Coastal Shipping Bill, 2024

Prelims – *Indian polity and Governance.*

Mains (GS II) – *Government Policies & Interventions.*

Why in News?

Lok Sabha recently passed the Coastal Shipping Bill, 2024.

- **Aim** - It seeks to regulate vessels engaged in trade within Indian coastal waters.
- **Definition of coastal waters -** Under the Bill, coastal waters mean ***territorial waters of India, along with adjoining maritime zones.***
  - Territorial waters extend up to 12 nautical miles from the coast (about 22 km).
  - Adjoining maritime zones extend up to 200 nautical miles (about 370 km).
- The Bill seeks to repeal *Part XIV of the Merchant Shipping Act, 1958*, which regulates ships other than sailing vessels engaged in trade within coastal waters.
- The Bill seeks to regulate ***all types of vessels***, including ships, boats, sailing vessels, and mobile offshore drilling units, regardless of them being self-propelled or not.

Key features

- **Services to be also covered under coasting trade** - Under the Act, coasting trade refers to the carriage of goods and passengers from one place or port in India to another.
- The Bill expands this definition to include provision of services. Services include exploration, research, and any other commercial activity, except fishing.
- **Licence for coasting trade and certain other purposes -** The Act requires licence for all vessels engaging in coasting trade.
- The Bill states that vessels wholly owned by Indian persons *will not need a licence.*
- For purposes other than coasting trade, the Bill requires licence for vessels that are not wholly owned by Indian persons.
- These are vessels that are
  - Hired by Indian persons, non-resident Indians (NRIs) or overseas citizens of India (OCIs), and
  - Operating between Indian and International ports, or between International ports.
- *OCIs hiring vessels* for operating exclusively outside India will not require a licence.
- The licences will be issued by the ***Director General of Shipping***, who is appointed by the central government.
- The Director General may permit a vessel registered under the Inland Vessels Act, 2021 (operating in inland waterways) to engage in coasting trade.
- **Revocation of licences** - The Act empowers the Director General to modify or revoke

licences.

- The Bill specifies the grounds for modification, suspension, or revocation of licences. These include
    - Violation of terms of licence or an existing law, or
    - Failure to comply with directions of the director general.
- **Revision of penalties –** The bill revised the penalties and punishments for the offences related to coastal trade.
- **Compounding of offences -** The Act allows all first offences to be compounded.
- Under the Bill, only following offences will be compoundable
    - Undertaking coasting trade without licence or with an expired licence,
    - Taking vessel into sea without licence,
    - Failure to furnish information, and
    - Violating a detention order.
- **Coastal and Inland Shipping Strategy Plan -** The Bill requires the central government to prepare a National Coastal and Inland Shipping Strategic Plan ***within 2 years*** of the commencement of the Act.
- **Powers to exempt -** The *central government* may exempt any class of vessels from the application of the Bill.

References

1. PIB | Coastal Shipping Bill, 2024
2. PRS India | The Coastal Shipping Bill, 2024

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