



## **INDIAN MARITIME UNIVERSITY**

CHENNAI

(A Central University under the Ministry of Shipping)

### **Second Convocation**

19<sup>th</sup> January 2016

### **CONVOCATION ORATION**

by

**Shri Nitin Gadkari**

**Hon'ble Minister of Shipping,  
Road Transport & Highways**



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My respected colleague Pon. Radhakrishnan ji, respected Chancellor Shri Krishnamurthy ji, Vice Chancellor Shri Ashok Vardhan Shetty, Pro-Vice Chancellor, other dignitaries and my friends.

I am happy to be with you on the occasion of the Second Convocation of Indian Maritime University. More than 350 students are here from various Schools of IMU to get their degrees. My hearty congratulations to all the graduates who are receiving degrees today. Convocation does not mean completion of studies; you do not finish studying because learning is a lifelong process. Education is not a destination but a road you travel by all your lives. The most important thing that a University should teach its students is how to learn to learn. We are living in an age of knowledge. As good maritime professionals, keep yourself updated with the latest developments in your field. The very logo of the University bearing the words 'samudragnanam, gnanamsamudram' conveys the point that 'knowledge of ocean is itself an ocean of knowledge'. Develop the skills of creative thinking or innovative thinking. Nature's greatest gift to man is the ability to think. Creative thinking is not only for scientists, artists or musicians. The wheel was invented in 3500 BC, but nobody thought of

putting wheels under suitcases till about 20 years ago. Success in real life often calls for creativity and original thinking. Indian Maritime University should not only impart knowledge and conduct examinations, but promote the spirit of creative and innovative thinking among the students.

All major powers have also been great sea-powers. India's maritime heritage extends to more than 4000 years. The ruins of the world's oldest tidal dock built around 2300 BC during the Harappa civilisation can be seen at Lothal in Gujarat. I don't want to make this speech with only facts from history. But I am very much cautious as to one thing as you are receiving the degrees today- and this one is a very important question. How will it be possible for the government to make available employment for you? Our department has already taken a decision to sanction Rs. 300 crore for the next 5 years to develop infrastructure in IMU, and Rs.40 crore every year for meeting revenue expenditure. I expect at least this will be useful for the University and there can be a good result - a qualitative reform in the education delivered.

As far as our sector is concerned, the most important thing is that our government and our Prime Minister are very much committed to progress and development. The politics of 21st century is politics for progress and development. We are a rich nation with a poor population. We need appropriate economic

policies by which we can speedup our development. The most important goal for the government is how to eradicate poverty. If we want to eradicate poverty, we should increase the employment potential and we have to find out the different fields in industry and/or agriculture where lot of potential is available. We need appropriate economic approach by which we can accelerate our development. So the Prime Minister is always talking about skill development, management, good-governance, entrepreneurship and technology. These have become very familiar words and these are vital for the future of our country.

I know what you are expecting from the government- you need good jobs and I am working on the same lines exactly. We have decided to start a big project named 'Sagarmaala' i.e. port-led-development; a programme for industrial growth, jobs and prosperity; manufacturing hubs in coastal regions supported by good connectivity to ports with efficient ports as catalysts. Our 7,500 km long coastal line covering 13 States and Union territories already has 12 Major ports and 200 non-Major ports. 90% of the country's EXIM trade is by sea and now we have already taken a decision- that in this New Year we will start three major ports; one is to be at Colachel in Tamil Nadu, the other is at Sagar in West Bengal, and the third is at Wadhwan near Dahanu in Maharashtra. Definitely this is going to help us

to accelerate our economic growth. The cargo will grow from 972 MT (in 2014) to 2500 MT by 2025. And for us that is a big target.

Coastal shipping is set to increase from 60 MT to 200 MT by 2020 and this is another challenge. Already China has 30 times more port capacity than India. In India the share of coastal and inland transport is only 2% to 3% as compared to China which moves 47% to 49% of its goods and passenger traffic by water. In Japan and Korea it is 43%-44% and in European countries it is more than 40%. So definitely it is a big challenge for our country as to how we are going to address this problem. In this context, Sagarmala is an important project and I must tell you that the concept of Sagarmala was approved by the Cabinet on 25th March 2015. 22 projects have already been identified for funding of implementation in first year of 2015-16 including projects for road connectivity, fishing harbours and tourism. In the next 2 days, I will be laying the foundation stone for this big project. It is really a significant one and its most important outcome will be port-led development, industrial development, port modernization, port connectivity improvement and coastal community development.

As far as the draught of our ports is concerned it is one of the constraints we face. You can easily understand the economics. If you can have draught of more than 18 metres

then we can easily take on a ship having a capacity of 1,80,000 tonnes to 2,00,000 tonnes, and this will reduce the costs. I have some experience in infrastructure from when I was a Minister in Mumbai, Maharashtra. I got an opportunity to start the first PPP mode project in National Highways, that is, Thane- Bhiwandi bypass. I got the opportunity to raise funds from capital market and construct the Mumbai-Pune highway and 55 flyovers in Mumbai. For the Worli-Bandra sea link project in Mumbai I have taken only Rs.10 crores from the Government and Rs 4,000 crores was raised from the capital market and I completed the work of Rs.8,500 crores in just two and half years. That experience is now helping me. So, for this sector, money is not the problem. The problem is framing appropriate economic policies, a strong political vision, strong political will, a strong implementation process, fast track decision-making process, full transparency and team work. And I am confident now that we are going in for draught of 18 metres at ports in Kandla, Goa (where already work has started), Ennore and Paradeep on PPP mode, there will be no problem for big ships. We can use the PPP mode in a way that we can get our money back in 3 to 4 years. Our aim is to benchmark the performance of Major ports to the best-in-category of international ports. The exercise has already resulted in the start of around 110 initiatives. We appointed an international consultant to suggest measures to increase the capacity of our Major ports by about 100 million

tonnes per annum, and to reduce the average ship turnaround time which is around 4 days at present to around 2 days in the next 3 years' time. It is again a matter of great pride and pleasure for me to say this; this is the first time in the history of free India that all our 12 Major ports and our 3 flagship organisations -Cochin Shipyard, Dredging Corporation of India and Shipping Corporation of India- have turned in a profit of more than Rs. 6,000 crores!

I always give suggestions to my officers that this profit is not only for giving to Income Tax, you have to plan investment for that. And so we are already preparing investment plans and again we are going to invest all the profit in this field. The Kolkata Port channel used by ships has been benefited by reduction of dredging costs to the tune of Rs. 50 crores. Ship berthing policy has reduced delay to berthing. Increased capacity, use of cranes etc.- more mechanization, more modernization, more computerization - are the need of the hour. I always advise all my Port Chairmen not to compare their performance with Indian Ports. Always compare with the best ports in the world, with international standards; and to find out what are the negative things we have. We have to make our port standards rise to international standards.

So things are moving fast. In our country, we have got 1300 islands and 280 lighthouses. Though it will not be possible



in all cases, in the Cabinet meeting, as per Prime Minister's suggestion, we have decided to develop these islands and lighthouses for tourism. Already we have organised a conference in Mumbai and for this year, I am expecting that more than 70 islands and lighthouses will kick start the tourism initiative. And tourism is a sector where we can see increased employment potential. 49% of the capital investment in tourism is with an employment objective. So I am definite we are going to make this project a success.

Our green ports are now yielding about 150 MWs solar power; we are trying to increase it by another 50 MW and we have decided on recycling of waste water too. As students I am appealing to you to use your initiative, your mind in such a way as to think of research as an option and make the above possible. I know the significance of knowledge, technology, and innovation. While conversion of knowledge into wealth is the future, there are also many options available for conversion of waste into wealth. I got an opportunity in my constituency; I just completed one project where we sell our sewage water at Rs.18 crores royalty every year to the Government of Maharashtra for generating our power. Nothing is waste. All we need is an appropriate technology by which we can convert it into wealth. So we have decided to implement recycling of waste water in every port. We don't want to let polluted water

into the sea or any river. You have to think about how we can create an environment of international standard. In our rivers, in our seas, there is a lot of water pollution; in our cities, there is air pollution. These are the important issues where we have to carry out research, and I am expecting contributions from your side in this area.

The most important area which can be a game changer to all of us is the inland waterways. It is really unfortunate that this sector is neglected. Now we have decided to clear the 5 waterways which were already approved by the Parliament- the five are Ganga, Brahmaputra, Buckingham Canal, Kerala backwaters and the Mahanadi-Brahmani rivers in Orissa. I want to insist on this because this is where the future potential of employment is. McKinsey have completed a study and submitted a report. This report indicates that we could build a railway line from Talcher to Paradeep. Now you know we have our own Railway Corporation and already for the work of Rs.4,000 crores, a tender has been received. And we can get the rail-port connectivity going. Through this project, the Coal Ministry is going to increase production from 60 MT to 300 MT and if we can send all this coal by waterways right up to the states of Gujarat and Maharashtra; then every year savings yielded by this project would be Rs.10,000 crores. So here is a field where lot of potential is available.

On Ganga inland waterway, we have already started the work. Ten days before, we have started a system of water traffic control just like air traffic control. From Farakka to Haldia, we are using IT to monitor the water traffic control system, and next stage we are doing the same from Farakka to Patna and third will be from Patna to Allahabad. So now we are changing the system in this field. Anywhere in the world you go, the first priority is usually the water-ways, second priority is the railways and third priority is the road. By opting for road if suppose the cost is Rs 1.50, by rail it is Re. 1, and by water it is only 22 to 25 paisa. It reduces the logistics cost. And here is a field with a lot of potential for new innovation, new development and new technology. So already we have decided that the Parliament will clear the bill for converting 111 rivers into waterways. I am expecting that in the next Parliament session, we will pass that bill in the Rajya Sabha. And so we want to make a success story of inland water ways. Money is not a problem.

An international banker met me some time back and he is constantly pursuing me with "I am ready to give money with 2% interest-loan in dollars." In JNPT we had decided to construct an 8-lane road in the Port. A loan of Rs.4000 crore had already been sanctioned by the bank. I suggested to Chairman of the Port, who was previously the Income Tax Commissioner:"Why

are you availing of this loan in rupees, why not take in dollars?" He said: "We never thought about it." And this is the case of Rs.4000 crore loan sanctioned with 12% interest. But now, we have decided to take loans in dollars and to repay them in dollars because our revenue is also in dollars. So now the interest cost will be less than 2%. So with this 2% interest cost, the project becomes economically viable. The Internal Rate of Return of the project will be increased. So in all these- Shipping, Inland waterways and Port- if we can use foreign loans which are available at 2% interest, there is no problem. So I feel that you are the future and your vision, your innovation, your new technology, your research is very important, and you can take the initiative, this is really a very potential field. And I feel that this is the right time for you people as you are going to work in this field. It's really a very important field; I am a newcomer because I don't have that much experience in this field, but I feel that tremendous potential is there.

Now everywhere we can make the water connectivity by inland waterways, we can reduce the logistics cost, and form industrial areas there. And now we have already signed an agreement with Bangladesh by which we are building 3 multi-modal hubs; one in Varanasi, one in Sahibganj in Jharkand and third one in Kolkata from where we can take our goods directly to Bangladesh. There is huge opportunity available to many

categories of skilled people. So I feel today, I see the future of this industry is very high. We are giving 20% subsidy for Ship-building to help the shipping industry because the present scenario is not good. And now that you are taking the degrees; at this point neither the VC is sure nor I am sure as to how you will all get jobs and that is why we very much need an economy where we can increase the potential of jobs. And creating jobs is at the core of our economic policies. And I am confident that we will definitely achieve it.

Regarding the future of this industry I feel that we need to develop the technology of catamaran, hovercraft, as also a seaplane. I am constantly pursuing with the Cochin Ship yard on the above as a lot of technology is available today. One engineer made a presentation-it was neither a ship nor an aircraft - it ran (sailed) on the water surface at 120 km/hr by taking 60/70/80 passengers and it ran on the river surface also. So there are lot of technologies available. In one company in a European country, by changing the design of the barge, its capacity went up from 1500 tonnes to 5000 tonnes!

I have a vision that we have to change the fuel- we have to make our engines LNG-based. We already started discussions with the petroleum companies, how we can make LNG available at the ports. Today I was in Trivandrum, our Hon'ble Minister of State was demanding installation of a ferry service from

Trivandrum to Kanyakumari. Lot of things are available. There are some problems; but as I always say that there are some people who convert problems into opportunities and there are some people who convert opportunities into problems. The system is a problem, bureaucratic approach is the problem. It needs positive approach, fast track decision-making process and full transparency. But I don't want to blame bureaucracy for that, it is my responsibility as to how to get it done. So we are moving fast and we are seeing a great future for the shipping industry- the coastal shipping, the inland water ways replete with all types of new technology of international standards. I have one suggestion to Hon'ble Vice Chancellor and the Executive Council- that you need to have a dialogue with the successful entrepreneurs in this sector. Just take advantage of their experience. And for fixing your syllabus at least; understand what the courses are and what the syllabi of international standards are. We have to insist on skill development- to give more technical education - to find out the new courses. And that's why I am pinning much hope on you. Our department has already sanctioned the amount for creating a new vision for this University. And I am confident that definitely our Hon'ble Vice Chancellor and his colleagues will think about it and definitely they will make it a University of international standard.

My dear friends, I am giving you best wishes for the future and I'm assuring you that I will try my level best to get you the best employment in the world. Today there is lot of potential and with the cooperation of all of you, we can make that qualitative reform in our nation by which our University will be one of the top universities in the world. And this is the future and I am confident that with the cooperation of all of you, we will succeed in our mission. Again the very best of luck for your future.

Thank you very much.

**Shri Nitin Gadkari,**  
Honourable Minister of Shipping,  
Road Transport & Highways.