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Proposed new port at Tajpur create at least 2,000 direct jobs and 6,000 indirect ones

Kolkata: A fresh confrontation is brewing between the West Bengal government and the National Democratic Alliance (NDA). This time over the state government's plan to build a new port at Tajpur in East Midnapore district.

The Centre fears that the proposed port at Tajpur to be built in partnership with private investors could potentially render the existing one in Haldia as well as the new one being explored at Sagar Island redundant.

Relations between the Union government and West Bengal have been strained recently and failure to resolve the face-off could only trigger fresh stress lines.

The Union government, earlier this month, wrote to the state government requesting a reconsideration of the proposed project. Since ports fall under the concurrent list of the Constitution, the Centre cannot veto the state's plan to build a new port, said a key shipping ministry official, asking not to be named.

The Centre has budgeted around Rs.12,000 crore for development of related infrastructure such as roads and railway connectivity for its proposed port at Sagar Island.

Unfazed, the West Bengal government is going ahead with its own plans: state finance minister Amit Mitra, who also looks after the commerce and industries department, announced earlier this month that tenders for the partnership are to be invited within six months.

The Centre fears that the state's plans could jeopardize the future of the Haldia Dock Complex, operated by the Union shipping ministry-controlled Kolkata Port Trust (KoPT), and put as many as 6,000 jobs at risk.

In the event that the state chooses to go ahead with its own port project, the Centre might shelve its plan of developing the Sagar Island port because there will be no economic justification to develop two new ports, said the shipping ministry official cited above.

The key problem at Haldia is its shallow draught of 7.5-8m, which restricts cargo movement. The port is dependent on so-called maintenance dredging to stay afloat, and some experts are of the view that such a port can never be viable because of its relatively higher operating costs.

But the view within KoPT is that if the Centre's port at Sagar Island materialises, employees of Haldia port could be accommodated there. If the state government goes ahead with its own port at Tajpur and Haldia becomes unviable, jobs could be under threat.

KoPT chairman M.T. Krishnababu declined to comment. But a key official at the Port Trust said: "The Haldia port is unlikely to survive competition, but the future of its employees is now dependent on which between the two proposed ports materializes."

This person, too, asked not to be identified.

The economics of the proposed Tajpur port, too, may not "in the long run be very different" from Haldia's, said the unnamed KoPT official cited above, because it, too, like Haldia, will require maintenance dredging, according to the Port Trust's own preliminary studies.

Haldia's local lawmaker and the state's transport minister Suvendu Adhikari has a different view. He doesn't see the state's proposed port at Tajpur putting Haldia at risk.

"If Gujarat and Maharashtra can have multiple ports, why can't West Bengal, too, have a new port?" he asked, adding that the new port will only create new jobs and give a fillip to the state's economy.

According to the state's own estimates, the proposed new port at Tajpur will create at least 2,000 direct jobs and 6,000 indirect ones.

Workers backed by Adhikari's Trinamool Congress party, however, expressed apprehension about the future of the Haldia port if Tajpur materialises.

Asim Sutradhar, the leader of a Trinamool Congress backed union of Haldia port's workers, said the port will find it tough to compete with a port in Tajpur. "But we will have to accept them for the sake of the state's development," he said.

For the state, the economic benefits of setting up a port at Tajpur far outweighs its consequences for the Haldia port, said Abhirup Sarkar, a professor of economics at Kolkata's Indian Statistical Institute. So the state should not get deterred by concerns for the Haldia port, which anyhow has many problems, he added.