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Beginning of a new Dawn

Signing of Viability Gap Funding (VGF) Agreement between Govt. of Odisha and Mediterranean Shipping Company MSC (India) Pvt. Ltd. for Starting Regular Container Cargo Exports/Import Shipping Service through Paradip Port

Bhubaneswar, 16/02/2024

Government of Odisha signed an agreement with Mediterranean Shipping Company (MSC) for Viability Gap Funding to encourage containerized cargo export/import shipping through Paradeep Port. Shri Saswat Mishra, Principal Secretary/MSME Department and Capt. Deepak Tiwari, MD of MSC Agency (India) Pvt. Limited signed the agreement in presence of Shri Pratap Keshri Deb, Hon'ble Minister, Shri Pradeep Kumar Jena, Chief Secretary and a host of other senior officials and stakeholders form Government of Odisha and Government of India.

Companies and business entities located in Odisha are doing huge volumes of containerized cargo export and import. At present, they are doing this almost entirely through seaports outside Odisha, especially through Kolkata/Haldia and Vizag ports and incurring extra logistics cost which is making their business that much less remunerative. Moreover, by shifting of export/import activity to seaports outside Odisha, the State is losing huge opportunities of job creation inside Odisha.

Containerized cargo export/import happening through Paradeep Port will immensely help exporters and importers of Odisha (by way of reducing their logistics cost). It will also lead to generation of huge number of direct and indirect employment in Odisha. Moreover, import and export through Paradeep Port will also generate substantial tax revenue for the State Government.

MSC is world's largest container shipping company, accounting for about 23% of Global share. Its feeder ships will come to Paradeep Port twice or thrice a month. The exim container cargo of Paradeep Port will be connected to Colombo from where MSC will take the cargo to any part of the globe in its mother ships (i.e. larger ships). Once business at Paradeep port grows, MSC's feeder ships will come to Paradeep Port more frequently.

If MSC does not get enough business at Paradeep, Government of Odisha will compensate MSC as per the VGF agreement. MSME Department had floated an advertisement in November'2023 asking for VGF proposal from shipping companies. Five shipping companies, including MSC, had responded to this advertisement. MSC was selected for VGF agreement as its VGF requirement was lower than that of the other four companies.

MSC is likely to start its container cargo exim shipping service from Paradeep Port from March'2024.

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