

**WELCOME SPEECH
SOUTHERN ASIA PORTS LOGISTICS AND SHIPPING 2006
INDIA EXHIBITION AND CONFERENCE**

THURSDAY – 14TH SEPTEMBER 2006

**R. Ravikumar,
Dy. Chairman-i/c, JNPT**

I welcome all the delegates and the exhibitors from India as well as abroad to the Southern Asia Ports, Logistics and Shipping 2006 India Exhibition and Conference. Some of you might have visited JNPT yesterday. I hope you have enjoyed your visit.

For the benefit of those of you who could not make it yesterday, I may inform that JNPT, which is the greenest Port in the country, is situated just across the Bombay Harbour close to the famous Elephanta Island. The port, which was commissioned in the year 1989 has excellent rail and road connections to the hinterland. It has emerged as a premier container handling port in the South Asia region handling 2.67 million TEU's during the year 2005-06 and ranking 32nd in the world community of container handling ports. The Port is going to touch 3 million mark during this year. At present, it has three container terminals, one run by the JNPT itself, the second by Nhava-Sheva International Container Terminal Ltd. (Dubai Port International), and the third by Gateway Terminals India Pvt. Ltd. (a Joint Venture by Maersk and CONCOR) with a total quay length of nearly 2 kms and a combined capacity of 3.6 million TEU's. Expression of Interest has been called for globally for the construction of the fourth container terminal, which would need an investment of about one billion US Dollars. It is envisaged that the project when completed will have a 2 km. Quay length of container handling facility with a container handling capacity of 4.4 million TEU's. It also envisages a chemical terminal with a capacity of 15 million tonnes. Forty-one global and Indian parties have expressed interest in developing this terminal. This will be an excellent opportunity for the international port operators to participate in India's Growth Story.

Despite the differences in the ports in different parts of the world, most of the ports face similar problems and challenges. In that sense it is important to have a global dialogue, achieve some commonality between different parts of the world, and develop suitable and sustainable business models. I am hopeful that this Conference will enable the participants to identify such challenges and find solutions.

The Asian economies have gained momentum in the past 10 years. However, the development in the port sector has not been commensurate. According to Dr. Satoshi Inoue, Secretary General, IAPH, even while economies are growing rapidly, there is a lack of port infrastructure and development to match and therefore it is important to see that port development becomes a part of wider national infrastructure policies with full regard to environmental concerns. Funding of port development projects is an issue that is troubling the port managements in developing countries. The Public-Private Partnership model has assumed lot of importance in the port sector with the Governments finding it difficult to finance port projects in view of the competing priorities. India has also embarked on the public

private partnership in the port sector. Guidelines on private sector participation were issued by the Government in the year 1996. JNPT is the first port in India which had launched the public private partnership programme in container terminal development. Ever since, an amount of over one billion dollars has been invested in the Indian Port Sector by private players on about 17 projects. Another one billion dollars investment is under way. In the National Maritime Development Programme, about 7 billion dollar private investment is envisaged by the end of 2011-12. There is tremendous scope for investment in India in view of the need to create additional port capacities urgently. The port capacities are being planned to be increased from the present 397 million tonnes to about 800 million tonnes to cope with the expected port traffic of 615 million tonnes at major ports.

One important development in India in the port sector is that the monopoly of the public ports has been broken with the advent of private terminals and the development of minor ports. States like Gujarat are moving aggressively. Many international Private Operators like APM Terminals, Dubai Ports International and Port of Singapore Authority are operating in India and their international experience has brought about stiff competition and induction of state of the art technologies and the introduction of modern cargo handling techniques. The ultimate beneficiary of this development should be the Trade by way of improvements in the efficiencies and reduction in costs and therefore there is a need to develop an efficient tariff structure to achieve it.

One issue on which all ports are united is the need for more cooperation on security around the world's ports and terminals. The UN General Secretary, Kofi Annan had often stressed the link between security and development, reiterating that we cannot enjoy one without the other. Developing a workable and effective international regime for maritime security is the need of the hour. The ever-increasing volumes of cargo and complexity of international trade and the deteriorating global security scenario present formidable challenge to ports and shipping. India has been a target of terrorist attacks and ports being vital installations need to be very vigilant. Indian ports are one of the first ports to implement the ISPS Code and are constantly monitoring the security situation. I am sure that the deliberations of this Conference today and tomorrow will touch upon the various aspects of global ports and shipping scenario.

With these few words, I once again welcome you to this Conference and wish you all a great time experiencing India.
