

Merchant Shipping Bill: Polity

The Merchant Shipping Bill, 2020, seeks to replace the Merchant Shipping Act, 1958, and the Coasting Vessels Act, 1838, with a modern legal framework to promote ease of doing business, enhance safety standards, protect seafarers' welfare, and strengthen India's maritime trade competitiveness. It simplifies vessel registration, regulates maritime services, and aligns with international conventions.

Merchant Shipping Bill, 2025 (Replacing Merchant Shipping Act, 1958)

1. Expanded Definition of Vessels

Now covers a wider range of marine craft:

1. Mobile Offshore Drilling Units (MODUs)
2. Submersibles
3. Non-displacement crafts (hovercrafts, hydrofoils, etc.)

This ensures the law applies to modern and specialised vessels that were earlier outside the legal definition.

2. Mandatory & Temporary Registration

Mandatory Registration: All vessels must be registered in India regardless of:

1. Propulsion type (engine or non-engine)
2. Weight (small boats to large ships)

Temporary Registration: For vessels intended for recycling:

1. Supports ship recycling hubs like Alang (Gujarat)
2. Streamlines legal formalities for end-of-life ships.

3. Relaxed Ownership Criteria

Earlier: 100% Indian ownership mandatory.

Now: Partial ownership allowed for:

1. Indian citizens
2. Entities registered under Indian law
3. Registered cooperative societies
4. Overseas Citizens of India (OCIs)
5. Likely to boost foreign investment in Indian shipping.

4. Enhanced Seafarer Welfare

1. Expands protection to Indian seafarers working on foreign-flagged vessels:
2. Earlier coverage limited to those on Indian-registered ships.
3. Brings them under welfare laws, social security, and safety standards.

5. Strengthened Pollution Control

Fully incorporates MARPOL (International Convention for the Prevention of Pollution from Ships) provisions. Tightens control on:

1. Oil spills
2. Garbage discharge
3. Emissions from ships
4. Other marine pollutants.

6. Governance & Regulatory Changes

Director-General of Shipping renamed Director-General of Marine Administration.

Expanded powers to: Regulate maritime education & training. Oversee compliance with international maritime standards.

Carriage of Goods by Sea Bill, 2025 (Replacing Carriage of Goods by Sea Act, 1925)

1. Adoption of Hague-Visby Rules

1. Internationally recognised cargo carriage standards.
2. Modernises India's legal framework for sea cargo.
3. Covers carrier's responsibilities, liabilities, and limits of compensation.

2. Central Government Powers

Can issue directions & amend rules related to Bills of Lading:

1. Legal documents specifying cargo details, condition, and destination.
2. Enables quick policy updates in response to industry needs.

3. Promotion of Ease of Doing Business

1. Simplified legal language.
2. Reduces ambiguity & litigation risk.
3. Improves transparency and efficiency in cargo movement.
4. Understanding the Hague-Visby Rules

Origin & Evolution

1. Hague Rules (1924) – First international convention on carriage of goods by sea.
2. Hague-Visby Protocol (1968) – Updates for modern shipping practices.
3. SDR Protocol (1979) – Introduced Special Drawing Rights (IMF unit) for uniform compensation limits.

Reasons for India's Adoption

1. Global Alignment, Common legal framework with major trading partners (UK, EU, etc.).
2. Legal Clarity, Reduces disputes over liability.
3. Trade Facilitation, Boosts trust for exporters, importers, insurers, and carriers.
4. Parliamentary Oversight: Government actions under the rules remain accountable.

Implications for India's Maritime Future

1. Boosts Investment & Innovation, Encourages modern shipping and port development.
2. Enhances Global Competitiveness, Brings India at par with top maritime nations.
3. Supports Trade Agreements, Complements deals like CETA with the UK.
4. Maritime Leadership, Positions India as a stronger player in global shipping governance.

Source: <https://www.thehindu.com/news/national/parliament-passes-the-carriage-of-goods-by-sea-bill-2025/article69900928.ece>