

## **India sees US\$ 25 billion investment in port, shipping**

### **Country seeks to double port capacity to 1,500 million tonnes by 2011-12, banks on foreign investment, private sector**

New Delhi: India expects to double port capacity to 1,500 million tonnes by 2011-12 and would require Rs1 trillion (\$25 billion) investment in the port and shipping sectors, federal shipping secretary A.P.V.N. Sarma said on Wednesday, 9 April.

The port sector would need investments worth Rs550 billion while shipping and inland waterways would need Rs450 billion by 2015, he told reporters after a business conference.

India's Planning Commission estimates that the infrastructure sector will require investment of \$500 billion between 2007-08 and 2011-12, which is key for the economy to sustain an average 9% growth.

"We will require Rs1 trillion investment by 2015 (in ports, shipping and inland waterways," Sarma said.

But a cash-strapped government is looking for greater private role in infrastructure building and has been inviting foreign players to pour in more money and bring in their expertise in Asia's third largest economy.

### **Congested ports, surging trade**

"There is tremendous room for private sector to participate. We have got a lot of response from foreign players for the port sector," Sarma said.

Sarma said cargo handling volume in 12 major ports in India was at 520 million tonnes, while smaller ports contributed another 260 million tonnes during 2007-08.

"We are expecting a 12-15% growth in 2008-09."

The government aims to double capacity in major ports to 1,000 million tonnes by 2011-12, and raise it to 500 million tonnes for smaller ports, he said.

Raising port capacity and speedy cargo handling is crucial for India to sustain high growth in exports and imports.

India's trade minister said last month exports are expected to grow more than 20% to \$155 billion. Imports grew faster at 30% and stood at \$211 billion in the first eleven months of 2007-08.

**Source: [livemint.com](http://livemint.com), 09/04/2008**