

# Coastal Shipping Bill 2025: Polity

The Centre has introduced the Coastal Aquaculture Authority (Amendment) Bill, 2023 to streamline regulation of activities like shrimp, crab, and seaweed farming in coastal areas, aiming to boost exports while ensuring environmental safeguards. It removes restrictions under the CRZ framework for certain aquaculture activities and strengthens the Coastal Aquaculture Authority's powers.

## Coastal Shipping Bill 2025

### 1. India's Coastline

1. Length: 11,098 km
2. Spans: 9 coastal states and 4 Union Territories
3. Strategic Importance: Huge potential for trade, logistics, fisheries, and tourism.

### 2. Need for New Legislation

Outdated provisions under Part XIV of the Merchant Shipping Act, 1958. Need for alignment with global cabotage laws (laws regulating transport of goods or passengers between two places in the same country by a foreign vessel/vehicle). Support the Government's Blue Economy and Sagarmala vision.

### Key Goals of the Bill

#### 1. Boost Coastal Cargo Movement

Target 230 million metric tonnes by 2030. Coastal waters territorial waters (up to 12 nautical miles / ~22 km) + adjoining maritime zones (Exclusive Economic Zone up to 200 nautical miles / ~370 km). Encourage domestic cargo movement between Indian ports.

#### 2. Reduce Dependence on Foreign Vessels

Promote Indian-flagged vessels in domestic shipping. Reduce outflow of foreign exchange for freight payments to foreign shipping lines.

#### 3. Promote Economic Growth & Employment

Job creation in port operations, shipbuilding, logistics, coastal tourism. Improve efficiency in goods movement → lower logistics cost → competitiveness in exports.

#### 4. Strengthen the Maritime Sector

Simplify rules to level the playing field for Indian operators. Attract private sector participation and investments in coastal shipping.

### Main Features of the Bill

#### 1. Repeal of Old Provisions

Part XIV of the Merchant Shipping Act, 1958 (related to coastal shipping) is repealed. Replaced with a modern, globally aligned legal framework.

#### 2. Comprehensive Vessel Coverage

Regulates all types of vessels in coastal trade. Ships, boats, sailing vessels, and mobile offshore drilling units. Includes self-propelled and non-self-propelled units.

#### 3. Powers to Exempt

Central Government can exempt any class of vessels from the law's provisions if needed (e.g., in emergencies, special projects).

#### 4. Simplified Licensing

Licensing authority: Director General of Shipping (appointed by Centre). Faster, less bureaucratic process to encourage more players.

#### 5. Expanded Definition of Coasting Trade

Now includes, Exploration, Research, Commercial activities (excluding fishing). All such activities fall under coastal shipping regulations.

## Regulation of Foreign Vessels

Clear rules for foreign vessels in domestic cargo movement. Objective, Protect Indian shipping from unfair international competition.

### 1.Revised Penalties

1. Engaging in coasting trade without a license:
2. Fine = ₹15 lakh OR 4x gains from unlicensed voyage (whichever is higher).
3. Earlier fine: ₹1,000 (significant increase for deterrence).

### 2. National Coastal & Inland Shipping Strategic Plan

Long-term infrastructure and policy roadmap for the sector, Will integrate with Sagarmala and Maritime India Vision 2030. Purpose is to Increase investor confidence and efficiency in operations. National Database for Coastal Shipping Real-time, transparent database for:

1. Cargo volumes
2. Vessel availability
3. Operational statistics

### Expected Outcomes

1. Increase in coastal cargo volume and Indian vessel share.
2. Reduced logistics cost and faster supply chains.
3. Boost to employment in coastal states.
4. Greater self-reliance in shipping sector.
5. Strengthened maritime security with better vessel monitoring.

Source: <https://www.newsonair.gov.in/parliament-passes-coastal-shipping-bill-aims-to-make-coastal-trade-easier/>

