Ports

31. The long coastline of India is dotted with 11 major ports which are managed by the Port Trust of India under Central Government jurisdiction and 139 minor operable ports under the jurisdiction of the respective State Governments. The major ports handle 90 per cent of the all-India port throughput, and thus bear the brunt of sea borne trade. During 1997-98, the total cargo handled at major ports was 251.5 million tonnes, registering a growth of 10.6 per cent over 1996-97. About 85 per cent of the total volume of port traffic handled was in the form of dry and liquid bulk, while the remaining 15 per cent consisted of general cargo, including containers. During April-November 1998, 162.2 million tonnes of cargo was handled by major ports, registering a 0.1 per cent growth compared to 162 million tonnes in the corresponding period of 1997-98. The slow growth was mainly due to the fall in the export of iron ore and the decline in the import of fertilisers and its raw materials. The highest growth was, however, observed in respect of vegetable oils and food-grains (Table 9.5).

32. The existing port infrastructure is insufficient to handle trade flows effectively. As against the total capacity of 218 million tonnes on March 31, 1998, major ports handled 251.5 million tonnes as of end-March 1998, resulting in pre-berthing delays and longer ship turn-around time. Further creation of capacity should be planned according to projected traffic requirements. Indian ports continue to show lower productivity in comparison to efficient ports in the Asian region in terms of labour and equipment productivity norms. Nevertheless, the two principal indicators, output per-ship-berth-day and average-turn-around-time at major ports have shown a marked improvement during 1997-98. The output per ship berth day has increased from a minimum of 1,188 tonnes and a maximum of 8,540 tonnes during 1996-97 to 1,325 tonnes and 10,446 tonnes respectively in 1997-98. Similarly, the average-turn-around-time which ranged between 3.9–9.0 days in 1996-97 declined to the range of 3.8–7.4 days during 1997-98.

33. The Ninth Plan envisages an outlay of Rs.8000 crore, for the port sector, with the Annual Plan Outlay for 1998-99 at Rs.953 crore. Five mega projects, costing a total of Rs.1800 crore, are underway with external assistance. The Government's efforts will be supplemented by investment from the private sector, so that the projected port handling capacity of 424 million tonnes is fully met by the end of 9th Plan Period. Guidelines have been issued regarding private investment in the port sector.

34. The major ports are governed by the Indian Ports Act, 1908 and the Major Port Trusts Act, 1963. These Acts have enough flexibility to permit private investment in ports. Automatic approval of foreign equity upto 100 per cent has been allowed in the construction of ports and harbours. Support services to water transport such as operation and maintenance of piers, loading and discharging of vessels have been allowed automatic foreign equity

TABLE 9.5

Trends in Traffic at Major Ports

	1996-97	1997-98*	April-November* 1997-98	April-November* 1998-99	Change over previous year 1997-98	Change over previous year 1998-99@
			(Million tonnes)			*(per cent)*
1. POL	98.1	104.0	66.3	67.5	6.0	1.8
2. Iron Ore	33.0	39.2	23.8	20.2	18.8	-15.1
3. Fertiliser & raw materials	7.2	9.9	6.9	6.3	37.5	-8.7
4. Foodgrains	3.1	3.0	1.8	2.4	-3.2	33.3
5. Coal	34.9	39.4	25.3	26.9	12.9	6.3
6. Vegetable oil	1.7	1.9	1.5	2.2	11.8	46.7
7. Other liquids	6.1	4.4	2.9	2.9	-27.9	0.0
8. Containerised cargo	20.6	23.1	15.5	15.5	12.1	0.0
9. Others	22.6	26.6	18.0	18.3	17.7	1.7
Total	**227.3**	**251.5**	**162.0**	**162.2**	**10.6**	**0.1**

*** Provisional** **@ April-November**

participation upto 51 per cent. Private sector participation would serve to bridge the resources gap which is estimated to be about Rs.8000 crore during the 9th plan period. This constitutes 50 per cent of the total investment envisaged in the port sector over the next 5 years. It is heartening to note that not only are the committed externally aided projects continuing to draw foreign assistance, but a new mega project with OECF assistance of Rs.202 crore has been undertaken at Tuticorin Port.

35. A Tariff Authority for Major Ports (TAMP) set up under the Major Port Trusts Act, 1963 to fix and revise various port charges to be collected by private providers of port facilities has started functioning from April, 1997. Although the development of minor ports is the responsibility of State Governments, it is also receiving the attention of the Union Ministry of Surface Transport. To have an integrated approach towards the development of major and minor ports, the Maritime States Development Council (MSDC) has been formed. It is likely to emerge as a forum for framing an integrated policy for the entire Indian Port Sector, including the minor ports. The State Governments of Gujarat, Maharashtra and Andhra Pradesh have embarked upon ambitious port development programmes through private participation.

36. An Empowered Committee on Environment Clearances (ECEC) has been constituted. In this regard, transparent and simplified guidelines for environment clearance have been issued. The ECEC has quickened the pace of according environmental clearance to port projects and ensuring that the goals of development and environmental protection are balanced.