

'Will become first Indian port to cross 10 mn TEU'

India's largest state-owned container port, Jawaharlal Nehru Port Authority (JNPA), is aiming to become the country's first port with a capacity of 10 million twenty-foot equivalent unit (TEU), said **UNMESH WAGH**, chairperson of JNPA, and chairman and managing director of Vadhvan Port Project, in an interaction with Prachi Pisal in Raigad (Maharashtra). JNPA is expected to maintain steady growth, focusing partly on the under-construction Vadhvan Port, which is estimated to become one of the top 10 container-handling ports globally, with a capacity of 23.2 million TEU once completed. Edited excerpts:

In 2024, JNPA handled 7.05 million TEU, the highest ever in its history. What were the factors that contributed to this achievement?

The trade at JNPA is very balanced; our export-import (exim) is almost the same. JNPA is a gateway, not a transshipment port. Hence, when our hinterland grows, JNPA grows.

We made our ecosystem very strong and efficient and also reduced a lot of unnecessary costs. Doing business with JNPA means there is certainty regarding time, cost, schedule, and assurance that there are no hidden costs. We are known for our efficiency, and we have zero tolerance for any inefficiency.

Also, once someone comes to JNPA, they don't leave, even if they have to pay more for transportation. For example, we don't have the dedicated freight corridor (DFC) here yet, which is in Mundra. Hence, the haulage charges are 25 per cent cheaper in that region. Still, many entities from the National Capital Region (NCR) prefer JNPA because there are no hidden charges. Our charges for the allied activities, which are required to be paid at the terminals, are almost negligible.

Hence, exim entities prefer this port. That's why we could achieve double-digit growth, which was unheard of in JNPA before this.

How will the DFC contribute to improving efficiency in operations at JNPA?

The traffic from NCR will be faster and cheaper after the DFC, which will reduce haulage costs by almost 30-35 per cent. It will be a game changer for the industry in the North, as it will be able to use the efficiency and connectivity of JNPA with other ports in the world to its advantage. The entities will be able to plan better. Their products can be much cheaper and more marketable in the global market. It will be a great boon for northern traffic once DFC extends to JNPA.

What is the current capacity of the port and what are your expansion plans?

At present, our capacity is roughly 7.7 million TEU. This year, we are adding a capacity of 2.4 million TEU, which is in progress. We are

adding one more container terminal. It is Phase II of the terminal. The terminal has been awarded to the Port of Singapore. Our capacity will reach 10.4 million TEU in the next financial year, making us the first Indian port to do so. This capacity can be enhanced with the use of technology and improvements in efficiency. However, our physical infrastructure is difficult to expand, as we do not have a new waterfront available.

Have geopolitical factors impacted the business considering JNPA's public-private partnership-based terminals?

No. Considering the way we are growing at a rate of 11-12 per cent and that all the terminals are doing well, those factors have not impacted us, at least this year. When we auctioned the first terminal in 1997, the Nhava Sheva International Container Terminal was based on a revenue share model. Later, for the subsequent terminals, sometimes we adapted the royalty model, and

sometimes the revenue share model. So, presently, we have a combination of models in JNPA. Our latest terminal is based on a royalty model. Now, we have adapted that model permanently.

Is there any update you would like to share on Vadhvan Port, which would cost ₹76,220 crore?

We have just awarded our first tender, which is to ITD Cementation India. The construction will start this month. It will be completed within the timeline of 18 months. Within the next two months, we will award the rest of the tenders. Road construction will also start in March or April. We are ahead of schedule and will complete this project before the deadline. So far, we have made very little investment because we have not started our work. But we will soon start it. We don't require any funds for the next two years. We will first exhaust equity. From 2027, we will require funds, but funding is not an issue.

Once Vadhvan is operational, what impacts will we see on JNPA and overall ports across the west coast of India?

Our study shows that, in 2029-30, there will be a requirement for a port with a capacity of 10 million TEU. Vadhvan will exactly bring that capacity. We will lose northbound traffic to Vadhvan, which we must lose because Vadhvan will be closer and cheaper for them. It will free 12-15 per cent of JNPA's capacity.

Regions like Pune, Nashik, Telangana, North Karnataka, and Goa can use this capacity; otherwise, they would have to go to Vadhvan. We will be very happy to lose the northern capacity for the benefit of entities that are near Vadhvan.



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