

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

STARRED QUESTION NO:535
ANSWERED ON:03.05.2010
CORPORATISATION OF MAJOR PORTS
Naik Dr. Sanjeev Ganesh;Panda Shri Prabodh

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government proposes to corporatise all major ports;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has made any assessment regarding the likely benefits as a result thereof;
- (d) if so, the details and the outcome thereof; and
- (e) the steps taken by the Government to protect the interests of labourers/employees of such ports?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 535 FOR ANSWER ON 3RD MAY, 2010 RAISED BY SHRI PRABODH PANDA AND DR. SANJEEV GANESH NAIK REGARDING CORPORATISATION OF MAJOR PORTS

(a) to (e): It had been proposed to corporatise the major ports. Consequently, the Major Port Trusts Amendment Bill, 2001 was introduced in Parliament on 31.8.2001. The Bill was referred to the Department-related Parliamentary Standing Committee on Transport, Tourism & Culture. Recommendations of the Committee, contained in its 62nd Report, were examined in consultation with M/o Law to finalise Government's stand. However, before this exercise could be completed, 13th Lok Sabha was dissolved and the Bill lapsed. It was then decided in consultation with M/o Law to process the Bill afresh. Accordingly, a Cabinet Note was drafted and circulated to the concerned Ministries/ Departments for their views. However, before further action could be taken on the draft Cabinet Note, it was decided with the approval of Minister(S,RT&H) that before proceeding further with the MPT Amendment Bill, performance of Ennore Port Ltd- the first corporatised Major Port of India-be evaluated by a committee of experts.

Accordingly, a Committee was set up for evaluation of EPL's performance. The said Committee submitted its report on 23.10.2006.

The Committee evaluated the performance of Ennore Port Limited against various parameters identified for the purpose and also made a comparison of Ennore Port Limited's performance vis-À-vis other Major Ports. The major recommendations made by the committee are indicated below in brief:

- (i) It is necessary that the process of commercialization is initiated in all ports, by bringing in privatisation in varying degrees, before full corporatisation is embarked upon.
- (ii) Objectives of autonomy, efficiency, productivity can be achieved to a large extent in the existing Trust structure with improvement in procedures and enhanced delegation.
- (iii) The process of Corporatisation of Major Ports may be initiated in stages.
- (iv) The corporatised port must function as a landlord port where port should own only the basic infrastructure and all other activities are privatized. However, all ports are not equally amenable for transformation into a corporation.
- (v) Complete Corporatisation has been recommended for JNPT and Haldia.
- (vi) Corporatisation of specific activities may be adopted in the Kandla, Tuticorin, New Mangalore, Chennai and Paradip Ports. The Model suggested for these ports entails floating wholly owned subsidiaries of the ports to carry out various cargo related, vessel related and other services.
- (vii) Visakhapatnam, Mormugao, Cochin, Mumbai and Kolkata Dock System have a relatively low corporatisation potential. There ports may first solve the problems related to surplus manpower. Thereafter, these could also be considered for corporatisation on

above model.

Recommendations of the Committee have been circulated to all the Major Ports to have their views. After all the Ports give their inputs further course of action in the matter can be decided keeping all factors in view.