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## **Kerala appoints IFC as advisor to Vizhinjam terminal project**

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International Finance Corporation a member of the World Bank Group has signed a formal agreement with the Kerala Government to develop a Greenfield port at Vizhinjam near Thiruvananthapuram which is expected to address the State's trade and transportation capacity needs.

Mr Sanjeev Kaushik CEO of Vizhinjam International Seaport and Secretary of Kerala Ports Department said that "Under the agreement, IFC will act as a principal advisor to Vizhinjam International Sea Port Ltd to structure, market and implement the project to attract serious investors through an open, transparent and competitive bidding process. This will help bring international managerial capabilities and best practices and safeguard the interest of stakeholders."

He said that private investors with relevant experience in other parts of the world will bring efficiencies to building a port in Kerala by partnering with IFC.

He added that the State will not only benefit from its global experience in structuring sustainable public private partnership but also show the Government's commitment to ensuring a transparent and competitive bidding process.

The Vizhinjam Port is expected to become a national hub for container traffic. Developing this deep water port will build on the natural advantages of the proposed site and its proximity to the international shipping routes, providing access to larger ships.

Mr Lars Thunell executive vice president & CEO of IFC said that improved infrastructure would lead to stronger economic growth in India. He added that "We are partnering with Kerala to increase capacity of its port to enable more trade and create jobs."

He added that container shipping lines reported major losses in 2009 and are cutting routes and new ship orders. While many shipping lines and port operators have scaled back new investment plans, most are still looking for public private partnerships with good fundamentals.

IFC will work with governments to evaluate alternate port usages and recommend re-sizing and re-phasing its development on the basis of their analysis thereby enhancing viability and reducing risks.

(Sourced from Business Line)

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