

# 'When people say port charges are costly, they talk in isolation'

Arun Bongirwar, IAS (Retd), chairman of Tariff Authority for Major Ports (TAMP), has been executing his role as tariff regulator with panache. Here he talks to *ETSL* about the organisation in the context of emerging port scenario

**With so many non-major ports around, how difficult it is to fix tariff for major ports?**

Minor ports do not come under my jurisdiction. Our tariff fixing process, as you might know, is a cost plus approach and it is hardly relevant how much the other port is charging. For example, in JNPT there are three terminals, for which we have set the tariff. For each of them, the tariff is different.

**Despite so many facilities coming up, port charges are said to be one of the highest. Why?**

It is not correct. When people say that Indian ports are costly,

they talk in isolation. If you consider the packages that are being made available, they are lower than that of Colombo, Singapore, and Hong Kong.

Shipping lines talk only about vessels related charges. They do not talk about handling charges. Somebody will mention about handling charges. There are special packages for coastal movements. You should see all these as a package. I do not think the charges are on the higher side.

If you look at TAMP history over the last eight years, we have brought down the tariff. Generally, tariff has been reducing over the years and TAMP has tried to keep it in check.

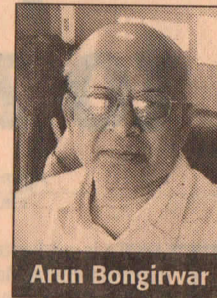
**The need of a tariff regulator is being talked about, with both for and against arguments. What is your take on the topic?**

If users' interest is the priority of the state, the regulator has a role to play. The fact is that capacity is less than what the market demanding. If somebody does not regulate the tariff, in the context of limited capacity and more demand, tariff is bound to be raised.

**How you find the user community? Are they matured?**

They are not united, not organized to stand for their rights. They are matured. They have to contin-

## CAPTAINS SPEAK



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uously agitate.

**Planning Commission has drafted a model concession agreement, while shipping ministry is having one. What is really happening?**

There are always better alternatives to a model concession agreement. Today it is based on highest revenue share.

Unless a better alternative model is found, what we have is the best. Today the effort is to find the best.

The problem is when the process of public private partnership policies are evolving, it would take sometime before we evolve an alternate model.

**It is time to remove the clause stipulating foreign company participation from the bidding document?**

I do not think it is time to remove such a clause because some expertise we still need to have. We are in the process of developing such talents in the maritime segment.

**In the changing scenario of ports in the country, do you perceive any change for the regulator?**

Not at the moment. Unless enough competition is created, unless enough capacity is created, there would not be any need for change.