

INDIA'S MAJOR PORT ACHIEVEMENTS: ECONOMY

NEWS: India's Major Ports Achieve Historic Milestones in FY 2024–25, Driving Growth and Global Competitiveness

WHAT'S IN THE NEWS?

India's Major Ports handled 855 million tonnes of cargo in FY 2024–25, with improved turnaround time and efficiency, reflecting strategic reforms, private investment, and government initiatives like Sagarmala and Maritime India Vision 2030.

- In FY 2024–25, India's Major Ports recorded a 4.3% growth in cargo handling, rising from 819 million tonnes in FY 2023–24 to approximately 855 million tonnes — reflecting enhanced port performance and infrastructure development.

Performance Highlights of Major Ports:

1. Cargo Handling Growth:

- A 4.3% annual increase in cargo handled by Major Ports, showing strong demand, improved efficiency, and strategic planning.

2. Operational Efficiency:

- Average Turnaround Time (TRT) reduced by 48%, from 96 hours in FY 2014–15 to 49.5 hours in FY 2024–25.
- Operating ratio dropped from 64.7% to 42.3% over the decade, reflecting better utilization of assets and improved cost control.

3. Financial Growth:

- Total income of Major Ports more than doubled over 10 years.
- Registered a Compound Annual Growth Rate (CAGR) of 7.5%, indicating robust financial performance and sector viability.

4. Role of Private Sector:

- Public-Private Partnership (PPP) investments in ports have tripled over the past decade.
- Private players are contributing to port modernization, digitalization, and capacity expansion.

Overview of India's Port Sector:

1. Port Classification:

- 13 Major Ports under the central government.
- 217 Minor (Non-major/Intermediate) Ports under state governments.

2. Administrative Authority:

- The sector is overseen by the Ministry of Ports, Shipping and Waterways.

3. Strategic Significance:

- India is located on the world's busiest maritime routes, enabling critical access to global trade.
- Handles 95% of trade by volume and 70% by value, underscoring the sector's economic importance.

4. Global Ranking & Cargo Capacity:

- India's port performance ranking improved from 54th in 2014 to 38th in 2023.
- 9 Indian ports now feature in the top 100 globally.
- Cargo-handling capacity increased by 87% between 2014–15 and 2023–24.

Challenges in the Indian Port Sector:

1. Infrastructure Deficiencies:

- Some ports still operate with outdated equipment and limited berthing capacity.

2. Port Congestion:

- High cargo volumes cause delays in loading/unloading, affecting turnaround time and efficiency.

3. Environmental Impact:

- Issues such as marine pollution, carbon emissions, and degradation of coastal ecosystems.

4. Poor Logistics Integration:

- Weak last-mile connectivity with roads and railways hampers cargo evacuation.

5. International Competition:

- Competing global ports are more automated and efficient, pushing India to upgrade rapidly.

6. Security Concerns:

- Ports face risks of smuggling, piracy, terrorism, and inadequate port security.

7. Cybersecurity Risks:

- Increasing reliance on digital port operations raises cyber vulnerability.

Major Government Initiatives:

1. Sagarmala Programme:

- Focuses on port-led development, enhancing port connectivity and supporting coastal industries.
- Funds coastal berths, multimodal logistics parks, cruise terminals, and fishing harbours.

2. Maritime India Vision 2030 (MIV 2030):

- Aims to make India a top 10 shipbuilding nation by 2030.
- Envisions a sustainable, smart, and efficient maritime ecosystem with 150+ initiatives.

3. Inland Waterways Expansion:

- 26 new National Waterways identified for development.
- Promotes eco-friendly cargo movement and reduces dependency on roads/railways.

4. Green Tug Transition Programme (GTP):

- Plans to replace conventional tugs with eco-friendly hybrid or electric tugs.
- Target: Full green transition by 2040 across major ports.

5. Sagarmanthan Dialogue:

- Annual strategic maritime summit to promote India's leadership in global maritime policy discourse.

6. Maritime Development Fund:

- ₹25,000 crore dedicated for modernization, PPP projects, and long-term financing in port infrastructure.

7. Shipbuilding Financial Assistance Policy (SBFAP 2.0):

- Supports Indian shipyards to become globally competitive.
- Provides financial incentives for construction and export of vessels.

Way Forward:

1. Continued Investment in Modernization:

- Focus on mechanization, port automation, digital logistics, and AI-based traffic management systems.

2. Process Reengineering and Digital Integration:

- Strengthen Port Community Systems (PCS) for seamless stakeholder coordination.
- Adopt Blockchain, IoT, and EDI interfaces for real-time cargo tracking.

3. Multimodal Logistics Integration:

- Improve rail, road, and inland waterway connectivity to ports to create logistics corridors.
- Promote Dry Ports and Container Freight Stations (CFS) in the hinterlands.

4. Enhance Maritime Security:

- Upgrade surveillance, customs, and patrolling infrastructure at ports.
- Strengthen cooperation with coast guard and naval forces.

5. Environmental Sustainability:

- Promote shore-to-ship power, LNG bunkering, and clean fuel usage.
- Encourage Blue Flag certification for clean and sustainable port management.

6. Global Trade Expansion:

- Enhance bilateral maritime logistics agreements.
- Promote India's ports as regional transshipment hubs for South Asia and the Indo-Pacific.

Conclusion:

- India's Major Ports have made remarkable strides in cargo handling, financial performance, and global competitiveness in FY 2024–25.
- With strategic reforms and continued public-private collaboration, the maritime sector is central to India's economic ambitions, infrastructure transformation, and global trade connectivity.

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