

INDIA NEEDS TO OPEN UP DREDGING MARKET: NITI

Relevant for: Indian Economy | Topic: Infrastructure: Ports & Waterways

India needs to open up its dredging market to boost trade by its major ports, which currently cannot handle very large vessels in the absence of proper draft depth, government think tank NITI Aayog has said.

More competition, mainly from global players, in dredging activities would help increase and maintain draft depth at ports and attract large vessels, enabling them to become hub ports, the Aayog pointed out.

At present, the Dredging Corporation of India and a limited set of private vendors serve the Indian dredging market, limiting competition. "The government needs to open up the dredging market to attract more players, particularly international players, in dredging activities to increase and maintain draft depth at ports to attract large vessels and enable them to become hub ports," it said.

Foreign players will be attracted to the market if the government takes measures such as consolidating dredging contracts across cohorts of ports and withdrawing, at least temporarily, the right to first refusal given to Indian vendors, the Aayog said.

'Action plan made'

To enable major ports to handle large vessels, the government has already made an action plan to increase the draft depth of ports.

Most major ports have already achieved a draft depth of 14 metres or more except Kolkata Port, where deeper draft has not been feasible.

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