

**GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2972
ANSWERED ON:05.09.2007
CONGESTION IN VARIOUS MAJOR PORTS
Jagannath Dr. M.

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether FICCI in their Report has reported that public investment and lack of interest on private players for investing in Port Projects have resulted in congestion in various Major Ports;
- (b) if so, the details thereof;
- (c) the steps taken/being taken in this regard;
- (d) whether the Government proposes to increase public investment in modernization and expansion of ports so as to remove congestion in ports; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) to (e): In a Background Paper released to the Press on 14.7.2007 on the "Strategy for development of Ports and Shipping" the Federation of Indian Chambers of Commerce and Industries (FICCI) has, inter-alia, observed that low public investment in creating world class ports and shipping infrastructure, lack of interest on the part of private players in investing on these projects (primarily due to long gestation period, low Internal Rate of Return (IRR) and complex procedures and regulations) have resulted in congestion at various Major Ports causing business inefficiencies, high transaction costs and thereby making Indian ports less competitive.

Government has taken note of the Background Paper. Modernization and expansion of ports is an on-going process. Keeping in view the demands of maritime trade, under the National Maritime Development Programme (NMDP) launched by the Government in December 2005, a total of 387 projects (276 for Major Ports and 111 for Shipping and Inland Water Transport), have been identified to be taken up for implementation over a defined period. The Programme will facilitate focused and accelerated investment in specific infrastructure including port infrastructure, tonnage acquisition and institutional capacity building. Total investment envisaged in the Programme is Rs.100,339 crores out of which Rs.55,804 crores is for Major Ports and the balance Rs.44,535 crores is for Shipping and Inland Water Transport (IWT) sectors. Out of Rs.55,804 crores for the Major Ports an investment of Rs.34,505 crores is expected from the private sector and the balance through Government budgetary support and Internal and External Budgetary Resources (IEBR) of the Major Ports.

A total of 276 projects have been identified in the Major Ports under the NMDP for implementation by 2011-12. These projects cover the entire gamut of activities in the ports including construction of new berths, upgradation of existing berths, deepening of port channels to receive large size ships, equipment upgradation and modernization, rail/road connectivity and other associated projects. The Programme will be implemented through Public Private Partnership. While Public funds will be utilized for creating common user infrastructure, private sector investment is envisaged in commercially viable projects like development and operations of berths/terminals etc.

To facilitate smooth flow of traffic through the Major Ports, during the 11th Five Year Plan period, the aggregate capacity in the Major Ports is planned to be enhanced to a level of 1001.80 million tonnes per annum (MTPA) as against the projected traffic of 708.09 million tonnes (MT) during the year 2011-12