

# FOCUS SOUTH 16

## Lanco gets LoI for Vizhinjam project

**Corporate Bureau**

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The Rs 8,300 crore Vizhinjam International Transhipment Terminal Port Project, mooted by the Kerala government, has been awarded to the consortium of Lanco and Pembina Redzal Sdn Bhd of Malaysia. The letter of intent (LoI) for the multi-crore project was handed over to the Lanco group on Tuesday.

The license agreement for the project is expected to be signed within the next 4-6 weeks between the government of Kerala and the special purpose company (SPC) to be incorporated by the consortium for the project. The Kerala government would have 24% stake in the SPC while the balance would be held by the

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members in the consortium.

According to a company statement, the project involves development of international container transhipment port with an ultimate capacity to handle 6.5 million TEUs (twenty foot equivalent units). The port would be developed in four phases with an overall outlay of Rs 8,300 crore. Phase-1 of the project alone would call for an investment of about Rs 2,800 crore.

“The port will be equipped with state-of-the-art technolo-

gy, equipment and highest industry service standards. Lanco will commence preparation of detailed project report and simultaneously work on obtaining environmental and CRZ clearances for the project. The financial closure is expected to take about 12-18 months. And thereafter the construction activities will begin”, it said. Phase -1 is expected to be ready for commercial operations by end of 2012.

On completion, the project is expected to attract a major share of the container transhipment traffic of India from the ports of neighbouring countries like Colombo, Malaysia, Al-Salah and Singapore. This would invariably benefit India companies that are engaged in exports and imports.