

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:3152
ANSWERED ON:27.07.2009
MAJOR PORTS AFFECTED BY ECONOMIC RECESSION
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Will the Minister of SHIPPING be pleased to state:

- (a) whether some major ports including Visakhapatnam Port have been affected by the economic recession; and
- (b) if so, the details thereof alongwith the steps taken by the Government to overcome this situation?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a): Yes, Madam.

(b): The growth rate of traffic handled by Major Ports has come down to 2.13 % during 2008-09 as compared to 11.97% during 2007-08 against previous year. Similarly, the growth of the traffic at Visakhapatnam during 2008-09 was (-)1.07% as compared to 14.56% during 2007-08 against previous year. Economic recession is one of the reasons for such decline of traffic at Major Ports as well as in Visakhapatnam Port. The Iron Ore traffic which is mainly for export, recorded growth of 2.3% only in 2008-09 compared to 14.2% in 2007-08. In the liquid bulk category, cargo growth in crude & petroleum was modest at 3.3% during 2008-09 compared to 10.0% in the same period last year. Container traffic which largely reflects trade in manufactures and components showed a marginal growth of 0.9% in 2008-09 compared with a robust increase of 25.6% in 2007-08. Major impact of recession was noticed in certain commodities.

The Government has taken the following steps in the overall this situation:-

- (i) In the context of the recession and its impact on the business of the major ports, it was decided to re-look at some of the policies which directly have a bearing on the functioning of the major ports. Accordingly, a committee has been set up to go into the whole issue.
- (ii) Augmentation of infrastructure facilities viz., deepening of channels, modernization of cargo handling facilities, construction of berths, improvement to road and rail connectivity, etc.
- (iii) The Ports have taken new initiatives like implementation of Berth Reservation Scheme, volume discount scheme and improvement in conditionalities to ensure cost effective services to the trade.