

India launches first Cargo Ferry Service to Maldives

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India and the Maldives on Monday launched a cargo ferry service connecting Tuticorin and Cochin ports with Male with the aim of cutting costs and time taken to transport goods between the two countries.

The launch of the ferry service came a day after India provided a 10-year soft loan of \$250 million to the government of the Maldives as budgetary support to mitigate the economic impact of the Covid-19 pandemic. India will subsidise the ferry service in its initial stage with \$3 million, officials said.

Key Highlights

- The maiden voyage of the ferry service was launched during a virtual ceremony by India's minister of state for shipping Mansukh Mandaviya and the Maldives' minister of transport and civil aviation Aishath Nahula. The ceremony was joined by representatives of Tuticorin and Cochin ports and officials of the Maldives Ports Limited and the foreign ministry of the Maldives.
- The cargo vessel MCP Linz, operated by the Shipping Corporation of India (SCI), will

travel from Tuticorin to Cochin and then to Kulhudhuffushi port in the north of the Indian Ocean archipelago on September 26 before making its way to Male on September 28.

- The vessel can carry 380 TEUs and 3,000 metric tonnes of bulk cargo. The turnaround time for voyages will be 10 to 12 days and the service will operate twice a month.
- Officials said the ferry service is aimed at upgrading the trade partnership and improving logistics on both sides. Though the two sides have traded for centuries, India is currently only the fourth largest trading partner of the Maldives, after the UAE, China and Singapore.
- The two sides had signed a memorandum of understanding on the ferry service during Prime Minister Narendra Modi's visit to the Maldives in June 2019. In his address to the Majlis or Parliament during that visit, Modi had announced India's commitment to start the ferry service.
- A team from SCI visited the Maldives in July last year for preliminary studies and the Federation of Indian Chambers of Commerce and Industry (FICCI) carried out a feasibility study on the cargo ferry service during March-April, which found India's share of the 27 principal items imported by the Maldives was well below the potential.
- The decision to launch the cargo ferry service between the two sides was announced during a virtual meeting between external affairs minister S Jaishankar and foreign minister Abdulla Shahid on August 13.
- The cargo ferry service also reflects the synergies between the "neighbourhood first" policy of the Indian government and the "India first" policy of the Maldives under the leadership of President Ibrahim Solih, the officials said.

SOURCE: *Hindustan Times*