

GONE TO THE DOCKS

Dear friends,

With a coastline of about 7600 kms, a maritime legacy that is older than many civilizations and a network of 12 major and close to 200 minor and intermediary ports, India should logically be straddling the global port scenario.

Add to it a hinterland that is endowed with riches beyond imagination, and these gateways into India gain further significance. India's growth rate has accelerated from 5.6 percent in the 80's to an average of nearly 9 percent in the 5-year period preceding the global financial crisis. The Indian economy grew at a respectable rate of 6.7 percent in 2008-09. In the current financial year, she also faced the adverse impact of an inadequate monsoon and the resultant slow-down. Nevertheless growth is expected to be around 6.5 percent. There are clearly signs of an upturn in the economy. With a normal monsoon next year, she is certain to achieve a growth rate of over 7%, paving the way for double digits in the near future.

Just consider steel. The scope for raising the total consumption of steel is huge, given that per capita steel consumption in India is only 35 kg – compared to 150 kg across the world and 250 kg in China. View it from the supply side: the Ministry of Steel has projected that India's steel capacity is expected to touch 124.06 MT by 2011–12. Based on the status of MOU's signed by the private producers with the various state Governments, India's steel capacity is likely to be 293 MT by 2020. Now this huge quantity – the raw materials that will need to be moved to the plant site and the finished goods that will have to be hauled to the markets not to mention the plants and machineries that will be required to minerals to metals. And herein comes the crucial question- do we have enough ports facilities to handle this? To delve deep into the matter we have decided to ensure that the current issue literally, goes to the docks!

Oh by the way, here's a little morsel that will tell you where exactly we stand: Some 60% of India's container traffic is handled by the Jawaharlal Nehru Port Trust in Mumbai. It has just 9 berths compared to 40 in the main port of Singapore. It takes an average of 21 days to clear import cargo in India compared to just 3 in Singapore.

Happy reading,

Suvobrata Ganguly