

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:3867
ANSWERED ON:19.03.2015
TARIFF AUTHORITY
Maragatham Smt. K.

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government proposes to free ports from the control of Tariff Authority of Major Ports and make Authority an appellate body for ports;
- (b) if so, the details and status thereof along with the reasons therefor;
- (c) whether the major ports are losing business as the non-major ports are working under free market conditions; and,
- (d) if so, the details thereof along with the action taken thereon?

Answer

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

(a)&(b):Tariff Authority for Major Ports (TAMP) regulates all tariffs in respect of Major Port Trusts and the private operators located therein. Necessary modifications in the Tariff Guidelines are made from time to time to promote the development of the Major Ports, keeping in view the interest of the various stakeholders. In order to allow the competitive market forces to play a greater role in determination of tariff at Major Ports Trusts, the Government issued two new sets of Tariff Guidelines namely Guidelines for Determination of Tariff for Projects at Major Ports, 2013 and Guidelines for Port Charges, 2015. These Guidelines impart flexibility to the PPP operators as well as Major Ports owned terminals in determining their tariff.

(c) The share of the Major Ports in the total cargo handled by Ports has been declining while the Non-Major Ports have shown a steady increase. As on 31.3.2014, the share of Major Ports stood at 57% of the total cargo handled. This can be attributed to various factors including lack of level playing field between Major Port Trusts and Non-Major Ports in tariff regulation.

(d) The Government has taken following steps to improve the business at Major Ports;

(i) Construction of new berths and terminals to enhance port capacity to minimise pre-berthing detention time and reduce turnaround time of vessels calling on the Ports.

(ii) Modernising berths with state of the art loading/unloading equipment to improve operational efficiency.

(iii) Deepening of channels and berths so that ports can accommodate larger vessels.

(iv) Improving rail/road connectivity of Ports for speedy evacuation of cargo.

(v) Implementation of Enterprise Resource Programme (ERP) for internal automation and EDI-PCS for paperless interaction with stakeholders.

(vi) Installation of VTMS for monitoring vessels traffic and navigation support.

(vii) Simplification of processes to reduce transaction time at Ports.