

DREDGING IN INDIA 2018

Market analysis, New Opportunities and Outlook

- ❖ Report (PDF)
- ❖ Data-set (Excel)

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1. Dredging Market Overview

Dredging industry in India is being driven by expansion of existing ports, construction of new greenfield ports and new terminals, growing offshore activities and increasing focus on inland water transport. Most players have concentrated their dredging activities at major and non-major ports in accordance with the demand. The government, in the recent past, has taken several initiatives to solve some of the long-pending issues of the industry. However, delays in project award, lack of standard contract documents, environmental and financial constraints, unskilled manpower, etc. have slowed the growth. This chapter will provide a snapshot of the Indian dredging market by covering the following areas:

- ❖ Size and Growth
- ❖ Key Trends
- ❖ Recent Developments
- ❖ Major Players
- ❖ Growth Drivers
- ❖ Issues and Challenges
- ❖ Future Outlook

2. Policy Framework and Contracting Practices

The government has undertaken a number of new policy initiatives in the past few years. The guidelines for the issue of security clearance to bidders with respect to dredging projects at the major ports were approved. The process for disinvestment of 100 per cent paid-up equity capital in the Dredging Corporation of India (DCI) has started. Initiatives are being taken to standardise the contracting process. A number of ports have started to prefer long-term contracts based on the quantity dredged. This chapter will attempt to discuss the current policy framework, impact of the new policy/initiatives and contracting experience.

- ❖ Policy Framework
- ❖ New Dredging Guidelines
- ❖ Impact of GST
- ❖ Regulatory Developments
- ❖ Disinvestment in DCI
- ❖ Type of Contract
- ❖ Current Contracting Practices
- ❖ Global Best Practices

3. Segment Focus - Maintenance Dredging

Maintenance dredging is especially important as draught level at most Indian ports is lower as compared to international standards. This coupled with high siltation rates makes maintenance dredging compulsory at most Indian ports. Therefore, the authorities are now entering into long-term contracts, which make the tendering process more economical. This chapter will highlight the need and requirements and opportunities for maintenance dredging for various stakeholders.

- ❖ Size and Growth
 - Major Ports
 - Non-major Ports
 - National Waterways

- ❖ Key Completed Projects
- ❖ Key Ongoing Projects
- ❖ Future Outlook

4. Segment Focus - Capital Dredging

The capital dredging needs at Indian ports are increasing with the development of new terminals, berths and newer ports. It is carried out either to create new channels, basins, berths, etc. or to deepen existing infrastructure. Port trusts generally outsource capital dredging projects to specialised dredging companies. The scope of such projects largely depends on client requirements and site conditions. This chapter will highlight the need, requirements and opportunities for capital dredging for various stakeholders.

- ❖ Size and Growth
 - Major Ports
 - Non-major Ports
 - National Waterways
- ❖ Key Completed Projects
- ❖ Key Ongoing Projects
- ❖ Future Outlook

5. Dredging Cost Economics

Dredging is a highly capital intensive activity. Dredging projects in India are being largely funded through internal resources and budgetary support. The use of alternative sources like borrowing from the bond market, loans from multilateral agencies, etc. remains limited. Majority of these projects are funded by the port authorities through their own revenue sources. This chapter will attempt to provide a snapshot of the costs and financing of dredging projects.

- ❖ Experience So Far
- ❖ Factors Impacting Project Viability
- ❖ Key Cost Components
- ❖ Funding Sources
- ❖ New Funding Options
- ❖ Investment Projections (till 2024-25)

6. Key Government Programmes

The government's flagship programme, **Sagarmala**, identifies dredging as a major thrust area to achieve the objective of port modernisation and capacity enhancement, especially through the development of six new ports. Further, the **Jal Marg Vikas Project** aims at increasing the least available depth of NW-1 to up to 3 metres. Massive dredging activities are also being undertaken as part of the **National Mission for Clean Ganga**. This chapter will highlight the current status and upcoming opportunities under each programme. It will cover the following information:

- ❖ Project Scope
- ❖ Investment Requirement
- ❖ Progress So Far
- ❖ Key Completed Projects
- ❖ Key Ongoing Projects
- ❖ Announced/Planned Projects
- ❖ Targets and Timelines

7. Market Opportunities (till 2024-25)

Given the robust project pipeline, the dredging industry offers significant market opportunities to all stakeholders including contractors, dredger manufacturers, technology providers and ancillary equipment suppliers in the next 4-5 years. This chapter will highlight the opportunities across various schemes and for various stakeholders in the dredging segment.

- ❖ Under Key Schemes/Programmes
 - At the Central Level
 - By Port Authorities
 - By IWAI
- ❖ For Key Stakeholders
 - EPC Contractors
 - Dredger Manufacturers
 - Technology Providers
 - Equipment Suppliers
 - Etc.

8. Risks and Challenges

Dredging projects face several risks and challenges. These include geotechnical and investigation complexities, poor contracting practices, improper project management, disposal of dredged material, etc. These risks and challenges are unique to dredging projects, dependent on the geology of the project, location, and contracting terms and conditions. They can result in considerable time and costs overruns if adequate attention is not paid to these issues during the contract preparation and investigation phases. This chapter will analyse the following risks and challenges:

- ❖ Policy, Fiscal and Regulatory Issues
- ❖ Contractual Issues
- ❖ Inadequate Survey and Investigation
- ❖ Environmental Concerns
- ❖ Financing Issues
- ❖ Absence of Dredger Building and Repair Facilities
- ❖ Manpower Issues

(This chapter will include views/perspectives of key dredging companies and technology/equipment providers on the key issues and challenges affecting the implementation of dredging projects)

9. Dredger Market

Deepening and widening of draughts at Indian ports and government initiatives for the development of inland waterways network is driving the demand for dredgers in India. Indian dredging companies are acquiring and chartering dredgers and other supportive equipment from foreign shipyards. Ports are exploring new types of dredgers to achieve cost efficiency. Indian shipyards are also tying up with global suppliers for indigenous production of dredgers. This chapter will highlight the current size, notable trends and upcoming opportunities in the dredger building market.

- ❖ Current Size
- ❖ Import of Dredgers
- ❖ Market Trends
- ❖ Advancements and New Innovations
- ❖ Indigenous Manufacturing
 - Experience So Far
 - Future Potential
- ❖ Segment Outlook

10. Other Equipment Requirements

Indian dredging companies are largely dependent on foreign yards for maintenance of dredgers, supply of equipment and spare parts, and handling repair works. With the increasing number of ship-building facilities as well as cost advantage in manufacturing of dredging equipment, Indian dredging equipment industry holds huge potential. Further, since dredgers work along or near the coast, they are more susceptible to wear and tear as compared to merchant ships. Consequently, there is also a huge opportunity for spare part manufacturers and suppliers. This chapter will cover the following areas:

- ❖ Type of Equipment
- ❖ Key Suppliers
- ❖ Trends in Equipment Usage
- ❖ Advancements and Developments in Technology
- ❖ Segment outlook

11. Emerging Areas of Growth

In the past few years, dredging demand for other areas, like river cleaning, trenching and backfilling in the oil fields, deepening of channels and basins in shipyards and harbours and land reclamation has increased. Further, the growth of the fishing industry has led to an increase in the size of vessels handled at fishing harbours, which in turn, has increased their dredging requirements. Additionally, the government is also formulating plans for land reclamation in order to meet the growing demand for land in urban areas. This chapter will highlight the requirements and opportunities for dredging in areas other than ports.

- ❖ Experience So Far
- ❖ Key Completed Projects
- ❖ Key Ongoing Projects
- ❖ Future Outlook

12. Profiles of Major Players

The Indian dredging market is served by both public and private sector players. The biggest player in the market is Dredging Corporation of India. Its share is constantly falling with the growth of private players. Also, the government is introducing new policy initiatives to encourage private sector participation in the dredging segment. **This chapter will have 10-15 profiles of key players in the Indian dredging industry covering the following:**

- ❖ Company Overview
- ❖ Fleet Size
- ❖ Project Portfolio (Completed and Ongoing Projects)
- ❖ Upcoming Projects
- ❖ Financial Performance
- ❖ Future Plans

DATABASE OF DREDGING PROJECTS

A comprehensive database of key dredging projects with information on quantity dredged, contractor, location, contract value, type of dredged deployed, etc. The database would include projects being undertaken at the major ports, non-major ports, national waterways, oil and gas fields, rivers, beaches, etc. It would also cover the ongoing and upcoming projects under the central government programmes.

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