

A COMPARATIVE PERFORMANCE STUDY OF CONTAINER HANDLING AT EASTERN AND WESTERN MAJOR PORTS IN INDIA

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ABSTRACT

India's seaport performance is well below the benchmark of international productivity. Therefore, the researcher will make an attempt to assess the container handling performance of ports during the last decade. As per the results among thirteen major ports, seven ports performance seems to be increasing but still inefficient with their existing infrastructure and other ports are efficient ports. Therefore, the optimum utilization of the infrastructure is needed for sustainable growth of the nation.

KEYWORDS: Container Handling, Performance, Efficient Ports, Infrastructure

Article History

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INTRODUCTION

Container ports efficiency is an important factor to stimulate competitiveness and regional development. With the growth of the international sea traffic and the technology changes in the maritime transport industry seaports are obliged to provide progressive technology. They became forced to improve port efficiency to provide comparative advantages that will attract more traffic. Thus, the global container transportation system was developed rapidly since its inauguration in 1960; this is caused by the continued increase in the size of container ships, the automation in cargo handling systems and the continued specialization of container terminals. Ports are the major hubs of international trade and primary catalysts of local economic development in an era of globalization (Jung, 2011). Approximately 90% of international cargo is transported through ships. There are about 4,764 ports around the world handling more than 80% of trade (ICS, 2015). Thus, the strategic economic importance of maritime transport as a trade enabler cannot be overemphasized. Total world port traffic has been growing at 6% to 8% per annum. The trade competitiveness of all countries - developed and developing alike, and including landlocked countries - depends heavily on effective access to international shipping services and port networks. Developing countries such as China and India are major drivers for port development due to their high economic growth rates. India is having a large growth in international trade (over 25% compounded annual growth rate from 2003–2004 to 2008–2009). Now, 95% of India's trade by volume and 77% by value move through Indian ports. This trend is also true worldwide, with over 9 billion tonnes of goods shipped internationally in 2012, and an estimated growth rate of 4.3% per year (UNCTAD, 2013). Due to the changes in the port industry, most countries are making great efforts to secure their ports as a hub by investing enormous funds on port facilities and by improving efficiency in port operations and management (Lee and Kim, 2006), which thus become an important area of study. Data collection of key operations in a Main objectives of Indian ports are increasing the revenue of the nation and serving its people by fulfilling their needs, through export-import. There is a long-felt need of developing a standardized measure by which the relative standing (as well as the absolute standing) of different major ports can be assessed, which helps in making a policy decision for improvement of the port scenario. The inter-comparison is based on generalized performance indicators that reflect operational efficiency. To further standardize the measures different rates and ratios involving performance indicators have been considered to create uniformity amongst performance of different ports for making their performance comparable.

Classification of Containers

A Container is made by Steel and Aluminium. The International Standard Organization (ISO), has given the size of container i.e., 20 feet and 40 feet in length, 8' feet in breadth and 8 ¹/₂, 9 ¹/₂ feet in height. The internal volume of Twenty-Foot Equivalent unit (TEU) is 33M³ (Cubic meters) Thus, Container can be classified according to their size; they are 20', 40', 45', 48', 60'and refrigerator containers. The types of Containers are Open top, Open Size, Flat racks, half height, Pens, Tank Containers, and Customized Containers.

Benefits of Containerisation

Containerized cargo is transported by rail/ road/ waterways to hinterland warehouses/ distribution centers. The International trade of exports and imports have a benefited by containerization and multi-modal transportation in two ways - by reducing costs and improved customer service i.e., Reduce freight, Packing cost, Insurance Premium, Warehousing cost and Lowering inventory.

Containerisation has facilitated four trends which results in world trade and globalization:

- A shift from Ocean carrier to total logistic systems or inter modals
- Globalization of Production facilities
- Greater Concentration of trade flows
- The rise of supply chain management as a discipline

Objectives of the Study

- To examine the container handling performance in Indian ports
- To compare the western and Container Handling at Eastern and Western Major Ports in India
- To suggest suitable policy recommendations

METHODOLOGIES

In this study based on secondary sources from different relevant books, reports, research articles, journals, annual reports, and magazines. The port system serves not only as an integral component of the transport system but also as a major sub-system of the broader production and logistics systems (Bichou and Gray, 2004). Ports play a vital role in the regional economy to provide the link between suppliers and customers. From an economic perspective, ports are increasingly related to the competitiveness of economies (Sanchez et al., 2003). Consequent to globalization, port performance has become increasingly important for international trade (Bichou and Gray, 2004). The capacity, as well as

the efficiency of the ports, can be measured by using different performance indicators. The indicators are filtered against specific criteria and evaluated by port stakeholders in order to obtain a set of indicators suitable to be implemented (Puiga et al., 2004; Bryan et al., 2007). The compare performance indicators are utilized to assist in the understanding of port performance trends, which can indicate actions to handle noted situations. The performance indicators give a basis of assessment of capabilities of management and/or operators and/or equipment's, which can be improved and inculcated in port planning measures. The measurements of port performance are applicable for port Data Collection The data for this study is mainly from Secondary data from Indian Ports Association, Ministry of Shipping, United Nations Conference on Trade and Development (UNCTAD) and Rail Maritime and Transport (RMT) Publications.

LITERATURE REVIEW

There are several studies on the evaluation of the operational performance of the ports in the different region.

The initial study was done by Roll and Hayuth (1993) measured the port efficiency through data envelopment analysis (DEA).

Spanish port performance was measured by Martinez - Budria et al. (1999)

Coto-Millan, P (2000) measured 27 Spanish ports performance and it found that smaller ports are more efficient in comparison to bigger ports.

Tongzon (2001) evaluated the port performance of 16 container terminals in various countries in the world.

From the existing literature, it was also found that most of the studies adopted data envelopment analysis (DEA) for measuring the efficiency, Itoh (2002) suggested that DEA is the most suitable model for measuring port efficiency.

Turner, Hetal (2004) analyzed top 26 ports in the region of the United States and Canada and categorically asserted that bigger ports are efficient.

Al – Eraqi A.S. et al (2008) found the efficiency of 22 major seaports in the region of Middle Eastern and East African and concluded that bigger ports are efficient.

Sohn, J, and Jung, G (2009) studied the operational efficiency of 16 Asian ports and concluded that larger ports show better efficiency.

In this direction present study is interested to carry out an evaluation of operational efficiency of selected major ports in India during 1993 – 2011 with sophisticated model i.e. Data Envelopment Analysis models.

Sl.	EAST PORT	Unit		2013-20	14		201	4-2015		2015-	2016	20	016-2017	1	2017-2018			TOTAL		
No			Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank
1	KOLKATA	Tonnage	7063	13.39	3	8110	14.62	- 3	9263	15.83	3	9887	16.30	3	9760	15.37	2	44083	15.15	3
1	KULKATA	TEUs	449	15.98		528	17.64		578	18.71		636	19.40	, ,	640	18.59	'	2831	18.13	
2	HALDIA	Tonnage	2230	4.23	5	1958	3.53	- 5	1376	2.35	5	2467	4.07	5	2672	4.21	5	10703	3.68	5
2	HALDIA	TEUs	113	4.02	, ,	102	3.41		85	2.75	5	136	4.15	5	156	4.53		5 9 2	3.79	,
3	PARADIP	Tonnage	99	0.19	6	67	0.12	6	132	0.23	6	42	0.07	6	98	0.15	6	438	0.15	6
2	PARADIP	TEUs	9	0.32	0	4	0.13	°	5	0.16	0	2	0.06		7	0.20	6	27	0.17	0
4	VISAKHAPATNAM	Tonnage	4916	9.32	4	4372	7.88	4	5145	8.79	4	6428	10.60	4	6835	10.76	4	27696	9.52	4
*		TEUs	262	9.33		248	8.28	1 *	245	7.93		367	11.20	-	389	11.30	1 1	1511	9.68	1
5	KAMARAJAR	Tonnage	0	0.00	7	0	0.00	7	1	0.00	7	1	0.00	7	52	0.08	7	54	0.02	7
2	(ENNORE)	TEUs	0	0.00	1 1	0	0.00		0	0.00		0	0.00		3	0.09	1 1	3	0.02	
6	CHENNAI	Tonnage	28330	53.69	1	2 99 45	53.97	1	30207	51.63	1	28850	47.56	1	29905	47.08	1	147237	50.61	1
0	CHENNAI	TEUs	1468	52.26	1	1552	51.84		1565	50.65	1	1495	45.61	1	1549	45.00	1	7629	48.86	
7	V.O.	Tonnage	10129	19.20	2	11034	19.89	2	12388	21.17	2	12991	21.41	2	14192	22.34	2	60734	20.87	2
	CHIDAMBARANAR	TEUs	508	18.08	2	560	18.70] 2	612	19.81		642	19.59	2	698	20.28	2 ×	3020	19.34	2
EAST	PORTS	Tonnage	52767	100.00		55486	100.00		58512	100.00		60666	100.00		63514	100.00		290945	100.00	
LAS	TORIS	TEUs	2809	100.00		2994	100.00		3090	100.00		3278	100.00		3442	100.00		15613	100.00	

Table 1: Container Traffic Handled at Eastern Ports for F.Y. 2013-14 to 2017-2018 (in 000 Tonnes, Teus)

Source: Ministry of Shipping (http://shipmin.gov.in)

Comparing with the previous year (2013-14) the traffic handled in 2014-15 is increased to 5.2%. Comparing with the previous year (2014-15) the traffic handled in 2015-16 is increased to 5.5%. Comparing with the previous year (2015-16) the traffic handled in 2016-17 is increased to 3.7%. Comparing with the previous year (2016-17) the traffic handled in 2017-18 is increased to 4.7%.

Hence the traffic handled at Eastern cost has increased for the last five years on average 4.7%.

Table 2: Container Traffic Handled at Western Ports for F.Y.2013-14 to 2017-2018 (in 000 Tonnes, Teus)

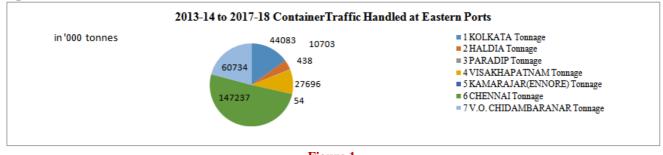
SI.	WEST PORT Unit		2013-2014			2014-2015			20	2015-2016			2016-2017			2017-2018			TOTAL		
No	WEST FORT	Umu	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	
1	COCHIN	Tonnage	4785	7.73	2	5246	8.20	2	5785	8.95	2	6840	10.69	2	7692	10.97	2	30348	9.35	2	
1		TEUs	347	7.47	- 2	366	7.37		419	8.28	2	491	9.51	2	55 6	9.76	2 ×	2179	8.54		
2	NEW MANGALORE	Tonnage	747	1.21	2	920	1.44	- 3	1105	1.71	2	1411	2.20	2	1743	2.49	4	5926	1.83	2	
2	INEW MANGALORE	TEUs	50	1.08	, L	63	1.27		76	1.50	1	9 5	1.84	2	115	2.02	7	399	1.56	,	
3	MORMUGAO	Tonnage	236	0.38	6	312	0.49	- 5	345	0.53	5	402	0.63	5	425	0.61	6	1720	0.53	6	
5		TEUs	19	0.41		22	0.44		26	0.51		30	0.58	2	32	0.56		129	0.51	•	
4	MUMBAI	Tonnage	450	0.73	5	544	0.85	- 4	574	0.89	4	639	1.00	4	55 6	0.79	5	2763	0.85	4	
-	MUMBAI	TEUs	40	0.86		45	0.91		43	0.85		43	0.83	-	42	0.74		213	0.83	-	
5	J.N.P.T.	Tonnage	55234	89.23	1	56933	89.02	- 1	56791	87.84	1	54530	85.21	1	57867	82.52	1	281355	86.67	1	
5	J.IN.F.1.	TEUs	4162	89.54	1	4467	90.01		4491	88.79		4500	87.14	1	4834	84.85	1	22454	87.95		
6	KANDLA	Tonnage	452	0.73	4	0	0.00	6	56	0.09	6	175	0.27	6	1838	2.62	2	2521	0.78	5	
0	KANDLA	TEUs	30	0.65	4	0	0.00	1 °	3	0.06		5	0.10		118	2.07	י ך	156	0.61		
WEC	TPORTS	Tonnage	61904	100.00		63955	100.00		64656	100.00		63997	100.00		70121	100.00		324633	100.00		
WES	TFORIS	TEUs	4648	100.00		4963	100.00		5058	100.00		5164	100.00		5697	100.00		25530	100.00		

Source: Ministry of Shipping (http://shipmin.gov.in)

Comparing with the previous year (2013-14) the traffic handled in 2014-15 is increased to 3.3%. Comparing with the previous year (2014-15) the traffic handled in 2015-16 is increased to 1.1%. Comparing with the previous year (2015-16) the traffic handled in 2016-17 is decreased to 1.0%. Comparing with the previous year (2016-17) the traffic handled in 2017-18 is increased to 9.6%.

Hence the traffic handled at Eastern cost has increased for the last five years on average 3.2%.

Graphical Representation of Container Traffic Handled at Eastern Ports for F.Y. 2013-14 to 2017-18





At Eastern Ports last five years Chennai Port Container handled a maximum percentage of 50.61 % and minimum percentage of 0.02 % by Ennore Port of total traffic handled.

Graphical Representation of Container Traffic Handled at Western Ports for F.Y. 2013-14 to 2017-18

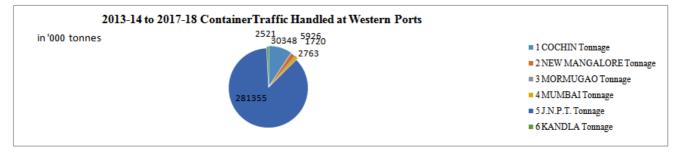


Figure 2

At Western Ports last five years, J.N.P.T Port Container handled a maximum percentage of 86.67 % and minimum percentage of 0.53 % by MormugaoPort of total traffic handled.

SI.	PORT	Unit	201	3-2014	2014-2015				201	5-2016		201	6-2017		2017-2018			TOTAL		
No	POKI	Um	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank
1	KOLKATA	Tonnage	7063	6.16	4	8110	6.79	4	9263	7.52	4	9887	7.93	4	9760	7.30	4	44083	7.16	4
1		TEUs	449	6.02	-	528	6.64		578	7.09		636	7.53		640	7.00		2831	6.88	
2	HALDIA	Tonnage	2230	1.94	7	1958	1.64	7	1376	1.12	7	2467	1.98	7	2672	2.00	7	10703	1.74	7
2	IIALDIA	TEUs	113	1.52	· '	102	1.28	· ·	8 5	1.04		136	1.61	'	156	1.71		592	1.44	'
3	PARADIP	Tonnage	99	0.09	12	67	0.06	11	132	0.11	11	42	0.03	12	98	0.07	12	438	0.07	12
5	PARADIP	TEUs	9	0.12	12	4	0.05		5	0.06		2	0.02	12	7	0.08		27	0.07	12
4	VISAKHAPATNAM	Tonnage	4916	4.29	5	4372	3.66	6	5145	4.18	6	6428	5.16	6	6835	5.11	6	27696	4.50	6
-	VISAKIIAI ATIVAM	TEUs	262	3.51		248	3.12	v	245	3.01		367	4.35	v	389	4.26		1511	3.67	v
5	KAMARAJAR	Tonnage	0	0.00	13	0	0.00	12	1	0.00	13	1	0.00	13	52	0.04	13	54	0.01	13
	(ENNORE)	TEUs	0	0.00	15	0	0.00		0	0.00		0	0.00	15	3	0.03		3	0.01	
6	CHENNAI	Tonnage	28330	24.71	2	29945	25.07	2	30207	24.53	2	28850	23.14	2	29905	22.38	2	147237	23.92	2
v	CHENNAI	TEUs	1468	19.69	2	1552	19.50	2	1565	19.21		1495	17.71	2	1549	16.95		7629	18.54	
7	V.O.	Tonnage	10129	8.83	3	11034	9.24	3	12388	10.06	3	12991	10.42	3	14192	10.62	3	60734	9.87	- 3
	CHIDAMBARANAR	TEUs	508	6.81	5	560	7.04		612	7.51	5	642	7.60		698	7.64		3020	7.34	
8	COCHIN	Tonnage	4785	4.17	6	5246	4.39	5	5785	4.70	5	6840	5.49	5	7692	5.76	5	30348	4.93	5
0	coomin	TEUs	347	4.65	J	366	4.60		419	5.14		491	5.82		55 6	6.08		2179	5.30	
9	NEW MANGALORE	Tonnage	747	0.65	8	920	0.77	8	1105	0.90	8	1411	1.13	8	1743	1.30	9	5926	0.96	8

 Table 3: Container Traffic Handled at All Major Ports for F.Y. 2013-14 to 2017-18 (in 000 tonnes, TEUs)

Source: Ministry of Shipping (http://shipmin.gov.in)

Comparing with the previous year (2013-14) the traffic handled in 2014-15 is increased to 4.2%. Comparing with the previous year (2014-15) the traffic handled in 2015-16 is increased to 3.1%. Comparing with the previous year (2015-16) the traffic handled in 2016-17 is decreased to 1.2%. Comparing with the previous year (2016-17) the traffic handled in 2017-18 is increased to 7.2%.

Hence the traffic handled at Eastern cost has increased for the last five years on average 3.9%.

Graphical Representation of Container Traffic Handled at All Major Ports for F.Y. 2013-14 to 2017-18

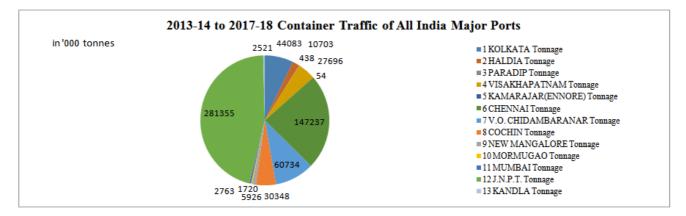


Figure 3

In India Major Ports Container handled in last five years maximum percentage handled by J.N.P.T Port 86.67 % and minimum percentage handled by EnnorePort 0.01% of total traffic handled.

Table 4: Comparison of Container Traffic Handled at East & West Ports for F.Y. 2013-14 to 2017-18

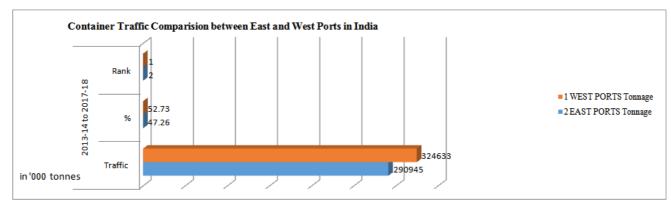
(in 000 tonnes, TEUs)

SI.	PORTS	Unit	2013-2014			2014-2015			2015-2016			2016-2017			2017-2018			TOTAL		
No			Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank	Traffic	%	Rank
1	EASTPORTS	Tonnage	527 6 7	46.02	2	55486	46.45	2	58512	47.51	2	60666	48.66	2	63514	47.53	2	290945	47.26	2
1		TEUs	2809	37.67		2994	37.63		3090	37.92	2	3278	38.83		3442	37.66	2	15613	37.95	
2	WEST PORTS	Tonnage	61904	53.98	1	63955	53.55	1	64656	52.49	1	63997	51.34	1	70121	52.47	1	324633	52.74	1
2		TEUs	4648	62.33		4963	62.37		5058	62.08	1	5164	61.17	1	5697	62.34	1	25530	62.05	
TOTA	ν.τ.	Tonnage	114671	100.00		119441	100.00		123168	100.00		124663	100.00		133635	100.00		615578	100.00	
IUIAI	11	TEUs	7457	100.00		7957	100.00		8148	100.00		8442	100.00		9139	100.00		41143	100.00	

Source: Ministry of Shipping (http://shipmin.gov.in)

In India 2013-14 to 2017-18 Western Ports handled 33688 MT more compared to Eastern Ports.

Graphical Representation of Container Traffic Handled at East & West for F.Y. 2013-14 to 2017-18





In India 2013-14 to 2017-18 Western Ports handled 5.48% more compared to Eastern Ports

RESULTS AND DISCUSSIONS

There are limited studies using operational performance indicator in the Indian scenario regarding ports. The most recent such study (Deshmukh, 2011) employs descriptive statistics for inter-comparison of port performances. The present study improves upon this by first ensuring consistency amongst the operational parameters as discussed in the previous section and devising a CPI that present a holistic performance of port operations. The limitation of this study is that it can only explain major discrepancies amongst the ports.

- Indian Container port traffic has grown by 7.2 % in2017-18, following -1.2 % decreased in 2016-17.
- Indian Major Ports have significant growth of container traffic during the last five years i.e., 2013-14 to 2017-18
- Major commodities exported from India are RMG (Readymade Garments) / Textiles, Chemicals, Steel Products, food products, Fabric/Yarn, Pharmaceuticals and others.
- Major commodities imported by India are electric and electronics goods, Machinery/spares, Chemical, Steel Products, Polymer/ Polymer products, and others.
- Indian Container handling at major ports and multi-mode transport increasing year by year. For coming years it is going to increase more than 10% every year due to Indian export and import global trade.

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