

Port Service Price Index - Methodology:

1. Product Basket

The basket of port services contains the following variables:

- i. Port Related
 - a. Bulk Handling and storage charges
 - b. Container handling and storage charges
 - c. Break Bulk and Storage Charges
- ii. Vessel Related
 - a. Port and Docks Charges
 - b. Pilotage and Towage fees
 - c. Berth Hire charges
- iii. Other Charges
 - a. Miscellaneous Charges
 - b. Railway Earnings
 - c. Estate Rentals

Data was collected only for the first two categories of services. Other Charges has been excluded from the index because:

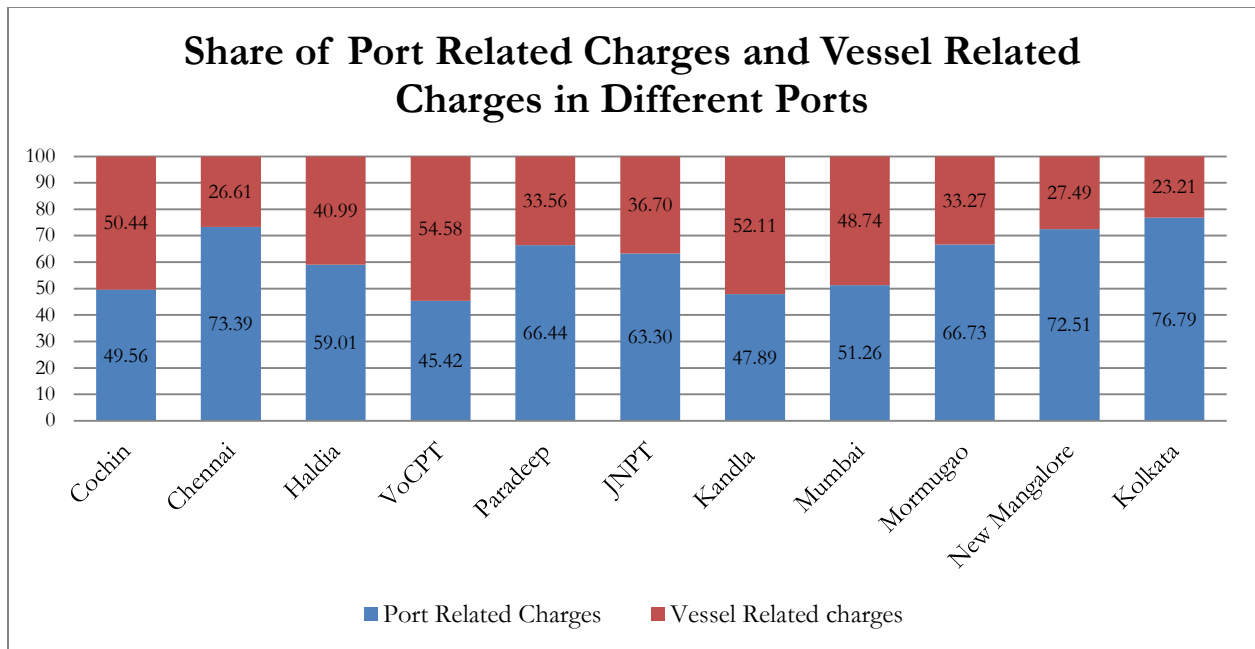
- a) They constitute small portion of actual services provided by the port.
- b) There is no uniformity in the services provided by the different ports.
- c) Unit Price of service could not be calculated in the absence of the quantity for that service.

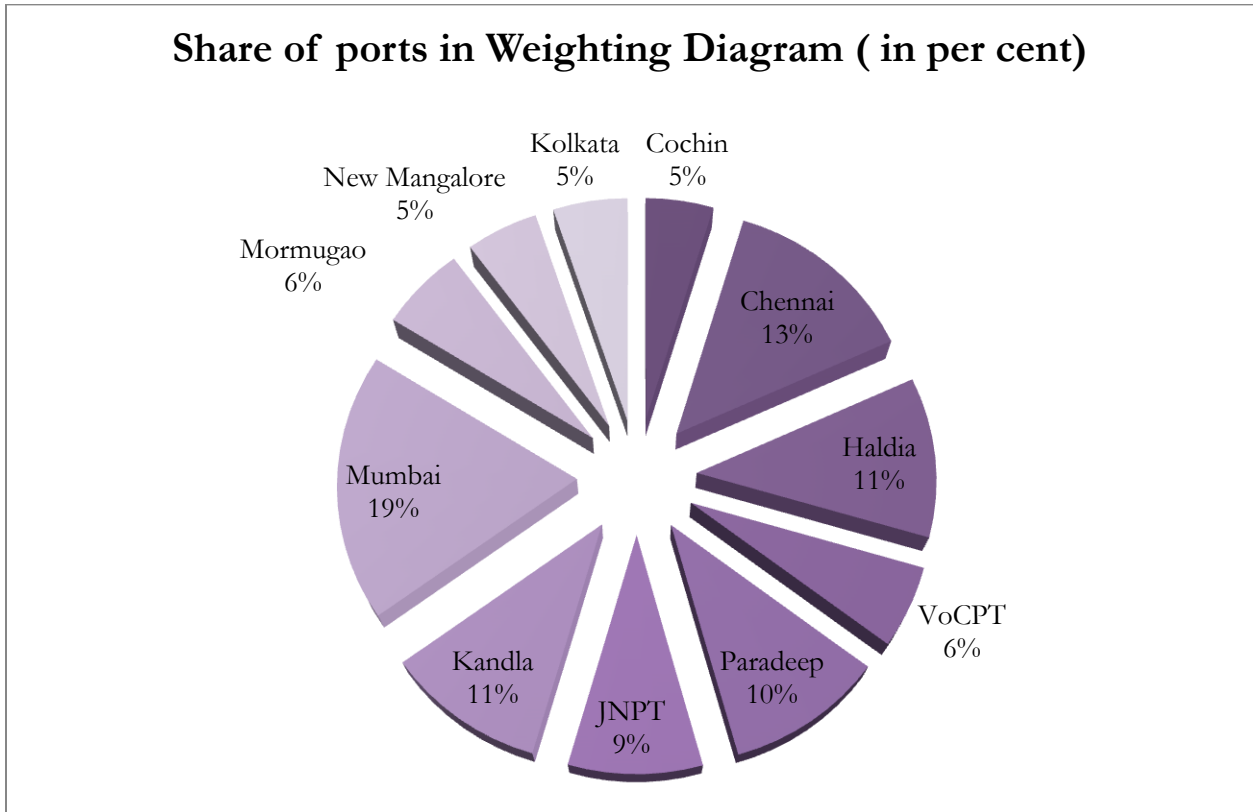
2. Data Source: Data for all the above mentioned services is collected from the following ports:

- a) Cochin
- b) Chennai
- c) Haldia
- d) JNPT
- e) VOCP
- f) KPT
- g) Mumbai
- h) Mormugao
- i) New Mangalore
- j) Paradip
- k) Kolkata

3. Prices: Average prices have been calculated as the ratio of the revenue earned from a service divided by its respective quantity figures. In case of some ports where data is available from broad categories such as Port Related Services and Vessel Related Services, unit price has been calculated for these two broad categories only. Share of each port related charges and vessel related charges in each port is shown in **Illustration 1**. Operating Revenue earned by major ports of India in the base year (2011-12) from all the above mentioned services has been used as weights in the weighing diagram. Share of major ports in weighting diagram is shown in **Illustration 2**.

Illustration 1





A separate index for each of the port has been compiled based on the above mentioned two services. Based on the revenue earned by each of the port, weighted average of the indices of all the ports have been calculated which has in turn given the final index for port services.