

Ports

25. India has 11 major ports, which handle around 90 per cent of the sea borne trade. These are managed by Port Trusts under the Central Government. In addition there are 139 minor operable ports which are under the State Governments. During 1996-97, the total cargo handled at major ports was 227.3 million tonnes, registering a growth of 5.6 per cent over 1995-96. 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-February 1997-98, 228.1 million tonnes of cargo was handled by major ports, registering a 11.6 per cent growth (Table 9.5). Maximum growth was recorded by fertiliser & raw materials (28.4 per cent), iron ore (18.6 per cent) and others (22.7 per cent).

26. A major problem with ports is the mismatch between existing capacity and the demand for traffic. As against the total capacity of 217.3 million tonnes on March 31, 1997, major ports handled 227.3 million tonnes in 1996-97, 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 Average Ship Turn Around (ASTA) time fell from 8.1 days in 1990-

91 to 7.8 days in 1996-97 and the Average Ship Berth Output (ASBO) increased from 3,372 tonnes to 4,249 tonnes thus showing some improvement in productivity.

27. Guidelines have been issued regarding private investment in the port sector. The first large private project in the port sector has been taken up at the Jawaharlal Nehru Port, Navi Mumbai for construction, management and maintenance of a Two Berth Container Terminal for a 30 year period by an Australia led consortium, P&O Ports. The Consortium will be investing Rs. 700 crore over 36 months. This will double the handling of containers to over 1 million Twenty Foot Equivalent Units (TEUs) per annum. The Government of India has awarded a licence to the Port of Singapore Authority (PSA) for development of a container terminal on BOT basis for a thirty year period at an estimated cost of Rs 139.15 crore. Similar projects are also coming up at other major ports like Marmagao, Kandla and New Mangalore.

28. State Governments of Gujarat, Maharashtra and Andhra Pradesh have embarked upon ambitious port development programmes through private participation. The port policy enunciated by Gujarat Government envisages creation of capacities to handle 100 million tonnes of traffic (around 25 per cent of national traffic) by 2002.

29. The Indian Ports Act, 1908 and the Major Port Trusts Act, 1963, have the flexibility to permit private investment in ports. Recently, greater

TABLE 9.5
Trends in Traffic at Major Ports

	1995-96	1996-97*	April-February*		Change over previous year	
			1996-97	1997-98	1996-97	1997-98@
			<i>(Million tonnes)</i>		<i>(per cent)</i>	
1 POL	91.1	98.1	87.0	93.2	7.7	7.1
2 Iron Ore	34.5	33.0	29.5	35.0	-4.3	18.6
3 Fertiliser & raw materials	9.6	7.2	6.7	8.6	-25.0	28.4
4 Foodgrains	2.9	3.3	2.7	2.6	13.8	-3.7
5 Coal	31.3	34.9	31.8	35.1	11.5	10.4
6 Vegetable oil	1.5	1.7	1.7	1.9	13.3	11.8
7 Other liquids	5.3	6.1	4.7	4.2	15.1	-10.6
8 Containerised cargo	17.6	20.6	18.7	21.0	16.6	12.3
9 Others	21.5	22.4	21.6	26.5	4.2	22.7
Total	215.3	227.3	204.4	228.1	5.6	11.6
* Provisional.		@ April-February.				

administrative and financial powers have been delegated to port authorities. Automatic approval of upto 74 per cent has been allowed in construction of ports and harbours. Support services such as operation and maintenance of piers and loading and discharging of vessels have been allowed automatic foreign equity participation upto 51 per cent. A policy decision has also been taken to allow joint ventures to participate in BOT Port projects.

30. 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.

31. Development of minor ports, though primarily the responsibility of State Governments,

is also drawing attention of the Union Ministry of Surface Transport. To have an integrated approach towards the development of Major and Minor Ports, Maritime States Development Council (MSDC) has been formed. An Empowered Committee on Environment Clearances (ECEC) has been constituted.

32. An agreement has been signed between OECF and Tuticorin Port Trust for grant of loan assistance amounting to JY 1,874.5 million for dredging at Tuticorin Port for receiving larger vessels. Negotiations have also been held with Asian Development Bank for providing loan assistance to the tune of US \$ 97.8 million for replacement of submarine pipelines and modernisation of berths at Mumbai Port.