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Mumbai port to extend container unit deadline

The government has asked the Mumbai Port Trust (MbPT) to postpone the deadline for submitting the price and technical bids for its Rs 1,200 crore offshore container terminal for the fifth time due to uncertainty in giving security clearance to Hong Kong-based Hutchison Port Holdings (HPH).

The last date of submitting the bids for the project, which had already been extended four times before, was extended to February 28 from February 10.

"Though the Prime Minister's Office (PMO) has welcomed the entry of this port major, Indian intelligence agencies are hesitating to give security clearance to HPH, based on their Chinese connections and the marine installations near the port," highly placed sources said.

MbPT officials could not be contacted.

Significantly, the delay in security clearance for HPH have put engineering and construction major Larsen & Toubro (L&T) in a spot. L&T, one of the shortlisted bidders for the project, had appointed HPH as management contractor for handling terminal operations. Security clearance is a must for management contractor too.

"L&T had made a similar tie up with HPH for bidding the Rs 500-crore second container terminal project at Chennai Port Trust (ChPT). The fate of ChPT is also in limbo due to the clearance problem. As they have already committed with HPH as management contractor, L&T cannot go ahead alone," industry sources said.

HPH, a wholly-owned subsidiary of Hutchison Whampoa, was earlier debarred from bidding for the third container terminal project at Jawaharlal Nehru Port Trust (JNPT), citing Chinese connections.

On contrary, another Taiwanese shipping company Evergreen Marine Corporation, which was awaiting security clearance along with HPH, secured clearance on January 6.

Meanwhile, MbPT is planning to convene a special board meeting on February 23, to consider an amendment which would enable the port to receive the bids for the project on February 28.

"According to the proposal, MbPT will open technical bids of all shortlisted 11 players. However, the port will price bids of only players who have secured security clearance. This will avoid further delay in the project," ministry officials pointed out.

However, other bidders have shown their dissatisfaction in extending the deadline for the fifth time citing the security clearance for HPH.

"The bidding process has been extended unduly from last November to facilitate the entry of HPH. Some of the global representatives of shortlisted management contractors of other bidders are camping in the country," sources said.

Earlier, MbPT has shortlisted 11 players, including Larsen & Toubro (L&T), HPH, Evergreen, Japanese shipping company Mitsui OSK Lines (MOL), P&O Ports, United Liner Agencies India, Gammon India, ABG Heavy Industries, Dubai Ports International, AP Moller Finance SA and Adani Exports.