

# *Sagarmala project: complexities and opportunities*

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*Abstract*---A robust maritime logistics with efficient port infrastructure can be a strong catalyst for economic development. Indian maritime sector is infested with no. of hurdles in relation to developmental, procedural & policy related challenges. We have studied about the Sagarmala project which is proposed by the government of India in the year 2015. It's a long term project which has a very high favorable outcome with a structured plan. We have looked into this project and thought about the few amendments that can be made for a more accurate work plan. It basically aims for the growth of the maritime sector by connecting six major ports of India for better trade and import export. Taking such a big step towards the development of import and export, there are some complexities that needs to be addressed. We have formulated some solutions for the complexities mentioned in the paper and also listed the opportunities which the Sagarmala project will create for the blue world. This will ensure the smooth and efficient working of the project with better outcome.

*Keywords: opportunities , complexities , infrastructure , Sagarmala*

## **1.INTRODUCTION**

The Sagarmala Project was an idea of National Democratic Alliance(NDA) Government under Atal Bihari Vajpayee in 2003 as an equivalent project to Golden Quadrilateral. The Government of India then carried forward the Sagarmala Programme in March 2015. According to the government, the port led development plan attempts to ' harness the potential of India's coastline and Inland Waterways'. It aims to transform the transport and logistics infrastructure of the country by cutting down on transport costs for commodities and accelerating port-led development. This coast based Programme proposes to increase India's GDP by 2% in next 20 years. It is customer oriented programme of near about \$130 billion investment initiative of government of India connecting up to 6+ mega ports, modernization of several dozen more ports, development of 14+ coastal economic zones and at least 29 coastal economic units, development of mines.

<b>S. No.</b>	<b>Project Theme</b>	<b>No. of Projects</b>	<b>Project Cost (Rs. Cr)</b>
1.	Port Modernisation	189	₹1,428,280 million (US\$22 billion or €19 billion)
2.	Connectivity Enhancement	170	₹2,305,760 million (US\$36 billion or €30 billion)
3.	Port-Linked Industrialisation	33	₹4,208,810 million (US\$66 billion or €55 billion)
4.	Coastal Community Development	23	₹42,160 million (US\$660 million or €550 million)
	Total	415	₹7,985,000 million (US\$130 billion or €100 billion)

**Table 1:**Key features of the programme and their expected budget

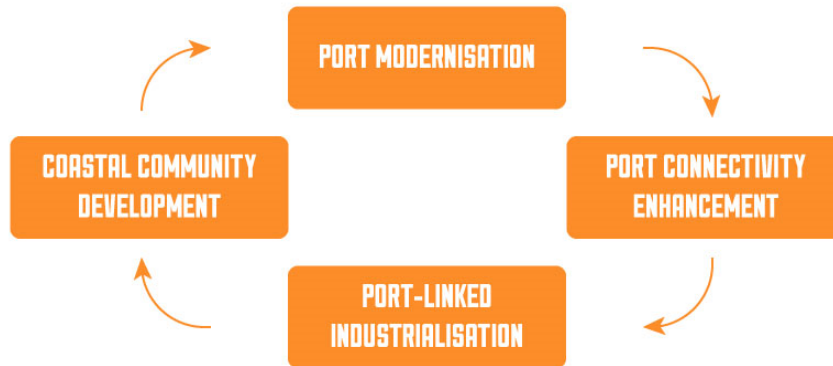
government has also opened a forum in which investors are welcome to come up with there ideas and if the government finds those ideas suitable then those will be inculcated into the project. Two such consultants- McKinsey & Company LTD and AECOM have submitted a report of about 397 projects to the government which has been finalized

S.No.	New Port Location	State	Present Status
1.	Sagar Island	West Bengal	Approval obtained for setting up Major Sea Port <a href="#">Sagar Port</a> at Sagar Island. DPR prepared. Viability being re-examined in view of announcement of new port <a href="#">Tajpur Port</a> at Tajpur by State Govt. of West Bengal.
2.	Paradip Outer Harbour	Odisha	DPR under preparation.
3.	Sirkhazi	Tamil Nadu	Techno Economic Feasibility Report(TEFR) prepared.
4.	Enayam	Tamil Nadu	In principle approval obtained for setting up Major Port at Enayam. DPR under preparation.
5.	Belikeri	Karnataka	Techno Economic Feasibility Report (TEFR) prepared.
6.	Vadhavan	Maharashtra	DPR under preparation.

**Table 2:** Six Mega ports planned for the project

## 1. MAIN WORK

### 2.1 Opportunities



**Figure 1.** 4 key pillars of the objective Source :- <http://www.makeinindia.com/article/-/v/developing-ports-sagarmala-project>

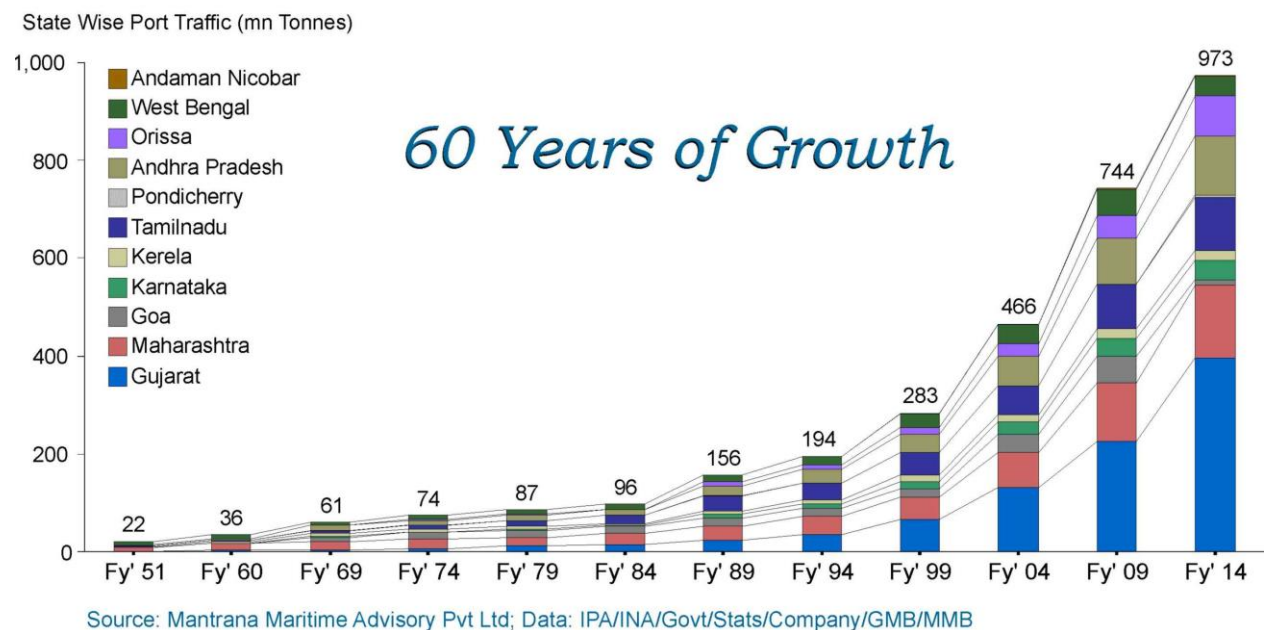
#### 2.1.1 Port modernisation and new port development

Under the Sagarmala project, the Government plans to develop 6 new ports across five coastal states of India. 189 projects with a projected cost of USD 21 Billion have been identified. Currently, 42 projects worth around USD 3.6 Billion are under implementation. This is likely to bring down operational costs for shipping lines for importers and exporters. Vizhinjam (Kerala) and Enayam (Tamil Nadu) have been identified for development due to their geographical reach to international shipping routes.

Figure 2. Source:- <https://www.chanakyaisacademy.com/blog/item/73-sagar-mala-initiative-port-led-development>

### 2.1.2 Boost to trade

As India is a developing country, expansion of trade is very vital for growth in economy. As mentioned above the GDP of the country is expected to increase by 2%. The trading sector will be the major contribution in doing this.



This is also an immense scope for reduction in transportation and logistics costs and boosting export competitiveness through developing port-proximate industrial clusters. This project will boost the import and export of the country as the transportation will be easy by connecting the six mega ports.

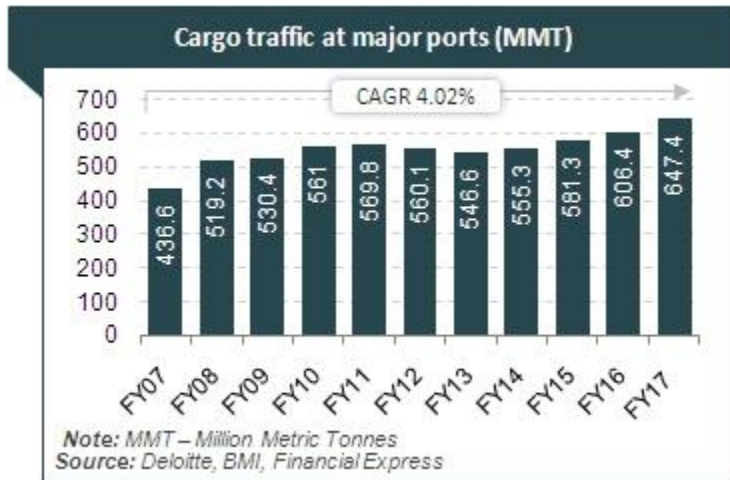


Figure 3: Source:- <http://www.ibef.org/industry/indian-ports-analysis-presentation>

### 2.1.3 Coastal community development

Coastal communities are important stakeholders of developmental activities within coastal regions. With 72 coastal districts hosting 18% population of India, the development of these communities becomes an integral aspect of overall socio-economic development of the country. Under the Sagarmala initiative, the plan is to involve these communities in the overall progress of the region. Skilling of coastal communities, livelihood enhancement and employment-creation opportunities are at the core of the Government’s agenda- a huge amount is projected as costs relating to skill development, cold chain development, fisheries, aquaculture, local tourism and recreational facilities. The development of marine fisheries sector is getting a push through creation of fishing harbours, fish processing centres and deep sea fishing vessels.

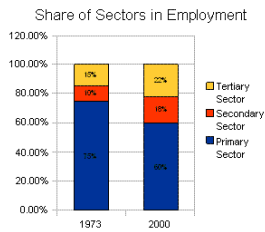
### 2.1.4 Port connectivity enhancement

Enhancing port connectivity is quite a challenge in India, where trade connectivity is mostly based on road and rail infrastructure. Considering that improved port connectivity can provide the much needed boost to internal trade as well as Export and Import, 170 port connectivity enhancement projects have been identified as a part of Sagarmala at a projected cost of USD 35 Billion.

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### 2.1.5 Increase in employment

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sagarmala project envisages unlocking the full potential of India’s coastline waterways through investments in logistics and various coast related infrastructure.

this not only the country’s economy receive a significant boost, it will also creation of thousands of jobs for youth in different sectors and specially in transport sector.

Figure 4 : unemployment in different sectors.

## 2.2 Complexities

### 2.2.1 Wastage of taxpayer’s money.

As Sagarmala project is one of its kind and the biggest infrastructure project in the history of india .With poor planning and improper execution. A large amount of taxpayers money is being wasted .With every penny wasted due to improper planning and execution the project is suffering shortage of funds leading to extention in time of completion of project and declining quality of construction . As corruption is the major enemy of construction work in India , it is also effecting the biggest infrastructure project in the country’s history. As the success of every project is measured in the terms of value for money and quality of construction . In the case of sagarmala project it doesn’t seems to be proving its worth on both benchmarks.

### 2.2.2 Conflicts between states

We have always seen that the politics in our country has done more harm to us than it has benefitted us . Sagarmala project is suffering the same political problem as any otherproject suffers in India .The conflict between centre and state has resulted in making the process of construction slow . As sagarmala project is spread across different states , so the central government is facing lots of difficulties in convincing different states for the completion of project.

### 2.2.3 Problems faced by coastal communities

Due to construction work along the ports many coastal communities have lost there historical background and no necessary steps have been taken for there revival . The people who used to live on port sides and there only source of livelihood was fishing and other sea related businesses have lost there livelihood and are forced to work as labours in big cities leaving there respectful lives. The projects plans about development of island and development of people on islands but no mentions about rehabilitation of the people on ports.

## **Conclusion**

Fast economic development can be achieved only by a robust infrastructure . This project cannot be viewed only as a path to economic development but also in other ways. Emergence of new centres will contribute substantially towards regional and balanced growth. This will save a lot in terms of turn around and transshipment delays. Further the most important aspect is long term strategic objective is enhance the maritime security concerns and develop a strong naval presence both merchant marine and Navy. This becomes essential as India is being looked as regional power for now and possibly a global power of future. Sagar Mala, supported by other infrastructure projects will go a long way to achieve the desired economic growth while securing the safety of our coasts and maritime interests. All the complexities needs to be addressed efficiently for achieving good results of opportunities.

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