A Study on Analysis of Export Performance of Kochi Port Trust

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Abstract: Maritime trade was at the core of many critical changes that shaped the face of modern world. The changing morphology of port cities is the most obvious indicator of this. Shipping continues to be the important mode of transport in the international trade. More than 90% of international cargo moves through seaports and 80% of sea borne cargo move in containers through major seaports. An indication for progress of international trade ultimately means more opportunities for seaport sector. In this research paper clearly indicates the export performance of Kochi port trust in the year between 2009-2014.

Keywords: International Marketing, Port Performance, Cargo Handling, Seaborne Trade.

1. Introduction

Globally sea borne trade is handled through more than 2000 ports, from single berth location handling a few hundred tones to multipurpose facilities handling up to 300 million tones.[1] Seaports industry across the world has felt a strong need for capital investment; private participation appears to be a better alternative to respond to the challenges created by modernization and globalization.[3]

1.1 Seaport Sector - Indian Perspective

The Indian Main Land is the largest peninsula in the world with a coastline of about 5400 km. Andaman and Nicobar and Lakshadweep Island add another 2000 km to it giving a coastline of 7500 km. It also has a strategic geographical location midway between the Eastern and Western World.[4]

1.2 Traffic Composition Of Major Ports

The port of Cochin is located on the Willingdon Island at latitude 9 58’ North and longitude 76 14’ East on the South West coast of India about 930 km south of Bombay and 320 km north of Kanyakumari. The entrance of port is through the Cochin Gut between the peninsular headland Vypeen and Fort Cochin. The port limits extend up to the entire backwaters and the connecting creeks and channels. The approach channel up to the Cochin Gut is about 10 km long with a designed width of 200M and maintained dredged depth of 13.8M from the Gut the channel divides into Mattancherry channel and Ernakulam Channel, leading to west and east of willing don Island.[1]
1.4 Features of Cochin Port

- Kochi port is a natural all weather port
- It has deep drafters alongside berth with modern cargo handling equipment
- The port has adequate warehousing capacity
- It is well linked to the main centers of the country by road, rail and air
- It offers attractive tariff structure
- It is awarded ISO 9001 - 2000
- It is free from pilferage
- It is a free port from congestion

1.5 Facilities at Kochi Port

Well Equipped Container Terminal with Container Freight Station (CFS) 16 berths including 3 oil jetties 1 dry dock long side draft of 9014 meters to 12 meters Vast Estate covering 692.29n acres and 1940 acres including land at Puthuypeen, Vallarpadam and south end reclamation area.[5]

2. Container Handling Facilities

Rajiv Gandhi container terminal (RGCT) has a length of 414 meters and has a draft of 10.70 meters.

a) Container Handling Facilities at Kochi Port

<table>
<thead>
<tr>
<th>Equipment available for container handling</th>
<th>No. of Equipments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Cranes (35.5 tons capacity)</td>
<td>4+1 on lease</td>
</tr>
<tr>
<td>Gantry Cranes (40 tons capacity)</td>
<td>4</td>
</tr>
<tr>
<td>Heavy Duty Top Lift Trucks (25 to 35 tons capacity for lifting loaded containers)</td>
<td>4</td>
</tr>
<tr>
<td>Light Duty Top Lift Trucks (5 tons capacity for lifting empty containers)</td>
<td>2</td>
</tr>
<tr>
<td>Heavy Duty Mobile Cranes</td>
<td>3</td>
</tr>
<tr>
<td>Reach Stackers</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Kochi port trust report

b) Storage Facilities

Storage facilities consist of 59,000 sq. meters of covered area and 10,000 sq. meters of open area.

c) Storage Facilities at Kochi Port

<table>
<thead>
<tr>
<th>Storage Facilities</th>
<th>Total Sheds</th>
<th>Area Available (sq meters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mattanchery Wharf</td>
<td>13</td>
<td>36690</td>
</tr>
<tr>
<td>Ernakulam Wharf</td>
<td>12</td>
<td>23032</td>
</tr>
<tr>
<td>Container Freight station</td>
<td>1</td>
<td>10000</td>
</tr>
</tbody>
</table>

Source: Kochi port trust report

d) Importance of the Kochi Port

As said earlier, the location advantage puts Kochi Port in a very commanding position to service the massive East West Ocean trade. The port lies in a strategic position in the international Shipping Highway. Cochin lies near to the main waterway to Singapore and West Asia. Cochin is the nearest port in the shipping highway to Europe, Australia and Japan. Certain infrastructure up gradation as per strategic plans if envisaged the Kochi Port would be able to compete efficiently with the Colombo ort and Singapore port.[3]

The port plays an undeniable role in the overall development of the economy of the State of Kerala. For Kerala, the port and its international Container Transshipment Terminal is the central point of many important project envisaged.[4]

- The Cochin Refineries Development
- The Goshree Bridges Project
- The PetroNet’s Lng Project
- The Siasil Electricity Project

All these projects are dependent on the central point of the international Container Transshipment Terminal. At present, all the goods from the Indian ports like Mumbai, Goa, Paradip, Tuticorin to Colombo and Singapore are first sent to Colombo and from there it is transshipped to its respective destinations. And the goods, which are to be brought into these ports, are also unloaded at ports, are also unloaded at the Colombo or Singapore Port by Mother Vessels. Once the VTT is ready all the transshipment from West coast of India will be diverted to Kochi Port.[5]

2.1 Objective of the Study

a) To identify the trends in overall performance of Kochi Port.
b) To examine the trends in commodity wise and country wise exports and imports.
c) To identify the future anticipated performance of Kochi Port.
d) To identify the opportunities and threats of Vallarpadam international Container Transshipment Terminal

2.2 Methodology of the Study

To study the objectives the data’s have been collected from secondary sources only. To examine the export and import performance of Kochi Port data has been collected from various newspaper reviews, magazines and annual reports of Kochi Port Trust and Kochi Chamber of Commerce.

2.3 Tools and Techniques Used

To analyze the collected data simple tools like percentage method, simple arithmetic mean and techniques like linear trend projection have been used pictograms like graphs and charts are also used.

The formula for estimating the liner trend projection can given as

\[ Yc = a + b \times (x) \]

\( Yc \) = the variable considered for predication
\( a + b \) = the parameters to be estimated
\( x \) = the time period ranging from

2.4 Scope of the Study

Ocean highways are main lines of International commerce, and the merchandised ships of today must compete with other mechanized means of transport with aero planes in International trade and with road and rail in the coastal trades, and in some place with pipelines. On the main passenger routes of the world, airline have won business
from ships and on the North Atlantic route now airlines carry about 85 percent of passengers. Coastal business has also been lost by shipping to land transport. However, in the international carriage of goods, shipping is still supreme. In terms of weight some 78 percent of world’s international trade moves by sea, and in terms of value some 68 percent. Only about 0.5 percent in value terms is carried by air. The remainder is International trade between countries with land boundaries, mainly in Europe, which moves over hand.

This research is attempted towards examining the export performance of Kochi Port so as to understand whether the performance of the port is improving over years

2.5 Limitations of the Study

However, this study hedges with certain limitations. The study depends on secondary data, which are the aggregates of the periodic data that could have led to the aggregation error. Since the data are taken from various sources, there is a possibility of data variation. The study considered only five year’s of data for a period from 2009 - 10 to 2013 - 14, due to time constraint.

3. Data Analysis and Interpretation

3.1 Export Performance in percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Value in lakh tones Y</th>
<th>X</th>
<th>X²</th>
<th>X.Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>20.83</td>
<td>-2</td>
<td>4</td>
<td>-41.66</td>
</tr>
<tr>
<td>2010-2011</td>
<td>19.80</td>
<td>-1</td>
<td>1</td>
<td>-19.80</td>
</tr>
<tr>
<td>2011-2012</td>
<td>21.25</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2012-2013</td>
<td>24.53</td>
<td>1</td>
<td>1</td>
<td>24.53</td>
</tr>
<tr>
<td>2013-2014</td>
<td>23.01</td>
<td>2</td>
<td>4</td>
<td>46.02</td>
</tr>
<tr>
<td>Total</td>
<td>Σ y=109.40</td>
<td>Σ x=0</td>
<td>Σ x² = 10</td>
<td>Σxy= 9.09</td>
</tr>
</tbody>
</table>

The equation for straight line trend = a+b(x)

\[ A = \frac{\Sigma y}{N} = \frac{109.40}{5} = 21.884 \]

\[ B = \frac{\Sigma xy}{\Sigma x^2} = \frac{9.09}{10} = 0.909 \]

The equation is used to determine “a” and “b” as

Substitute the value of “a” and “b” in the straight line trend equation.

\[ Yc = a + b(x) \]

\[ = 21.884 + 0.909 (3) = 24.611 \]

3.2 Projection of Exports from Kochi Port Trust

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected value (lakh Tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>24.611</td>
</tr>
<tr>
<td>2016-2017</td>
<td>25.52</td>
</tr>
<tr>
<td>2017-2018</td>
<td>26.429</td>
</tr>
<tr>
<td>2018-2019</td>
<td>27.338</td>
</tr>
<tr>
<td>2019-2020</td>
<td>28.247</td>
</tr>
</tbody>
</table>

The table shows the projected total tonnage of cargo may be exported from the year 2014 – 2020. It is showing a positive growth.
4. Conclusion and Future study

4.1 Findings

• Strategic location in the International shipping Highway and also near to the main waterways to Singapore and West Asia puts Kochi Port in a very commanding Position to serve the massive East West Ocean trade.

• Total exports at Kochi Port have experienced a gradual rise and the future projections are also showing a positive growth.

• Imports from the major share of goods handled at the port. POL product imports are registered the highest comprising 80% imports.

• Exports from the port are increasing but total exports comprise of only 17.22% traffic handled.

5. Suggestion

• The port has to insist on the faster completion of modernization plans to increase its capacity, so as to efficiently handle the growing traffic.

• The port has to concentrate more no container handling, as container traffic is increasing rapidly across the world.

• The port should give rebates on port dues; pilot age and berth hire charges for all type of vessels calling at the port. This will help in increasing the number of vessels calling the port and in turn increase the revenue of the port.

• The port should create additional cold storage and other required facilities to promote the exports of marine products.

• Kochi should reduce the vessel turnaround time and tariff structure or at least bring them on par with the Colombo port so as to compete with Colombo port.

• The port must look for handing new types of cargo, which were till now not considered to be shipped like Automobiles.

• The port should offer specialized facilities for berthing oil tanker ships and handling them since POL products constitute the highest share of cargo handled. These facilities will enable efficient and quick handling of the commodities.

References


Author Profile

L.PRAKASH received the B.Com(CA). and M.I.B degrees from Bharathiar University, Coimbatore, Tamilnadu,India, in 2010 and 2012 respectively, he Cleared UGC NET in the field of Commerce in 2012. During 2012-Till date working as an Assistant Professor in Private institution, he Pursuing Ph.D in commerce (International Marketing).

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