



सत्यमेव जयते
Department of Industrial Policy and Promotion
Ministry of Commerce and Industry
Government of India

PORTS SECTOR OVERVIEW

- India's has a coastline of **7,517 kms** with potentially navigable waterways of **14,500 kms**. **12 major and 200 non-major ports** are dotted along the coast.
- The Indian maritime industry supports **90% of India's trade by volume**.
- Flagship programme is the "**Sagarmala**" coastal and port led development in a comprehensive and holistic manner.

Market Size

- 111 National Waterways, Share of coastal and inland waterways from the present **6% to 12%**.
- Coastal shipping volume to go to **400 million tonnes by 2025** from **90 million tonnes** at present
- Ship building capacity to grow from **0.74 Mn DWT** in 2015 to **4 Mn DWT** in 2025.

DEMAND DRIVERS

- Trade has grown at twice the global growth rate of 3.3%
- Port cargo traffic projected to grow from **1072 MMTPA** in 2015 to **2500 MMTPA** in 2025
- Maritime container trade has grown at **6.5%**, which is higher than the world average of 5.4% over the decade 2005 - 2015
- Port projects involving investment of over **USD 10 billion** identified for award during the next five years
- **400 projects** identified under Sagarmalaprogramme involving investment around **USD 69.23 billion** (INR 4.5 Lakh Crore approx)

POLICY SUPPORT & INCENTIVES

- **FDI Policy:** Foreign Direct Investment (FDI) of up to **100 per cent** allowed under the automatic route for port and harbour construction and maintenance projects.
- **Ship building and ship repair policy** provides for **Financial assistance** of up to **20%**
- **National Waterways (NWs) Act 2016** has declared **106 new waterways** as NWs
- The new **Berthing Policy** that came into effect on August 20, 2016 aims to reduce berthing time and overall turn-around time of ships, standardize anchorage charges etc. across major ports.

FINANCIAL INCENTIVES

- **Income tax exemption** for infrastructure development including ports
- **10-year tax holiday** to enterprises engaged in the business of **developing, maintaining and operating ports, inland waterways and inland ports**
- **Infrastructure status** for shipyards to enable cheaper long-term financing for shipbuilding
- **70% abatement of service tax** on coastal shipping
- **Financial assistance upto 50% of the cost of the Project** to a maximum of INR 25 crore to Major / Non-Major Ports for construction/ up gradation of exclusive coastal berths for coastal cargo, berths/jetties for passenger ferries and construction of platforms/ jetties for hovercrafts/ seaplanes in port waters
- Viable gap funding for PPP projects

RECENT INVESTMENTS

- Oct'15 - **PSA International** of Singapore started building the country's largest container terminal at JNPT terminal. The project is valued at **\$ 1.22 Billion**. The first phase to be completed in 2018.
- **NCY Equity Growth and Niche INvesments Holding Pvt Ltd** have invested up to **\$441Mn** in Indian company Sterling Port Ltd.
- **Adani Ports and Special Economic ZonePvt Ltd** has received up to **\$220mn** in FDI in the last two years.