

## **Analysis of the Union Budget 2017: The Maritime Context**

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Lately, the apex political leadership in India has clearly enunciated the nation's vision to develop its comprehensive maritime power. The vision seeks to revive India erstwhile maritime heritage and make concerted maritime endeavours in tandem with its extended regional neighbourhood to satiate the overall national objective of economic development and prosperity for its citizens. During his 2015 visit to Mauritius, for instance, Prime Minister Shri Narendra Modi enunciated the mantra of 'Security and Growth for All in the Region (SAGAR, meaning 'Ocean'). This was followed by his reiteration of India's maritime vision during the International Fleet Review in Vishakhapatnam and at Maritime India Summit in Mumbai, both in 2016. He linked the deep-blue 'Chakra' (wheel) in India's national Flag to the oceans and the nation's past maritime glory, prodding his countrymen to see the 'chakra' as the vital node of maritime energy to revitalize the nation's economy. Consequent to laying down this broad framework, the Indian government has worked hard towards developing all facets of the nation's maritime potential. A particular emphasis has been laid upon maritime infrastructure and connectivity, as exemplified by Project Sagarmala.

In this context, the various sectors of national activities linked to the maritime domain may have expected the Union Budget FY 2017-18 to reflect India's resurgent maritime vision. However, the text of the budget was disappointing, to say the least. Firstly, the budget did not indicate any emphasis on the maritime sector as a whole. The text was even devoid of the word 'maritime'. Secondly, while the allocation to few maritime sectors like shipping and inland waterways was mentioned, these were clubbed with other non-maritime sectors like rail and road. The text said,

1. *"Railways, roads and rivers are the lifeline of our country. We are now in a position to synergise the investments in railways, roads, waterways and civil*

aviation. For 2017-18, the total capital and development expenditure of Railways has been pegged at ₹ 1,31,000 crores.”

2. “In the road sector, I have stepped up the Budget allocation for highways from ₹ 57,976 crores in BE 2016-17 to ₹ 64,900 crores in 2017-18. 2,000 kms of coastal connectivity roads have been identified for construction and development. This will facilitate better connectivity with ports and remote villages.”
3. “An effective multi modal logistics and transport sector will make our economy more competitive. A specific programme for development of multi-modal logistics parks, together with multi modal transport facilities, will be drawn up and implemented.”
4. “For transportation sector, as a whole, including rail, roads, shipping, I have provided ₹ 2,41,387 crores in 2017-18. This magnitude of investment will spur a huge amount of economic activity across the country and create more job opportunities.”

The allocation mentioned is a total of all the modes of transport, where maritime sectors are clubbed with non-maritime sectors. The mention of waterways and rivers is included in the railways budget (point 1), but would it help the development of waterways? The allocated amount of ₹ 1,31,000 crores is clearly stated for railways. The rivers and waterways are an independent sub-sector, which can be combined for a multi-modal transportation as mentioned in point 3. These maritime sub-sectors have been neglected over a long period of time, and thus, a separate budget would have helped it develop, to further complement the overall transportation sector.

We can also see a slight mention of coastal connectivity in the roadways budget, which can be considered as one step forward towards the development of ports. It would, undoubtedly, help in better connectivity of the ports with the hinterland, and further enhancing our logistics network.

The overall transportation budget is ₹ 2,41,387 crores as mentioned above (point 4). Out of this amount, ₹ 1,31,000 crores have been allocated for railways and ₹ 57,976 crores for roadways. Of the remaining amount of ₹ 73,024, how much is allocated to shipping and inland waterways remains to be seen.

A trivial mention about few maritime sectors was made in the Union Budget FY 2014-15, covering port development, industrial corridors on the coastline, shipping, and development of inland waterways, especially River Ganga. In

comparison to the current budget, this budget was incrementally a better budget. The current budget is certainly not in tandem with the vision of our Prime Minister.

As far as maritime security is concerned, Indian Navy and Indian Coast Guard are responsible for the country's maritime security. The two forces are comparatively smaller, but are more technologically driven. The defence allocation saw a mere increase of six per cent, and government's 'Make in India' initiative seems to nose dive. This indicates that the Modi government is not serious, as also mentioned in an article on defence budget allocation. There is a sure need for a comprehensive maritime budget for India to rise as a maritime nation.

The defence allocation for FY 2017-18 saw a meagre increase of six per cent. A large part of it has been absorbed in the Revenue Budget, which includes salaries and pensions. The budget for modernization of Indian Navy and Coast Guard, the primary maritime security agencies, is likely to be insufficient. Thus, protection of India's maritime interests would be a challenging mandate for the two forces.

For an area where 90% of the world trade goes through the sea, there is a negligible mention of maritime aspects in the budget. Our prime Minister surely has a vision, which is prominent in his Sagarmala initiatives mentioned during his international visits, but there doesn't seem to be any roadmap for the same. India needs a comprehensive roadmap for its maritime heritage, which includes various sub-sectors including security, shipping, inland waterways, ports, connectivity, coastal industrial clusters, etc., to develop as a maritime nation.

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