

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:2399

ANSWERED ON:09.08.2010

INVESTMENT IN SHIPPING SECTOR

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Will the Minister of SHIPPING be pleased to state:

- (a) whether the Public Private Partnership (PPP) in major ports projects is more than a decade old;
- (b) if so, the reasons therefor;
- (c) whether the private investment is falling short at present as per the target fixed for Eleventh Plan Period;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps taken by the Government to attract more private investment in major port project/port sector?

Answer

MINISTER OF SHIPPPING (SHRI G.K. VASAN)

(a) & (b): Yes, Madam. The guidelines for private sector participation in major ports were announced in 1996.

(c) & (d): The private investment is likely to fall short by about 40.31 % of the originally envisaged investment target from private sector in the ports. The main reasons for shortfall in private sector investment are delay in award of projects under Public Private Partnership (PPP) mode due to various factors like finalization of Model Concession Agreement (MCA) in January, 2008, litigation, retendering and delay in execution of projects etc.

(e) To encourage private sector investment in Port sector, the Government of India has finalized Model Request for Qualification (RFQ), Request for Proposal (RFP), and Model Concession Agreement (MCA) to ensure uniformity and transparency in the bid process. New guidelines for upfront fixation of tariff have also been finalized for berths and terminals to be bidden out to private operator so that prospective bidders are aware of the projected revenue flow from the concerned project.