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News: Vizhinjam International Transshipment Deepwater Multipurpose Seaport

- The **Vizhinjam International Seaport Project**, India's first deepwater transshipment port, has gained attention recently as the first cargo ship arrived at the port.

Vizhinjam International Seaport Project

- The **Vizhinjam International Transshipment Deepwater Multipurpose Seaport** is an ambitious project taken up by the Government of Kerala.
- It is designed to primarily cater to the transshipment and gateway container business with provision for a cruise terminal, liquid bulk berth and facilities for additional terminals.
- The port is currently being developed with a **Public Private Partnership**, with Adani Ports Private Limited with a component structured on a design, build, finance, operate, and transfer (“DBFOT”) basis.
- It is strategically situated near Thiruvananthapuram, Kerala. Its location along the southern coast of India provides easy access to international shipping routes.

- It is positioned to compete with global transshipment hubs like Colombo, Singapore, and Dubai, reducing the cost of container movement to and from foreign destinations.
- The port boasts a natural depth of more than 18 meters, which can be further scaled up to 20 meters.
- This depth is crucial as it enables the port to accommodate large vessels and mother ships with substantial cargo capacities.
- Initial capacity in the first phase is set at one million (twenty-foot equivalent units) TEUs, with potential for expansion to 6.2 million TEUs.

Project Progress

- Expected to generate 5,000 direct job opportunities and stimulate an industrial corridor and cruise tourism.
- The project is approximately 65.46% complete. The project has experienced delays over the years, mainly due to factors like natural disasters, protests, and logistical challenges.
- The current timeline anticipates the first phase's operational readiness by December 2024.

Needs for a Deepwater Container Transshipment Port in India

- India has 12 major ports. However, the country lacks a landside mega-port and terminal infrastructure to deal with ultra-large container ships.

- Hence, nearly 75% of India's transshipment cargo is handled at ports outside India, mainly Colombo, Singapore, and Klang.
- In fiscal 2021-22, the total transshipment cargo of India was about 4.6 million TEUs, out of which about 4.2 million TEUs were handled outside India.
- Developing a port into a Transshipment Hub will accrue significant benefits such as forex savings, foreign direct investment, increased economic activity at other Indian Ports, development of related logistics infrastructure, employment generation, improved operation/logistics efficiencies and increase in revenue share.
- It also encourages related businesses, including ship services, logistics, and bunkering.
- A deepwater container transshipment port can attract a large share of the container transshipment traffic which is now being diverted to Colombo, Singapore, and Dubai.