

12. Discuss the various issues that hinder the development of the port infrastructure in India and state the recent measures taken by the government to address the same.

Approach:

- Highlight the importance of port infrastructure.
- Mention the various issues confronting the development of port infrastructure in India.
- Suggest the measures taken up by the government in addressing the same.
- Conclude accordingly.

Answer:

India, having a coastline of more than 7500 kilometres, is serviced by 13 major ports and more than 200 notified minor and intermediate ports. The Economic Survey 2021-22 has called for improved port governance and augmentation as one of the key drivers of the infrastructure sector and a necessary vehicle for social and economic transformation.

However, many **issues and impediments have hindered the development of the port infrastructure** in India, which include:

- **Financial constraints:** Underinvestment and poor financing have led to inadequate port infrastructure. This has also been one of the reasons for the dismal condition of ports, especially the non-major ports.
- **Limited private sector involvement:** The financial viability of port projects is a major deterrent for private developers as well as financiers. Greenfield port projects are usually in remote locations and considerable government level support is required to create basic infrastructure for site access.
- **Regulatory issues:** Major and non-major ports fall under different jurisdictions and the regulatory framework is also rigid. Further, there have been constraints in port infrastructure development due to land acquisition issues and delayed environmental clearances.
- **Infrastructure bottlenecks:** The high turnover time and pre berthing time, and freight costs make Indian ports less competitive. For example, in Singapore, the average ship turnaround time was less than a day and in India, it was just over two days.
- **Old docks and terminals:** There have been issues related to poor maintenance of old ports and lack of efforts for their upgradation.

With the acknowledgement of the crucial role of the port infrastructure modernisation and augmentation, following measures have been undertaken by the government:

- The **Sagarmala project**, which aims to modernize India's ports so that port-led development can be augmented and coastlines can be developed to contribute to India's growth.
- In 2016, India passed the **Central Port Authority (CPA) Act**, which grants more autonomy to the major ports.
- The **Revised Model Concession Agreement (MCA)** provides incentives for the private sector to get involved in port development. The government provides a **10-year-tax holiday** to companies that help maintain and operate ports.
- The **Major Port Authorities Act, 2021**, provides for regulation, operation and planning of major ports in India by vesting their administrative control on the boards of major ports authorities.
- A **new captive policy for port-dependent industries** has been prepared to address the challenges of renewal of concession period, the scope of expansion and creating a dynamic business environment.
- Initiatives to **enhance Ease of Doing Business** include implementing **Enterprise Business System (EBS)** to simplify and digitize processes across Major Ports by 2021 and developing **National Logistics Portal (Marine)**.

The country's marine sector is intricately linked to economic trade and competitiveness. The **Maritime Indian Vision 2030** is a step in the right direction to enhance the port infrastructure and give the necessary impetus for rapid and efficient expansion of India's port sector.