

## **ANNEXURE**

### **MINOR PORTS DEVELOPMENT POLICY OF TAMIL NADU**

#### **1. SHORT TITLE. -**

This policy may be called the Minor Ports Development Policy of Tamil Nadu.

#### **2. INTRODUCTION. -**

##### **2.1. Tamil Nadu State.**

Tamil Nadu is the Southernmost State in the Union of India bound by Bay of Bengal on the East, Indian Ocean on the South, Arabian Sea on the West and the States of Kerala and Karnataka on the West and the States of Karnataka and Andhra Pradesh on the North. It has a coastline of about 1000 K.M. long with plain landmass as its hinterland.

##### **2.2. Maritime History.**

The maritime State of Tamil Nadu has a glorious history dating back to some 6000 years. It has been the cradle of Dravidian culture. The well-known dynasties of Chola, Chera and Pandya ruled from 4<sup>th</sup> Century BC and had maritime trade with Far East Burma, Java and other Indo-chinese region. The Pallava dynasty ruled in the 4<sup>th</sup> century A.D. Around 17<sup>th</sup> Century the whole of Tamil Nadu came under the sway of British administration. During this period Tamil Nadu rose to pre-eminence along with Mumbai and Calcutta. Because of the coastline, Madras (now Chennai) soon emerged as a hub for Industry, Trade and commerce.

##### **2.3. Location.**

Today, the State of Tamil Nadu has emerged as the most industrialized State in India and the eastern gateway of India to the world. This most progressive and modern State is spread over 1,30,058 sq. km. It lies geographically between 8° 5' and 13° 15' North Latitude and 76° 15' and 80° 20' East Longitude. It has tropical climate with temperature ranging from 18° C to 43° C with rainfall of about 925 mm per annum.

## **2.4. Tamil Nadu as an emerging industrial giant.**

In line with economic, trade and industrial reforms, initiated by the Government of India, through liberalisation to enhance industrial and trading activities, rationalization of import duties, Tamil Nadu has enunciated and ensured several steps to attract and activate global participation in development activities including infrastructure sector. Tamil Nadu is today experiencing a phenomenal interest by local, national, international and multinational investments in various sector, more particularly in automobiles, heavy engineering, electronics hardware, petroleum, petrochemicals, power generation, mineral processing etc., In fact Tamil Nadu has emerged in the post liberalization era of Indian history as the automobile hub or Detroit of India. It has attracted several billion dollars of investment in a short period time. The logic of locating industries is not far sought.

## **2.5. Logic of Location.**

Tamil Nadu has a matured industrial climate and culture. It has easy access to the import of raw materials through its ports and sea routes, which is economical vast hinterland, which is a huge reservoir of skilled and unskilled manpower, with a relatively cheaper labour and stable Government, committed to progress and development.

## **2.6. Tamil Nadu Ports.**

The Indian Ports handled about 569 million tonnes of cargo in 2005-06. About 74 Million Tonnes of this cargo was handled by Tamil Nadu ports. Tamil Nadu has three major ports at Ennore, Chennai and Thoothukudi and fifteen minor ports at Cuddalore, Nagapattinam, Pamban, Rameswaram, Valinokkam, Kanyakumari, Colachel, Kattupalli, Ennore, Thiruchopuram, PY-03 Oil Field, Thirukkadaiyur, Punnakkayal, Koodankulam and Manappad. The major ports in Tamil Nadu account for handling about 12.92 % of the total cargo at Indian Ports as of 2005-06. This has caused considerable strain on the major ports. No developmental effort would be fruitful unless the facilities and productivity are improved in terms of ship turn around time, waiting time and average ship per day output.

## **2.7. Need to improve / develop port facilities.**

The Government of Tamil Nadu have realised that in order to improve the Industrial and Socio-economic activity, it is essential to take measures to ease the heavy congestions in the Ports. The congestions in ports result in demurrages and huge loss in foreign exchange. Therefore, there is a need to expand and develop the existing minor ports and green field sites alongside technological upgradation in terms of cargo handling, container terminals, port layout and allied infrastructure. These require new institutional mechanism and major investments. With the global fleet of supersized vessels, integration of port policies, networking intermodal cargo flows, sea vessels and hinterland vehicle traffic, has to be enunciated.

## **2.8. Approach to post - liberalisation era.**

It is, therefore, necessary to identify new locations to suit and adapt the current technology in the areas of communication, automation, cargo handling and ship building which need appropriate logistics in layout, equipment, operation and management. Tamil Nadu, is therefore, set to seek an integrated solution for a time scale of 30 years in the post liberalisation era of the country.

## **3. DEFINITIONS.** -In this policy, unless the context otherwise requires, -

- (a) 'all weather port' means port which can function during all seasons;
- (b) 'anchor user industry' means the prime industry, which uses the port for its import and export;
- (c) 'berth' means alongside facility such as wharf, quay, jetty etc., for berthing the vessel;
- (d) 'berthing dues' means charges levied for using the berth;
- (e) 'breakwater' means strong structural material construction intended to break the force of the sea waves;
- (f) 'captive cargo' means cargo, which are meant for the exclusive use of the port promoter;
- (g) 'captive jetty' means artificial structure into the sea constructed by the promoter for handling exclusively his own cargo;

- (h) 'captive port' means port created by a promoter for handling captive cargo;
- (i) 'coastal shipping' means movement of cargoes by ship between ports of the same country;
- (j) 'commercial port' means a port where all the cargoes including captive and commercial are handled;
- (k) 'dock ' means an enclosed place near a harbour or river where ships can berth to load and unload;
- (l) 'hinterland' means part of the industrial area behind or in the environs of a seaport;
- (m) 'jetty' means artificial structure into the sea enabling passage of passengers and cargoes to and from the vessel;
- (n) 'landing dues' means dues levied on the landed cargo;
- (o) 'lighterage' means the provision of barge service for the transport of goods from ship to the shore and vice-versa;
- (p) 'navigational equipment' means the guiding aids for navigation such as lights, buoys etc provided in accordance with international rules;
- (q) 'piloting' means the act carried out by a qualified pilot to navigate the vessel when entering or leaving a port;
- (r) 'ports' under this policy means such minor ports as defined in clause (q) of section 2 of the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4 of 1996) and extended under clause (a) of sub-section (1) of section 4 of the Indian Ports Act, 1908 (Central Act XV of 1908);
- (s) 'port dues' means dues levied on the Gross Registered Tonnage of the vessels entering into port limit;
- (t) 'port operator' means the individual or group or the company or their authorised agency that develops or promotes and / or operates the port;
- (u) 'port user' means the individual or group or the company or their authorised agency who uses the services of the port;
- (v) 'quay' means a dock within a port where cargo is imported or exported;

- (w) 'Ro-Ro service' means conveying of wheeled cargo being driven on or off ship via a ramp. Explanation.- "Ro-Ro" is an abbreviation of roll-on / roll-off;
- (x) 'schedule of rates' means schedule detailing the various dues such as port dues, landing and shipping dues, licence fee, ground rent, shed rent, waterfront charges, vehicle entry fee, weigh bridge charges, hire charges, bunkering charges, bar channel fee, harbour craft fee, pilotage dues, berthing dues etc., and the rate at which they are levied;
- (y) 'ship waiting time' means the time spent for a berth;
- (z) 'shipping dues' means dues levied on the shipped cargo;
- (aa) 'transshipment port' means the port meant for transfer of goods from one ship to another;
- (ab) 'tug boats' means craft to give assistance to ship;
- (ac) 'turn around time' means the time spent by a ship between arrival and departure from port;
- (ad) 'turning circle' means that portion of navigational channel of a port where a ship is permitted to turn as part of berthing or unberthing operations;
- (ae) 'waterfront' means coastline;
- (af) 'wharf' means a construction in a harbour or on the banks of inland water for berthing of a ship.

#### **4. PRESENT STATUS OF TAMIL NADU PORTS. -**

##### **4.1 Status of Tamil Nadu Ports.**

Along the approximate 1000 Kms. length of coastline in Tamil Nadu, there are 18 Ports, 3 Major and 15 Minor Ports. As of 2005-06, the three major ports at Ennore, Chennai and Thoothukudi and fifteen minor ports handled cargoes accounting for 13% of total export and import of Indian sea traffic. They received vessels from 40 Countries to import and export about 74 million tonnes.

## 4.2 The Tamil Nadu Maritime Board.

The major ports at Ennore, Chennai and Thoothukudi are under the administrative control of the Government of India, while the minor ports are under the control of Government of Tamil Nadu. In order to develop these minor ports, the Government of Tamil Nadu have established the Tamil Nadu Maritime Board (hereinafter referred to as "TNMB"), an autonomous body under the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4 of 1996). The TNMB's main function is to co-ordinate the activities of these ports to optimise their efficiency and effectiveness, to reduce congestion and to ensure efficient material handling and provide an integrated solution to the problems of the ports operation and management. The objects and reasons for the formation of TNMB are as under.

The formation of a TNMB will satisfy the major requirements and effectively render the performance of the proposed minor or private ports in a more efficient manner due to the following reasons, namely:-

- (a) set up of a Board is broad based representing various interests;
- (b) it can attract private capital easily;
- (c) it will have its own power to raise funds as loans on its own assets;
- (d) specialized knowledge of technical, legal, financial can be had exclusively owing to set up of Board;
- (e) for commercial aspect, a statutory committee is available for the Board for obtaining a clear understanding;
- (f) decision about privatization of port or part of the ports can easily be taken under the set up of a Board rather under a Government department;
- (g) levying various charges will be in realistic forms and hence commerce will be attracted;
- (h) it will attract private capital and private participation without which there is no future for the minor ports;

### **4.3 Emerging economic Potential of Ports.**

The Government of Tamil Nadu are convinced that there is vast scope to improve the productivity of these ports by which the ever growing volumes at the minor ports and dedicated / captive jetties could be handled and revenue improved. Apart from handling cargo, coastal passenger traffic could also be effectively and economically handled which could decongest the highways. In view of long coastal line, leisure and water sport activities could also be introduced which can attract tourists both from within and outside the country.

### **4.4 Development of Ports.**

Due to increasing growth of industries and their need, it is essential that the developments of infrastructures to meet such industrial needs are put in place at the appropriate time. India, being a peninsular country, has a lot to gain out of Maritime trade and hence it needs to develop the ports to meet these requirements. The policy hitherto followed for such development is inadequate and is inconsistent with the industrial growth in the State. These minor ports have not realised their potential of development. All these ports are fair weather ports, open to traffic for most part of the year. The draft in these ports, adjacent bay and channel though not uniformly of 10 metres can be made so with dredging. Construction of breakwater wall and dredging will be necessary to turn these ports into all weather ports.

### **4.5 Funding Pattern.**

The Government of Tamil Nadu have, under the above mentioned circumstances and in order to meet the growing demands of Industry, trade and commerce, realised the need to involve private investments in development of these minor ports. Techno-economic feasibility studies have been initiated to properly assess the potential of these minor ports. The Government of Tamil Nadu are of the view that the potential of these ports should be jointly exploited with the private sector.

## **5. OBJECTIVES. -**

### **5.1 Objectives of minor port policy.**

- (i) To increase the share of Tamil Nadu State in the Export and Import sector, in National and International Trade and Commerce, in the post-liberalisation and globalization era;

- (ii) To decongest the major ports at Ennore, Chennai and Tuticorin in order to improve their productivity;
- (iii) To cater to the needs of increasing traffic of Southern States by providing efficient facilities and services and to support the country's domestic and international trade;
- (iv) To create sufficient infrastructure facilities to handle 25% of India's total cargo in Tamil Nadu Maritime waters;
- (v) To provide port facilities to promote export oriented industries and port based industries along the coastal districts of Tamil Nadu;
- (vi) To promote port based thermal power plants by providing exclusive port facilities to import different kinds of fuels.
- (vii) To decongest highways by providing facilities for coastal shipping of passengers and cargo traffic along the East Coast of nearly 1000 Kms;
- (viii) To promote tourism by providing facilities for leisure and water sports activities along the coast line;
- (ix) To provide facilities to encourage ship building, repairing, breaking and manufacture of cranes and floating crafts; and
- (x) To facilitate optimum utilization of the port infrastructure developed in the State.

## **6. POLICY AND OPERATIONAL STRATEGY. -**

### **6.1 Private participation.**

With a view to create multi user facilities capable of handling all types of cargo like bulk, break bulk, containers, petroleum products, chemicals etc., the Government of Tamil Nadu have decided to develop all the minor ports in the State through Public-Private Participation.

### **6.2. Flexible approach.**

The private participation in the construction / development of ports/ jetties and improvement of the existing minor ports or the facilities of the existing minor ports will be encouraged, and each proposal will be considered on its own merits as per the new port policy. The thrust of the policy will be to encourage effective private participation and speedy implementation of the projects.



### **6.3 Institutional Co-ordination.**

The Government of Tamil Nadu have already established a separate institution called “**Tamil Nadu Maritime Board**” (TNMB) to be the nodal agency to co-ordinate and implement the port development policy of the government. The Board will have the benefit of the experts from the fields of shipping, port construction and management and finance apart from top civil servants. TNMB is having responsibility for both regulatory and development functions in the maritime sector. TNMB is having powers to raise loans in the market, borrow money from Financial Institutions, and enter into contracts with companies in order to achieve the objectives set out above. Thus TNMB is a statutory body and is functioning with enough freedom and operational flexibility for rapid development of the minor ports in the state but with commercial prudence and responsibility.

### **6.4 Institutional Back-up.**

While the TNMB will be the nodal agency, several other institutions notably the TIDCO, SIPCOT, etc., will be closely associated with the TNMB in its efforts to develop ports.

### **6.5 Licensing of captive Ports.**

- (i) In order to satisfy the requirements of port based industries for allocation of sites for construction of captive Ports and to create the port facilities, Government of Tamil Nadu have decided to allow private initiative. Private / Public Limited companies making substantial investment in coastal areas requiring port based facilities will be allotted sites for construction of Ports / jetties, both captive and commercial;
- (ii) To take care of the increasing cargo traffic, and to facilitate optimum usage of port facilities, captive ports - both existing and those coming up in the future - will be permitted to handle other commercial cargo as well, with the prior approval of the Tamil Nadu Maritime Board;
- (iii) (a) A captive port handling only the captive cargo will be permitted on the principles of Build, Own and Operate, (hereinafter referred to as “BOO”);
  - (b) If the captive port handles multi user-specific and multi-commercial cargoes, it will be permitted on the principles of Build, Own, Operate and Share, (hereinafter referred to as “BOOS”);
  - (c) A Captive port, which handles multi user-specific and multi-commercial cargoes, but ceases to handle the captive cargo after some time, the operation of the port will be on the principles of Build, Own, Operate, Share and Transfer (hereinafter referred to as “BOOST”) for the remainder of the period within the maximum period of 30 years;

- (iv) The land and site for port and facilities will be leased out for a period of 30 years.
- (v) The entire construction of the captive port and the port facilities will be permitted on the principle of BOO in which the dues on the captive cargo shall be on the basis of schedule of rates fixed by the Government from time to time.
- (vi) TNMB will not recover any berthing dues only for the vessels carrying the cargo of the developer / promoter calling at the facility. However, port dues and landing / shipping dues will be payable to the TNMB at the prescribed rates fixed by the Government from time to time;
- (vii) If a captive port is permitted to handle multi-user specific and multi-commercial cargoes, it will be on the principle of BOOS basis; in which case the dues on the captive cargo shall be on the basis of schedule of rates fixed by the Government from time to time and the dues on the multi-user specific and multi-commercial cargoes shall be on the basis of revenue share under the BOOS. However, TNMB shall have the option, either to collect the dues as per the schedule of rates or to receive the share of revenue under BOOS, whichever is beneficial to the Board; and
- (viii) The construction, repair, maintenance, management of the facilities etc., will be the sole responsibility of the developer / promoter.
- (ix) The right to construct the captive port and operate it on multi-user and multi-commercial cargoes will be on non-exclusive basis.

#### **6.6 Licensing of commercial Ports.**

- (i) The minor ports (both existing and upcoming) will be offered for development through private sector participation.
- (ii) For the selection of promoters for the ports identified for commercial developments, bids would be initially invited for the selection of suitable promoters on a competitive basis and they will be selected as per technical and financial evaluation.
- (iii) In cases where suitable offers are not forthcoming as under para (ii) above, development of such ports will be awarded directly to companies entering into joint venture with Government agencies including Public Sector Undertakings of Government of Tamil Nadu:

Provided that -

- (a) a Minimum investment of Rs.1000 Crores is made in Port infrastructure over a period of five years. Such investment will be for the following items:-

- construction of breakwaters.
- capital dredging of approach channel.
- capital dredging of Water basin inside breakwaters; turning circle and dock arms/ channels.
- construction of Berths and Jetties.
- construction of stockyards, roads, buildings and other port related facilities.
- navigational equipments including tug boats and service vessels.
- port handling equipments including topside facilities of berths/ jetties, pipelines and tank farms.
- rail / road connectivity infrastructure that may be constructed by the port company.
- utilities including distribution networks, sewerage/ waste handling equipments / facilities, storage and warehousing and amenities;

(b) a Special Purpose Company (hereinafter referred to as “the Port Company”) that may be formed to implement and operate the minor port will be a Joint Venture between the Promoters or a consortium of promoters and Government Agencies including Corporations / Boards of Government of Tamil Nadu and other Government of Tamil Nadu Enterprises;

(c) the aggregate investment by such Government Agencies including Public sector Corporations / Boards of Government of Tamil Nadu and other Government of Tamil Nadu Enterprises in the equity of the Port Company will be up to 11% of the total equity;

(d) the port company may also include the anchor user industries / projects as its stakeholders. Such Anchor Industrial projects should have achieved financial closures for the respective projects prior to the Port Company’s financial closure;

(e) aggregate investments of anchor Industries / projects should be at least Rs.2000 Crores over a period of five years;

(f) the total investment in the port infrastructure and the Anchor user industries / projects should thus be at least Rs.3000 Crores over a period of five years;

- (g) port company will obtain commitments from the Anchor user industries / Projects for handling minimum of 50% of the total cargo that may be required by such Anchor user Industries / projects through the proposed port;
- (h) the lands for the Port backup area will be procured by the Port Company and by its nominated agencies. Such lands may also include those transferred by Government and or its agencies to the port company on lease basis;
- (i) the right to construct and operate the Port will be on non-exclusive basis;
- (iv) The entire project will be on the principle of Build, Own, Operate, Share and Transfer (BOOST);
- (v) The period of BOOST will be initially for 30 years;
- (vi) The BOOST period for more than 30 years could be considered for projects which entail sizable capital investment on account of site specific marine conditions and backup infrastructure such as road, rail linkages and which are either part of special economic zones (SEZs) / Petroleum, Chemicals and Petro-chemicals Investment Regions (PCPIRs) and or included as anchor entities of such SEZs and PCPIRs developed as per the Acts / Rules of Government of India and Government of Tamil Nadu;
- (vii) TNMB shall have the option, either to collect the dues as per the schedule of rates or to receive the share of revenue under BOOST, whichever is beneficial to TNMB;
- (viii) The mode of transfer of assets at the end of the agreement period will be detailed in the respective concession agreement;
- (ix) The company entrusted with the development of port will raise the required capital for the development of the port, create all facilities in the port, maintain and operate the port;
- (x) Where the Government do not participate in the equity, they will nominate one Director on the Board of Directors and in other cases two or more as may be decided by the government in respect of each such project;
- (xi) The expenditure for the construction of new roads leading to the port will be shared equally between the developer / promoter and the Government. However, any construction / development cost within the port area shall be borne by the developer / promoter;

- (xii) The company responsible for establishing the facilities and running the port will be appointed as Conservator for the port under section 7 (1) of the Indian Ports Act,1908 (Central Act XV of 1908) and as amended from time to time and also as required under the International Ships and Port facility Security Code and would therefore be responsible for all the activities relating to the port waters;
- (xiii) The company responsible for developing and running the port will fix the port tariff for all the services till a Regulatory Body is setup for this purpose;
- (xiv) Apart from handling cargo, the port may construct and provide facilities for passenger water transport and leisure cum water sports activities. In such cases, the Tamil Nadu Maritime Board shall have a right to fix tariff and recover dues as applicable and as approved by Government.

## 6.7 COLLECTION OF LEVIES, DUES ETC.,

The following table indicates the Parties who shall levy, pay, collect and appropriate the dues / charges in connection with the Port services.

	<b>Nature of Activity</b>	<b>Levied and Collected by</b>	<b>Payable by</b>	<b>Appropriated by</b>
1	Captive Port handling only Captive Cargo <u>Dues Collectable:</u> (Dues as per Schedule of Rates on items mentioned in Para 3 (x).)	TNMB	Port User / Operator	<b>TNMB:</b> (Dues as per Schedule of Rates on items mentioned in Para 3 (x).)
<b>2</b>	<b>Captive Port handling Commercial Cargo also</b>			
2(a)	For the Captive Cargo only <u>Dues Collectable:</u> (Dues as per Schedule of Rates on items mentioned in Para 3 (x).)	TNMB	Port User / Operator	<b>TNMB:</b> (Dues as per Schedule of Rates on items mentioned in Para 3 (x).)
2(b)	For the Commercial Cargo <u>Dues Collectable:</u> (Tariff as fixed by the Port Operator on items mentioned at para 3 (x))	Port Operator	Port User	<b>A. <u>TNMB:</u></b> (Dues as per Schedule of Rates on items mentioned in para 3(x) or TNMB's share of Revenue whichever is beneficial to TNMB.)  <b><u>B. Port Operator:</u></b> Balance revenue.

3	Commercial Port <u>Dues Collectable:</u> (Tariff as fixed by the Port Operator on items mentioned at para 3 (x))	Port Operator	Port User	<p><b>A. TNMB:</b> (Dues as per Schedule of Rates on items mentioned in para 3(x) or TNMB's share of Revenue whichever is beneficial to TNMB.)</p> <p><b>B. Port Operator:</b> Balance revenue.</p>
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**Explanation. -**

**B. Captive Ports**

**(j) Captive Ports handling only the captive cargo.**

Levy and payment shall be as per the schedule of rates as approved in accordance with the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4 of 1996);

**(ii) Captive Ports handling both captive and commercial cargo.**

(a) In respect of the captive cargo alone, levy and payment shall be as per the schedule of rates as approved in accordance with the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4 of 1996).

(b) In respect of other commercial cargo, levy and payment shall be as per the schedule of rates as approved in accordance with the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4 of 1996) or the share of revenue in accordance with the concession Agreement under BOOS, whichever is beneficial to the Board.

**C. Commercial Ports**

Levy and payment shall be as per the schedule of rates as approved in accordance with the Tamil Nadu Maritime Board Act, 1995 (Tamil Nadu Act 4 of 1996) or the share of revenue in accordance with the concession Agreement under BOOST whichever is beneficial to the Board.

**D. Assessment of Cargo quantity**

All landing and shipping dues shall be payable based on the quantity as stated in the customs cargo manifest.

**7. DEVELOPMENT OF NEW PORTS. -**

**7.1 Ports offered for Developments**

TNMB has identified the following sites for development as direct berthing deep water ports, taking into account the availability of draft, general marine conditions, minimum burden on the existing infrastructure, proximity to hinterland cargo and promotion of regional development. A Rail-Road infrastructure map of Tamil Nadu with the locations of the ports is placed at the end.

The procedure listed in Para 6.5 and / or 6.6 will be adopted for the following ports and other ports,

1. Cuddalore
2. Nagapattinam
3. Rameswaram
4. Pamban
5. Valinokkam
6. Kanyakumari
7. Colachel
8. Kattupalli
9. Ennore
10. Cheyyur
11. Thiruchopuram
12. Silambimangalam Shipyard
13. Thirukkadaiyur
14. Thirukkuvalai
15. Punnakkayal
16. Manappad
17. Any other port which may be identified by TNMB

## **7.2 General guidelines for modernisation of Services.**

In order to attract private sector participation in modernisation of port services, the TNMB have further decided as follows. -

- (a) to privatise the incomplete works of wharf / jetty / quay of TNMB;
- (b) to permit private companies to install modern mechanical handling equipment on the existing wharf/jetty/quay; and
- (c) to encourage the parties making investments in these locations with suitable concessions.

## **7.3. Services for private participation.**

(1) With a view to increase the efficiency of cargo handling, the TNMB have also decided to open up the following port services for private participation. -

- (a) lighterage;
- (b) dredging;
- (c) piloting;
- (d) tug towing service; and
- (e) other essential utility service in selected existing minor ports and in all new Ports. However, for use of private barges, the operators will pay the service charges as per existing rate.

(2) TNMB will consider joint ventures in modernization / privatization.

## **8. INDUSTRIALISATION. -**

The major aim of port development in Tamil Nadu is to promote regional development along the coastal line of about 1000 Kms. The Government will therefore promote and establish port based industrial estates to facilitate import of raw materials and export of finished products at competitive prices. The Government will encourage setting up of major industries by private sector and offer all necessary infrastructure facilities. The industrial development and port development should go hand in hand and should produce synergic impact on the socio-economic structure of coastal area in the state.

## **9. INFRASTRUCTURE DEVELOPMENT. -**

The Government being aware of the need for huge investments for development of port sector are committed to establish the complementary infrastructure facilities like roads and railways, open land sites, water and drainage, power and technical training institutes to back up full fledged development of these ports and hinterland areas.

## **10. COASTAL SHIPPING. -**

### **10.1 Transshipment Ports.**

With the development of new ports with modern handling facilities many of these minor ports are expected to emerge as Transshipment ports for Tamil Nadu and adjoining states and the rest of the country, especially in international trade with Sri Lanka, Mauritius, Madagascar and South Africa.

### **10.2 Passenger Services.**

Introduction of Ro-Ro Service, and hover craft / catamaran service linking different terminals on the East Coast over 1000 Kms. is bound to be not only popular in passenger and cargo transport but also cheaper, safer and quicker. This is bound further to decongest the highways and reduce the pressure on rail and road haulage. It is sure to promote leisure and water sport activities, which will attract both foreign and local tourists. The terminal facilities will be created by TNMB such coastal shipping will of course follow the development of these ports and at the ripe time these will also be offered for private participation.

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/True copy/

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