

# Taking India towards Global Maritime Leadership - Maritime India Vision (MIV) 2030 & Vision 2047

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MARITIME India Vision (MIV) 2030 and Vision 2047 are blueprint documents to accelerate the growth of our maritime sector over the next decade and during the 'Azadi ka Amrit Mahotsav' that the nation is celebrating for the next 25 years, when India completes its 100 years of Independence. Maritime India Vision 2030 was formulated by the Ministry of Ports, Shipping and Waterways with the objective of propelling India to the forefront of the Global Maritime Sector in the next decade. Detailed discussions involving 350+ stakeholders from all parts of the maritime sector viz. ports, shipyards, inland waterways, trade bodies & associations, ministry, legal experts, national and international industry experts were undertaken. Substantial deliberations and ideations running over more than 250 different brainstorming sessions, study of 100+ global benchmarks & best-in-class examples, and analysis of 50+ Acts and Laws (including state & environmental) have led to development of MIV 2030. Thus, this document is a culmination of extensive consultation and hard work done on part of all the stakeholders.

Further, the government is preparing a road-map for the next 25 years when India would complete its 100 years of Independence. Maritime Vision 2047 is a part of Vision 2047 document being prepared by the NITI Aayog under the direction of Hon'ble Prime Minister of India, Shri Narendra Modiji. It further bolsters our commitment to take Indian maritime sector to its heights and become the leading maritime nation in the world.

## Capacity & challenges

India augmented its capacity by over 65% across all Major Ports in the last 6 years. Of the total cargo handled at Indian ports, over 54% is handled at the country's 12 Major Ports. India has increased the modal share of cargo from 0.5% to 2% and has witnessed 19% year-on-year growth in cargo volumes for 5 years till 2020. India has over 5,000 km of navigable inland waterways under development. Globally, India ranks 2nd in ship recycling and 21st in shipbuilding. India is ranked amongst the top 5 countries supplying trained manpower, with 17% annual growth in seafarers.

However, there are still many challenges being faced by the Indian maritime sector today. Global vessel sizes have significantly increased in the last decade, and most mainliners typically prefer calling at ports with at least 18 m draft. To that end, the availability of adequate draft has become a crucial factor in attracting shipping lines for Indian ports. Stressed or stuck PPP projects along with ongoing disputes are another concern. Slow pace of technology adoption is hampering Indian ports meet global service quality benchmarks. Then lack of diversified revenue stream for Major Ports affects them offering competitive tariffs with respect to other international



competing ports. Further, water transport accounts for 6% of total freight movement in India in tonne km terms, of which inland waterways account for less than 1% of the modal share. However, share of water movement in domestic cargo transportation in top economies is very high - Japan 34%, Italy 28%, China 24% and US has 12% of domestic cargo transported through waterways. This situation in India has been due to limited infrastructure available, shortage of inland vessels and high cost of financing for procuring vessels in India.

On the shipping side, India has demonstrated strong shipbuilding capability in the past with several shipyards delivering good quality vessels globally. However, Indian shipyards are struggling currently against global downturn and competition. Indian flag vessel tonnage is ~12.7 m tonnes, pegging India at a global ranking of 17. Further, lack of infrastructure is hindering India's cruise tourism potential. All these shortcomings limit India's influence in maritime blocks and platforms.

## MIV 2030 a game changer

In order to overcome these challenges, a road-map in the form of MIV 2030 has been formulated.

Over 150 initiatives covering 515 key activities across 10 themes encompassing all the facets of maritime sector have been identified to form the building blocks for future of the Indian maritime sector. A detailed roadmap setting short-, medium- and long-term priorities has been set up in this Maritime Vision.

Focus areas across the sector have been delineated. For port sector, building world class port infrastructure and smart ports through brownfield capacity addition and infrastructure modernisation would be priority along with reducing logistics cost, enhancing multimodal shift, bringing in reforms and making the port sector more safe and sustainable. Similarly, for inland waterways and shipping sectors, focus would be on promoting coastal and inland transportation and making India a global power in shipbuilding and maritime education.

## Targets & ease of doing business

The key targets set under world class port infrastructure are to have at least 3 ports in India with capacity of more than 300 MTPA each. Increase the share of transhipment of Indian cargo through Indian ports to more than 75% from the current 25%. Increase share of cargo handled by private players at Major Ports to more than 85% and have at least 9 ports with draft of more than 18 metres. The draft Vision 2047 document further aims to build at least 12 ports with capacity more than 300 MTPA and 7 ports with capacity of 500 MTPA by 2047.

Implementation of initiatives under building world class infrastructure theme of MIV 2030 would require investments of more than Rs 1 lakh crore and will create

**Turn to page 10**

# Taking India towards Global Maritime Leadership

## From page 8

around 1 million jobs. These initiatives will further unlock revenue of more than Rs 70,000 crore for the Major Ports and will save around Rs 7,000 crore per year in cost for ex-im stakeholders.

Under the “**Developing Smart Ports to improve Ease of Doing Business**” theme, NLP Marine system is envisaged to address most of the challenges faced in the current system by providing a single window platform across maritime stakeholders including ports, shipping lines, regulatory bodies and service providers. Further, 50+ prioritised digital solutions / use-cases that will drive transformation of Major Ports to “Smart Ports” have been identified for implementation. EBS system is envisaged to develop a world class port ecosystem that is transparent, uses technology to achieve strategic business objectives and integrates seamlessly with prevalent systems and devices. High degree of manual interventions is a key challenge in the registration process for Indian flagged ships. To solve it, a unified ship e-registration portal for ease of vessel registration will be implemented.

### Reducing logistics costs & enabling multi-modal shift

The priority initiatives under the theme “Reducing logistics costs and enabling multi-modal shift” includes increase of modal share by increasing coastal shipping. Improvement of water-based transport share would lead to lowering of logistics costs for end-user industries as water-based transport is inherently cheaper than rail and road modes.

Unlocking additional sources for port revenue so that the tariffs at ports could be reduced is another priority area. Industrialisation through collaboration with various partners, upfront infrastructure and a dedicated investor cell would be promoted in port lands. Improving productivity and efficiency of port operations for reducing the logistics cost would be taken on high priority.

Another important key target is to bring Indian ports’ productivity in the top 10 by 2030. Bring down the vessel related charges at par with other international ports and improve productivity parameters to best-in-class at global levels. Implementation of these initiatives would require investment of more than Rs 45,000 crore and will lead to extra revenue of around Rs 10,000 crore for Major Ports, will reduce inventory holding cost for Indian industries to the tune of Rs 20,000 crore per year and will save around Rs 10,000 crore per year in transportation cost due to modal shift to waterways.

### Reforms

Under the priority initiatives under institutional, regulatory and legislative reforms for ports, MPA Act has already been enacted by Parliament and notified by the government. The Major Port Authorities Act, 2021 will usher in a new era for administration of Major Ports in India in which the Major Ports will contribute significantly to the economic growth and provide world class port infrastructure by adopting Landlord Model of development.

With respect to building safe, sustainable and green maritime sector, port authorities and operators face a number of challenges with respect to the role and impact of ports in sustainable development. The development

and adoption of internationally benchmarked HSE standards by the maritime sector globally has emphasised that an effective management system must not only encompass operational activities, but also establish safety, health and environmental objectives and procedures into each process. Best-in-class ports across the world have been actively promoting use of clean fuels across the ecosystem.

MIV 2030 identifies initiatives under building safe, sustainable and green maritime sector, which includes increasing renewable energy usage in ports, improving air quality by using clean fuels and other measures, and using innovative methods in dredging, usage of water and increase in green cover at the ports. Further, focus would be on making Major Ports accident-free and monitoring HSE KPIs on real-time basis. In order to be in line with best-in-class practices, MIV 2030 has identified key interventions like increasing usage of renewable energy, increasing green cover, reducing air emissions, optimising water usage, improving solid waste management, zero accident safety program etc. to further bolster India in leading the world in Safe, Sustainable and Green ports.

Draft Vision 2047 further pushes the targets set in MIV 2030, for example, MIV 2030 envisage 4 ports with LNG bunkering facilities by 2030 and Vision 2047 sets this target at 8. Also, Vision 2047 aims to build Hydrogen Hubs at 8 Indian ports for fuelling futuristic hydrogen-fuelled port vessels.

### In progress

Considerable progress has been made in the implementation of initiatives identified in MIV 2030 during the last calendar year i.e. 2021. Cumulatively, 208 initiatives were completed in Calendar Year 2021 across all Major Ports, which is about 22% of all initiatives identified for implementation across Major Ports by 2030. This, I think, is a very good start and we will put all efforts to maintain this momentum. Further, 504 initiatives are already initiated and under different stages of progress across the Major Ports.

MIV 2030 envisions an overall investment of Rs 3,00,000-3,50,000 crore across ports, shipping and inland waterways categories. This investment amount excludes projects already under implementation as part of Sagar-mala project. This vision roadmap is estimated to help unlock Rs 20,000+ crore worth of potential annual revenue for Indian ports. Further, it is expected to create an additional Rs 20,00,000+ jobs (direct and non-direct) in the Indian maritime sector.

The future of maritime sector in India is full of opportunities and, with the efforts from all the stakeholders, we would definitely establish India as a global maritime leader by 2030. Building on the foundations laid by MIV 2030, with higher targets set in Vision 2047, India will strengthen and consolidate its position and will be a dominant player in the global maritime sector.

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