

DEVELOPMENT OF INDIA'S FIRST MEGA CONTAINER TERMINAL AT CHENNAI PORT ON BOT BASIS.

Background:

Chennai Port, located at 13° 0' N & 82° 18' E on the East Coast of India, is one of the Major Ports in India. The Port has a dedicated Container Terminal of 885 m length with an alongside draft of (-) 13.4 m CD which has been operated since August 2001 by a private consortium under a 30 years lease/ concession agreement. The rated capacity of the terminal is 1.20 Million TEUs per annum. Also, a second Container Terminal is being set up with a quay length of 832 m and a rated capacity of 1 Million TEUs per annum for handling growing volumes and will become operational from April 09.

Chennai Port has been in the limelight for achieving a phenomenal growth rate of nearly 30% in the last two years in terms of container throughput. In 2007-08, it handled over 1.12 million TEUs and in the current year (April – November 2008), it has handled over 0.82 million TEUs, thus defying the global slowdown to a large extent.

The first container terminal was privatised in 2000 and formally handed over to Chennai Container Terminal Private Limited (CCTL) in November 2001. CCTL has refurbished the terminal and managed to increase the throughput from 350,000 TEUs to the current 1.12 million TEUs per annum.

The second terminal with a planned capacity of 1 million TEUs is being developed by PSA-SICAL (CITPL) and is slated for operation by April - May 2009.

However, considering the steady growth in the container volumes, it is forecast that the container throughput demand will outstrip available capacity of 2.2 million TEUs by 2016-17. Thus a need for a Mega Terminal to cater to this demand for the next 30 years is envisaged. Also, it would be in Chennai Port's interest to develop facilities to cater to the latest generation of vessels so as to exploit the sharp increase in cargo volumes.

Hence, Chennai Port Trust (the “**Authority**”) proposes to develop a 2 km long mega container terminal in a straight line at the new outer harbour, with a 2.75 Km extension of existing outer arm breakwater and a new northern breakwater of about 1.73Km emanating from the Eastern Breakwater of the Fishing Harbour. The

proposed initial Depth in front of the new terminal is (-) 18 m CD, which will be increased to (-) 22 m CD later on. The 90 Hectares of land area behind the terminal will be the back-up and storage area which has to be reclaimed. The estimated rated capacity of the Terminal is 4 Million TEUs. The preliminary estimate works out to **Rs. 3686 Crores** for the entire development, out of which the selected Bidder is estimated to invest **Rs. 3125 Crores**; the balance investment shall be made by Chennai Port Trust. The Authority has decided to develop the **Mega Container Terminal** (the "**Project**") through private participation on Build, Operate and Transfer (the '**BOT**') basis, and has decided to carry out the bidding process for selection of the bidder to whom the Project may be awarded.

