

INDIAN GOVERNMENT POLICY REGARDING MARITIME SECTOR

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Introduction

From time in memoriam, the waters (sea and the ocean) of the earth have held mankind in great fascination. It was considered violent and unpredictable. But as centuries rolled by, necessity changed the views of the people. They learnt the various uses of the sea waters. Enlightenment and changing attitudes in science, literature and arts brought about a change in the minds of the people. We have known that seaways has resulted in the discovery of land and setting up of civilizations. In this manner, the maritime sector has gained importance. The development of ports in India has played a vital role in the overall economic development of the country. Over the years India has been evolving a maritime policy best suited to it.

Global review of the maritime sector

International trade is a cornerstone of the global economy. Exchange of goods among the countries widen the choice of supply and ensures that production takes place where it is cheapest and best. Technological developments in bulk and container transport have made maritime transport cheaper. Bulk transport involves shipping one homogeneous commodity like grains, ore etc, at any one time but in large quantities. In contrast, container transport entails transporting different goods at the same time, but in standard containers that are easy to load and unload. However, the slower growth in world sea – borne trade compared to world trade in general reflects that the weight of the goods transported increases at a slower rate than their value due to rising trade in processed goods like electronic items, medicines, apparel, gems and jewellery etc.

Challenges ahead

The recent past has been unprecedented in the history of container shipping, as traffic volumes have collapsed, freight rates have plummeted and practically all capital investment programmes have been curtailed. Everybody has been affected, with most ocean carriers reporting huge financial losses, box ports and terminals posting losses due to decline in throughput for the first time in their histories and international terminal operators (ITOs) postponing or cancelling new projects and renegotiating contracts agreed when the market was at its height.

Impact of Global warming

Increased traffic at the ports gives rise to increase in the chain of related activities like shipping activities viz., towing, mooring, berthing, piloting, marine survey, sea patrolling etc. involving use of harbour crafts such as tugboats and launches; bunkering and transshipment / lighterage operations etc. In addition, cargo handling, vehicular traffic, movement of cargo to and from ports through heavy duty trucks and rails, deployment of dredgers to deepen the drafts etc. also result in environmental pollution at the ports in the form of air emission. Air pollution is causing severe threat to the health of the nearby residents of the port and hence measures in the direction of reducing emission to improve the air quality and also fight against global warming are necessary. Shipping-related pollutions take horrific toll on coastal population and are responsible for approximately 60,000 cardio-pulmonary and lung cancer deaths annually. Marine fuel bunkering fumes also cause toxic emission leading to nausea and breathing difficulties.

Productivity aspects

Normally productivity is defined as metrics and measures of output from production processes per unit of input. Depending on how a terminal's performance indexes are defined, productivity can refer to containers per hour, moves per hour or cost per container, for example. It is not all that difficult to measure containers or moves per hour, system suppliers can help a terminal to operate its dockside cranes faster. Automation, training, service and support, spare parts, crane information management systems, preventive maintenance and integration are examples of some of the areas are of focus which is to be looked into in the future. Port and terminal operators will have to implement best practice and cost-cutting initiatives, lean organisations and lean operation processes are better prepared for longer periods of decreasing volumes and rates than the ones that have not adapted.

Encouraging future

All ports were hit by the recession, but not all cargo flows were affected to the same extent, and competitive positioning of ports has changed. The economic crisis is forcing us to prepare better for the future. Lower growth in consumption, more interest in energy and energy security, and a continuing focus on sustainability are characteristics of the post-crisis landscape. The year 2010 has brought favorable economic news. The World Bank has raised its projected growth rate for the global economy from 2.0% to 2.7%. A prominent consulting group has upped its estimate for growth in US GDP to 2.6% from 2.2%. China posted spectacular growth

of 10.7% for 4Q/2009, and one forecast indicates that China's GDP will expand by 9.5% in 2010.

Indian port scenario

As already discussed earlier, the growth in cargo handled at Major and Non-major ports in 2009-10 was 5.8% and 35.4% respectively compared to 2.2% and 3.3% achieved in of 2008-09, The robust overall growth in India's seaborne cargo traffic in 2009-10 reflects fairly strong recovery in India's growth during the course of 2009-10.

Emerging scenario

The emerging global economy has opened up new avenues in all the sectors in general and maritime sector in particular. The maritime sector through economic liberalization, competition, upgraded technology, application of modern information technology is being talked about world-wide. The impact has been very positive in India as also GDP growth rate attained newer height during the recent past and projected to achieve 9% growth rate during the 11th Plan period. Globally also, apart from the last two years of economic meltdown, the overall emerging scenario is becoming very aggressive which has been described in the following paragraphs.

Economic liberalization

Opening up of the economy results increase in the volume of imports and exports. The mid-term strategy outlined by the Export Import (EXIM) Policy of the Government of India envisages an increase in India's share in world trade. Liberalization of trade has also resulted in the globalization of the manufacturing process, which in turn has led to a massive increase in trade, with the majority of these manufactured goods moving in containers. Liberalization has brought in competition in the provision of efficient and customer based services by the port management. The ports which will be able to meet the challenges posed by the competition will emerge as winners and will flourish in the long run.

Competition

Indian economy is at the threshold of a golden age of growth. India has the potential to grow fast over the next 30 to 50 years. Its GDP growth rate will stay above 5 per cent till 2050; China's will drop to 5 per cent by 2020 and to around 3.5 per cent in the mid -2040s. Global Competition has changed the world and therefore, the business, whether large and small today search the entire world for customers, suppliers, labour, know-how, technical expertise, finance,

etc. Shipowners now group themselves to form a consortia to reduce the cost and increase the capacity which results in enhanced market penetration.

Technological changes

The shipping and cargo handling technologies are changing rapidly. The ship size is getting bigger and in tune the harbors need to be deepened and modernized the superstructure. Cargo handling takes place in many forms: bulk, break bulk, liquid bulk and in containers. Containerized traffic is the most prominent type in the era of growing industrial exports. These changes have an influence on the method of working and labour deployment at the terminals. More mechanization, unitisation of cargo and computerization are becoming imperative. Manning scales have to change. Work force needs to be better educated and groomed for greater skills.

Changes in information technology

As a result of fallout of 9/11 incident, a number of new technologies have been introduced to help the implementation of International Ship & Port Security code in various countries. Now, ships tend to have GPS systems which install a satellite station on a ship. Similarly the use of Radio Frequency Identification (RFID) is gaining ground in logistics and transport planning and Optical Character Recognition (OCR) is being used quite cleverly in terminals to speed up the processing of containers in and out. At the heart of this, are PSA's Computer Integrated Terminal Operations System (CITOS) and Port net.

Challenges ahead for Indian ports

In order to meet the challenges emanating from intense global competition, advances in information & communication technology, technological changes in shipping and related sectors coupled with stiff demands from trade, ports in India are required to gear-up by modernizing the port infrastructure, enhancing the quality of service and increasing the productivity level at par with International standards.

National maritime development programme

Development of Ports is an ongoing process based on the requirement of the trade and the future projections of traffic. Projects are taken up based on the requirement of individual ports to cater to the traffic. Recognising the catalytic role which the maritime sector has to play in India's fast growing economy and in fulfilling the trade objectives the National Maritime

Development Programme (NMDP) has been formulated by the Ministry of Shipping, Govt. of India.

Existing policy framework

The Maritime sector comprises of Ports, Merchant Shipping, Ship Building/ Ship Repair and Inland Water Transport. Capacity expansion in the Port sector is being taken up through several development activities, namely construction/ upgradation of berths, deepening of channels, rail/road connectivity projects, equipment upgradation / modernization schemes and other related schemes for creation of backup facilities. The Government of India constituted Public Private Partnership Appraisal Committee (PPPAC) under the Chairmanship of Secretary, Department of Economic Affairs, Ministry of Finance to appraise the proposals under Public Private Partnership (PPP) mode. The tariff setting mechanism has also been modified with tariffs being set upfront by the Tariff Authority for Major Ports (TAMP) before the projects are bid out on a revenue sharing basis.

Hinterland connectivity

The projected traffic of major & non-major ports is to move through the land transport infrastructure providing port connectivity which needs considerable expansion to keep pace with accelerating trade growth. In fact, inadequate capacities in the hinterland transport modes often lead to higher costs and delays on account of suboptimal mode choices, circuitous routing and congestion in the hinterland transport links. Though all the major ports are having rail and road connectivity with national rail and road network, yet more thrust is to be made for faster and efficient evacuation of cargo to and from ports.

ICT perspective in Indian ports & need for information technology in a port

Ports are interfaces in a complex chain of logistical stations where not only containers and general cargo but also numerous kinds of bulk goods, like coal and ores, are loaded and unloaded at maritime and river terminals, stored and transferred to power stations, agricultural and industrial centers using conveyors, road and rail transport. Therefore, Ports deal with a wide range of activities like movement of ships, passengers, cargo/container through different modes of transport, the loading and unloading of ship and interaction/clearance from different statutory bodies and port users.

Vessel traffic management system (VTMS)

VTMS has already been installed at Mumbai, Kolkata, Chennai, Cochin, New Mangalore and Mormugao Ports. Installation of the VTMS in the Gulf of Kutch providing coverage to Port of Kandla and other non-major Ports along the Gulf is under process.

Information technology

Indian Ports have been implementing heterogeneous system using the latest technology covering the efficient functioning of ports.

Way forward - towards paperless regime

To achieve the paperless regime, ports have to gear up with the complete automation at an individual Port and Port Community levels.

Port level automation

Each port should undertake Enterprise Resource Planning (ERP) solutions which would cover all functional areas including port operation. The functional areas where ERP solutions are not available on the shelf, the solutions should be developed and integrated with ERP solutions. Ports like Cochin and Mormugao have already implemented ERP Solution along with Port Operation System and other modules that are not part of ERP Solution. New Mangalore is in the process of implementing similar ERP Solution followed by all the other Ports.

Port community system (PCS) is intended to integrate the electronic flow of information and function as the centralized hub for Indian Ports and other stakeholders like Shipping Lines/Agents, Surveyors, Stevedores, Banks, Container Freight Stations, Government regulatory agencies, Customs House agents, Importers, Exporters, CONCOR/Railways, etc. through common interface in secure manner using the latest Technologies.

Conclusion

The ultimate aim is to seamlessly integrate all members of the port community and also to provide an electronic platform to act as a single window to exchange messages. When Indian is becoming third largest economy in the world, ports also to be geared up to catch up the requirement of world trade and contribute their mite to the economy for which the ports should be equipped with the State-of-Art Technology. More than any other time in its glorious history,

the sea today is India's prominent gateway to the world. The geo strategic and geo economic interests of the world have led to a multifold increase in the maritime activities in this part of the world viz. Asia Pacific Region. The growth in trade and resulting economic prosperity brings with it a number of maritime security and safety challenges, some unique to this day. The Ministry of Shipping, Government of India is firmly focused on improving maritime trade, safety, security and protection of national interests in the Maritime Zones of India.

Reference

Government of India Web site: Ministry of Shipping Maritime Agenda 2010-2020

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