



Shri Nitin Gadkari digitally flags off a consignment of steel cargo from Vizag Port through coastal shipping route

Says new era in transport will encourage industrial growth in the country

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The share of water based transport in modal mix to double by 2025 under Sagarmala

The Minister of Shipping, Road Transport & Highways, Water Resources, River Development & Ganga Rejuvenation Shri Nitin Gadkari digitally flagged off a consignment of 230,000 tonnes of steel cargo from Vizag port to Ahmedabad, Mumbai and Kochi through coastal shipping route today. Speaking on the occasion the Minister informed that Rastriya Ispat Nigam Ltd (RINL) was, till now, transporting its products to 22 stockyards through road and rail mode. Coastal transportation of these products will now help save 380 million tonne km of rail transportation per annum and bring down logistics costs, he said. This is especially significant since RINL has doubled its production capacity to 6.3 million tonnes per annum, and to cater to the increased volumes it is important to economize on transportation costs to be globally competitive. The Minister further urged all other manufactures to make use of coastal shipping for transporting goods as this can be a key enabler for reduction of logistics cost for domestic and EXIM trade of India.

Coastal movement has been on RINL's radar for a long time because of its proximity to the ports and to ease the pressure from the over optimized road and rail systems. RINL recently finalised a one year Multi Modal Transportation contract covering end to end logistics from plant at Visakhapatnam to its stockyards at Ahmedabad, Mumbai and Kochi. The Rs.75 crores annual contract has been awarded to the consortium led by M/s Shreyas Shipping & Logistics Ltd, Mumbai, a member of Transworld Group, Dubai. The contract involves taking delivery of material from plant, shifting by road to VPT or GPL, shipping the material by sea to a port near the stockyard and finally delivering the material to RINL Stockyard. The quantities expected to be transported are 90000 T, 75000 T and 60000 T to Ahmedabad, Mumbai and Kochi stockyards respectively.

Movement of cargo through coastal shipping has inherent advantages over land modes of transport such as road and rail as it is more cost effective, causes much less pollution, reduces congestion on land and can cater to huge parcel sizes. In view of this, Government of India has initiated several measures for promoting coastal movement. The Sagarmala project is one of the strategic and customer-oriented initiatives to modernize India's ports to augment coastal movement so that ports become drivers of economic growth. Globally countries such as China and Netherlands have achieved a modal share of 24% for coastal shipping and inland water navigation. Increasing the share of coastal shipping and inland navigation in the transport modal mix is one of the key objectives of the Sagarmala Project. Sagarmala programme envisages to double current share of coastal shipping in India's overall modal mix from 6% to 12% by 2025.

The Government has taken several steps to promote coastal shipping. Vishakhapatnam Port Trust has totally removed CHD levy on steel cargo from earlier 265% to boost shipment of steel cargo. 40% concession on vessel related and cargo related charges are applicable for such coastal movement. For coastal movement through RoRo vessels, 80% concession on vessel related and cargo related charges are applicable in Indian Ports. As a result of the efforts by the government, container tonnage has increased from 351276 DWT in 2015 to 654883 DWT as on 31st October 2017, a positive increase of 86%. 14 Indian flag container fleet with DWT of 31,846 have been added after the tax on bunker fuel for Indian flag container vessels was abolished in 2015. 21 projects worth Rs. 729.6 Cr have been provided financial assistance of Rs. 205 Cr under the Coastal Berth scheme in Sagarmala to promote the development of dedicated infrastructure for coastal shipping of goods and passengers across India's Major and Non-Major ports.

Shri Gadkari said that this new era of transport will give a boost to the economy, encourage industrial growth, create more employment and raise the GDP of the country.

Chaudhary Birendra Singh, Union Minister of Steel was also present at Vizag Port. He lauded the efforts of the Shipping Ministry in ensuring that ports and waterways ably support the transport requirements of the steel industry. He said that the growth of ports would help the steel industry immensely.

[Click here for Map of Rail Route of Vizag Port to Ahmedabad.](#)

