

INDIA PORT'S BILL: POLITY

The Indian Ports Bill, 2025, modernizes the 1908 Act by creating a uniform framework for all ports, promoting cooperative federalism and private investment. This reform, along with initiatives like Sagarmala, aims to boost India's coastal economy by reducing logistics costs and developing infrastructure like the Vizhinjam transshipment port.

Core Objectives of the Bill

The primary goals of the Indian Ports Bill, 2025, are to,

Establish a Uniform Legal Framework

Create a single, cohesive law that governs both major and non-major ports, ensuring consistency in regulation and administration.

Enhance Port Competitiveness

Foster a competitive environment by implementing transparent tariff policies and streamlining operations.

Integrate Environmental Safeguards

Embed robust environmental protection measures directly into port planning and operations to ensure sustainable development.

Promote Investment

Actively encourage Public-Private Partnerships (PPP) and attract foreign investment to upgrade and expand port infrastructure.

Facilitate Cooperative Federalism

Strengthen the partnership between the Central and State governments for the holistic and integrated development of the nation's maritime assets.

Key Features of the Bill

Governance and Administration

State Maritime Boards

The Bill grants statutory recognition to State Maritime Boards for the effective administration and regulation of non-major ports within their jurisdiction.

Key Functions Include

1. Strategic planning and development of port infrastructure.
2. Granting licenses and concessions for port-related services.
3. Fixing tariffs within a transparent and pre-defined framework.
4. Ensuring strict compliance with safety, security, and environmental norms.
5. This measure strengthens the authority of states to manage their non-major ports efficiently.

Maritime State Development Council (MSDC)

The Bill provides statutory recognition to the MSDC, elevating its role in national port strategy.

Composition

1. Chairperson: The Union Minister for Ports, Shipping, and Waterways.
2. Members: Includes State Ministers responsible for ports, secretaries from the Indian Navy and Coast Guard, and the Union Ministry Secretary.

Key Functions Include

1. Coordinating and formulating national port development strategies.

2. Issuing binding guidelines on tariff transparency, data collection, and dissemination.
3. Advising on the national perspective plan for maritime development, legislative adequacy, port efficiency, and hinterland connectivity.
4. The MSDC is designed to be a prime instrument for promoting cooperative federalism in the port sector.

Dispute Resolution and Tariffs

Dispute Resolution Committee (DRC)

State governments are empowered to establish a DRC to mediate and resolve disputes arising between non-major ports, concessionaires, users, and service providers.

Jurisdiction

Appeals against DRC decisions will lie directly with the respective High Court, and civil courts are barred from entertaining matters handled by the DRC. The Bill also permits the use of arbitration or other alternative dispute resolution (ADR) mechanisms.

Tariff Regulation

For Major Ports, Tariffs will be fixed by the Board of the Major Port Authority or its Board of Directors (if the port is registered as a company). For Non-Major Ports, Tariffs will be determined by the State Maritime Board or an authorized concessionaire. The emphasis is on creating transparent tariff policies to boost the competitiveness of Indian ports.

Safety, Conservation, and Environment

Safety Provisions

The Bill retains key safety provisions from the 1908 Act, imposing penalties for unsafe actions like injuring buoys or discharging firearms within port limits. It mandates uniform safety protocols across all major and non-major ports.

Environmental Measures

Mandates strict compliance with international conventions, including MARPOL (International Convention for the Prevention of Pollution from Ships) and the Ballast Water Management Convention.

Required Plans

1. All ports must prepare and implement
2. Waste reception and handling plans.
3. Pollution control and emergency preparedness plans.
4. Comprehensive disaster management plans.
5. The Central government is authorized to conduct periodic environmental and safety audits.
6. The bill actively promotes the adoption of renewable energy and shore power systems to reduce carbon emissions from vessels at berth.

Offences and Penalties

Decriminalization

Certain minor offences have been decriminalized, now attracting monetary penalties instead of imprisonment, aligning with the goal of improving the Ease of Doing Business.

New Offences Introduced

1. Starting port operations without proper notification.
2. Failing to report pollution incidents or provide required pollution-related facilities.

3. Non-compliance with the orders issued by the Dispute Resolution Committee (DRC).

Penalties

For serious offences like endangering vessel safety or disturbing the waterbed, penalties can include imprisonment up to 6 months, a fine up to ₹1 lakh, or both. Compounding is allowed for first-time contraventions.

Economic and Operational Enhancements

Digitalization

The bill promotes the digitalization of port processes to simplify procedures and enhance the Ease of Doing Business (EODB).

Logistics Cost Reduction

Aims to speed up cargo movement and improve hinterland connectivity, thereby lowering overall logistics costs.

Employment Generation

The development and modernization of ports are expected to create significant employment opportunities in operations, logistics, warehousing, and allied industries.

Support for Exporters and MSMEs

Streamlined procedures and improved infrastructure will provide a major boost to exporters and Micro, Small, and Medium Enterprises (MSMEs).

Funding Flexibility

The bill includes clear provisions to facilitate Public-Private Partnerships (PPPs) and attract foreign investment for port development.

Boost to Coastal Shipping

Encourages integration with inland waterways and multimodal transport systems to promote coastal shipping.

Key Concerns & Criticisms of the Bill

Despite its progressive features, several concerns have been raised:

Lack of Appeal Mechanism Against Penalties

A significant criticism is the absence of a mechanism to appeal penalties imposed by the port conservator for offences listed in the second schedule. This is in contrast to recent laws like the Jan Vishwas Act, 2023, which provide for appeals to higher-ranking officials.

Lack of Safeguards for Inspection Powers

The Bill grants wide-ranging powers to the conservator and health officer to enter and inspect vessels without specifying necessary safeguards (like those mandated under the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023), creating a risk of misuse.

Ambiguity on 'Mega Ports' Classification

The provision allowing the central government to notify certain ports as 'mega ports' lacks clarity on its purpose and governance structure, causing potential regulatory confusion as these ports retain their existing major or non-major status.

India's Coastal Economy: A Strategic Asset

The reforms in the port sector are deeply intertwined with the development of India's broader coastal economy, a vital component of the nation's Blue Economy.

Scope and Significance

Geographical Scope

India's coastline, revised in 2024 via advanced geospatial mapping, spans 11,099 km. It covers nine coastal states and four Union Territories.

Economic Significance

Handles 95% of India's trade by volume and 70% by value. Provides livelihoods for over 4 million fisherfolk and numerous coastal communities. Contributes significantly to the national GDP through trade, logistics, fisheries, and tourism.

Policy Framework

The development of the coastal economy is guided by a multi-pronged policy approach:

Sagarmala Programme (2015)

Focuses on port-led development, enhancing connectivity, and uplifting coastal communities.

Maritime India Vision 2030

A detailed roadmap to position India as a global maritime hub.

Maritime Amrit Kaal Vision (MAKV) 2047

An ambitious plan to place India among the world's leading maritime powers.

National Policy for India's Blue Economy (2021)

A framework for promoting sustainable and inclusive marine-based economic growth. Key

Features of India's Coastal Economy

Maritime Trade and Ports

India has 12 major ports and 217 non-major ports. In 2023-24, major ports handled 819 million tonnes (53% of total cargo), while non-major ports handled 724 million tonnes (47%).

Fisheries and Aquaculture

India is the second-largest fish-producing country globally. Initiatives like the Pradhan Mantri Matsya Sampada Yojana (PMMSY) and the promotion of seaweed cultivation are boosting this sector.

Coastal Tourism

Development of world-class cruise terminals, such as the Kochi and Mumbai International Cruise Terminals, is creating high-value tourism and employment.

Renewable Energy and Sustainability

There is a strong focus on offshore wind power, wave energy, and the implementation of shore power systems at ports. The Green Ports Initiative promotes renewable energy and sustainable waste management.

Maritime Development Fund (MDF)

A ₹25,000 crore fund established to finance the acquisition of ships and expand the Indian-flagged fleet, supporting the goal of Aatmanirbhar Bharat.

Key Issues and Challenges

Environmental Degradation

Port expansion activities pose risks of coastal erosion, destruction of wetlands, and loss of marine biodiversity.

Displacement of Communities

Large-scale infrastructure projects often lead to the displacement of fisherfolk and local communities.

High Logistics Costs

At 13–14% of GDP, India's logistics costs are significantly higher than the global average of 8–9%.

Climate Change Vulnerability

Coastal infrastructure is increasingly threatened by sea-level rise, cyclones, and flooding.

Infrastructure and Financing Constraints

Many ports suffer from shallow drafts and outdated equipment, while securing sustained funding for massive projects like Sagarmala remains a challenge.

Way Forward

Enhance Multimodal Connectivity

Strengthen the linkages between ports, railways, roads, and inland waterways through projects like the Western Dedicated Freight Corridor and Bharatmala.

Promote Green Ports

Aggressively adopt renewable energy, shore power, and green dredging technologies to create zero-emission ports.

Strengthen Port-Based Industrialization

Accelerate the development of the 14 Coastal Economic Zones (CEZs) to create industrial clusters near ports.

Increase Private and FDI Participation

Further simplify regulatory processes and leverage platforms like GIFT City IFSC to attract domestic and foreign investment.

Digitalization and Automation

Implement advanced systems like the Port Community System (PCS1x) and AI-driven vessel traffic management to reduce cargo dwell time to global standards.

Expand Transshipment Capacity

Develop strategic hubs like Vizhinjam (Kerala) and Vadhavan (Maharashtra) to capture cargo traffic currently handled by foreign ports like Colombo and Singapore.

Empower Coastal Communities

Ensure inclusive growth by investing in skill development, modernizing fishing harbors, and promoting gender inclusion.

Conclusion

The Indian Ports Bill, 2025, along with complementary legislative and policy reforms, marks a pivotal moment in India's maritime journey. It lays the foundation for a modern, efficient, and sustainable port ecosystem. By systematically addressing existing challenges and leveraging strategic initiatives like Sagarmala, India is well-positioned to unlock the full potential of its vast coastline, driving economic growth, creating jobs, and solidifying its position as a major player in the global maritime landscape.

Source: <https://prsindia.org/billtrack/the-indian-ports-bill-2025>