

Ministry of Shipping

Government of India has released the new “Coastal Shipping Bill”

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Why?

- Ministry of Shipping has issued the draft of Coastal Shipping Bill, 2020 for suggestions from stakeholders and general public.
- A need was felt to have a separate legislation on coastal shipping as the shipping sector grows and evolves in the country.
- The global best practices have also been considered while drafting this Bill. The definition of coastal shipping and coastal waters has been expanded in the Bill.
- It is proposed to do away with the requirement of trading licence for Indian flag vessels for coastal trade.
- The Bill seeks to create a competitive environment and reduce transportation costs, while encouraging Indian vessels to increase their share in coastal shipping.
- The Bill also proposes integration of coastal maritime transport with inland waterways.

What is the aim?

- The aim here is to enable transportation of goods solely via water-based modes of transport, from inland waterways to coastal shipping routes, the ministry has proposed.
- *"As the shipping sector grows and evolves in the country, a need was felt to have a separate legislation on coastal shipping, which considers it an integral part of the transport chain and recognizes the policy priorities of the sector to meet the demands of the Indian shipping industry,"* the shipping ministry said in a statement.

What are the criteria's for getting a license?

- The criteria for grant of the license may include the availability of Indian vessels, the compliance record of the foreign vessel and other factors that the Director General may decide.
- Further, conditions imposed may include nationality requirements for the crew of each foreign vessel that is granted a licence, requirements of the whole or part of such foreign vessel to be built in India.

For Further Reading

1. http://shipmin.gov.in/sites/default/files/uploaded_Ministrywebsitenew_new.pdf
2. <https://economictimes.indiatimes.com/industry/transportation/shipping-/-transport/centre-proposes-mandating-license-for-foreign-vessels-engaged-in-coastal-shipping-in-india/articleshow/78936687.cms?from=mdr>
3. https://www.smpworld.com/incentive_scheme_industry.html