

MONTHLY UPDATES ON NATIONAL INLAND WATERWAYS OF INDIA

UPDATE-5
January 2019

This update covers the following:

- [Call for subsidy in Kolkata-North East cargo movement via waterways](#)
- [Centre plans a network of 35 multi-modal logistics parks](#)
- [India, Bangladesh to finalize proposed waterway on Gomati and Meghna rivers on January 28-29](#)
- [Waterways in Kerala: Centre turns down State's proposal to extend the National Waterway-3, State Government to start land acquisition for the same stretch](#)
- [Kaladaan Project: Sittwe Port in Myanmar ready for operation](#)
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1. Call for subsidy in Kolkata-North East cargo movement via waterways



1. IWAI vessel carrying Fly-Ash from Bihar to Guwahati through NW-1, NW-2 and NW-97 (Indo Bangladesh Protocol Route). Source: [IWAI](#)

The terminals GR Jetty-I & BISN and GR Jetty-II of Inland Water Transport (IWT) were handed over to Summit Alliance Port East Gateway (India) Ltd (SAPEL) for equipping, operating and managing on a revenue sharing model, as per the PIB release dated 29th October 2018. (Read more in [Update- 2.](#))

National Waterway -1 (Ganga) is connected to National Waterway- 2 (Brahmaputra) through the Waterways of Sundarbans (NW- 97 including the Indo-Bangladesh

Protocol route). National Inland waterways were proposed in 2016 on the claims of cost-effectiveness of Inland water transport. However, an official of SAPEL said, "Inland waterways cargo requires subsidy, at least till navigation in the protocol route via Bangladesh is smoothed to boost cargo movement to North East from Kolkata on the National Waterways- II. We are asking for some subsidy support for using NW-II, at least for a short term, till navigation issues in Bangladesh like dredging and installation of night navigation infrastructure are sorted out,"

"Based on the current situation, the cost is coming to about Rs 3000 per tonne, which ideally needs to

be brought down to Rs 2300-2500 per tonne to make it lucrative for corporate to use the waterway route, Summit Alliance Port AGM Sagar Khastagir said.” He further added, “The support or relief can be a direct subsidy or also be in the form of lower GST by putting ocean freight and inland waterways freight at par of 5 per cent tax slab against 18 per cent levied on inland waterways,”

https://www.business-standard.com/article/pti-stories/call-for-subsidy-in-kolkata-ne-cargo-movement-via-waterways-119010600459_1.html

2. Centre plans a network of 35 multi-modal logistics parks

“The transport ministry is planning a network of 35 multi-modal logistics parks which will account for 50% of the road freight in the country to enhance the logistical efficiency on India’s highway network, according to a ministry proposal. Setting up of Multi-Modal Logistics Parks (MMLPs) part



2. Prime Minister inaugurates Multi-modal terminal at Ramnagar, Varanasi for NW-1 (Ganga). Source: [IWAI](#)

of transport ministry’s Logistics Efficiency Enhancement Program (LEEP) are aimed to improve the country’s logistics sector by lowering overall freight costs, reducing vehicular pollution and congestion, and cutting warehousing costs.”

“Of the 35 identified locations, 24 are situated on the national corridors planned to be taken up for development in the Bharatmala Pariyojana Phase-I,” the ministry noted in its presentation, a copy of which has been accessed by Hindustan Times. It added work on the detailed project reports (DPRs) for seven locations - Nagpur, Mumbai, Bengaluru, Chennai, Surat, Sangrur and Jogighopa (Guwahati) -

has begun.

In 2017, 33 memorandums of understanding (MoUs) were signed with state governments of Assam, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Gujarat, Container Corporation of India Ltd (Concor), Inland Waterways Authority of India (IWAI), Port Trusts, National Highways and Infrastructure Development Corporation Limited (NHIDCL), Dedicated Freight Corridor Corporation of India Limited (DFCCIL) and private entities such as Ascendas on initiatives to improve state of logistics worth Rs 2 lakh crore, the ministry noted.”

However, many are sceptical of the benefits of the plan. Vice President of ICRA Limited has said, “This is a good initiative but just an idea as of now and it remains unclear on how it will help reduce logistics cost. Isolated projects such as the construction of the Dedicated Freight Corridor (DFC) will go a long way in bringing down congestion and directly impacting cost.”

Read more at <https://www.hindustantimes.com/india-news/centre-planning-a-network-of-35-multi-modal-logistics-parks/story-mb1cuecU4jZW7U9FjnpLdl.html>

3. India, Bangladesh to finalize proposed waterway on Gomati and Meghna rivers on January 28-29

Connectivity of Tripura’s Gomati river with Bangladesh’s Meghna river at Dawodkandi has been proposed to enhance the Indo-Bangladesh Protocol route through waterways. A four-member IWAI team visited Tripura’s Sonamura last month to select the site for a terminal building. (See [Update-4.](#))

Biplab Deb disclosed that Union Shipping Ministry officials have informed his government that senior authorities from both the countries, including the [Inland Waterways Authority of India](#) (IWAI), will visit Tripura on January 28-29. The officials will finalize different issues of the proposed waterway between the two countries involving Tripura, he added. Deb also said that construction works to develop the 35 km waterway between Tripura's Gomati river and Meghna river in Bangladesh is slated to begin in February which were delayed due to the general elections in the neighbouring country.

IWAI has released [tender](#) for preparation of the Detailed Project Report for terminal at Sonamura in Tripura.

Read more at <https://nenow.in/north-east-news/india-bangladesh-finalize-proposed-waterway-january-28-29-next.html>, <https://www.outlookindia.com/newsscroll/indiabangladesh-to-finalise-new-waterway-tripura-cm/1464478>

4. Waterways in Kerala: Centre turns down State's proposal to extend the National Waterway-3, State Government to start land acquisition for the same stretch.

“The Centre has turned down a proposal from the Kerala government to extend the national waterway 3 (NW3) from Kollam to Kovalam and Kozhikode to Bekal, Minister of State for Shipping Mansukh Mandaviya told Parliament on Monday. It has been decided to first undertake development in the existing stretch of NW3 and not to extend it further.

NW3 was declared in 1993 and stretches from Kollam to Kottapuram of West Coast Canal and Champakara and Udyogamandal Canals. The 205-km stretch is fully operational with 24-hour navigational facilities and eight permanent intermodal terminals with storage facilities and mechanised equipment for loading/ unloading of cargo.

NW3 was further extended by 165 km in the north up to Kozhikode from Kottapuram along with three new national waterways connected to NW3 under the National Waterways Act, 2016. The new waterways include NW8 between Alappuzha-Changanassery canal (29 km), NW9 linking Alappuzha-Kottayam – Athirampuzha canal (40 km) and NW59 between Kottayam-Vaikom canal (19 km). The Kerala government has submitted a proposal for further extension of NW3, from Kollam to Kovalam (78 km) in the south and from Kozhikode to Bekal (205 km) in the north.”

Read more at <https://www.thehindubusinessline.com/news/national/centre-turns-down-kerala-plea-to-extend-national-waterway-3/article25882788.ece>

Some media reports suggest that State Government of Kerala has initiated the process of development of the proposed stretch to be extended.

“The land acquisition process for digging the 26-km inland navigation canal stretch for connecting the Mahe and Valapattanam river as part of the project for developing 585-km waterway from Kovalam to Bekal will be kick-started with the budget allocation of ₹600 crore for acquisition. Finance Minister T.M. Thomas Isaac's announcement of the allocation in his State Budget speech is set to accelerate the acquisition procedure for the stretch of land required for connecting the two rivers as part of the proposed Payyoli-Bekal portion of the waterway connecting rivers and backwaters. The project is being carried out by the Kerala Waterways Infrastructure Ltd. (KWIL), a joint venture of the State government and the Cochin International Airport Ltd.

The Minister in his speech said that the waterway project would be completed by 2020. The development of the inland navigation link from Peringathur near the upstream of the Mahe river to Valapattanam is a major work in the waterway project in the region.

Engineers of the Inland Navigation Division here said that an estimated 500 acres of land was required for cutting the Peringathur-Valapattanam stretch.”

<https://www.thehindu.com/news/national/kerala/600-crore-to-kick-start-land-acquisition-for-inland-navigation-canal/article26142532.ece>

5. Kaladaan Project: Sittwe Port in Myanmar ready for operation.

“The Minister of State for Shipping, Road Transport and Chemical & Fertilizer Shri Mansukh L Mandaviya in a written reply to a question in Rajya Sabha informed that infrastructure at Sittwe Port in Myanmar, constructed with India’s assistance, and is ready for operation.



3. Route Map of the proposed transport. Source: [Wikipedia](#)

The Minister said that the construction of Sittwe Port is part of the Kaladan Multi Modal Transit Transport Project. Its objective is to create a multi-modal sea, river and road transport corridor for shipment of cargo from the eastern ports of India to Myanmar through Sittwe port as well as to North-Eastern part of India via Myanmar. Once fully operational, the project would encourage investment and trade and also open up alternate routes for connectivity to India’s North East Region. The approved construction cost of Sittwe Port and Inland Water Terminals at Sittwe and Paletwa is Rs. 517.29 crore.

A Bilateral Memorandum of Understanding (MoU) was signed between the Government of India and Myanmar on 22nd October, 2018 for operationalization of the Port at Sittwe and Inland Water Transport (IWT) Terminals at Sittwe and Paletwa.”

PIB release 07-January-2019, Ministry of Shipping
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=187251>

5. The inland waterways project will destroy India’s rivers: Debate

On 4th January 2019, an article - [Inland Waterways will destroy India’s rivers](#) was published in Hindustan Times which raised important questions on the environmental impacts and viability of the National Waterways Program. Vice Chairman of Inland Waterways Authority of India, Sri Pravir Pandey rejected the claims mentioned in the article. See [Inland Waterways won’t choke India’s rivers](#).

While welcoming IWAI’s presumed willingness to debate the matter, the author rejected Sri Pandey’s contentions in their entirety as having been made on rhetoric and ‘confidential’ assessments rather

than on sound and convincing facts. Read more at <https://sandrp.in/2019/02/15/debate-on-ganga-waterways-disagree-on-all-counts/>

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