

# Govt to amend 114-yr-old Ports Act, bring in reforms

## Draft bill aims level-playing field for ports, new dispute resolution mechanism

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The Ministry of Ports, Shipping and Waterways has released a draft to amend the Indian Ports Act, 1908, which aims to bring in sweeping reforms in the sector by bringing non-major ports into the national fold, creating a new mechanism for resolution of disputes, and empowering maritime state development council (MSDC). The draft bill will see comments from stakeholders before being tabled in Parliament.

“The Indian Ports Act, 1908 is more than 110 years old. It has become imperative that the Act is revamped to reflect the present-day frameworks, incorporate India’s international obligations, address emerging environmental concerns, and aid the consultative development of the ports sector in the national interest,” the shipping ministry said.

The draft bill seeks to eliminate delays in decision making for non-major ports through the creation of a council, which will be chaired by the Union minister for ports, shipping, and waterways. “MSDC will ensure cooperative federalism where Centre and State/UT (union territory) governments will work together towards preparing a progressive road map for the country,” the ministry said.

However, sector experts say the draft bill could face the same fate as the Major Ports Authority Act amendment, which

**Experts feel the draft bill can face the fate of the Major Ports Authority Act amendment, which faced criticism over the possibility of higher concentration of power in the hands of the central government, which controls the 12 major ports of India**



was introduced last year and faced criticism over the possibility of higher concentration of power in the hands of the central government, which controls 12 major ports of India.

While most central and state stakeholders find a seat in this council, all final binding powers rest in the hands of the chairperson, who, according to the proposed amendment, is the Union minister of ports. Senior officials in the ministry

told *Business Standard* that the draft bill seeks to create a level-playing field for all ports as major ports act under the aegis of central regulations while non-major, especially private ports, function through respective state maritime boards and local legislations.

“We need to bring this parity as soon as possible and our intention is to have the bill cleared by the winter session of Parliament,” the official said.

Sector watchers also stressed on the lack of provision of participation from the private sector, whose role in the port sector has been growing over the last decade. A Mumbai-based port sector expert said there was a growing need for private sector players to have some participation in the MSDC. Three earlier versions of this bill were shared with major ports, state governments, and state maritime boards, and their feedback has been incorporated in this draft, which is likely the Centre’s final stand on the issue.

One of these earlier versions was met with strong opposition, according to reports. Tamil Nadu Chief Minister M K Stalin had reportedly written a letter to heads of all coastal states, exhorting them to register their protest against the bill, as it will take away many operational powers of non-major ports away from state governments. Odisha and Gujarat had also written to then shipping minister Mansukh Mandaviya echoing similar concerns against the draft law.