

V.O.CHIDAMBARANAR PORT TRUST



Development of a New Major Port at Enayam in Tamilnadu

Brief Note

Development of Colachel Port in Tamilnadu Brief Note

Introduction

Container traffic in India has seen tremendous growth in the last decade. The traffic has grown by more than 10% CAGR. The traffic is expected to continue growing at this rate as the global economy recovers and India's GDP growth rate accelerates back to 7 – 8% YoY growth. The demand for container traffic can further accelerate if the plans for debottlenecking of logistic infrastructure are implemented in time and the 'Make in India' push drives greater exports and manufacturing outsourcing to India.

In order to support this accelerated cargo growth and also, to enable 'Make in India' initiatives, it will be important to plan additional capacities and drive greater port productivity. As of now, there are only a few ports in India that have sufficient draft and match global cargo handling efficiencies. This has resulted in a large percentage (~80%) of containers that originate from India to be trans-shipped in foreign ports such as Colombo, Singapore, Klang etc. This is leading to an economic loss to the extent of about Rs.1500crore revenues each year for the country and an economic dependence on foreign ports.

Hence, the Ministry of Shipping (GOI) took initiatives to identify a suitable site and assess the feasibility of developing a new container transshipment Port in the Southern Coast of India near Colachel at Kanyakumari District. The prime advantage of Colachel site is availability of deep waters closer to shoreline (20m depth at a distance of about a mile from the shoreline).

Initiatives by Government of India (Ministry of Shipping)

To rationally evolve Port development strategies to support the industrial growth in Tamilnadu, Ministry of Shipping re-activated the project in the year 2014 and got another Techno Economic Feasibility Report prepared by M/s.TYPSA-BCG, an International renowned Spanish Consultant for the development of Coalchel Port leveraging the availability of deeper depth closer to the shoreline. This Report was received in August, 2015. This report found that development of a deep Sea Port to handle larger Container vessels (18,000 TEUs) capacity with 16m draught is technically feasible.

In order to select the most optimal site for port development, an exhaustive study of the region has been conducted by the consultant and four potential sites have been selected for detail evaluation – Kanyakumari, Manavalakurichi, Colachel and Enayam given similar distances from the main line and similar draft availability.

Amongst the four options **Enayam** (westward to Coalchel) emerges as the best option on the basis of ease of construction and expansion, connectivity, environmental issues and maintenance overhead.

The Union Cabinet has accorded In-principle approval on 05.07.2016 for Development of a New Major Port at Enayam in Tamilnadu.

Preparation of Detailed Project Report

On submission of the Final Techno-Economic Feasibility Report, the Ministry of Shipping has decided to prepare the Detailed Project Report for Development of Colachel (at Enayam) by firming up and further developing the TEFRR. Under instructions from the Ministry, VOCPT initiated activities and selected TYPSA Consultants for preparation of DPR . The DPR is expected to be ready by the end of March, 2017. A separate study for Road and Rail Connectivity to the proposed Port has been entrusted to M/s.RITES Ltd by the Ministry.

Traffic Potential of Colachel Port

A detailed traffic modeling and analysis has been made to arrive the traffic estimates of Colachel Port. Containers are expected to be the traffic drivers for Colachel Port followed by coal. Colachel Port has been proposed with the objective to capture Containers that today get transhipped

through Colombo and other transshipment hubs. Besides container traffic, Coal traffics driven by the demand from thermal power plants. Power plants already planned in the region and the new captive power plant will generate Coal traffic through Colachel Port in course of time.

Summary of Traffic Estimate

Container Cargo			2020	2025	2030	2035	2040
Base Case		<i>units</i>					
Gateway	<i>in Mn TEU</i>		1.0	2.1	2.9	3.9	5.0
Trans-shipment	<i>in Mn TEU</i>		0.7	2.8	3.9	5.2	8.0
Total			1.7	4.9	6.7	9.1	12.9
Aggressive Case		<i>units</i>					
Gateway	<i>in Mn TEU</i>		1.1	2.4	3.4	4.7	5.8
Trans-shipment	<i>in Mn TEU</i>		0.9	3.5	5.2	8.8	13.1
Total			2.0	5.9	8.6	13.5	18.9
Conservative case		<i>units</i>					
Gateway	<i>in Mn TEU</i>		0.9	1.6	2.1	2.8	3.7
Trans-shipment	<i>in Mn TEU</i>		0.5	2.0	2.6	3.3	4.2
Total			1.4	3.5	4.7	6.1	7.8
Bulk Cargo (Coal)		<i>units</i>	2020	2025	2030	2035	2040
Base Case		<i>in Mn MT</i>	-	3.3	6.6	9.9	9.9
Aggressive Case		<i>in Mn MT</i>	6.6	23.1	26.4	29.7	29.7
Conservative Case		<i>in Mn MT</i>	-	-	-	-	-

Brief details of the Project

The Proposed Port is located in between Enayam and Colachel (Helen Nagar to Melakurumbanai village) at Kanyakumari District at a distance of 14NM from East-West International Shipping Route. The proposal envisages construction of breakwaters, dredging-reclamation, Container berths with provision for addition of Multi-purpose/dry bulk berths. The draft at the harbour is proposed at 16m capable of handling 18000 TEU capacity Container vessels and cape size Coal vessels.

Enayam Port site is at a distance of 11.7 km from NH 47 that connects to both Tamilnadu and Kerala. NH 47 further connects to NH 7 which is the main arterial route and along which most of the hinterland industries are located. Rail connectivity to the Enayam Port is planned from Palliadi Station. (11.20km)

The Port development has been planned in three phases and the details of the Port configuration for all three phases is summarized as below :

Description	Unit	Phase-I (2017-20)	Phase-II (2021-25)	Phase-III (2026-30)	Total (2017-2030)
Container Berth	m	800 (2Nos)	2000 (5Nos)	1,200 (3Nos)	4000 (10Nos)
Capacity	MlnTEU	1.60	4.02	2.41	8.03
	MTPA	24	60.30	36.15	120.45
Solid bulk	m	-	400 (1No)	400 (1No)	800 (2 Nos)
Capacity	MTPA	-	3.30	3.30	6.60
Berths (total)	m	1,400 (4Nos)	2,400 (6Nos)	1,600 (4Nos)	5,400 (14Nos)
Overall Capacity	MTPA	24	63.60	39.45	127.05
Project Cost	INR in Cr.	6,575.20	11,536.90	9,457.90	27,570

The project will be implemented in three Phases at a total cost of **Rs.27,570Crore** covering a period of 2017-2030 (Total Capacity 127.05 MTPA) . The estimated cost for Phase-I development is **Rs.6575.20 Crore** and capacity addition is **24 MTPA** (1.60 Million TEUs).

Benefits of Establishment of a Greenfield Deep sea port near Colachel

Direct Benefits:

1. Development of a new Deep sea port will open up a gateway for EXIM trade – Add to the cargo handling capacity of the Nation.
2. Development of Colachel Port with deep drafted container terminals (16m) matching with global cargo handling efficiencies will facilitate direct shipment of Indian containers to oversea destinations avoiding transshipment through Colombo, Kelang, & Singapore Ports and save cost to the nation. Indian port Industry loses out upto Rs.1500 Crores of revenue each year on transshipment.
3. Leveraging the proximity to the great East-West shipping route, Colachel has a potential to become a transshipment hub, not only to handle Indian containers but also handle cargo flows in South Asia (West bound containers (Europe, Africa & USA) from the neighboring countries like Bangladesh, Myanmar etc.)
4. By offering efficient and cost effective services, the port will promote EXIM trade in the region. This could trigger development of a new set of Industries and opportunities.
5. Besides the mainline cargo generating Industries, ancillary industries to support shipping activities, ship related services like bunkering, marine workshops etc will also follow.
6. The recent initiatives of Govt. of India viz Make in India, Start ups etc will encourage setting up of MSME, Industrial parks etc in the region.
7. Will provide opportunities for transport/ truck operators, establishment of storage facilities like godowns, ware houses, stack yards etc.
8. Will create more jobs and employment opportunities to the local population comprising of skilled, semi-skilled and unskilled work force during construction and operation phases of the project.
9. In long run, the port will act as a catalyst for the development of port based industries like Thermal Power stations, Petrochemicals, Refineries, Agro industries etc. leading to Industrialization of the region.

Indirect Benefits

1. New road and railway links to be established connecting NH 47 and Trivandrum – Kanyakumari Railway line to Colachel port passing through the villages will provide better road/rail connectivity to the wayside villages which will promote trade and commercial activities in the region. Trade centers will develop.
2. Increased job opportunities coupled with commercial activities will promote hotel industries, hospitals and educational institutions in the region.
3. More & more economic activities & opportunities for earnings will improve the living standards of the local population and ultimately lead to economical upliftment of the industrially lagging region.

Project implementation Timeline

On finalization of the DPR in March,2017, the tender process will start for construction of Breakwaters & Dredging. Simultaneously, action will be taken for selection of Private Operator under PPP mode for development and operation of Container Terminal (800m- 2 berths) and a Coal Berth.

The project works expected to start by the year 2017, and the first container terminal will be commissioned by the end of 2020.

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