

# Sagaramala

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## Why does India need the Sagarmala project?

1. Less efficient ports: Approximately 95 % of India's merchandise trade (by volume) passes through sea ports. Operational efficiency of Indian ports has improved over the years but still lags behind the global average. Turnaround time (TAT) at major ports was approximately 2.5 days in 2018-19, whereas global average benchmark is 1-2 days. Some of the private sector ports in India like Mundra and Gangavaram have been able to achieve a turnaround time of around 2 days.
2. Last mile connectivity to the ports is one of the major constraints in smooth movement of cargo to/from the hinterland. Around 87% of Indian freight uses either road or rail for transportation of goods. A significant share of this cargo experiences "idle time" during its transit to the ports due to capacity constraints on highways and railway lines connecting ports to production and consumption centers.
3. Potential benefit of water ways: Although water-borne transport is much safer, cheaper and cleaner, compared to other modes of transportation, it accounts for less than 6% of India's modal split. By comparison, coastal and inland water transportation contribute to 47% of China's freight modal mix, while in Japan and US, this share is 34% and 12.4% respectively.



## Mode of Transportation Transportation Cost (Rs/Ton-Km)

1. Road 0-3.0
2. Rail 2-1.5
3. Waterways 1-1.2
4. Pipelines 1-0.15

the location of industries / manufacturing centres vis-à-vis the ports: While cost differential between India and China is not significant on a per tonne km basis, China still has a lower container exporting cost, than the cost in India, due to lower lead distances . Presence of major manufacturing and industrial zones in coastal regions in China, which were developed as part of the Port-Led Policy of the government is the main reason for lower lead distances

**Components of Sagarmala Programme are:**

- **Port Modernization & New Port Development:** Debottlenecking and capacity expansion of existing ports and development of new Greenfield ports
- **Port Connectivity Enhancement:** Enhancing the connectivity of the ports to the hinterland, optimizing cost and time of cargo movement through multi-modal logistics solutions including domestic waterways (inland water transport and coastal shipping)
- **Port-linked Industrialization:** Developing port-proximate industrial clusters and Coastal Economic Zones to reduce logistics cost and time of EXIM and domestic cargo
- **Coastal Community Development** Promoting sustainable development of coastal communities through skill development & livelihood generation activities, fisheries development, coastal tourism etc.
- **Coastal Shipping & Inland Waterways Transport** Impetus to move cargo through the sustainable and environment-friendly coastal and inland waterways mode.