



DAILY EDITORIAL ANALYSIS

TOPIC

**INDIA'S MARITIME REFORMS: A
CALL FOR COURSE CORRECTION**

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Context

- Recent passage of the several bills and acts related to India's maritime governance are intended to align India's maritime framework with global standards, but carry significant concerns regarding federalism, ownership safeguards, and burdens on smaller players.

India's Maritime Reform Package

- The passage of the **Indian Ports Bill, 2025** marks a turning point in India's maritime legislative framework.
- It was enacted alongside the **Coastal Shipping Act, 2025**, the **Carriage of Goods by Sea Bill, 2025**, and the **Merchant Shipping Act, 2025**, and aligned India's shipping regulation with global practices.
- These maritime governance seeks to:
 - Align India's laws with international conventions.
 - Enable ease of business and sustainable port development.
 - Streamline regulation to attract foreign investment and strengthen India's maritime standing.
- The **Ports Act, 2025** in particular is seen as a facilitative law that introduces coherence to a previously disjointed system.

Key Concerns in India's Maritime Sector

- Federal Concerns (Centralisation vs. Autonomy):** The creation of the **Maritime State Development Council**, chaired by the Union Minister of Ports having powers to direct State policies, leaving coastal States with little fiscal autonomy or flexibility in port development.
 - The **Ports Act, 2025** reflects **not cooperative federalism** but **federal subordination**, forcing States to align with central schemes like **Sagarmala** and **PM Gati Shakti**, regardless of local priorities.
- Regulatory and Judicial Concerns:** The **Ports Act** grants vague and discretionary powers that could overburden small operators.
 - Clause 17 of Act** excludes civil courts from port-related disputes, pushing cases into internal committees controlled by the very authorities under contest.
- Ownership Loopholes:** The **Merchant Shipping Act, 2025** allows partial foreign ownership, **unlike the 1958 Act** that required full Indian ownership of Indian-flagged vessels. Thresholds **remain undefined** and **subject to executive discretion**.
 - Bareboat Charter-Cum-Demise Registration:** It risks foreign entities retaining effective control if not tightly regulated.
 - Mandatory registration of all vessels, regardless of size, could burden small operators, while the possibility of India becoming a **flag-of-convenience jurisdiction** looms large.
- Burdening Smaller Operators:** The **Coastal Shipping Act, 2025** strengthens cabotage rules but gives the **Director General of Shipping** vast discretionary powers to license foreign vessels.
 - Clauses citing '**national security**' or '**strategic alignment**' leave room for selective application.
 - Small coastal operators face new reporting requirements without clarity on data use or protection.
 - Centralised control, through measures like the **National Coastal and Inland Shipping Strategic Plan**, could **undermine local autonomy**.

Conclusion: Reform with Risks

- India's maritime legislative overhaul was overdue and represents progress toward modernisation. But, key flaws undermine its promise:
 - Excessive centralisation at the cost of State autonomy.
 - Ambiguity in ownership safeguards.
 - Dispute resolution mechanisms lacking judicial independence.
 - Burdensome compliance for small operators.

- Reform needs to not compromise federal balance or fair competition.
- The new maritime laws risk facilitating ease of business only for a few, while weakening India's long-term maritime security and federal compact, without clearer thresholds, stronger safeguards, and meaningful State participation.

Source: TH

Daily Mains Practice Question

Q. Critically examine the implications of India's recent maritime reforms on federalism and coastal state autonomy. Do these reforms strike the right balance between central oversight and regional interests?

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