

**GOVERNMENT OF INDIA
SURFACE TRANSPORT
LOK SABHA**

UNSTARRED QUESTION NO:2257
ANSWERED ON:07.08.2000
CONSTRUCTION OF CONTAINER TERMINAL AT CHENNAI PORT
JAGMEET SINGH BRAR;RAMJI LAL SUMAN

Will the Minister of SURFACE TRANSPORT be pleased to state:

- (a) whether the Government have assigned the job of constructing a container terminal at the Chennai Port to a multinational company of Australia;
- (b) if so, the date on which the said job was assigned along with the name of the company;
- (c) whether the Government had followed the process of competitive bids for assigning the said job;
- (d) if so, the other companies which participated in this process and the reasons for assigning the job finally to the said company; and
- (e) the estimated percentage of dividends likely to be earned by the above company?

Answer

MINISTER OF STATE IN THE MINISTRY OF SURFACE TRANSPORT (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (e) : Government of India has identified Chennai Port in the east coast along with Jawaharlal Nehru Port on the west coast for the development as `hub` ports of international standards. Under the policy of private sector participation in port sector, which inter-alia provides for consideration of Innovative (Unsolicited) proposal route also for private sector participation for development and operation of port facilities, Government invited proposals from the top world class container terminal developers/operators for the development and management of the existing container terminal at Chennai Port. Responses were received from M/s. P&O Australia Ports Pvt. Ltd., Australia, M/s. Port of Singapore Authority, Singapore and M/s. Hutchison International Port Holdings Ltd., Hong Kong. The matter was further considered by the Government and with a view to safeguarding the interests of the Port, a set of non-negotiable terms and conditions and a package of guarantees to be provided by the bidder were finalised and issued to the bidders. In response, two parties viz. M/s. P&O Australia Ports Pvt. Ltd. and M/s. Hutchison International Port Holdings Ltd., submitted their revised financial bids.

The final criterion for the selection of the bidder was the maximum percentage of the gross revenue earned from operation of the project by levy of tariff that would be shared with the Port Trust. Of the final bids received from the two bidders viz., M/s. P&O Australia Ports Pvt. Ltd. and M/s. Hutchison International Port Holdings Ltd., the offer of M/s. P&O Ports was found to be more attractive as they had offered 37.128% of the gross revenue and, therefore, the Government has accepted the offer of M/s. P&O Ports and an acceptance letter has been issued to them on 4.7.2000.