

Tariff regulation for major ports to go

Ministry mulls common regulator for all ports.

New Delhi 15

At present, the port regulator — Tariff Authority of Major Ports (TAMP) — decides the user charge or tariff ceiling for major ports. But, ports under the State Government — non-major ports — are free to decide on their charges. Now the Shipping Ministry has proposed that the ports that come under the Centre — major ports — should be free to decide their user charges based on **market conditions**.

The proposal is part of the Maritime Agenda 2010-2020 unveiled by the Shipping Minister, Mr G.K. Vasan. While a timeline for the proposal was not given, Mr Vasan said that he would like the major and non-major ports to have a “level playing field” indicating the Government's view on the issue. A senior Ministry official stated that the proposal, as and when it is introduced, will be implemented with prospective effect.

Though the tariff regulations will be done away with, the Ministry proposes to create a common regulator for all ports, which will set up, monitor and regulate service levels, technical and performance standards. This will be applicable to 13 major and 200 minor ports of the country

Decks cleared for Haldia Dock II

Kolkata -13.

The Haldia Dock II is envisaged for construction along the west bank of river Hooghly at Salukkhali. The Kolkata Port Trust (KoPT) will invite expression of interest from private players for its new dock system, Haldia Dock II at Salukkhali, within two months.

“We will invite applications for the Haldia Dock II within two months. It will come up in a public private partnership mode. Once the whole process of awarding the project is over, we would like to start work immediately,” said M L Meena, chairman, Kolkata Port Trust. The project is expected to be commissioned by 2012. The most important speciality of Haldia Dock II is that it has a draft of 9 metres without dredging. While Haldia has just 7 metres, we will get a natural advantage of 2 metres in terms of draft,” he said.

Ports hit by capacity crunch

Of the 276 projects proposed up to 2011-12, only 55-odd projects are complete. Most projects are yet to take off.

Indian ports, which handled about 560 million tonnes of cargo last fiscal, will be required to handle a throughput of 1,600 million tonnes by 2025-26, as per Government estimates. Independent forecasts peg the capacity requirement at a higher level of 3,000 million tonnes by 2020. But is the Indian port sector adding capacity at a pace matching the demand? Sadly, no.

Under the programme, 276 projects were proposed up to 2011-12, envisaging an investment of Rs 1,00,339 crore based on 2004-05 prices. Of this Rs 55,804 crore is for the port sector and the

rest for shipping and inland water transport sectors. But, out of the 276 projects, about 55-odd projects involving a capacity of about 70 million tonnes are complete, while about 80 other projects are under implementation. Thus, a bulk of the proposed projects, even after some 25 were subsequently dropped, is yet to take off.

India will develop ports for export

NEW DELHI: India is aiming to invest \$100 bn to develop new ports and ships under a major new government plan to unleash the country's exporting potential.

"We want to bring our ports at a par with the best international ports in terms of performance and capacity," Indian Shipping Minister G. K. Vasan said in a statement released with the "Maritime Agenda 2010-2020" plan on Thursday.

Vasan said the ministry intends to triple the capacity of India's ports to enable them to handle 3.2 bn tonnes a year. India's annual maritime trade is expected to hit 2.5 bn tonnes by 2020.

Improving creaking ports is seen by economists as key to making India a global export hub for manufactured goods, which would generate mass employment and raise economic growth.

India has already emerged as a world centre of small-car production, but relatively few are exported because of transport and capacity problems that bedevil its ports.

Under the new plan a total 4.52 trillion rupees (\$100 billion) of investment is proposed through private and public participation, with 2.87 trillion rupees earmarked for ports and 1.65 trillion for ships.

The investments will cover the development of two new major ports on the country's east and west coasts -- at unspecified locations -- while four existing ports in Mumbai, Kochi, Chennai and Visakhapatnam will be expanded.

Congested ports make it nearly impossible to export goods. At JNPT we need to carry out dredging operations so we can handle bigger ships. And we need more modern equipment so we can load and unload ships faster," JNPT Chairman Mr Kumar said. He predicted that the investment could raise JNPT's world ranking in terms of the volume of goods handled from 20th to 10th by 2015.

As part of the plan, the ministry also aims to raise India's share of the global shipbuilding industry from one to five per cent by 2020

Intermodal in China set for huge growth in 2011

Shippers view major improvements to road and rail as incentive for mode switch

Road and rail volumes from China to Russia and Western Europe will continue to grow in the coming years, according to Ambrose Linn, Head of road and multimodal freight in the North Asia-Pacific region at DHL Global Forwarding.

In an interview to be published in *IFW* tomorrow, he said that while Europe's overland market was

largely mature, high growth rates in China, on intra-Asia routes and between Asia and Europe could be expected in 2011 and beyond.

“Customers of all sizes are becoming more receptive to switching parts of their less time-critical shipments from air freight to trucking,” she said.

“[In China] considerable finished goods and merchandise are being conveyed point-to-point across China by road freight.

“Significant enhancement of road and rail infrastructure has resulted in continuous growth in demand for trucking.”

Overland exports from China to Mongolia, Russia and the CIS had seen average growth of 20% year-on-year in recent years and this would continue, she said.

“I [also] envisage ample opportunities in the coming years for cross-border trucking between China and Vietnam, Thailand, Malaysia and Singapore,” she added.

“Both large and mid-sized companies are constantly looking for commercially viable and environmentally friendly transport alternatives to traditional single air or ocean freight modes to gain measurable cost savings, sustainable logistics and comparable transit time performance.”

Shanghai now the world's busiest port

Singapore has lost its crown as the world's busiest container port, losing its place to its Chinese rival Shanghai.

According to *IFW's* sister title, *Lloyd's List*, Shanghai handled more than 29 million teu last year, compared with Singapore's 28.4 million teu. Singapore had been leading its rival until April, when Shanghai raced ahead on the back of a strong recovery in Chinese exports.

According to reports, strong economic growth, plus an extra push to the local economy from hosting the World Expo, were the key factors behind Shanghai's rise to the top.

Shanghai also outperformed Singapore in terms of overall cargo handled, processing 650 million tonnes, compared with the 502 million tonnes handled by Singapore.

However, Singapore has downplayed the significance of the figures for its business, pointing out that it was a transshipment port – around 80% of its business is transshipment – whereas Shanghai catered for direct imports and exports. The Maritime and Port Authority of Singapore told *Lloyd's List* it was not concerned with the change in its relative position, and would focus instead on ways to continue to provide quality and competitive service
