

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:1977
ANSWERED ON:04.12.2014
PUBLIC AND PRIVATE SECTOR PORTS
Thomas Prof. Kuruppassery Varkey

Will the Minister of SHIPPING be pleased to state:

- (a) whether the operational efficiency of public sector ports viz-a-viz the private sector ports is getting affected due to the regulations of Tariff Regulatory Authority of major ports;
- (b) if so, the reaction of the Government thereto along with steps being taken by the Government in this regard;
- (c) whether the public sector ports are finding it difficult to compete with private sector ports, and
- (d) if so, the reasons therefor along with action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI PON. RADHAKRISHNAN)

(a)to(d): TAMP regulates tariffs in Major Port Trusts including those of PPP operators. TAMP does not regulate tariff for non-major ports and Private Ports and therefor there is no level playing field in Port sector as far as tariff regulation is concerned. Since the guidelines followed by TAMP to fix Tariff, puts a cap to the return on capital employed, the ability of the PPP operators to invest in new equipment and infrastructure is adversely affected.

In order to allow the competitive market forces to play a greater role in determination of tariff at Major Port Trusts, the Government issued a new set of guidelines for determination of tariff at Major Ports on 31st July, 2013. The guidelines impart flexibility to the PPP operators in the Major Ports in determining their tariff, subject to a ceiling.