

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:2762
ANSWERED ON:12.12.2011
PERMISSION OF MNC FOR PORT RELATED ACTIVITIES
Chavan Shri Harischandra Deoram

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government is allowing foreign Multi-National Companies (MNCs) to undertake port related activities in the country;
- (b) if so, the reasons therefor;
- (c) whether this decision has likely threat regarding exposure of defence secrets of the country to foreign countries; and
- (d) if so, the reasons for permitting MNCs to take over port projects?

Answer

MINISTER OF SHIPPING (SHRI G.K.VASAN)

(a): Yes, Madam.

(b): The guidelines for private sector participation in the Major Ports issued in October, 1996 allows and encourages private participation including Multi-National Companies (MNCs) in enhancing port capacities and modernization of port equipments etc. Accordingly, 100% FDI is allowed in Port Sector to supplement domestic capital, technology and skills, for accelerated economic growth.

(c): No, Madam. Security clearance is sought in respect of all bidders for port projects for all Major Ports from all the concerned security agencies including the Ministry of Defence and the bids of only those bidders which are cleared from the security angle are taken into consideration in port sector projects.

(d): Does not arise.