

Vizhinjam may finally get container terminal

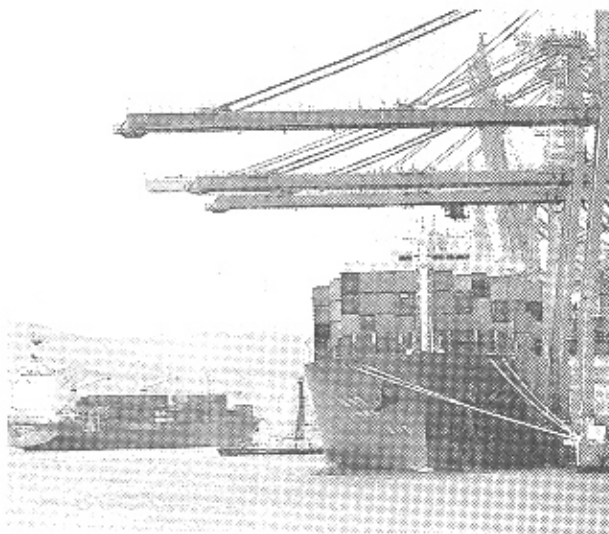
BS REPORTER

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Kerala's long-pending dream for a container trans-shipment terminal is finally showing signs of turning towards reality, with the Ministry of Defence giving the all important nod for the construction of the much-talked-about International Container Trans-shipment Terminal at Vizhinjam, near the Kerala capital. The project is estimated to cost about Rs 5,318 crore.

The state government had entered into an agreement with a consortium — comprising Hyderabad-based Lanco Kondapalli Power Pvt Ltd, Malaysia-based Pembinaan Redzai Sdn Bhd and Lanco Infrastructure Ltd — to implement the project. With the defence ministry's clearance, the ball has been set rolling in this regard. Sources here said that the defence ministry has asked the Kerala government to go ahead with the deal.

The deal, however, will get the final stamp of approval only after a few conditions forwarded by the ministry are allowed, sources said. The Centre has directed the state to accord permission to anchor naval vessels at any given time, and has also informed the government that a representative of the navy should be appointed as a security officer — the two riders that the state



The defence ministry has approved the construction of International Container Trans-shipment Terminal at Vizhinjam, near Kerala capital

will have to adhere to.

These two conditions are said to be part of the approval letter handed over by Defence Minister AK Antony to the state government. The Kerala government had accorded the necessary approval to construct the project on Build-Operate-Transfer (BOT) model by selecting the bid submitted by Lanco Kondapalli consortium. The final round of bids considered was of Nagarjuna Constructions, also based in Hyderabad, and Mumbai-based Videocon Industries, besides the Lanco bid.

The project is expected to

be undertaken in two phases. It is hoped that the clearance from the intelligence bureau will also come by soon. The state is expected to sign an agreement with the consortium soon after all the formalities from the Centre are over.

It may be recalled that the Centre had, during the erstwhile Congress government's tenure in Kerala, declined approval for the project citing security concerns due to Chinese involvement. The then consortium, which bagged the project, included two Chinese companies and a Mumbai-based player.