



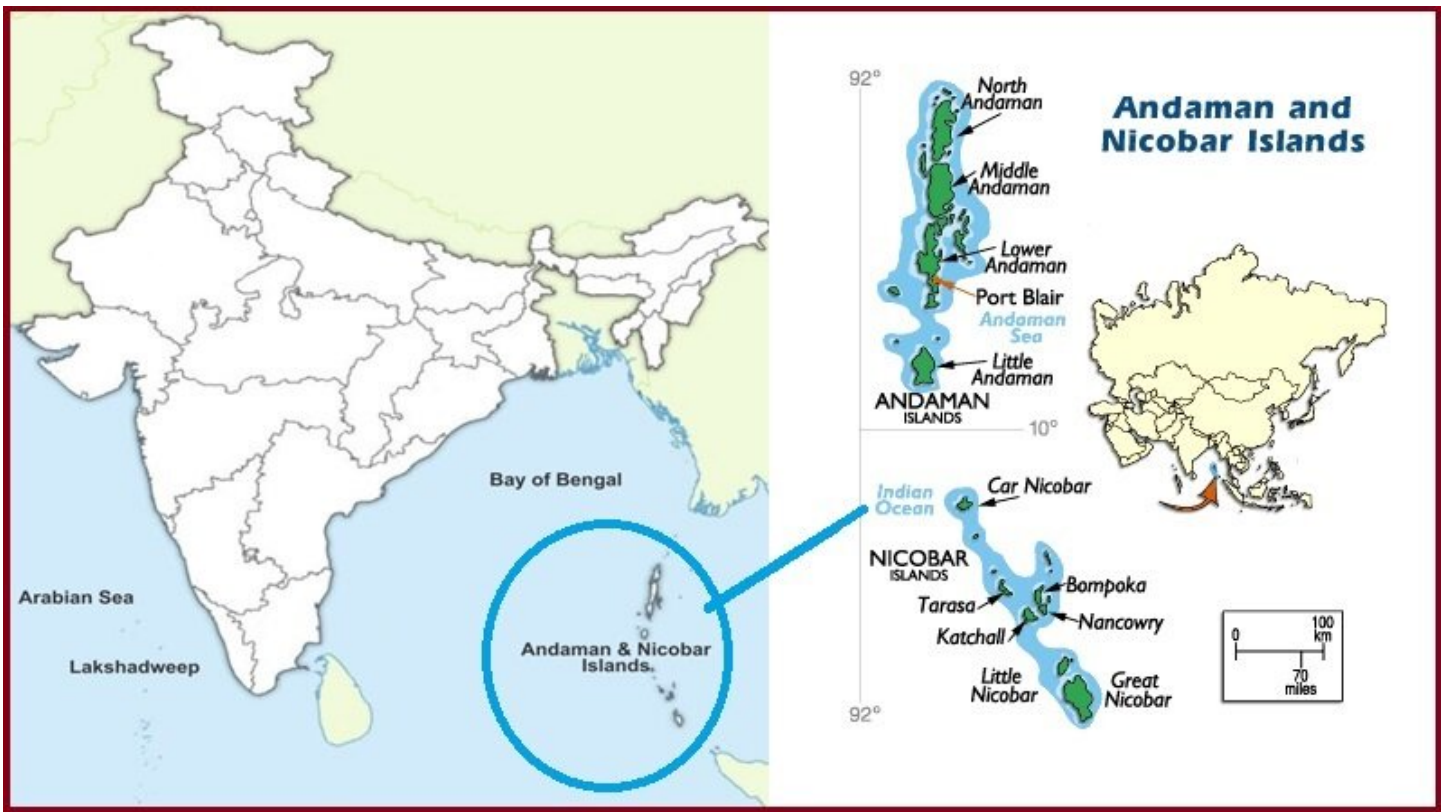
# Andaman and Nicobar Islands to be Maritime and Startup Hub

## Why in News

Recently, the Prime Minister has declared that the [Andaman and Nicobar islands](#) will be developed as a "maritime and startup hub".

## Key Points

- A **transshipment hub** has been proposed in the Andaman and Nicobar islands.
  - A **transshipment** is when cargo or a container is moved from one vessel to another while in transit to its final destination.
  - It will be built in South Bay, Great Nicobar Island, to provide Indian shippers an alternative to the **Colombo (Sri Lanka), Singapore and Port Klang (Malaysia) transshipment ports**.
- 12 islands of the archipelago have been selected for **high-impact projects** with an emphasis on boosting trade of **sea-based, organic and coconut-based products** of the region.
- A **submarine cable project** has been launched in the islands to make it digitally independent.
  - 2300 Km of submarine optical fibres cable (OFC) have been laid down
  - The fibre will connect Chennai and Port Blair and seven other islands- [Swaraj Deep \(Havelock\)](#), Long Island etc.
  - The connectivity project was funded by the Centre through the [Universal Service Obligation Fund](#) under the Ministry of Communications.
  - It was executed by **Bharat Sanchar Nigam Limited (BSNL)** and **Telecommunications Consultants India Limited (TCIL)** was the technical consultant.
- In addition, **Port Blair airport** is to be **expanded** and some of the islands will be also **connected with seaplanes**.
- **Background:**
  - In 2015, the government had announced an ambitious, **Rs 10,000 crore economic plan** to transform the Andaman and Nicobar Islands into the **country's first maritime hub**.
  - This included infrastructure construction, protection of the original [Jarawa inhabitants](#) and boosting the **tourism potential**.
  - Earlier, India had also invited [global investors to develop](#) the Andaman & Nicobar and Lakshadweep islands.
  - The Union Government constituted the [Island Development Agency](#) on 1<sup>st</sup> June, 2017 for the development of islands.



## Benefits

### ▪ Governance:

- Better connectivity in the region will facilitate the delivery of **e-governance** services such as **telemedicine** and **tele-education**, as a part of **Digital India** initiative.
- The region will play an important role in his government's **self-reliant India** project.

### ▪ Economic:

- Small enterprises, Business Process Outsourcing Services and other medium and large enterprises will also benefit from better connectivity and opportunities in **e-commerce**.
  - This can be leveraged to promote the government's **Startup India** initiative.
- The internet costs will also come down and it will give a boost to **tourism** and the **local economy**.
- The building of a transshipment hub will be critical for **India's trade** and help the group of islands become an important centre of the **blue economy**.

### ▪ Strategic:



- The islands are critical for **India's security** because of their **strategic location** in the **Indian Ocean Region (IOR)**. Better infrastructure and connectivity will help India enhance its **military and naval strength** in the islands.
- The islands are home to India's only tri-services command, the **Andaman and Nicobar Command (ANC)** which is strategically important, more so, on the backdrop of the **Chinese aggression** in the region.
  - Earlier this year, China was accused by Vietnam of **sinking its sea** in its **Exclusive Economic Zone**.

#### ▪ **International Relations:**

- It will also help India to build better economic relations with **ASEAN** region.
- The importance of the islands has increased in light of India's '**Act East**' policy.

### **Submarine Communications Cable**

- It is a cable **laid on the seabed** between land-based stations to transmit **telecommunication signals** across stretches of ocean and sea.
- The optical fibre elements are typically coated with **plastic layers** and contained in a **protective tube** suitable for the environment where the cable will be deployed.
- Compared to satellites, using internet connection through submarine cables is more **reliable, cost efficient** and **of large capacity**.

### **Universal Service Obligation Fund (USOF)**

- USOF ensures that there is universal **non-discriminatory access to quality ICT services** at economically efficient prices to people in rural and remote areas.
- It was created under the Department of Telecommunications in **2002**.
- It is a **non-lapsable fund**, i.e., the unspent amount under a targeted financial year does not lapse and is accrued for next years' spending.
- All credits to this fund require **parliamentary approval** and it has statutory **support** under **Indian Telegraph (Amendment) Act, 2003**.

### **Way Forward**

Provision of reliable, robust, and high-speed telecom and broadband facilities in these islands will be a landmark achievement from the viewpoint of consumers, as well as for strategic and governance reasons.

**Source: TH**

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