

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

STARRED QUESTION NO:261

ANSWERED ON:15.03.2001

HANDING OVER OF RUNNING MULTIPURPOSE BERTHS TO PRIVATE SECTOR

RAMSHETH THAKUR

**Will the Minister of SHIPPING be pleased to state:**

- (a) whether the Government have handed over the running multipurpose berths` of major ports to private parties;
- (b) if so, the details thereof and the reasons therefor;
- (c) the estimated income likely to be earned as a result thereof;
- (d) whether the Government are taking any effective steps for modernisation of these ports; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) to (e) A statement is laid on the Table of the House.

Statement referred to in reply to part (a) to (e) of Lok Sabha Starred Question no. 261 asked by Shri Ramsheth Thakur for answer on 15th March, 2001 regarding Handing over of Running Multipurpose Berths to Private Sector.

(a) to (c) Policy guidelines on private sector participation inter-alia, provide for lease of existing assets of Major Ports as well as construction/creation of additional assets. The reasons to invite private sector in port sector projects were the need to mobilise substantial resources required for expansion of Ports and to improve efficiency, productivity and quality of service as well as to bring in competitiveness in port services. The following projects involving multipurpose berths have been approved by the Government and handed over to the parties:-

1. The construction and operation of two multipurpose cargo berths (5A & 6A) at Mormugao Port by M/s. ABG Goa Port Ltd on Build, Own, Operate & Transfer (BOOT) basis. The Port has handed over the existing berths 5 & 6 to M/s. ABG Goa Port Ltd. for this purpose. The license is for 30 years and investment expected is about 250 crores. The income earned/to be earned is as under:-

i) License Fee for the first year amounting to Rs. 1,54,09,246.00.

ii) License Fee for the second year amounting to Rs. 1,61,70,708.00 ( The license fee to be paid annually for a period of 30 years is to be increased by 5% of the amount paid during the previous year).

iii) 18% royalty for a minimum guaranteed throughput of 5 million tonnes per annum subject to a minimum guaranteed amount of Rs. 12.02 crores per annum.

iv) One time payment of premium amounting to Rs. 1,54,09,246.00 before signing the agreement.

v) Security deposit amounting to Rs. 1,54,09,246.00 which is refundable at the end of the License Period.

2. Two berths in Jawahar Dock namely, JD-I and JD-V in Chennai Port were handed over to M/s. T. Arumaidurai & Co. and South India Corporation Agency Ltd. respectively on lease basis for a period of 20 years with a guaranteed traffic of 9 lakh tonnes and 8.2 lakh tonnes per annum respectively. The Port revenue has doubled by way of increased wharfage charge collections ( handling charges). In addition, the licensee has to pay berth hire charges, berth reservation charges, license fee, dredging maintenance, for one year in advance.

(d) & (e) Modernisation of Major Ports is an ongoing continuous process. The programmes being undertaken at present for this purpose lay emphasis on the following aspects which are expected to enhance standards of the Indian Major Ports and their productivity:

- Construction and equipping new Berths
- Acquisition of state-of-the-art equipment to match the emerging Cargo Mix

- Establishment of Electronic Data Interchange (EDI)
- Setting up of Vessel Traffic Management System (VTMS)
- Labour Training and Welfare

In addition the increased role of private sector is expected to bring about increased modernisation through benchmarking of ports to international standard.