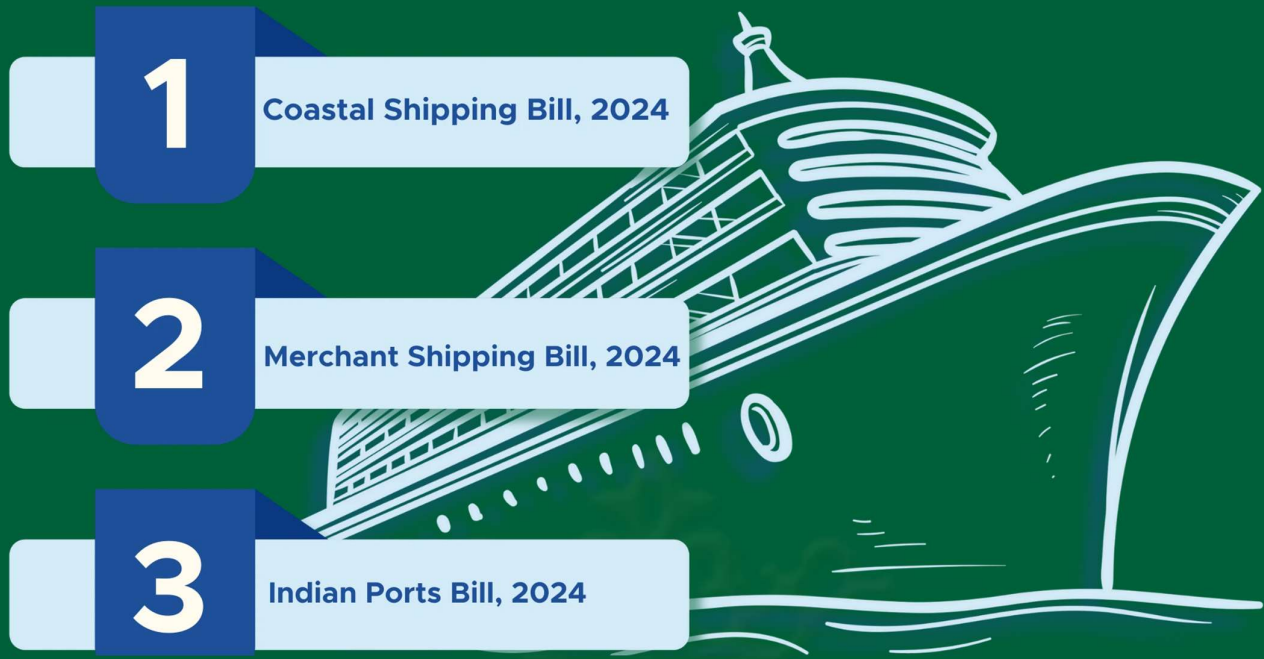




## India's Maritime Bills 2024 and Their Impact on Trade and Infrastructure



### Introduction

India's maritime trade is a daily spectacle of cargo ships navigating global routes. Yet, complex regulations and infrastructure challenges impede its full potential. To tackle these intricacies the govt passed three pivotal bills: the Coastal Shipping Bill, 2024, the Merchant Shipping Bill, 2024, and the Indian Ports Bill, 2024. In this article we will analyze the potential impact of these enactments and if these legislative changes can truly reshape the landscape of India's Maritime trade?

### Coastal Shipping Bill, 2024

To begin, let's consider the Coastal Shipping Bill, 2024. Imagine the maze of paperwork and procedural delays that previously hindered coastal trade, a legacy of the outdated Merchant Shipping Act of 1958. This bill aims to rectify those regulatory hurdles, but how exactly?

Firstly, **by Simplifying Coastal Trade**: the Coastal Shipping Bill, 2024, significantly eases the process of coastal trade by removing the requirement for a general trading license for Indian-flagged vessels. This step eliminates a significant obstacle, enabling shipping companies to operate more freely and efficiently. By shifting the focus from complex compliance to



streamlined trade, businesses can optimize their operations and contribute to a more vibrant coastal shipping sector. But what about the actual movement of goods?

This leads us to Integrating Inland and Coastal Waterways: A key innovation of the bill is the unification of inland and coastal waterways. It allows riverine vessels to operate in coastal waters and vice versa, reducing the need for costly and time-consuming transshipment. This integration facilitates smoother logistics for domestic goods movement, enabling goods to move directly from rivers to coastal areas without additional handling. The introduction of river-sea vessels further enhances this connectivity, maximizing the potential of India's extensive waterway network.

### Merchant Shipping Bill, 2024

After exploring the Coastal Shipping Bill's impact on domestic trade, we now turn our attention to the Merchant Shipping Bill, 2024. Imagine the vast Indian coastline, dotted with ships carrying the nation's trade. But who actually owns these ships, and under what rules do they operate? This bill aims to modernize the very foundation of India's merchant fleet, replacing the outdated Merchant Shipping Act of 1958.

First, consider the question of ship ownership. Previously, only entities fully owned by Indian citizens could register vessels under the Indian flag. But what if India could attract more foreign investment and expand its fleet? **Expanding Ship Registration<sup>1</sup>:** The Merchant Shipping Bill, 2024, broadens eligibility, allowing Overseas Citizens of India (OCIs), Non-Resident Indians (NRIs), and limited liability partnerships (LLPs) to register vessels. This move opens doors to new capital and aims to increase the number of India-flagged ships, boosting India's presence on the global maritime stage.

Next, how do Indian companies acquire modern vessels? **Simplifying Vessel Acquisition:** The bill introduces flexibility for ships acquired through bareboat charter-cum-demise (BBCD) contracts, allowing registration before final ownership transfer. This eases financial burdens by allowing staggered payments, making it more feasible for Indian entities to acquire up-to-date ships without immediate full payment.

But what about the people who work on these ships? **Improving Seafarer Welfare:** The bill strengthens the rights of seafarers, including clear procedures for the repatriation of abandoned crew members and a framework to deal with unsafe vessels. This focuses on ensuring greater safety and dignity for those working in the sector, addressing maritime safety and security.

### Indian Ports Bill, 2024





We've seen how the Merchant Shipping Bill, 2024, aims to modernize ship ownership, operations, and the welfare of those working at sea. But a modern fleet is only as effective as the ports it serves. Imagine a ship arriving at an Indian port, facing delays and outdated infrastructure. Can legislation address these bottlenecks and ensure a seamless flow of goods? This leads us to the Indian Ports Bill, 2024, which seeks to modernize the very foundation of India's port system, replacing the Indian Ports Act of 1908.

**Modernizing Port Governance:** How do you ensure smooth operations across a network of diverse ports? The Indian Ports Bill, 2024, aims to create a more unified and efficient port governance structure. It promotes integrated planning between the central and state governments, aiming to streamline decision-making and improve coordination. Can this unified approach truly eliminate the inconsistencies that often plague port operations?

**Enhancing Port Infrastructure:** What about the physical infrastructure that supports these ports? The bill prioritizes the development of modern port facilities, including enhanced cargo handling equipment and improved connectivity to inland transportation networks.

Additionally the bill strives to **Promote Sustainable Port Development:** The Indian Ports Bill, 2024, includes provisions for environmental protection, emphasizing the need for sustainable port development. It aims to balance economic growth with ecological responsibility, ensuring that port expansion doesn't come at the expense of the environment.

And last the bill emphasised upon the Simplification of Dispute Resolution: The bill seeks to establish a clear and efficient dispute resolution mechanism. This aims to reduce legal uncertainties and create a more predictable business environment for port operators and users.

## Conclusion

India's maritime sector is poised for transformation with the introduction of the Coastal Shipping Bill, 2024, the Merchant Shipping Bill, 2024, and the Indian Ports Bill, 2024. These legislative reforms aim to modernize coastal trade, enhance port infrastructure, and streamline governance, creating the potential for a more competitive and efficient maritime industry. By simplifying regulations, promoting domestic shipbuilding, and improving seafarer welfare, these bills are a promising step towards addressing longstanding challenges in the sector, however, their full impact is yet to be seen in the practical realities of maritime trade.