



*INDIAN MARITIME INDUSTRY
IMPACT ON
NATIONAL AND MARITIME SECURITY*

Capt. L.K.Panda

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Words of Wisdom

- True individual freedom can not exist without economic security and independence..

Franklin D Roosevelt

- Trade and Commerce are the enhancers of economic security. ..

Artha-Shastra,

- Maritime transport is the backbone of Global trade and Economy..

Mr Ban Ki Moon,

PRIME ELEMENTS OF NATIONAL/MARITIME SECURITY

National Security 1 Military Security
2. Economic Security
3. Resource Security.....

Maritime Security.. An umbrella term Encompassing issues related with Maritime Domain to Achieve National Security including defense and maintenance of law n order

MARITIME TRANSPORT

Noticeable changes.

- Maritime trade moved over 90% & despite Covid ,contracted by 3.8% only, but expect to grow +3%.
- Maritime trade : GDP remains steady at 1:1.2
- Trade to go up by 4.3% n tonnage by 4.5%
- Ships age decreasing in view of change in trade pattern & GHG initiatives.
- Bulk trade leads with 43%,Tankers-29%,Containers at 13%
- TRT to decrease by 30%
- New tonnage addition on new gen ships.
- Digitalization on the increase, - Block Chain, PCS, E filing etc.
- **Asymmetric Trade Pattern... Port performance, Efficiency index etc. govern the trade pattern.**
- **Geopolitical situation will impact trade severely**
- **Maritime transport may be used as a tool in various forms (Sanctions, trade embargo etc.)**

PRIME CONSTITUENTS OF MARITIME DOMAIN

- MARITIME GOVERNANCE—POLICIES AND COORDINATED VISION.
- MERCHANT FLEET.—International, Coastal n support
- PORTS AND HARBOURS—Trans-shipment, Onshore, offshore. Facilitator etc.
- SHIP BUILDING AND REPAIRS
- DEDICATED AND TRAINED MAN- POWER
- LOGISTIC SUPPORT .First mile , last mile linkages ICD n logistic parks etc.
- SUPPORT SERVICES AND TRADE PRACTICES.

MARITIME PROFILE

INDIA---- OTHER COUNTRIES(2020 data)

country	GDP TrIn \$	Maritime TRADE	FLEET	SHIP BUILDING in Thsd T	Contai ners Mln TEU	No of ship's call in Thousan	Growth in %
AUSTRALIA	1.34	4.6	581	12K	8.6	58k	-2.4
CHINA	14.7	4.6	6700	23 mln	245	261	
Singapore	3.3	0.7	3387	100	36	51	
Japan	4.5	1.3	5171	1.2 mln	21	259	
Germany	3.7	2.5	609	0.3 mln	18	88	
UK	2.7	1.1	1301	1 k	8.7	158	
India	2.7	.7	1779	21k	16	38	
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MARITIME PROFILE INDIA ..(Shipping)

- 19th place in the UCTAD-RMT 2021, with 480 FG ships & constitutes 1.25% of World tonnage
- Greece with 4705 ships leads at 17%, China - 7318 ships & 13%, followed by Japan 4029 with 12% share.
- Abt 7% of EXIM Trade is by Indian flag and less than 40% on coastal trade .
- IWT has started and carries domestic cargo at this stage.

MARITIME PROFILE ,India –Shipping -2

- Total No of operating ships -1491
- Foreign trade 464 and Costal 1027.
- Dry Cargo-26—450k,Ts Bulk-100--- 439k
- Containers—32..809k
- Tankers. Crude— 65----646k
- Tankers (clean)— 67-- 401k
- LPG—22 , LNG -1, Chemical --1

MARITIME FLEET IN ENERGY TRADE

- Import almost 85%, to over 230 million tons, about 120 billion ,almost 20% of Import.
- LNG/LPG dependence from 18 BCM in 11-12 to about 33 BCM in 20-21 with CAGR of 9.44%
- Import of Oil and gas from various countries and dependence on foreign tonnage is increasing .
- China, Japan & Korea have allotted much higher share for their ships to carry oil and gas on increasing it continuously with preferential carriage terms.
- **DO WE HAVE SUFFICIENT TONNAGE??--**

PORTS --India

- 13 Major ports, & over 20 non major ports handling EXIM Cargo.
- 95% of EXIM Trade moves through the ports n over 2400 mln tones of cargo were handled.
- Major policy changes through Major port Act, Sagar mala will improve performance.
- Factors affecting costs are being attended to – Infra-4.2%, Facilitation 3.7%, Connectiity-4.5% & the turn around time.
- **PORT INFRA AND EFFICENCY ..DO THEY MEET THE RQUIRED EXPECTATIONS**

SHIP RECYCLING..

COUNTRY	RECYCLED LDT IN THSDS	SHARE	HKC COMPLIANCE	
BANGLADESH	6684	38.5	PARTIAL	
INDIA	5061	29.1	PARTIAL	
PAKISTAN	2830	16.6	PARTIAL	
TURKEY	1590	9.2	TOTAL	
CHINA	195	1.1		
OTHERS	962	5.5		

Revenue multiplier Employment Generator.

- More than 2 million seafarers are on engaged on ships..
- India's share is about 9.5 % , approx. 235 Thsd. Philippine being the leading supplier of seafarers. Revenue of 6.5 bln\$ almost 3% GDP.
- Shore based support employment is estimated to be 6 times , nearing 150 thousand.
- Increase in employment is expected in view of growth & Initiatives like Maritime cluster, Sagar Mala etc.

CONCERNS...

- Share of EXIM cargo carried on Indian flag is <7% and Coastal <40%., Inadequate Indian Tonnage . Heavy taxation
- Inadequate tonnage ,causes loss of revenue over 70 bln\$/year in freight and associated expenses.
- Higher freight rate , adverse carriage terms in turn increase in cost of import/export. Including container shortages.
- Logistic cost is high coupled with low performance index of ports, which causes low connectivity index and increase freight rate .
- Low draft and inadequate infrastructure in line with changing trend.
- Higher cost of Ship Support services in view of taxation
- SECURITY CONCERNS IN VIEW OF CHANGING GEO- POLITICAL SITUATIONS AND LACK OF SUPPORTING INFRASTRUCTURE

FUTURE OUTLOOK

- Various Govt Initiatives. .Sagar Mala, promotion of fiscal support for Indian Tonnage. Maritime cluster, Gati-Shakti initiatives have boosted the sector but are they enough ?
- Modal Shift from Rail- Road to Water, improvement of last mile linkage is on fast track .
- Marco-polo scheme , Greece and Chine revival model...can we adapt.in addition to the recent initiatives.
- HAVE WE MISSED IN ACCORDING DESERVED PRIORITY. ?
- -----THE PRIORITES HAVE CHANGED AND TH
- ***VIEWS EXPRESSED ARE MY PERSONAL VIEWS AND , I STAND TO BE CORRCETD FOR IMPROVEMENT***



***WE HAVE COME A LONG WAY
YET HAVE MILES TO GO ..***

Thank you for attention.