Cabinet Committee on Economic Affairs (CCEA)

Cabinet approves Deepening and Optimization of Inner Harbour Facilities including Development of Western Dock on Build, Operate and Transfer (BOT) basis under Public-Private Partnership PPP mode to handle cape size vessels at Paradip Port

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The Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi has approved the project 'Deepening and Optimization of Inner Harbour Facilities including Development of Western Dock on Build, Operate and Transfer (BOT) basis under Public-Private Partnership (PPP) mode to handle cape size vessels at Paradip Port'.

Financial Implications:

The estimated cost of the project is Rs.3,004.63 Crore. This includes development of the new Western Dock on BOT basis and capital dredging by the selected Concessionaire at a cost of Rs.2,040 Crore and Rs.352.13 Crore respectively; and Paradip Port's investment will be to the tune of Rs.612.50 Crore towards providing Common Supporting Project Infrastructure.

Details:

The proposed project envisages Construction of Western Dock Basin with facilities to handle cape size vessels by the selected BOT Concessionaire with an ultimate capacity of 25 MTPA (Million tonnes per annum) in two phases of 12.50 MTPA each.

The Concession period shall be 30 years from the date of Award of Concession. Paradip Port Trust (Concessioning Authority) shall provide the Common Supporting Project Infrastructure works like breakwater extension & other ancillary works to facilitate handling of cape size vessels.

Implementation Strategy and Targets:

The project would be developed by the selected Concessionaire on BOT basis. However, the Port will provide the Common Supporting Project Infrastructure.

Impact:

On commissioning of the project, it shall cater to the requirement of coal & limestone imports besides export of granulated slag & finished steel products considering the large number of steel plants established in the hinterland of Paradip Port. The project shall also facilitate (i) de-congestion of the Port, (ii) reduce Sea freight making coal imports cheaper, and (iii) boost the industrial economy in the hinterland of the port leading to creation of job opportunities.

Background:

Paradip Port Trust (PPT), a Major Port under Government of India and administered under the Major Port Trusts Act, 1963, was commissioned in 1966 as a mono commodity port for export of iron ore. In the last 54 years, the Port has transformed itself to handle a variety of Exim cargoes which
include iron ore, chrome ore, aluminium ingots, coal, POL, fertilizer raw materials, lime stone, clinker, finished steel products, containers, etc.

In particular, the demand for import of coking coal & fluxes and export of finished steel products has been increasing in view of number of Steel Plants established in the hinterland of the Port necessitating capacity creation to cater to the Port hinterland requirements.

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