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Title : Corporatisation Move to Give Ports a Big Boost

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Governmentrun ports are set to get a new lease of life with Union finance minister Arun Jaitley encouraging the corporatisation of these heavilyburdened, but poorly-managed businesses in India. And, Mumbai's Jawaharlal Nehru Port Trust (JNPT) is said to be the first in line to be corporatised.

Top officials of government ports, also known as Major Ports, rejoiced at the decision because corporatisation of 11 major ports will bring them out of the purview of Tariff Authority of Major Ports, which fixes cargo rates lower than market prices offered by private ports such as Adani Ports and Gujarat Pipavav.

“Ports in the public sector need to both attract such investment as well as leverage the huge land resources lying unused with them,” said FM in the Budget speech. “To enable us to do so, ports in the public sector will be encouraged to corporatise, and become companies under the Companies Act.”

Corporatisation will open up possibilities for fund raising and quicker decisionmaking process, which is currently slow as these ports follow the Trust model under the Major Port Trust Act, 1963. The board of trustees at major ports is more often than not political appointees along with labour and government representatives. Decision-making is slow and attracting new clients and cargo is not always the first priority of the trust.

Only Tamil Nadu's Kamarajar Port, earlier known as Ennore Port, is a corporate port among 12 major ports.