INDIA CALLING 2009

'PORT LOGISTICS AND INFRASTRUCTURE DEVELOPMENT IN INDIA'

By

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India – Giant Strides

- Sustained high GDP growth 9% in 2007-08.
  2008-09 - 6.7%; 2009-10 – 8%
- First in growth of FDI flow among countries in the region
- Second in International Trade growth in the region
- 4th in Purchasing Power Parity – next to USA, China and Japan
- Huge domestic market with large population– definite inward growth

Indian Port Sector

- Total coastline consisting of 7, 517 Km spread across 5 different zones:
  - Gulf of Kutch
  - West Coast
  - Kolkata (Calcutta) Port
  - East Coast
  - Islands (Lakshadweep, Andaman & Nicobar)

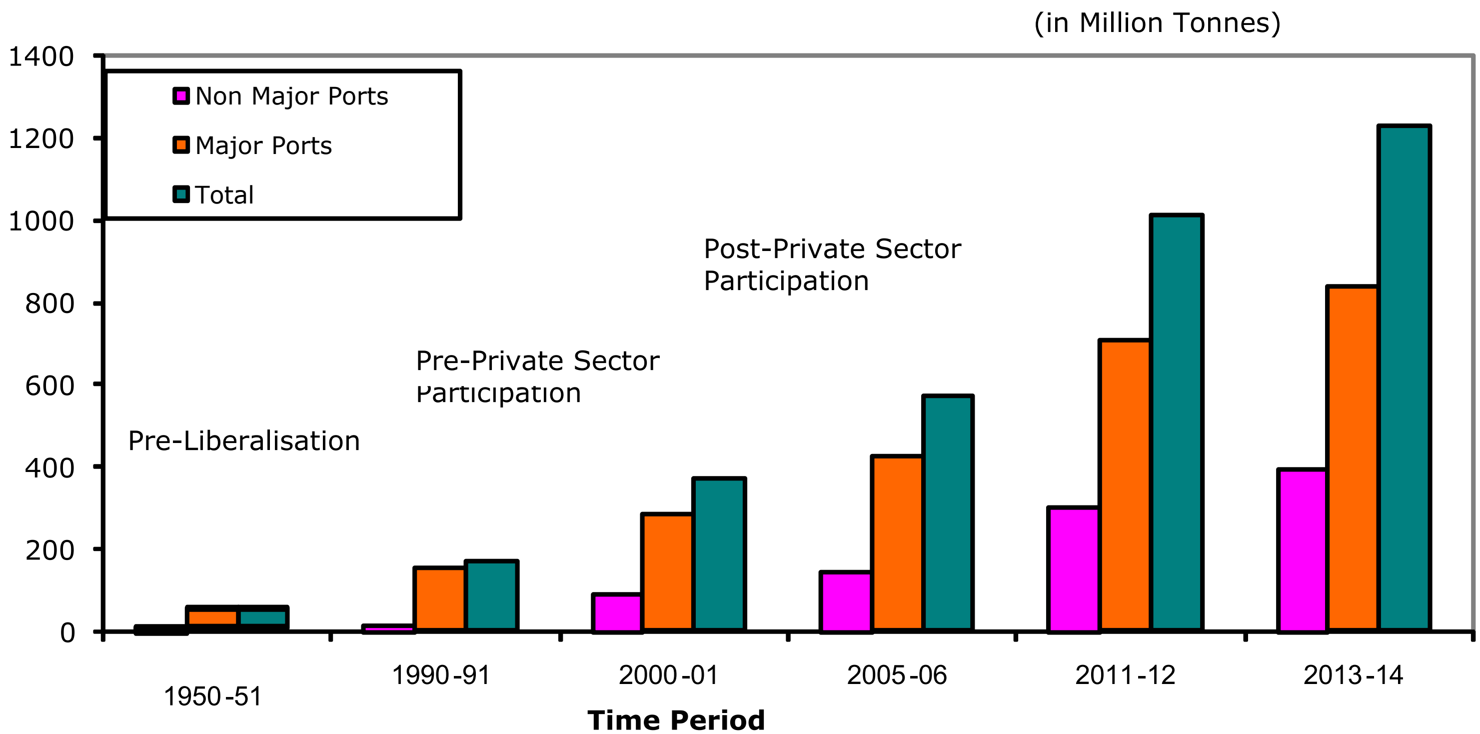
- 12 Major Ports managed by the Federal Government (237 berths).
- 185 Non-Major Ports managed by various State Governments – Cargo operations at 61 ports (104 berths).
- 6 Major ports & 39 Non-Major active ports on the West Coast.
- 6 Major ports & 22 Non-Major active ports on the East Coast.

Maritime States and Ports of India

Contours of Presentation

- **Traffic Projections**
- **Port Capacity**
- **National Maritime Development Programme 2006-07- 2013-14**
- **Investments through Public Private Participation**

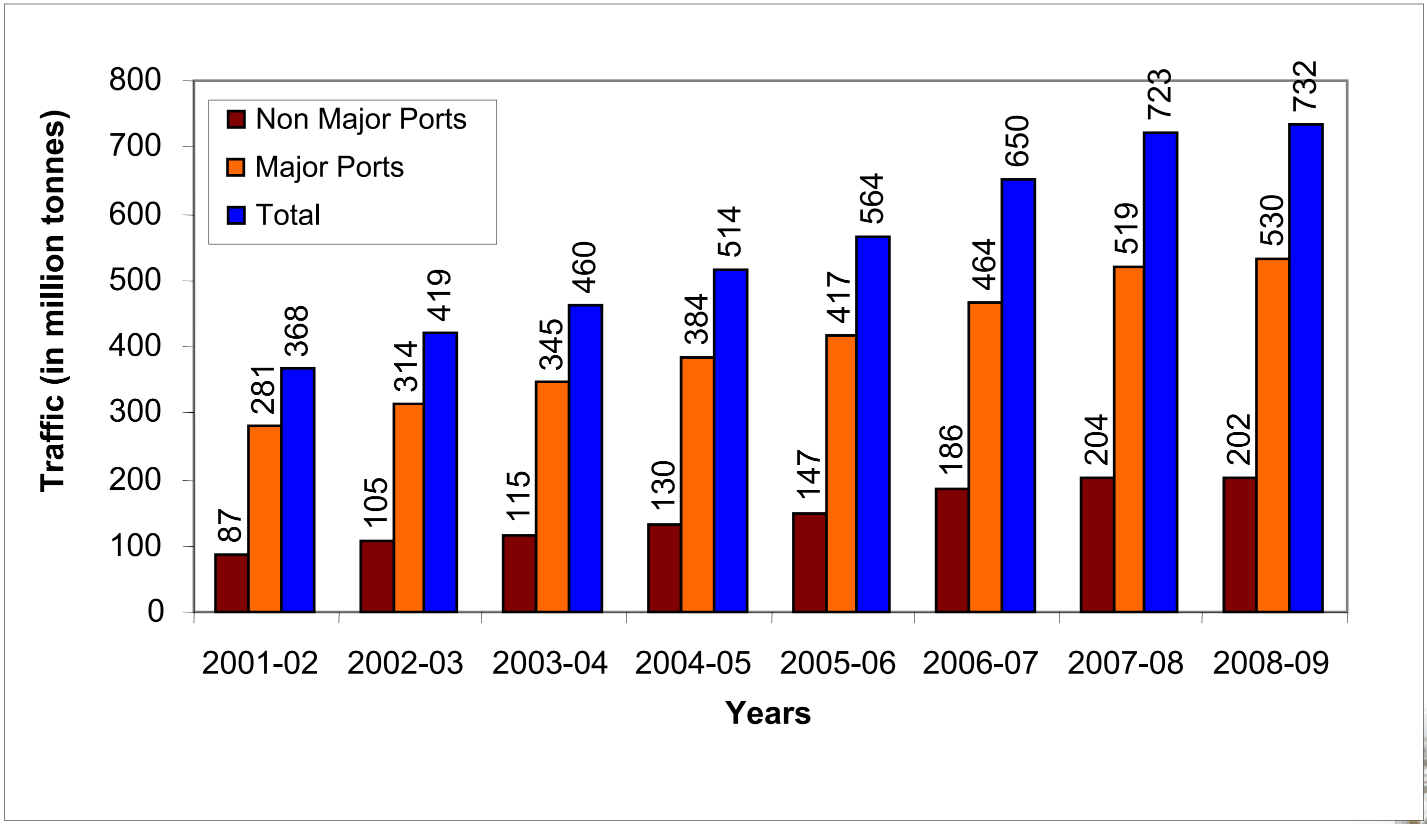
Traffic Trends -
Through the Century



- 1950-1990 CAGR was 5.2% pa, mainly at major ports
- From 1991, post economic liberalisation,in span of 10yrs, traffic
  - Nearly doubled at major ports
  - Increased seven times at non-major ports
- Private section participation in port sector took off in 2000
- Projected CAGR-10%

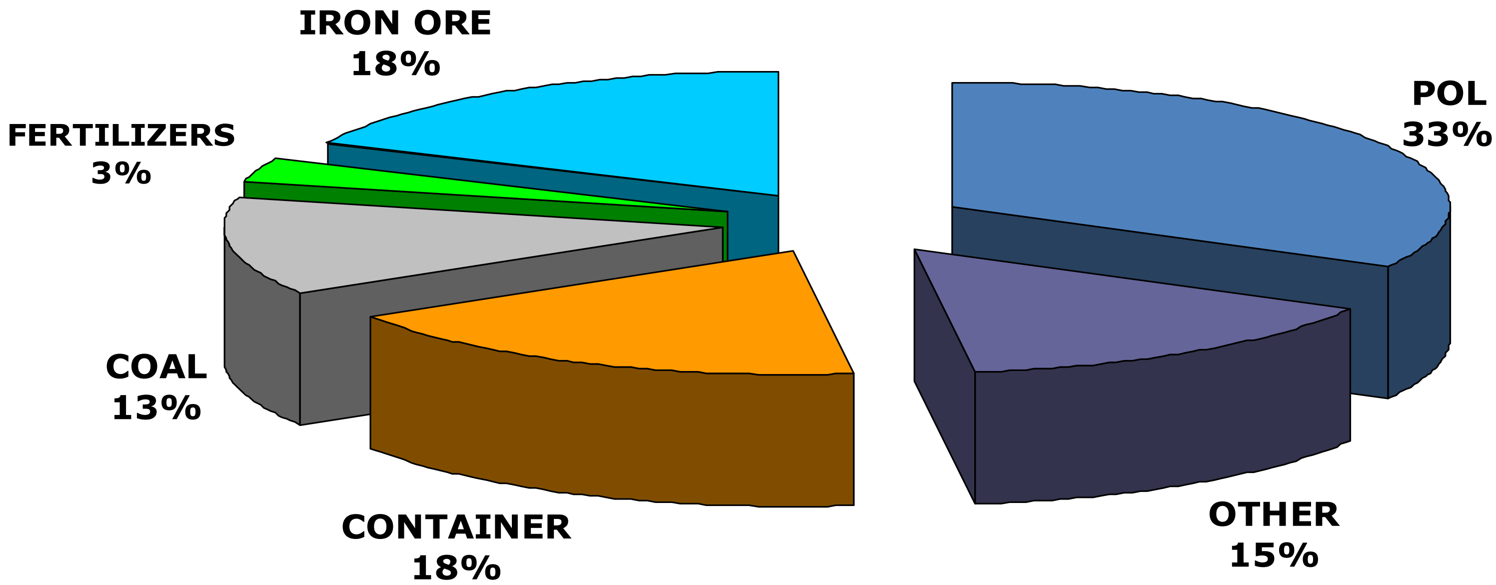
Traffic Growth

Present Decade

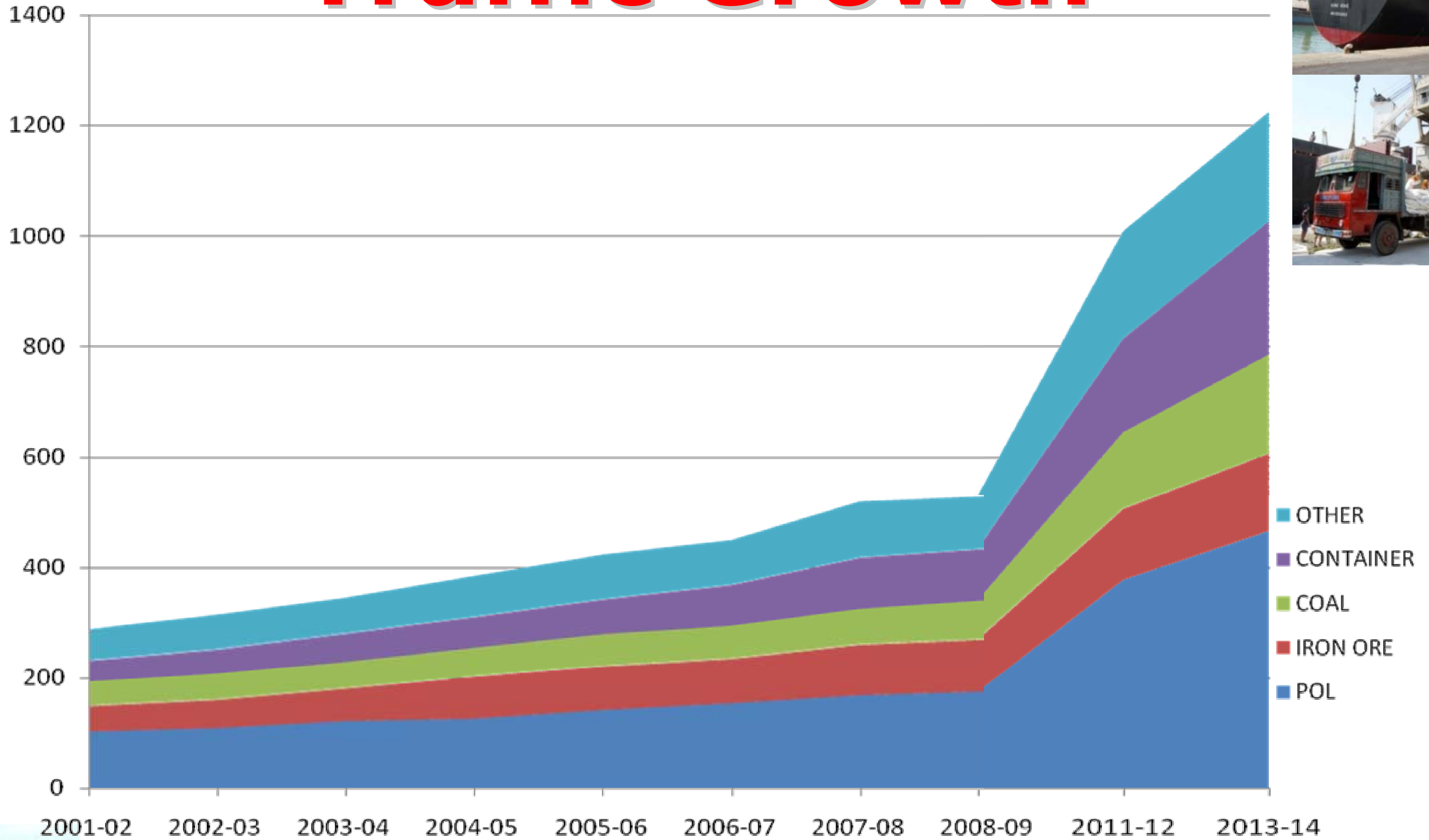


(Source : Indian Ports Association)

Commodity Share 2008-09



Traffic Growth



Commodity	Traffic 2007-08	Projected Traffic 2011-12	Projected Traffic 2013-14
POL	263	378	466
Iron ore	127	128	140
Coal	80	139	180
Container (MTEUs)	103 (7.51)	170 (14)	241 (20)
Other Cargo	150	194	198
TOTAL	723	1009	1225

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Capacity Appraisal

In million tonnes

Commodity	Present capacity 2006-07	Projected traffic 2011-12	Projected traffic 2013-14	Capacity addition planned	Capacity in 2014
Major Ports	508	708	834	493	1002
Non-Major Ports	228	300	391	345	573
Total	736	1008	1225	838	1575

- All New Berths to have minimum 14m. Draught
- Current Berths to be upgraded up to 14m. Draught, wherever feasible
- Improved Port Connectivity – Rail and Road
- Improved Efficiency – hi-tech mechanisation and automation

Target : World Class Ports

Capacity Plan – Major Ports

In million tonnes

Commodity	Present capacity 2006-07	Projected traffic 2011-12	Projected traffic 2013-14	Capacity addition planned	Capacity in 2014
POL	189	378	254	105	294
Iron Ore	56	128	110	66	122
Coal	46	139	141	69	115
Container (million TEU)	85 (7.07)	170 (14.23)	194 (16)	138 (11.55)	224 (18.62)
Other Cargoes	133	194	135	115	247
Total	509	708	834	493	1002

- **Capacity addition planned at all 12 major ports**
- **Capacity target :1.3 times the projected traffic**

Capacity Plan – Non Major Ports

In million tonnes

Name of State/UT	Present Capacity	Capacity Addition
Andhra Pradesh	18	84
Gujarat	182	56
Maharashtra	11	85
Tamil Nadu	1	29
Karnataka	4	26
Orissa	-	13
Goa	12	4
Kerala	-	28
West Bengal	-	8
Pondicherry	-	12
Total	**228**	**345**

- **Includes setting up of new ports and captive jetties and upgradation of present landing places**

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NMDP - Major Ports –
Infrastructure Projects

In US $ million

Major Port	No. of projects	Investment
Kolkata & Haldia	35	1510
Paradip	28	558
Visakhapatnam	38	610
Ennore	14	1504
Chennai	14	522
Tuticorin	24	1063
Cochin	14	1842
New Mangalore	20	1662
Mormugao	12	188
Mumbai	14	644
JNPT	32	1692
Kandla	26	1182
Total	276	12977

NMDP – Non-Major Ports –
Infrastructure Projects

In US $ million

Capacity (Metric Tonnes)	Estimated Cost	Private Investment
345	7220	5971

- Proposals include upgradation of existing small ports and development of greenfield port along with realted infrastructure.

Contours of Presentation

- Traffic Projections
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PPP

Guidelines

- For the first time – addressed in a holistic manner – investor friendly
- Foreign Direct Investment – 100%
- BOT/Joint Venture /Collaboration with Ports
- Open competitive bidding
- All areas – port development and operation – except common user infrastructure
- License period 30 years
- Revenue share model
- Availability of Viability Gap Funding

PPP

Regulatory Framework

- Independent Tariff Regulatory Authority
- Upfront Tariff fixation–normative cost based approach with annual escalation indexed to inflation
- Tariff act as ceiling rates

- Approved standard concession document
- Standing Public Private Partnership Appraisal Committee for project appraisal and clearance

Trailblazers

Major Ports

- 16 terminals adding 95 mt capacity –Investment US$ 1082
  - Container – 6 terminals at 5 ports – 52 mt
  Investors – DP World at JNP, Chennai & Visakhapatnam
  Maersk at JNP
  PSA at Tuticorin
  - POL - 5 terminals at 3 ports – 29 mt
  - Others - 5 terminals including 1 for coal – 15mt
- - CFS - at Kandla
- Awarded 12 Projects - capacity – 106 mt

Investment – US$ 1195 million

- Container – Cochin/Vallarpadam – DP World - US$ 441m
Mumbai – Dragados SPL – US$ 304m
Chennai – SICAL – US$102m

- Iron ore – 2 berths capacity –22mt – US$ 227 m

- Others - 7 berths of capacity – 24 mt – US$ 167 m




Trailblazers

Non Major Ports

Port	Developer	Cost US $mn	Status
Pipavav	GMB Maersk	--	First PPP Port since 1996
Mundra	Adani Ports Ltd	--	Commenced operations in 1998
Kakinada	International Sea Ports Ltd	--	Berths under PPP since 1999
Krishnapatnam	Navayuga Engg	21	Commenced operations in July 2008
Gangavaram	DVS-Raju	354	Commenced operations in July 2009
Machalipatnam	Maytas - Infra	312	Projects awarded and to commence in near future
Dhamra	L & T and Tata Steel	512	
Gopalpur	Noble Group Ltd & Others	375	
Kulpi	D P World	21	

On the Horizon

(US$ m)

Port	Project	Capacity	Cost
JNP	4th Container Terminal	4.8m TEUs	1400
	330m Container Terminal	0. 8m TEUs	125
Chennai	Mega Container Terminal	48m tonnes	768
	Dry Port & Logistic Park	30 m tonnes	38
New Mangalore	Container Terminal	36 m tonnes	208
Paradip	Coal Berth	10m tonnes	100
Kandla	Berthing facilities near Tuna	12m tonnes	103
	SPM off Veera	9 m tonnes	184
Vizhinjam	Transhipment Port	5.3mTEUs	1115

- Many more projects at both major and non major ports

Choices

- Dredging – Deepening of channels
- Port Development – Terminals, equipment, navigation aids
- Connectivity – rail/road
- Hinterland – Industries, SEZs
- Outsourcing – All areas of production and imports with value added services

Welcome aboard
Namaskar

Major Ports – Business Plans

- Study by Consultants for each Port , guided by Rotterdam Port Authority
- Covers vision to 2025 : identifies areas for development, diversification and outsourcing

Traffic Forecast for 2025

In million tonnes


Commodity	Projected Traffic
POL	336
Iron Ore	140
Coal	189
Container	680
Other Cargoes	250
Total	**1595**