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### **Centre clears Mumbai Port`s container terminal project**

The Public Investment Board (PIB), the investment appraisal agency of the Indian government, has cleared Mumbai Port Trust's (MbPT) Rs 1,500-crore offshore container terminal project, which was delayed for more than two years owing to security clearances. Mumbai Port is expected to issue a letter of intent shortly to Gammon India-led consortium, which won the mandate for setting up the container terminal through a bidding process. "The PIB clearance was a must for this project as Mumbai Port is investing 30 per cent of the total project cost as part of creating related infrastructure. With the go-ahead from the government, Mumbai Port will be able to issue a letter to Gammon India by the month-end," a source close to the development said.

The PIB considers investment proposals above Rs 500 crore of central ministries with regard to their public sector undertakings (PSUs).

When contacted, MbPT officials said they had not received any communication from the government in this regard. Outbidding Larsen & Toubro (L&T), Gammon India has quoted highest revenue sharing to win the project.

Gammon has tied up with Italian company Dragados SPL and Gammon Infrastructure Project for this. The project involves setting up two container berths with a total length of 700 metres.

Mumbai port was, number one container handling port in the country till 1997-98 but this business now contributes only 3 per cent. After completion of two phases, this container terminal is expected to handle 1.2 million twenty foot containers per year.

Mumbai Port, which is underutilising its container handling capacity, handled 1.38 lakh container units in the last financial year while Jawaharlal Nehru Port Trust (JNPT), a neighbouring port which was created to decongest MbPT, handled 3 million container units. Industry analysts pointed out that this terminal would help finding the easiest shipment way for 10,000 containers stuffed at the railway yard of Mumbai Port per month.

Apart from these containers, several thousand containers are diverted to various other sources owing to lack of container handling infrastructure at the once-premier port, they added.

According to leading consultant KPMG, which has prepared master plan for MbPT, India's projected container traffic is 71.7 million TEUs (twenty foot equivalent units) by 2025-26, Maharashtra region alone contributing 12.1 million TEUs.

"Given the highly optimistic future outlook of container trade, Mumbai Port cannot afford to ignore this cargo commodity as part of its future plans. The city's 15 million inhabitants provide a captive market of white goods, metal products, machinery, textiles and food commodities, which primarily moves in containerised form," KPMG opined in its report. KPMG has said JNPT is expected to face capacity constraints by the year 2016-17, with the limiting container volumes being 11.67 million TEUs.