

Ports

9.54 Ports are a key component of infrastructure, where recent policy initiatives have ushered in new insitutional arrangements, and have yielded results in terms of measurable outcomes such as the delays at ports. While performance metrics have improved considerably, they continue to lag international standards. Private investment in the sector has been mainly from captive users, and these port terminals now compare well with international norms at efficiency.

9.55 Major ports handle about 75 percent of India's port traffic while minor ports handle the remaining. There are 12 major and 184 other (minor and intermediate) ports, which service the Indian coastline. The major ports are Chennai, Cochin, Ennore, Jawahar Lal Nehru, Kandla, Kolkata, Mormugao, Mumbai, New Mangalore, Paradip, Tutocorin and Visakhapatnam. The minor ports are located in Gujarat (40), Maharashtra (53), Goa (5), Daman & Diu (2), Karnataka (9), Kerala (13), Lakshadweep (10), Tamil Nadu (14), Pondicherry (1), Andhra Pradesh (12), Orissa (2) and Andaman & Nicobar (23). While

major ports are governed by Major Ports Trust Act under the control of Central government, State governments administer the minor ports.

9.56 There has been an improvement in terms of total cargo handled at major ports during April-December, 2002 cargo handled by major ports registered 8.7 percent growth compared with 1.6 percent the corresponding period of 2001-02. About 81 percent of the total volume of port traffic handled was in the form of dry and liquid bulk, while the remaining 19 percent consisted of general cargo and containers. There has been an impressive growth of container traffic in the last few years – with growth rates of over 10 per cent per annum over the last three years. The highest growth was, however, observed in respect of food grains followed by containerized cargo, and iron ore (Table 9.11).

9.57 As against a total capacity of about 344 million tonnes on March 31, 2002, major ports handled about 288 million tonnes of cargo during 2001-02. Capacity addition is being planned according to projected traffic requirements. It is expected that by the end

Table 9.11 : Trends in traffic at major ports

	2000-01	2001-02*	April-December*		Change over previous year	
			2001	2002	2001-02	2002-03@
1	2	3	4	5	6	7
	<i>(Million tonnes)</i>			<i>(percent)</i>		
1 POL	108.3	103.3	78.2	82.8	-4.6	5.9
2 Iron Ore	40.5	45.7	31.1	34.7	12.8	11.6
3 Fertiliser & raw materials	9.1	9.6	7.6	6.7	5.5	-11.8
4 Foodgrains	1.9	3.8	2.3	6.6	100.0	187.0
5 Coal	48.1	45.9	34.2	34.9	-4.6	2.0
6 Vegetable oil	3.9	3.4	2.9	2.6	-12.8	-10.3
7 Other liquids	7.8	8.2	6.2	6.7	5.1	8.1
8 Containerised cargo	32.2	37.2	27.1	32.3	15.5	19.2
9 Others	29.3	30.5	22.9	23.7	4.1	3.5
Total	281.1	287.6	212.5	231.0	2.3	8.7
* Provisional.		@ April-December.				
Source : Ministry of Shipping.						

Table 9.12 : Performance indicators of illustrative ports in India : Containers categorywise (2001-02)
(in days)

	JNPT	Chennai	Cochin	Kandla	Kolkata	Tuticorin
Average Pre-berthing time on port account	0.30	3.30	0.15	0.13	0.005	0.04
Average turnaround time	1.04	6.60	1.56	1.53	2.40	0.56

Source : Ministry of Shipping

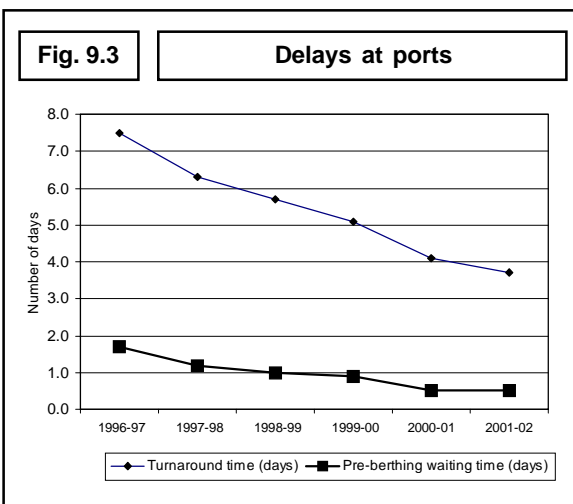
of the 10th Five Year Plan, total capacity of major ports would be 470 million tonnes.

9.58 There has been an improvement at major ports in the principal indicators of port efficiency. The average turn-around time came down from 4.1 days in 2000-01 to 3.7 days in 2001-02. Similarly, the average output per ship-berth-day increased from 6,701 tonnes in 2000-01 to 6,972 tonnes in 2001-02. However, the average pre-berthing time on port account at major ports remained unchanged at 0.5 days during the two years. Port-wise analysis shows that productivity indicators vary widely from port to port. For example, average pre-berthing waiting (all ports) was reported at 0.5 days for 2001-02 but at the port level it varied between 0.01 day (Kolkata) to 1.30 days (Chennai). Likewise, average turn-round time (all ports) was reported at 3.7 days but it varied from less than 3 days (Cochin, New Mangalore and JNPT) to 5.6 days (Chennai). This may suggest that there are institutional innovations at better performing ports, such as JNPT, which could be adopted in other ports.

9.59 Container traffic is central to the future of India's ports, given the domination of containerisation in international trade. At present, about seventy percent of the containers which flow through India are transhipped through ports of Colombo, Singapore, Dubai and Salalah. This introduces delays, and raises transactions costs for India's international trade. Keeping this in view, it has been proposed to develop a hub port each on the East and West coasts of the country, at Chennai and Jawaharlal Nehru Ports, respectively. Further, it has been proposed to develop an international container transshipment terminal at Vallarpadam, Cochin.

Box 9.10 : Institutional innovations at Jawaharlal Nehru Port Trust

1. Jawaharlal Nehru Port Trust, Navi Mumbai, signed an agreement with P&O Australia, for the development of a two berth container terminal of 600 meter quay length on "Build, Operate and Transfer" (BOT) basis for a period of 30 years in July 1997. M/s P&O completed the project ahead of the schedule and commenced operations in April 1999. The total investment on this project was about Rs.900 crores. The new terminal was named as Nhava Sheva International Container Terminal (NSICT).
2. The private terminal was expected to handle a minimum of 1,75,000 twenty feet equivalent units (TEUs) of containers in the first year of operations, reaching a minimum of 5,00,000 TEUs in the sixth year of operations. However NSICT surpassed this figure and handled 3,43,187 TEUs of containers during the first year of operations (April 1999 to March 2000). The container traffic handled by NSICT during the last financial year (2001-02) was 9,43,881 TEUs and it is expected to handle about 12,00,000 TEUs of containers during the current year (fourth year since its inception) of operations.



9.60 In order to attract private sector investment, model bid documents have been finalized laying down transparent bidding procedure, including qualifications and selection criteria. Under the scheme for private sector participation in major ports, 41 projects involving capacity addition of about 161 MTPA and an investment of about Rs.10,810 crore by the private sector are at various stages of evaluation and implementation. Out of these, seven projects, with capacity addition of 28.4 MTPA involving an investment of about Rs.1,852 crore have been completed.

9.61 It is proposed to corporatise the major ports in a phased manner starting with Jawaharlal Nehru Port at Navi Mumbai since their functioning under the Major Ports Trust Act, 1963, has been inhibited due to inflexibility in decision making and operations and major ports are unable to respond to changing needs quickly. A new major port set up at Ennore has already registered as a corporate body under the Companies Act, 1956. The Major Port Trusts Amendment Bill, 2001 containing an enabling clause for corporatisation of the major ports has been introduced in Parliament.