

Maritime Professional

Title: Proposed Indian ports bill could get shelved

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Location:

Article date: 6th July, 2011

The Government of India proposal to come out with the Indian Ports Bill for replacing the extant Indian Port Act, 1908 and the Major Port Trusts Act, 1963 in order to meet the current operational and developmental requirements of the Indian Ports sector. However the Bill intended to bring in standard rules for both the 13 major ports and the 187 non-major ports may after all not see the light of day.

Though the major ports come under the control of the Central rule, when it comes to development, the progress of various projects at these major ports is often tardy and hardly responsive to the needs of the trade and the nation. The biggest hurdle faced being red tape which seriously brings down efficiency. If the non-major ports (presently under the control of the state governments) were also to be brought under the Central Government control there is unanimity among the various sections of the private port operators that non-major ports too would get beleaguered by the same ordeal.

The proposed bill is already meeting stiff resistance from the trade and private players. The main issue is the inevitable single regulatory authority that will come into existence being fait accompli, for both the major and non-major ports. With a single regulatory authority in place fixation of the tariff for all services will come under its charge severely affecting efficiency.

Anand V. Sharma, Director of Mantrana Maritime Advisory Pvt. Ltd., asserts that private ports who charge more provide better services than the major ports. The involvement of the regulator will affect all operations of the port. "For example if a certain investment were to be made for installing cranes in the port the Regulator will be justified to decides the charges," says Mr Sharma. "So for an investment of say \$ 100 million he could fix the rate for charging for the use of the crane at may be \$ 10. This could well take the wind out of the competition. In such a scenario the port operator will not see any justification to undertake dredging.

"Another hurdle will be that all decisions and plans will require sanction of the regulatory authority which at present is the Tariff Authority for Major Ports (TAMP). What technical capability does TAMP have to decide on the type of equipment to be installed and used? TAMP does not even have the necessary expertise. Again TAMP is known to put a cap on efficiency in many cases."

S.S. Kulkarni, Secretary General of Indian Private Ports & Terminals Association says that the Bill will meet a lot of opposition. The Gujarat Maritime Board at the Hyderabad meeting had opposed it where as none of the other maritime board members had attended

An official of J. N. Baxi who did not want to be identified said, "Port charges form a miniscule part of the total cost of transport from the port of origin to the port of discharge. Why regulate minor charges as it is found to hinder port activities and discourages private operators from coming into the port sector.

Capt A. H. Malkani a champion of the container shipping trade sees things in a different light. He feels that if this bill comes through every authority will have its own interpretation and this could help to bring in flexibility. "In a way this is advantageous," he says. "Gujarat Maritime Board and also other boards will go out of their way to encourage players to build ports."