**Economic Contribution of Indian Ports**

India has a coastline of approximately 7,500 km with 12 major and 217 other than Major ports making India the sixteenth-largest maritime trading country in the world. Syama Prasad Mukerjee, Vishakhaatnam, Kamrajar, Chennai and VO Chidambarnar Ports are the six major ports on the Eastern coast. Similarly, Cochin, New Mangalore, Marmugao, Mumbai, JNPA and Deendayal ports are the six major ports on the Western coast of India.

Presently the Indian port sector has a cargo handling capacity of 2627 million tonnes per annum (MTPA) [1617 MTPA Major ports + 1010 MTPA other than major Ports] and employs around 33,000 thousand people. The value of total foreign trade in the FY 2021-22 was $422 bn exports and $ 613 bn imports. Similarly, in the FY 2022-23 the Indian foreign trade up to December, 2022 has been $333 bn exports and $ 552 bn imports. All ports together handle around 95% of India's seaborne trade by volume and 70% by value. Under the Neighbourhood First Policy, India has entered into international agreements with Bangladesh, Myanmar, Nepal and Bhutan to promote maritime trade, cut travel time and provide enhanced access to India’s North Eastern States.

Ports function as autonomous agencies and are financially self-sustaining. Traffic handled and revenue earned by ports have direct relation. Major Ports have shown consistent growth in their financial performance and have generated operating surplus of ₹6926 core in FY 2020-21, ₹7843 crore in FY 2021-22 and ₹9365 crore in FY 2022-23 respectively. Table-1 below gives the details of cargo handled by ports:

**Table 1: Cargo handled by Major and other than major ports (MTPA)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cargo handled (Million Tonnes Per Annum (MTPA)** | | | | | | | | | |
| **Year** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | |
| **Major Ports** | 581.34 | 605.89 | 648.47 | 79.47 | 699.17 | 704.93 | 672.68 | 720.05 | 795.00 | |
| **Other than Major Ports** | 470.89 | 465.87 | 485.22 | 529.09 | 582.61 | 615.05 | 577.30 | 603.75 | 650.00 | |
| **Total** | 1052.23 | 1071.76 | 1133.69 | 608.56 | 1281.78 | 1319.98 | 1249.98 | 1323.80 | 1445.00 | |

Major ports are operating at 49% of overall capacity which is a healthy operational parameter still leaving room for more cargo handling with efficiency and economies of scale.

**Legal Framework of Ports**

Major Ports are covered in the entry No.27 of the 7th Schedule of the Union List of the Constitution of India. Ports other than Major Ports are covered under the Concurrent List of the 7th Schedule (Entry No.31). Major Ports are governed by the Major Port Authorities Act, 2021, which provides for constitution of the Major Ports Authorities, their administrative control and overall management. Further, the Indian Ports Act, 1908 applies equally to both major as well as ports other than major ports, which provides for notification of ports, their conservancy, pilotage and other operations.

Government has allowed 100% Foreign Direct Investment (FDI) under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports. Ports are now being developed under the Public Private Partnership (PPP) following the Land Lord Model. All these efforts are going to facilitate India regaining its rightful place in the international maritime trade.

**Challenges and way ahead:**

Some of the major challenges faced by the Indian maritime sector include: no major port with cargo handling capacity of more than 300 MTPA, domestically handling only 25% of Indian cargo transshipment, low annual cruise passenger number, high logistics costs of around 14% as compared to 7% globally, low average ship daily output, underutilisation of inland water ways etc.

Ministry of Ports Shipping and Waterways (MoPSW) is addressing these challenges through the Maritime India Vision 2030 (MIV 2030), its flagship programmme Sagarmala and the Blue Economy India Maritime Vision 2047 which is under preparation.

MIV 2030 has identified over 150 initiatives across various maritime sub-sectors like ports, shipping and waterways etc. These initiatives focus on operational efficiency improvement, port-driven industrialization and creating safe and sustainable world class ports to address the growing trade volume needs, while reducing logistics costs through better evacuation and cost effective processes. An estimated investment of ₹3,00,000-3,50,000 crore across ports, shipping, and inland waterways categories is likely to unlock approximately ₹20,000 crore worth of potential annual revenue for Indian Ports with creation of twenty lakh jobs.

Also under the flagship Sagarmala programme of Ministry of Ports, Shipping and Waterways (MoPSW) world class maritime infrastructure is being created. Ports and shipping sectors form part of the PM Gati Shakti Programme Under the National Logistics Policy (NLP), facilitating economical and speedier movement of goods in a multi modal manner.

It is evident from above that India maritime sector is one of the most important logistic sector having strategic and economic importance. It has shown healthy growth trend and is poised to grow further in a multi modal manner while adopting world’s best performance parametres in a green and carbon neutral manner.

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