

PORT DEVELOPMENT IN INDIA, WITH
SPECIAL REFERENCES TO SHIPPING
PRODUCTIVITY, REGIONAL COVERAGE
AND FOREIGN TRADE.

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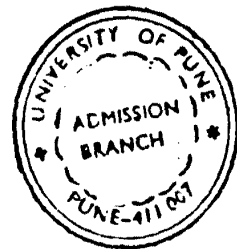
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APPENDIX : FORM 'A'

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FOREWORD

1. This study comprises of four Parts. These Parts are inter-linked and has effective and important roles in the Development of Ports in India.

Part A	-	Port Development in India.	(Section-1)
Part B	-	Shipping Productivity	(Section-2)
Part C	-	Regional Coverage	(Section-3)
Part D	-	Foreign Trade	(Section-4)

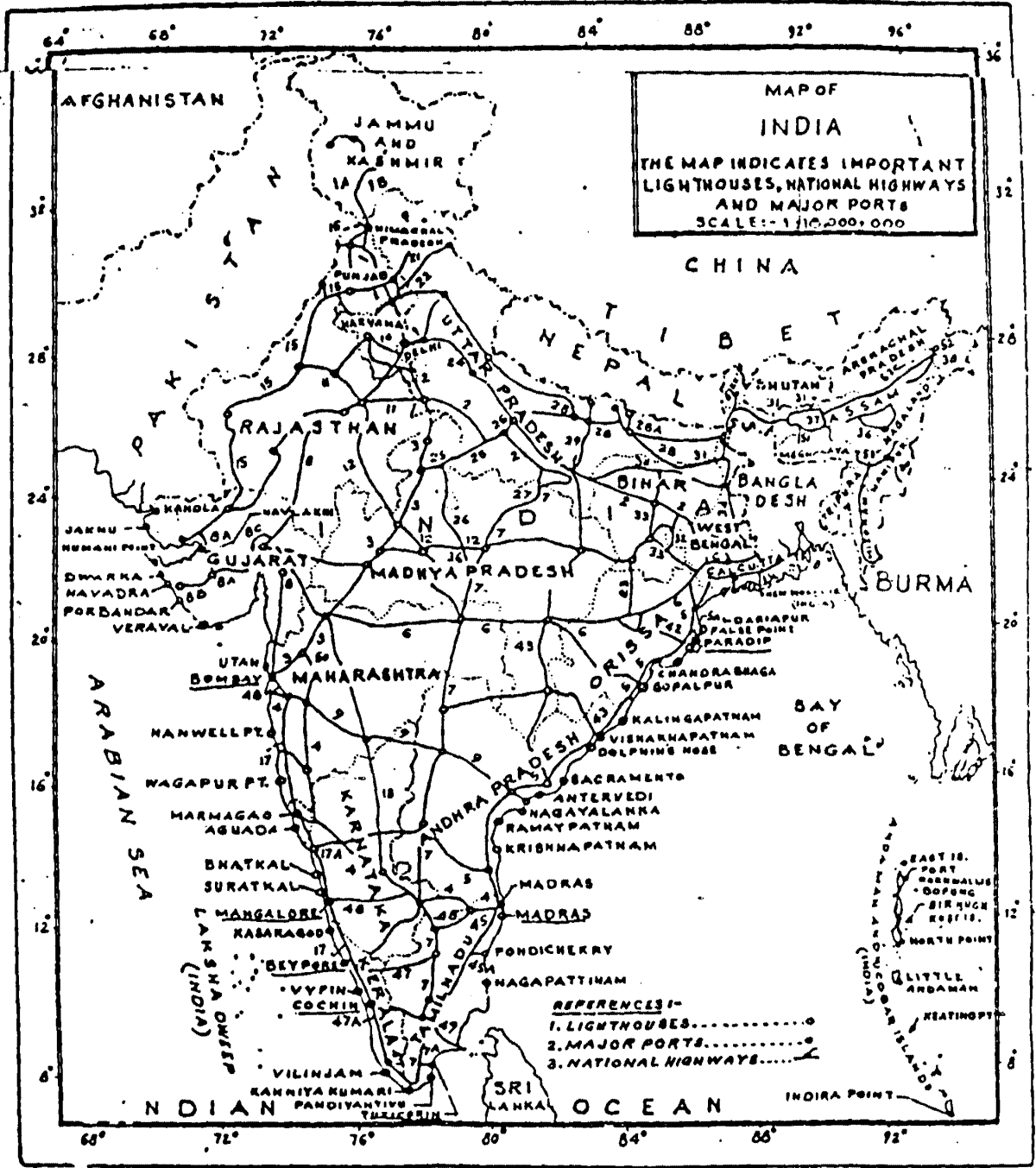
This study discusses the nature of relationship, and the reason for developing ports higher, in regard to Shipping Productivity and Sea Transportation, Regional Coverage and Inland Transportation, and Regional Development, Foreign Trade and Balance of Payments, the necessity of Open Door Economy for a stable and growing National Economy.

2. Methodology :

The method used in this study is Statistical findings and observations. Information was collected from Statistical Records and other Reports, eg. Annual Reports of Major Ports, and Surface Transport Ministry's Publications e.g. Basic Port Statistics, and Indian Shipping Statistics, Economic Survey of Maharashtra, Planning Commission of India and Eighth Five Year Plans, 1992-97 etc.

(Via)

PART. A. MAP-1



- NOTES:-**
- (i) BASED UPON SURVEY OF INDIA MAP WITH THE PERMISSION OF THE SURVEYOR GENERAL OF INDIA GOVERNMENT OF INDIA COPY RIGHT 1930.
 - (ii) THE TERRITORIAL WATERS OF INDIA EXTEND INTO THE SEA TO A DISTANCE OF TWELVE NAUTICAL MILES MEASURED FROM THE APPROPRIATE BASE LINE.
 - (iii) THE BOUNDARY OF MEGHALAYA SHOWN ON THIS MAP IS AS INTERPRETED FROM THE NORTH-EASTERN AREAS (REORGANISATION) ACT, 1971, BUT HAS YET TO BE VERIFIED.
 - (iv) RESPONSIBILITY FOR THE CORRECTNESS OF INTERNAL DETAILS RESTS WITH THE PUBLISHER.
 - (v) THE ADMINISTRATIVE HEAD-QUARTERS OF CHANDIGARH, HARYANA AND PUNJAB ARE AT CHANDIGARH.

Source: Annual Report 1993-94, G.O.I. Ministry of Surface Transport, N. Delhi.

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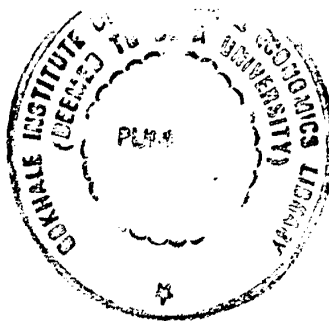
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6. A B S T R A C T

Introduction :

The study of Port Development that was undertaken by myself was to show the main objective and examine the importance of Ports, (Sea-ports) on our long coast line in developing our Nation's economy (Ma. No.A-1.)

Emerging Roles of Ports:

To-day as we review India's progress in the 20th century and record the development in the surface Transport Sector, the coastal steamship, navigation, the Island Water Way, the developing and changing pattern of ports from way-side wharfs and fishing ports, to coastal trade, and the present day commercial and Major Ports of India, handling export and import trade to various countries, and competing in International World Trade. The productivity of shipping play a significant role in International Trade.

Functions of Ports :

Dominance of Ports creates a regional development⁽¹⁾ and gives rise to regional imbalances in various parts of the country, drawing the population of the lesser developed regions to the port cities, causing the need for construction of inland roads and transport, Trade of Agriculture produce, setting up of industries, and work-shops, and utilisation of scarce resources, encouraging the growth of cities and metropolitan areas around the port in the most efficient way leading to regional Growth, increase in per capital income and State's income.

(1) Chintz B. Freight and the Metropolis, New York
1960, pp.11

The Aim of Port Development :

The nation's main aim is to widen its Foreign Trade, and achieve a favourable Balance of Trade. The present days main objectives are to encourage rapid and sustained growth, to facilitate imports, necessary inputs for sustaining industrial growth for modernisation and technology upgrading in order to build up scientific and technology capabilities and gain self-reliance and efficiency.

The Principle objectives for export is to encourage the productivity, modernisation and competitiveness of Indian industry, agriculture, services to compete internationally with standards of quality to develop the countries Research and Development (R & D) and technological capabilities and encourage the globalisation of Exports freely abroad.

To achieve these objectives and aims, the study is undertaken of Port Development in the perspective of increasing the Shipping Productivity, catering to large vessels, which are more economical in handling bulk and general cargo traffic.

Review the change from labour intensive to capital intensive, and its impact on the working population of the Regions. Examining the Financial needs of the Particular Major Port, and improving its performance increasing its capacity and modernising the cargo handling facilities, which will in turn improve the shipping productivity.

Bigger ports needs a progressive hinterland, which in turn, require the construction of Inland transporation of Roads transport and Railways, the construction of Highways, and Bridges and hence the development and improvement to the Regional hinterland.

Port activity like many other industries is highly localised. The demand for the Port services originates to some extent in the Region whose industries produces goods for sale in foreign markets and exchange goods from abroad. Ports are called Gateways to the Nations Foreign Trade.

Ports are used for important transshipment point of domestic trade. Port serve as an important Centre for Trade and Industry, attracting labour and capital.

Important cities and Metropolis have developed, because of the dominance of Ports like, Bombay, New York, London, Calcutta, Madras, Tokyo, Marseilles, Amst-erdam etc.

We need to examine and study the development of Ports from small trading centres to Major Commercial Centres, like Bombay, Calcutta, Madras, After Independ-ence these Ports become the Major Ports of our Country, and is being (systematically developed and modernised during the Five Year plans). At present, there are 10 Major Ports, 25 Intermediate Ports and 168 Minor Ports or sub-ports with a berthing capacity of about 170 berths to 200 berths in all these Ports.

Leading Ports in the World like New York Port have above 400 vessels berthing simulatneously ⁽¹⁾

(2) Chintz B. "Freight & the Metropolis, New York 1960, pp.9

at the Port's General Cargo and bulk handling piers. In comparison this could provide scope for increasing in terms of berthing capacity to an economical meaningful scale, to a few thousand berths altogether for all our Major Ports around the country and making the best use of country's large coastline.

While reviewing the development of Ports, we have to take into consideration the economics of Port construction in regard to Sea-routes, weather location, hinterland development. The Government of India has set up a Committee to review Plans and Schemes and the performance at various ports, such as.

- i) Port Efficiency, administration and management.
- ii) Efficiency of Operation, their capacity and conditions of working.

Marginal cost is used as the basis for all ports tariffs a high service charges results in Port congestions and delays to several other sectors of the Economy.

Depending on the flow of traffic the design and layout of the Port keeps on changing. Specialised cargo handling facilities, the modernization of ships and their designs. The demand for ships is a derived demand for the uses of Port Services. High service charges results in Port congestion and vessels waiting in the roads for berths.

There are Economics of Scale in construction of large ports. The larger the Ports, the lesser the cost, such as speed, fuel intake etc.

Congestion is felt also in transhit sheds, inland transportation, due to overcrowding of the Port site, and storage space.

Profit Maximation is due to the revenue of a port, because of its location and congestion charges, the Monopolist Port Authority and the Monopolist Shipowner causing a bi-lateral monopoly in the availability of ships and the elasticity of supply and demand of the commodity.

The Minimization of Price, leads to competitive behaviour of Port services and uses. Following the basic principle of "What the Traffic can Bear", and ability to pay", dis-crimination in regard to various Commodities, goods, their destinations and the tramp owner or Conference liner, has to be considered.

Tariffs are raised on rents of berths, hire of Cargo handling facilities, entry into a Port, causing a multiplicity of tariffs and complication to the accounting procedures of the Individual port.

Financial assistance mainly from World Organisation like "World Bank" (WB), International Development Bank (IDB) International Board for Reconstruction and Development (IBRD) and International Monetary Fund. (IMF).

Ports are usually self-finance entities and pays for their own developments over the years. Government borrowings and loans are also taken by the Port Authority.

The formulation of Port Projects has been made more complicated in recent years by the magnitude and capacity of technological changes. Bulk Lash Vessels,

(3)
Hovercrafts, Hydrofoils all add new concepts to the handling of cargo and passenger traffic and new design dimensions to the complication of ports layout and capacity.

Ship-building is the next important stage in the construction of Ports, to suit the particular port, increase the productivity of Shipping to allow the ships to have a quick-turn round, spend less days waiting to berth and increase the speed of the loading/unloading Operations such as the growing trends towards containerization as a labour saving device.

Objectives :

The general objectives at the core of Regional Developmental efforts are, economic expansion, improved patterns of human settlement, industrial locations of balancing of population and migration with employment the promotion of social progress, together with social and economic development and effective legal organisations to ensure stable administrative patterns for carrying out the objectives and aims of Regional Development.

The efficient specialisation of the product to create the Comparative Advantage in which the country specialises by way of production, labour, capital and specialised managerial ability in building the Foreign Trade of a country, has links to the development of Port, and hence leads to Ports Higher Development in achieving the goals and targets of overseas trade, lessening the regional imbalances, by promoting growth and stability, economical to the regions hinterland, and encouraging the Research and Development of Shipping Productivity.

(3) *ibid* Carmichael A.J. Journal of Maritime Law & Commerce (A world bank report) N.York, 1972. pp 123-124. 20128

The development of a shipping fleet can bring numerous benefits to a country, such as contributing to promotion of Exports and Imports of a country and to developing economic relations. Savings of foreign exchange for a country carrying its own cargo, as well as carrying another's country cargo, earning foreign exchange, as bringing down the freight rates for the country export-import trade.

The relationship between trade and growth described by Adam Smith, mainly working via the links between trade and efficiency, income and investment leading to growth in the National Economy.

Thus Exports is the Key to Growth for Developing Countries. Ports Higher Development are Gateways not only for Foreign Trade, but also for Shipping Productivity and Regional Development of the National Country.
