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Rs1,200 cr Gammon- Dragados project cleared

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Mumbai: Mumbai Port is counting on a new container terminal from a joint venture (JV) between Gammon Infrastructure Projects Ltd and Spanish logistics firm Dragados SPL to regain its stature as a major container port.

"The shipping ministry has given its in-principle approval to the bid submitted by the Gammon-Dragados consortium. Mumbai Port Trust will shortly issue a letter of intent to the successful bidder," said a Mumbai Port official who did not wish to be named.

If finalized, this will be the first container privatization effort at the port and the single-largest privatization project won by Gammon.

Gammon Infrastructure is a wholly-owned subsidiary of engineering firm Gammon India Ltd. The 50:50 JV had recently emerged the successful bidder to operate a new 1.2 million twenty-foot equivalent unit (teu) capacity offshore-container terminal at the port for 30 years by quoting the highest revenue share of 35.064% under the port privatization programme of the Indian government.

A standard 20-foot box can load 21-26 tonnes of cargo, depending on the box.

"This is a very important project for us. We are a multi-purpose port, strong on liquid and dry bulk cargoes. Obviously, containers is an area that need to be strengthened," said A.K. Bal, deputy chairman, Mumbai Port. According to him, more facilities need to be put in place to tap the huge potential in the region.

The project involves operation and management of the existing Mumbai Port container terminal for the initial five years, and development and management of the offshore container terminal consisting of two berths. The estimated project cost is about Rs800 crore in the initial phase of three years and another Rs400 crore at a later stage.

Mumbai Port handled a paltry 1.28 lakh teu in the year through March from its existing terminal, while Jawaharlal Nehru Port (JN Port), which is seven nautical miles ahead on the same shipping channel, handled 3.298 million teu from three terminals.

Lack of adequate channel depth to accommodate bigger vessels and poor infrastructure facilities drove container shipping lines in the 1990s to call at the JN Port, which has a depth of 12.5 metres, compared with Mumbai Port's 10m depth.

"We will create a state-of-the-art, modern facility having a deep draft to attract ships to our terminal. When the first port on the channel has a deep draft why wouldn't lines come to us?" asked Kshitiz Bhasker, senior manager heading the

ports business at Gammon.

The container business of Mumbai Port was also hit by the arrival of P&O Ports (now acquired by Dubai government-owned DP World) at JN port in the late 1990s to operate India's first private container terminal. Till then, Mumbai was handling about seven lakh (0.7 million) teu in a year.

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