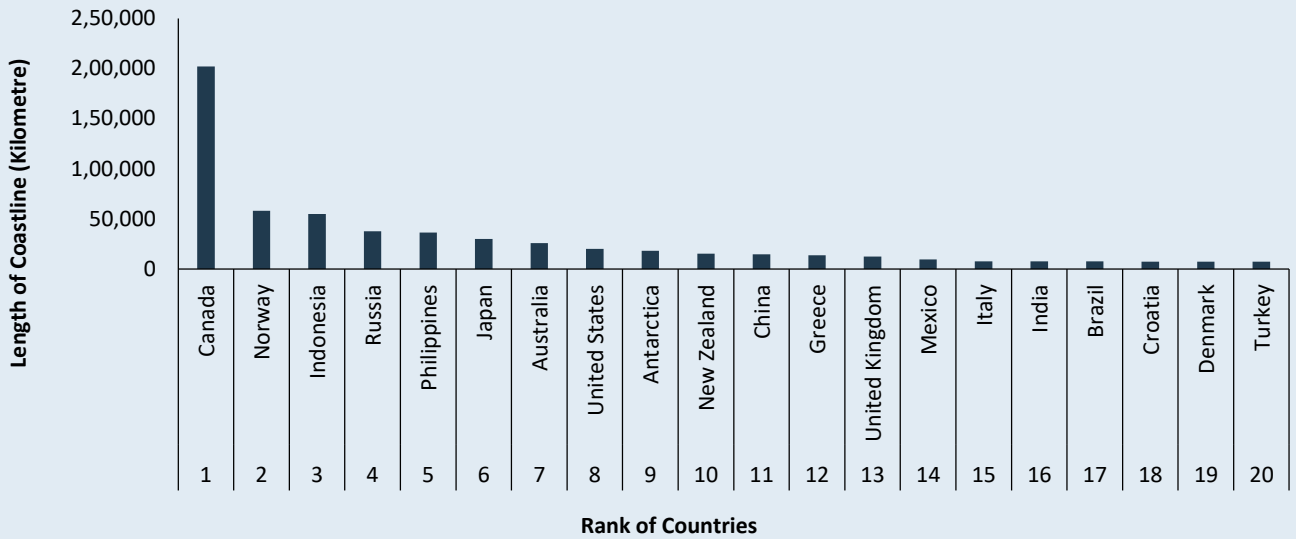


Indian Shipping & Port – An Overview

- The Indian shipping industry plays an important role for the growth of economy.
- With the capacity of conducting 90% of India's international trade through its developed infrastructure and the advanced maritime transport system, the industry has expanded remarkably over the years.
- The Ministry of Shipping, a branch of the Government of India, is the apex body for formulation and administration of the rules and regulations and laws relating to shipping.
- India has a coastline of 7,516.6 km.
- Globally, India comes in the 16th position with this length of coastline.

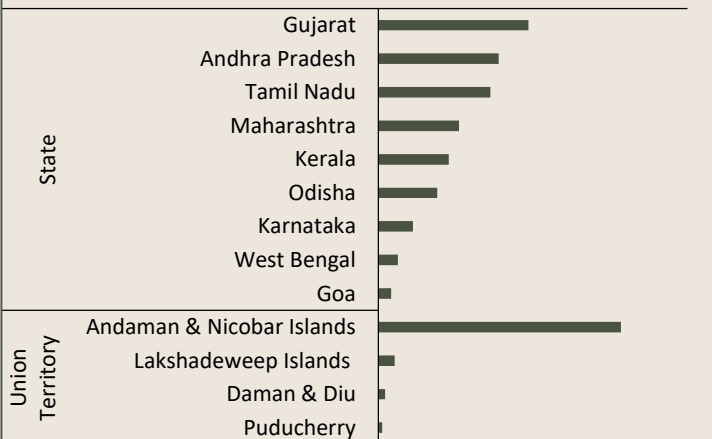
Top 20 Countries in the World with the Longest Coastlines



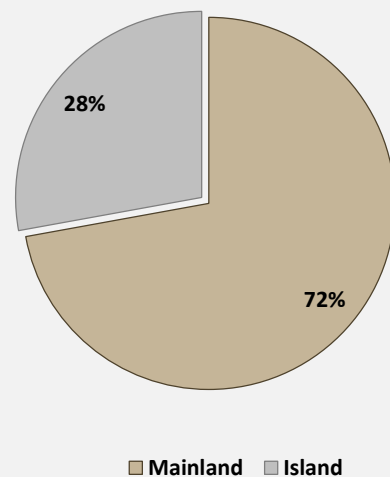
- The overall coastal area of India is divided into 9 states and 4 Union Territories (UT). Among the 4 UTs, Andaman & Nicobar Islands and Lakshadweep Islands are also regarded as Island Territories.
- With a share of more than 20%, Gujarat has the longest mainland coastland in India.
- The longer coastline ensures growth of marine trade and maritime transport leading to the expansion of shipping industry and ports.

Coastline Length of Indian States and Union Territories

Length of Coastline (Kilometre)
0 500 1000 1500 2000 2500



Share of Mainland and Island in the Indian Coastline



Major and Minor Ports in India

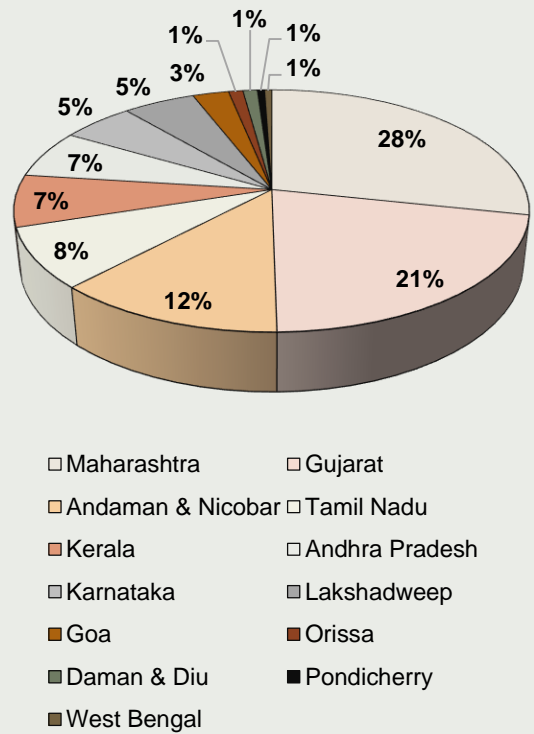
- There are 13 major and 205 notified minor and intermediate ports.
- The administration of the Major Ports are controlled by the central government's shipping ministry whereas in case of the Minor and Intermediate ports, it is done by the relevant departments or ministries in the nine coastal states.

List of Major Ports in India

Kandla Port, Gujarat	Mumbai Port, Maharashtra	Jawaharlal Nehru Port, Maharashtra
Marmagao Port, Goa	New Mangalore Port, Karnataka	Cochin Port, Kerala
Port Blair, Andaman	Tuticorin Port, Tamil Nadu	Chennai Port, Tamil Nadu
Ennore Port*, Tamil Nadu	Vizag Port, Andhra Pradesh	Paradip Port, Odhisha
Haldia Port, West Bengal		

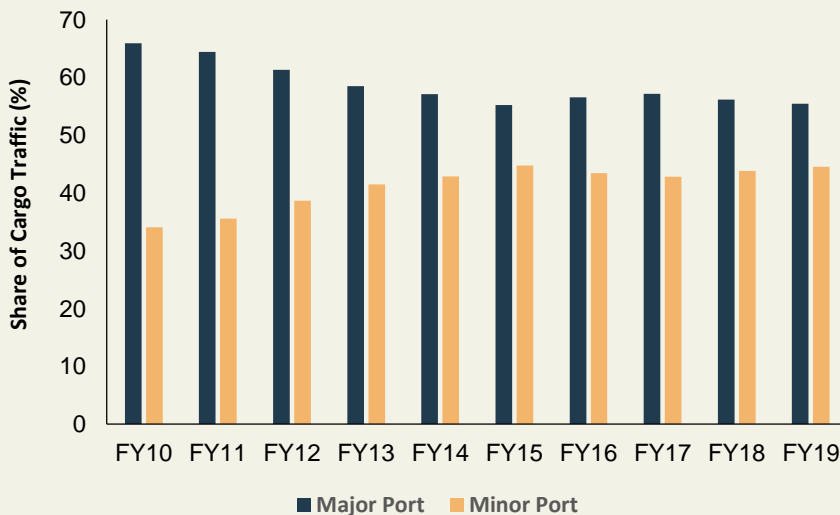
*: Ennore port is the first corporatized major port in India. Except this, all the major ports are government administered.

Distribution of Minor Ports across the Indian States, 2019



- Indian Shipping Industry manages the transportation of national and international cargoes. Here, cargo refers to the activities of carrying goods through ships.
- Generally rise in the cargo traffic indicates a hike in the trade activities of the country.

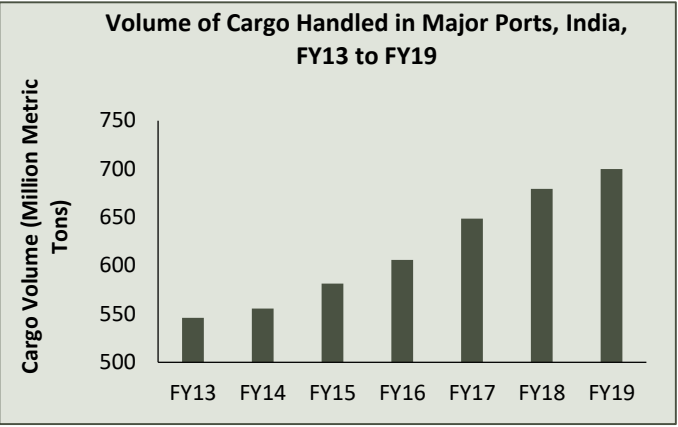
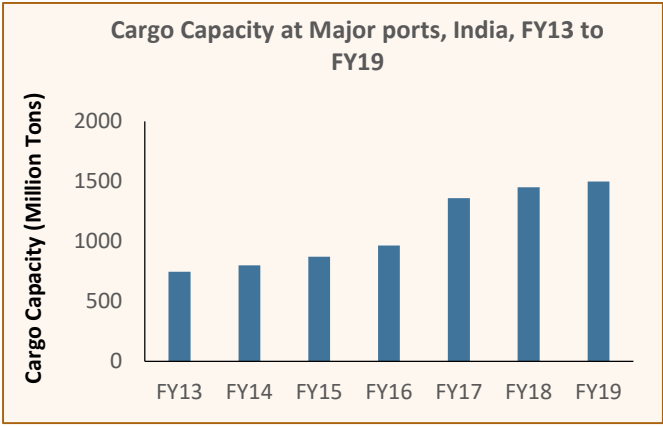
Share of Cargo Traffic by the Major and Minor Ports, India, FY10 to FY19



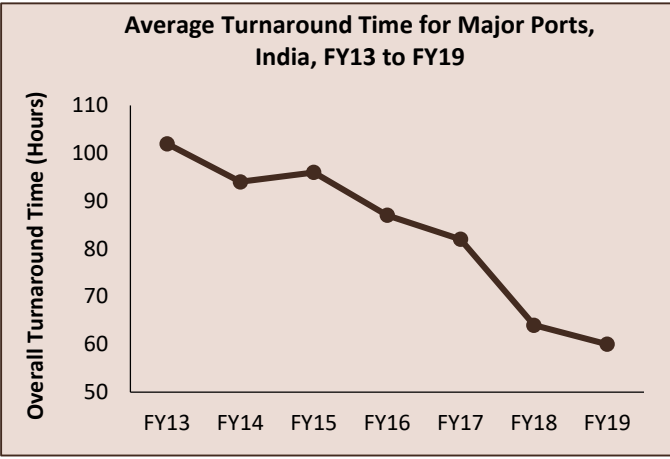
- Between FY10 to FY19, the cargo traffic in the major ports has increased at a CAGR of **2.47%**.
- In case of minor ports, the traffic has increased at a CAGR of **7.61%** between that same time period.
- Along with the major ports, the expanding activities of the minor ports are also assuring growth of overall shipping industry.
- In FY19, all the major ports handled **699.04 Million Tonnes** of cargo.

Operation & Maintenance

- The ports in India differ substantially in topography, ranging from deep-sea ports to tidal ports and river ports, and have the capacity to handle all major commodities, including dry bulk (coal, iron ore), containers, break bulk, and liquid bulk.

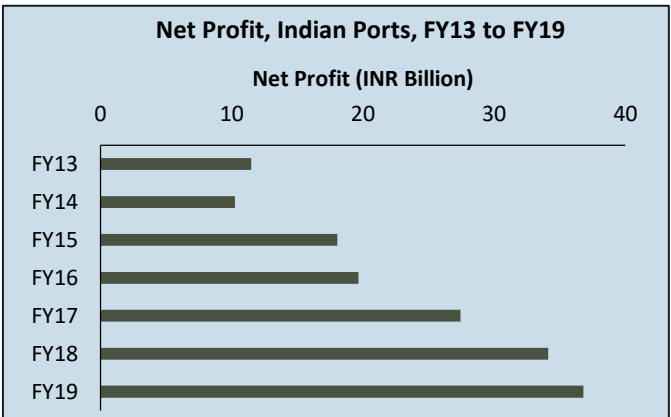
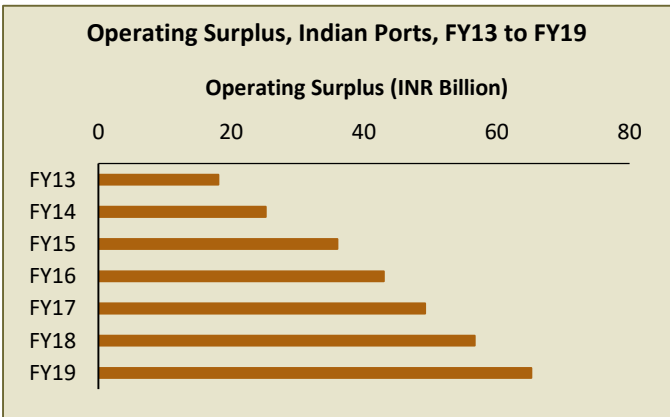


- Between FY13 and FY19, the cargo capacity of the major ports has increased at a CAGR of **12.34%**.
- However, during that same time, the actual cargo handling activities of the major Indian ports has grown at a CAGR of **4.23%**.



- Turnaround time is the total time spent by a ship from entry into port till departure. It is considered as a key indicator of efficiency.
- Lower turnaround time reflects a quick completion of work like loading or unloading of the cargo. Hence, faster completion of such tasks helps to manage the traffic and marine transport system easily. Besides, the imported goods can also be sent for custom clearance procedures quickly.

- Between FY13 to FY19, the turnaround time in the Indian ports have decreased at a CAGR of **8.46%**.



- The operating surplus and the net profits through the Indian ports have increased at a CAGR of **23.85%** and **21.4%** between FY13 to FY19.

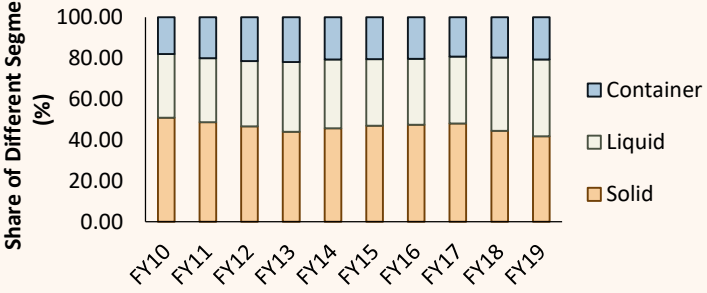
Trade Activities

India's External Trade, FY10 to FY19



- Ports in India handle 90% by volume and 70% by value of India's external trade.
- Petroleum Products, Coal, Iron Ore, Engineering goods, chemical and electronics, agricultural goods etc. are the top commodities handled at Indian ports.
- Between FY10 to FY19, the export values and import values have increased at a CAGR of **3.57%** and **4.19%**.

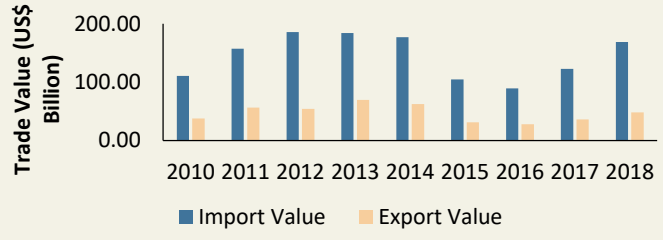
Freight or Cargo Segmentation, Indian Major Ports, FY10 to FY19



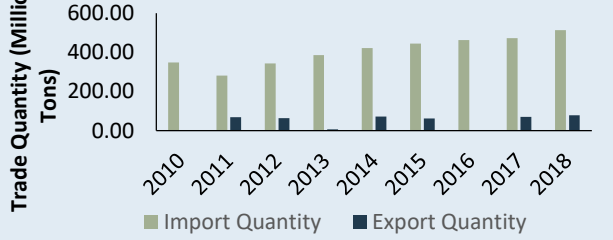
- Solid cargo contributes the largest share to all traffic handled at major ports in India.
- In FY19, with a share of **23.1%**, coal occupied the majority share of the solid cargo.
- Between FY10 to FY19, the growth of solid, liquid and container cargoes have increased at a CAGR of **0.27%**, **4.59%** and **4.1%** respectively.

Values and Quantities of a few commodity groups which are mainly traded through Indian Ports

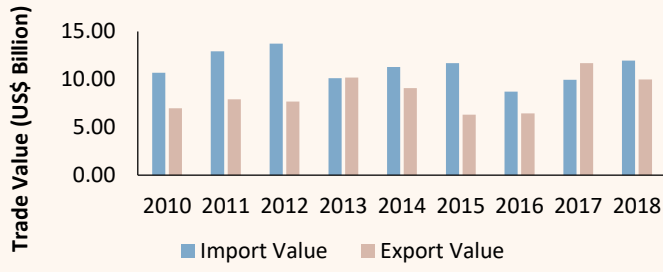
Trade Value of Mineral fuels & oils and Related Products, India, 2010 to 2018



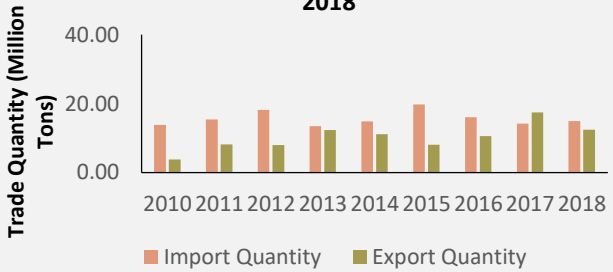
Trade Quantity of Mineral fuels & oils and Related Products, India, 2010 to 2018



Trade Value of Iron & Steel, India, 2010 to 2018



Trade Quantity of Iron & Steel, India, 2010 to 2018



- Between 2010 to 2018, the import and export value of the mineral fuels & oils have increased at a CAGR of **5.38%** and **3.05%** respectively. The import and export quantity have increased at a CAGR of **5%** and **45.3%** respectively.
- Between 2010 to 2018, the import and export value of Iron & Steel have increased at a CAGR of **1.41%** and **4.53%** respectively. The import and export quantity have increased at a CAGR of **0.99%** and **16.14%** respectively.



Government Initiatives

The Government of India has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction and maintenance projects.

Besides, there is also a facility of 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

Ports sector in India has received a cumulative FDI of US\$ 1.64 billion between April 2000 and March 2019.

As of Union Budget 2019- 20, an amount of 1,902.56 crore or US\$272.22 million has been allocated for the Ministry of Shipping.

In 2015, Sagarmala project was launched by Government of India for enhancing the shipping & port industry and waterways. The Sagarmala Programme witnessed the completion of 89 projects, while 443 projects worth Rs. 4.32 lakh crore are under various stages of implementation and development by the end of 2018.

Conclusion: The shipping and port sector has expanded notably over the years. Not only the ports have become more capable to handle larger volumes of cargoes in shorter time span with efficient traffic system but the capacity of the ports for placing and storing greater range of cargoes have also increased. The growing cargo handling capacity of the ports will boost the ability of the sector to grow further which in turn will generate significant amount of profit in the coming years.



Source: Atlas, Ministry of Shipping, India Brand Equity Foundation, Press Information Bureau, Statista, LSI Research

