars of Arth Ganga.

*Masterplan of Arth Ganga (source: IWAI)*



The project can lead to inclusive growth and play a key role in improving the livelihoods of the populations.

Arth Ganga is being developed on an approach based on principles of sustainable development model that focus on economic activities in and around the hinterland of River Ganga by providing opportunity to local communities to transport their goods / produce and passenger & tourist movements through waterways as well as skill development and public / private sector capability developments to support the following:

- Economic benefits to the farmers, traders and public living around the Ganga belt;
- Growth of small-scale industries;
- Employment opportunities;
- Easy, cost-effective and environment friendly transportation of cargo;
- Improved logistics through small jetties; and
- Wider choice of logistics mode for cargo movement.

The Inland Waterways Authority of India refers to Arth Ganga also as JMVP – II (Jal Marg Vikas Project – II), where JMVP – I is the original development project of National Waterway – 1 which started in 2014. A number of projects and tenders has already been launched by IWAI under JMVP – II. Via the link to IWAI's website, up-to-date information on projects and tenders can be found.

A similar holistic approach is also under development for National Waterway-2, the Brahmaputra (Mahabahu Brahmaputra). The programme was launched by Premier Modi earlier this year, and has an investment of 3,231.38 crore INR (approximately 375 million EURO). The 'Mahabahu-Brahmaputra' programme



aims at strengthening the water connectivity by Brahampurta water through port-led development.

## Seminar on Ports Digitization - Mumbai 22 Oct



In the framework of the bilateral Ports Forums series that started in 2018, the Consulate General of the Kingdom of the Netherlands in Mumbai organized a 'Seminar on Ports Digitization' in October 2021.

The seminar aimed to address the importance of enhancing digital solutions for operational and logistical efficiency within the Indian maritime sector.

This hybrid session coincided with the visit of HNLMS Evertsen to Mumbai, which was an opportunity to not only deepen the engagement in naval cooperation, but also in other maritime areas.

While addressing the participants from India and the Netherlands, who joined physically and virtually, Ambassador Marten van den Berg highlighted that innovation and digitization are important drivers in the maritime sector today. The Ambassador also mentioned that "The Netherlands has a wealth of experience and experts within the maritime sector for port and infrastructure development. We look forward to strengthen our existing partnerships and add value to Indian ambitions to maximize the potential of port operations".

Mr. Ashish Kumar Singh, Additional Chief Secretary - Ports & Transport, Government of Maharashtra, in his address suggested that digitization should be implemented across the value chain within the entire network of transport system and not just ports. "India has considered population as a dividend and during this technological shift, it is imperative that it remains relevant, efficient and competitive in the future" Mr. Singh added emphasizing on the potential impacts of digitization and setting the context for an engaging panel discussion.

The panel discussion on the topic of Ports Digitization emphasized that digital transformation in the maritime sector, permeating all elements of supply chain, is an absolute requisite and no longer an option. The discussion accentuated the acceleration of digitization in India by leveraging each other's fortes, and collaborating in strengthening our existing partnership.

### Key Take-away from the Seminar:

India is an emerging nation in port & infrastructure development, and it offers ample opportunities for synergies and partnerships.

- digital transformation isolated to ports will hamper overall logistical efficiency, India needs end-to-end supply chain digitization, integrating all trade stakeholders;
- infrastructure development should embrace digitization to handle increased traffic and cargo movement;
- technological advancements requires a highly skilled workforce. As shore-based jobs will upsurge, demand for world class education and training will continue to rise;
- skill development programmes to upskill ports workforce is crucial;
- further standardization of data exchange to enhance logistics efficiency, by way of collaborations amongst the stakeholders including government and commercial parties;

- digitization contributes to creating a safe and sustainable work environment for port workers with zero accident;
- digital integration in India necessitates indigenous expertise, and collaborations with local companies is vital.

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## Programme for Indo-Dutch maritime cooperation



Just before the outbreak of COVID, the State Visit of Majesty King Willem-Alexander and Her Majesty Queen Maxima to India took place end of 2019. The Royal Couple attended the 3<sup>rd</sup> Indo Dutch Port Forum in Mumbai. During the event Letters of Intent and Memorandums of Understanding were signed.

In Kerala the Conference on Maritime & Water Developments took place.

The 4<sup>th</sup> Indo Dutch Port-led Development Forum took place on 28 September 2020 and was a virtual event. The port forum was a logical follow-up of the previous ones and contained further deepening of the cooperation issues, and several new items were added. And the recent Seminar on Ports Digitization of 22 October 2021 is described before.

A 5<sup>th</sup> forum is planned to take place in 2022 where attention will be given to priority issues from the Maritime India Vision 2030 which align with the Dutch interests in this sector. Also, an event may be organised focusing at the developments in the field of IWT, as this sector receives much attention and funding from the Federal and State governments.

The Memorandum of Understanding on Maritime Cooperation is in the process of prolongation and topics to include and cooperation mechanisms are currently discussed.

A preliminary list for areas to be included in upcoming events is listed below. Companies and organisations are invited to submit their ideas, and possible other areas to include, and specify their specific interest and plans in India. Identified areas of interest include port digitization, inland waterways transport, greening of transport and energy transition, shipbuilding & shipbreaking, maritime education, cruise and coastal shipping.

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