



V.O.CHIDAMBARANAR PORT TRUST



Development of a New Major Port in Kanniyakumari District, Tamilnadu

Brief Note

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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% of growth. The demand for container traffic can further accelerate if the plans for expansion and decongestion of logistics 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.1500 crore 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 major Port in the Southern Coast of India in Kanniyakumari District. The prime advantages of coast of Kanniyakumari are availability of deep waters closer to shoreline (20m depth at a distance of about a mile from the shoreline) and proximity to the East –West international shipping route.

Initiatives by Government of India (Ministry of Shipping)

To rationally evolve Port development strategies to support the industrial growth in South India and Tamil Nadu, Ministry of Shipping in the year 2014, initiated preparation of a Techno Economic Feasibility Report (TEFR) through M/s. TYPESA, a renowned international consulting engineering firm from Spain for the development of a Major Port leveraging the availability of deeper depth closer to the shoreline. This report was received on August, 2015 with the finding that development of a deep Sea Port to handle larger Container vessels (18,000 TEUs) capacity with 16m draft 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 namely – Kanniyakumari, Manavalakurichi, Colachel and Enayam (Annexure - 1) given equal distances from the

main -shipping route and similar depth availability.

Amongst the four locations Enayam emerged as the best option on the basis of ease of construction and expansion, connectivity, environmental issues and maintenance overhead. A detailed multi criteria methodology was formulated to evaluate the sites. The Union Cabinet accorded In-principle approval on 05.07.2016 for Development of a New Major Port at Enayam in Kanniyakumari District, Tamilnadu.

Preparation of Detailed Project Report

On submission of the Techno-Economic Feasibility Report (TEFR), the Ministry of Shipping has decided to prepare a Detailed Project Report for Development of Enayam Port by firming up and further developing the TEFR. Under instructions from the Ministry, VOCPT initiated activities and selected TYP SA Consultants for preparation of DPR. A separate study for Road and Rail Connectivity to the proposed Port was entrusted to RITES.

Preparation of DPR requires field studies such as Bathymetric surveys and Geotechnical Investigations. Field studies could not be conducted owing to the stiff opposition to the project from fishermen and local public. In spite of several attempts and initiatives to allay the apprehensions of local public by the Ministry of Shipping and the state Government of Tamil Nadu, the fishermen and local public continued their protest against the development of major port at Enayam.

Selection of Alternative site for Port Development

Consequently, as a way forward a suitable alternate site was explored by VOCPT and TYP SA. After detailed inspections, study of coastal morphology and the shore features, a habitation free shore stretch situated westwards of Kanniyakumari, between the villages of Kovalam and Keelamanakudi was identified as a suitable location as shown in Annexure-2.

It is pertinent to note that in the multi-criteria analysis for site evaluation in TEFR, Kanniyakumari was second to Enayam because of adverse impact on Tourism. The stretch chosen for the initial study was adjoining the famous tourist spots thereby in spite of having favourable conditions was not selected for the development of a major port. The newly identified stretch which is well away from the tourist location is free of habitations. A fresh multi-criteria analysis incorporating the new site at Kanniyakumari has been formulated. The new site identified between Keelamanakudi and Kovalam has emerged as the best suitable alternate location for the development of a major port.

Preparation of Detailed Project Report for Alternative site at Kanniyakumari

On submission of an addendum to the Techno-Economic Feasibility Report (TEFR), incorporating the new site between Keelamanakudi and Kovalam villages, it has been decided to prepare the Detailed Project Report (DPR) for development of a major port at the new site as an alternative to Enayam. Since it is an extension of the ongoing studies, TYP SA has been entrusted the preparation of DPR. The DPR is expected to be completed by the end of March 2018. A separate study for Road and Rail Connectivity to the proposed new site has been entrusted to M/s. Indian Port Rail Corporation Limited (IPRCL) which is a Government of India enterprise. After necessary field surveys IPRCL has recommended a combined corridor of about 3 km for Road/Rail connectivity.

Traffic Potential of Kanniyakumari Port

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

Summary of traffic estimates

Container Cargo

Base Case	Units	2022	2025	2030	2035
Gateway	In Mn TEU	0.03	1.17	2.02	2.93
Transshipment	In Mn TEU	0.03	0.41	1.45	2.85
Total	In Mn TEU	0.06	1.58	3.47	5.78
Aggressive Case	Units	2022	2025	2030	2035
Gateway	In Mn TEU	0.19	1.87	3.02	5.16
Transshipment	In Mn TEU	0.14	0.71	2.26	5.02
Total	In Mn TEU	0.33	2.58	5.28	10.18
Conservative Case	Units	2022	2025	2030	2035
Gateway	In Mn TEU	0.11	0.62	1.38	1.80
Transshipment	In Mn TEU	0.07	0.21	0.99	1.74
Total	In Mn TEU	0.18	0.83	2.37	3.54

Bulk Cargo (Coal)	Units	2022	2025	2030	2035
Base case	In Mn MT	1.1	3.3	6.6	9.9
Aggressive case	In Mn MT	6.6	23.1	26.4	29.7
Conservative case	In Mn MT	-	-	-	-

Brief details of the Project

The Proposed Port is located in between Kovalam and Keelamanakudi villages in Kanniyakumari District at a distance of 14 Nautical Miles 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 as shown in the map (Annexure – 3). The draft at the harbour is proposed at 16 m capable of handling 18000 TEU capacity Container vessels and cape size Coal vessels.

Kanniyakumari Port site is at a distance of 3 km from NH 7 which is the main arterial route of Tamil Nadu and along which most of the hinterland industries are located. The route NH 47 that connects Tamilnadu and Kerala is located at a distance of 5 km. Rail connectivity to the Port is planned from Kanniyakumari Railway Station(3km).The Port development has been planned in three phases and the details of the Port configuration for all three phases are summarized as below:

Description	Unit	Phase I		Phase-II (2025-30)	Phase-III (2030-35)	Total (2022-2035)
		2018-21	2022-25			
Container	m	Construction stage	800	1200 (3Nos)	1,200 (3Nos)	3200 (8Nos)
Capacity	MlnTEU		1.6	2.4	2.4	6.4
	MTPA		24	36	36	96
Project Cost	INR in Cr.		6,916	5,600	7,368	19,884

The Total project cost, will be **Rs.19,884 Crore** covering a period of **2018-2035 (Total Capacity 96 MTPA)**. The estimated cost for **Phase-I** development is **Rs. 6,916 Crore** and capacity generation is **24 MTPA** (1.6 Million TEUs).

Benefits of Establishment of a major port near Kanniyakumari

1. Development of a new Deep sea port will open up a gateway for EXIM trade adding to the cargo handling capacity of the Nation.
2. Development of Kanniyakumari Port with deep drafted container terminals (16m) matching with global cargo handling efficiencies will facilitate direct shipment of Indian containers to international 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, Kanniyakumari 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 especially Make in India 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, warehouses, 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. Provision of a cruise terminal in the port will open new tourism avenues.

Indirect Benefits

1. Promotion of trade and commercial activities in the region. Trade centers will develop.
2. Increased job opportunities coupled with commercial activities will promote the hospitality and other allied sectors
3. Improved economic activity will translate into better socio-economic development of not only Kanniyakumari but neighbouring district of Tirunelveli and Tuticorin.

Project implementation Timeline

On finalization of the DPR in March 2018, 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.

The project works expected to start by the year 2018, and the first container terminal will be commissioned by 2022.

Annexure: 3 Maps



Proposed Alternate Location and Layouts



