

Shipping is truly global business. In India, like in most countries, it is not visible enough. Nor are the Ports. What with 9/11 and ISPS, it has become more difficult for Trade, and the ordinary mortals to know what is happening inside the Ports or Cargo-ships. It is occasions like this with speeches and presentations in the seminar and products and data in the exhibition that help people to understand what is happening in these sectors. I am grateful to the sponsors and TransportEvents for this opportunity. This being the first time in South Asia for TransportEvents, I welcome them to India and to South Asia, and hope they will be as successful here as they have been elsewhere.

Burgeoning growth in India:

India is growing. Has been maintaining a high rate of growth. Has a huge market. Also has a pool of trained engineers and IT professionals. Located ideally for shipping in the middle of the international commercial routes, and with ports on its western and eastern coastline. That we share with very few maritime countries, and it is a natural advantage.

Liberalization in shipping:

In the beginning of the age of Reforms in India, shipping was thrown open, and Govt allows Indian shipowners to buy and sell or scrap freely, and also to trade anywhere they like, and hence a lot of cross-trade occurs. It has been liberalized to allow c-i-f especially for exports. Tonnage tax regime has been given in India since 2004: some Indian owners are asserting their right to flag their ships in other countries such as UK, or Singapore or Panama. Conversely, I hope we will be able to attract foreign shipowners to flag into India. Cabotage provisions relaxed that if there is no Indian ship plying that route in Indian coastal waters, permission would be given for a foreign flag ship to be chartered. On routes where the Indian shipowner is operating, he has to be the lowest in terms of charter-hire; if he charges even one rupee more, when there is competition from foreign operators, then the maritime administration retains the right to give permission for charter of foreign ships on Indian coastal waters. Thus, the Indian consumer will not be charged one rupee more for the promotion of cabotage. He has to get the transport at the lowest price in the tender. In ship-crewing, we still insist that the crew has to be Indian. Of course, I believe that when there is a shortage or need or competitive conditions, we should be ready to accept other competent crew from neighboring countries.

Promotion of seafarers:

Indian maritime university of the affiliating type acting as an umbrella organization for the more than 125 maritime training institutions now operating across the length and breadth of the country. To the best of my knowledge, it would be the first time such an experiment is being conducted.

Port privatization in India:

Port privatization has begun. Unlike the rail or aviation sector, here is 100% FDI allowed since last few years. India welcomes infusion of new port technology. Volumes

especially in containers have soared, and we believe the rate of growth will sustain itself. DP World, PSA and P&O and Maersk are present in the Port sector. Other State Govt and State Maritime Boards like Gujarat and Maharashtra are encouraging private investment in completely private Greenfield ports. The Central Govt lays down guidelines which are followed by the major Port Trusts which follow the global tender route.

In MCAs port-user interest has to be built in. Today the bidding process is decided on a single criterion, namely, the revenue-share to be handed over to the Port Trust. The provisions of the model concession agreement are discussed before opening the price bids and in open meetings, modified wherever necy within Central govt approved guidelines. If there are different models by which other countries have encouraged the entry of private investors in their port sector, we would like to hear from them, and learn and if need be adopt different criteria for selection of successful port investor/operator.

Tariff-setting and regulation in Indian port sector:

Port regulation, I feel, has to be strengthened. Till such time the port sector does not have practical kind of competition where the shipper or importer has real choice, India would like to promote a tariff-setting authority. In my opinion, it is necy to invest it with powers to enforce its orders and make ports and terminals implement its orders and enhance the role and powers of TAMP to make it a full-fledged regulatory body for the port sector. Gujarat State has expressed its wish, we read in the Press, that their ports might be subjected to an independent regulatory agency. We should welcome this move. Despite the port facilities in that State, if they feel the need for regulation or tariff-setting, I am sure the other maritime states should follow suit.

Need for Asian dredger-building::

Sethusamudram is going on. Where 450 nm are saved for every voyage from east to west coast or vice versa, there is no need to justify it any further. As traffic increases, the project will be more commercially viable. Dredging appears to be controlled in the world by handful of major players. Developed countries which make a fetish of anti-Trust laws do appear to be supporting their own dredging companies which either monopolize or cartelize the situation with impunity. It is necessary to shed light into this dredging scenario. I would like Asian countries to promote existing Asian dredging companies however small they are! We should also encourage the construction of dredgers. Anyone who can construct dredgers should get special incentives and encouragement.

Policy initiatives:

National Maritime Policy and National Maritime Development Programme will transform the sector. What is needed is faster decision-making, and simplification of administrative procedures. In the interest of ensuring that no suspicion will come on oneself, if everyone pushes the file upwards, then commencement of infrastructure gets delayed by months and sometimes years. In this seminar, we would like to hear from

foreign delegates how infrastructure decisions are taken in their countries or other places where they have invested in port sector already.

Indian culture and tourism:

India is an ancient country with wise Upanishads and culture and yoga worth picking up. Tourism is upcoming industry, and there are many places for the delegates to plan their visits too, and some of them have great maritime interests too. I do hope you the delegates and exhibitors will enjoy your stay in India and lay the foundation for strong business links, and that we from the Indian side will learn something of your best practices in Shipping and Ports.

Thank you !!