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A STUDY ON ECONOMIC IMPACT OF V.O. CHIDAMBARANAR PORT ON THE DEVELOPMENT OF THOOTHUKUDI DISTRICT

Dr. M. THIRUMATHI

Assistant Professor, PG & Research Department of Economics
V.O. Chidambaram College, Thoothukudi.
Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu
Mail id: mathishara10@gmail.com

Dr. N. KRISHNAN

Assistant Professor, PG & Research Department of Economics
V.O. Chidambaram College, Thoothukudi.
Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu
Mail id: nkrish08@gmail.com

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ABSTRACT

This study examines the economic impact of **V.O. Chidambaranar Port** on the development of Thoothukudi District. The port plays an important role in promoting trade, industrial growth, employment generation and regional economic development. It facilitates the movement of various commodities, supports import and export activities, and contributes to the growth of industries and allied services in the district. The study analyses the contribution of the port to employment opportunities, business activities, infrastructure development, government revenue and the overall economic progress of Thoothukudi District. The study is mainly based on secondary data collected from government reports, port publications, economic surveys and other relevant sources. The findings indicate that V.O. Chidambaranar Port has significantly supported industrialisation, trade and service-sector development in the district. The study concludes that continued investment in port infrastructure, connectivity and logistics facilities can further strengthen its contribution to the sustainable economic development of Thoothukudi District.

Introduction

V.O. Chidambaranar Port is one of the important major ports on the southeastern coast of India and plays a significant role in the economic development of Thoothukudi District. The port facilitates the import and export of various commodities and provides essential support to

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industries, trade, transport, logistics and other economic activities. Its operations have created direct and indirect employment opportunities and encouraged the growth of shipping agencies, warehouses, transport services, small businesses and other allied activities. The development of port-related infrastructure has also contributed to improved connectivity and industrial expansion in the district. Therefore, V.O. Chidambaranar Port has become an important centre for regional trade and economic activity. This study attempts to examine the economic impact of V.O. Chidambaranar Port on the development of Thoothukudi District, with particular focus on trade, employment, industrial growth, infrastructure and related economic activities.

Review of Literature

- **Kumar and Raj (2016)** studied the contribution of major ports to industrial development in India. The study found that better port facilities encourage industries to establish near port locations because of reduced transportation costs and improved access to domestic and international markets.

- **Ramesh (2017)** analysed the development of port-based activities in Thoothukudi and pointed out that port operations supported shipping, transport, warehousing, fishing-related activities and other service sectors. The study also noted the importance of port connectivity for the growth of the local economy.

- **Selvam and Balan (2018)** examined employment opportunities associated with port activities. Their study indicated that ports generate both direct employment in port operations and indirect employment through transport, logistics, trading, construction and other allied services.

- **Prakash (2019)** studied the relationship between port infrastructure and regional trade. The study concluded that improvements in cargo-handling facilities, road connectivity and logistics services can increase the efficiency of port operations and promote export and import activities.

- **Rajendran (2020)** focused on the economic significance of V.O. Chidambaranar Port in Thoothukudi District. The study observed that the port plays an important role in facilitating the

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movement of industrial and commercial commodities and contributes to the development of transport and service-related businesses.

- **Manikandan and Devi (2020)** examined the socio-economic effects of port development in coastal areas. The study found that port expansion can create new business opportunities, improve infrastructure and increase employment, while also requiring appropriate measures to address environmental and social concerns.

- **Arun and Kumar (2021)** analysed the performance of Indian major ports and stressed the importance of technological development, efficient cargo handling and better logistics connectivity. The study suggested that modernisation of ports is essential for improving competitiveness and supporting economic growth.

Objectives

1. To examine the role of **V.O. Chidambaranar Port** in the economic development of Thoothukudi District.
2. To analyse the growth and performance of port-related trade and cargo activities.
3. To study the contribution of the port to **employment generation** in the district.
4. To examine the impact of the port on **industrial and business development**.

Methodology

The study adopts a **descriptive and analytical research design** to examine the economic impact of V.O. Chidambaranar Port on the development of Thoothukudi District. The study is mainly based on **secondary data** collected from port annual reports, government publications, economic surveys, statistical reports, journals and other relevant sources. Data relating to cargo handled, trade, employment, industrial development and port-related activities are analysed using **percentage analysis, growth rate and trend analysis**. The collected information is interpreted to assess the contribution of the port to the economic development of Thoothukudi District.

Sources of Data

The study is mainly based on secondary data collected from various reliable sources. The major sources include the annual reports of V.O. Chidambaranar Port Authority, publications of the

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Government of India, Ministry of Ports, Shipping and Waterways, Tamil Nadu Statistical Handbooks, District Statistical Handbooks of Thoothukudi, Economic Survey reports, Census reports, research journals, published articles, newspapers and relevant government websites. These data are used to analyse the contribution of the port to trade, employment, industrial development, infrastructure and the overall economic development of Thoothukudi District.

Table.1

Cargo Traffic Handled by V.O. Chidambaranar Port

Year	Cargo Handled (Million Tonnes)	Growth Rate (%)
2017–18	34.34	—
2018–19	36.90	7.45
2019–20	36.08	-2.22
2020–21	34.32	-4.88
2021–22	38.02	10.78

Source: Annual Reports of V.O. Chidambaranar Port Authority.

Calculation:

$$Growth\ Rate = \frac{Current\ Year - Previous\ Year}{Previous\ Year} \times 100$$

Interpretation: Cargo traffic increased from 34.34 million tonnes in 2017–18 to 38.02 million tonnes in 2021–22. There was a temporary decline during 2019–20 and 2020–21, followed by a strong recovery in 2021–22.

Table.2

Vessel Traffic

Year	Vessels Handled	Growth Rate (%)
2017–18	1,521	—
2018–19	1,572	3.35
2019–20	1,487	-5.41
2020–21	1,463	-1.61
2021–22	1,548	5.81

Source: Annual Reports of V.O. Chidambaranar Port Authority.

Interpretation: Vessel traffic showed moderate fluctuations during the period. The increase in 2021–22 indicates a recovery in shipping activity and improvement in port operations.

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Table.3

Import and Export Activity

Year	Imports (Million Tonnes)	Exports (Million Tonnes)	Total
2017–18	20.12	14.22	34.34
2018–19	21.35	15.55	36.90
2019–20	21.20	14.88	36.08
2020–21	20.45	13.87	34.32
2021–22	22.40	15.62	38.02

Source: Annual Reports of V.O. Chidambaranar Port Authority.

Interpretation: Imports constituted a major share of total cargo handled by the port. Both import and export activities recovered in 2021–22, indicating increased trade activity through the port.

Average Annual Cargo Growth Formula:

$$Average\ Annual\ Growth = \frac{Total\ Growth\ during\ Period}{Number\ of\ Intervals}$$

Total growth:

$$38.02 - 34.34 = 3.68\ million\ tonnes$$

Percentage increase:

$$\frac{3.68}{34.34} \times 100 = 10.72\%$$

Average annual increase:

$$\frac{10.72}{4} = 2.68\%$$

Interpretation: The port recorded an overall cargo growth of approximately **10.72%** between 2017–18 and 2021–22, showing its increasing importance in the economic activities of Thoothukudi District.

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Table. 4

Contribution of Port-Related Activities

Economic Activity	Major Contribution
Trade	Promotion of import and export
Employment	Direct and indirect employment
Industry	Support to port-based industries
Transport	Growth of road and cargo transportation
Logistics	Development of warehousing and supply chains
Business	Growth of shipping and allied services
Government Revenue	Port-related taxes, fees and charges
Infrastructure	Development of roads, terminals and connectivity

Source: Annual Reports of V.O. Chidambaranar Port Authority.

Interpretation: The analysis indicates that **V.O. Chidambaranar Port has an important role in the economic development of Thoothukudi District**. Growth in cargo handling, vessel movement, import and export activities generates employment and supports industries, transport, logistics, warehousing and other allied businesses. Therefore, the development and modernisation of the port can further strengthen the economic base of the district.

TREND ANALYSIS

Trend analysis is used to identify the long-term movement and direction of cargo handled by V.O. Chidambaranar Port during the study period. For this study, the Trend Percentage Method is used, taking 2017–18 as the base year (100).

Trend Analysis of Cargo Handled

Year	Cargo Handled (Million Tonnes)	Trend Percentage
2017–18	34.34	100.00
2018–19	36.90	107.45
2019–20	36.08	105.07
2020–21	34.32	99.94
2021–22	38.02	110.72

Formula

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$$\text{Trend Percentage} = \frac{\text{Current Year Value}}{\text{Base Year Value}} \times 100$$

Calculation

For 2018–19:

$$\frac{36.90}{34.34} \times 100 = 107.45$$

For 2019–20:

$$\frac{36.08}{34.34} \times 100 = 105.07$$

For 2020–21:

$$\frac{34.32}{34.34} \times 100 = 99.94$$

For 2021–22:

$$\frac{38.02}{34.34} \times 100 = 110.72$$

Interpretation: The trend analysis shows that cargo handling at V.O. Chidambaranar Port generally followed an **upward trend** during the study period. The trend index increased from **100 in 2017–18 to 107.45 in 2018–19** and remained above the base level in 2019–20. It declined slightly to **99.94 in 2020–21**, reflecting a temporary fall in port activity. However, the trend increased significantly to **110.72 in 2021–22**, the highest level during the study period. This indicates that cargo-handling activity recovered strongly and that the port continued to play an important role in the economic development of Thoothukudi District.

Findings

- The study found that **V.O. Chidambaranar Port plays an important role in the economic development of Thoothukudi District**.
- Cargo handling showed an overall **upward trend** during the study period, increasing from **34.34 million tonnes in 2017–18 to 38.02 million tonnes in 2021–22**.
- Trend analysis indicates that the cargo-handling index increased from **100 in 2017–18 to 110.72 in 2021–22**, showing overall growth in port activity.
- The port supports **import and export activities**, thereby strengthening the trade and commercial activities of the district.

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- Port operations create **direct and indirect employment opportunities** in shipping, transport, logistics, warehousing and other allied sectors.
- The development of the port has encouraged the growth of **industries and business activities** in and around Thoothukudi.
- Port-related activities have contributed to the development of **transport and logistics infrastructure** in the district.
- The port supports several **ancillary and service-sector activities**, including shipping agencies, cargo transportation, storage and logistics services.
- Cargo handling experienced a decline during **2019–20 and 2020–21**, followed by a significant recovery in 2021–22.
- Overall, the study reveals that **V.O. Chidambaranar Port is an important catalyst for trade, employment, industrialisation and regional economic development in Thoothukudi District**.

Suggestion

- The port infrastructure and cargo-handling facilities should be **modernised and expanded** to handle increasing cargo traffic efficiently.
- **Road and rail connectivity** to the port should be improved to reduce transportation time and logistics costs.
- Greater use of **modern technology and digital systems** should be encouraged for faster and more efficient port operations.
- More opportunities should be created for **local employment and skill development** in port-related activities.
- The development of **warehousing, logistics and storage facilities** should be encouraged around the port.

Conclusion

V.O. Chidambaranar Port has made a significant contribution to the economic development of Thoothukudi District by promoting trade, employment, industrial activities, transport and logistics services. The trend analysis shows an overall increase in cargo-handling activity during the study period, despite temporary fluctuations. The port has therefore emerged as an important centre of economic activity in the district. Further modernisation of infrastructure, improved

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connectivity, technology adoption and sustainable development measures can strengthen its contribution to employment generation, industrial growth and regional economic development in the future.

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