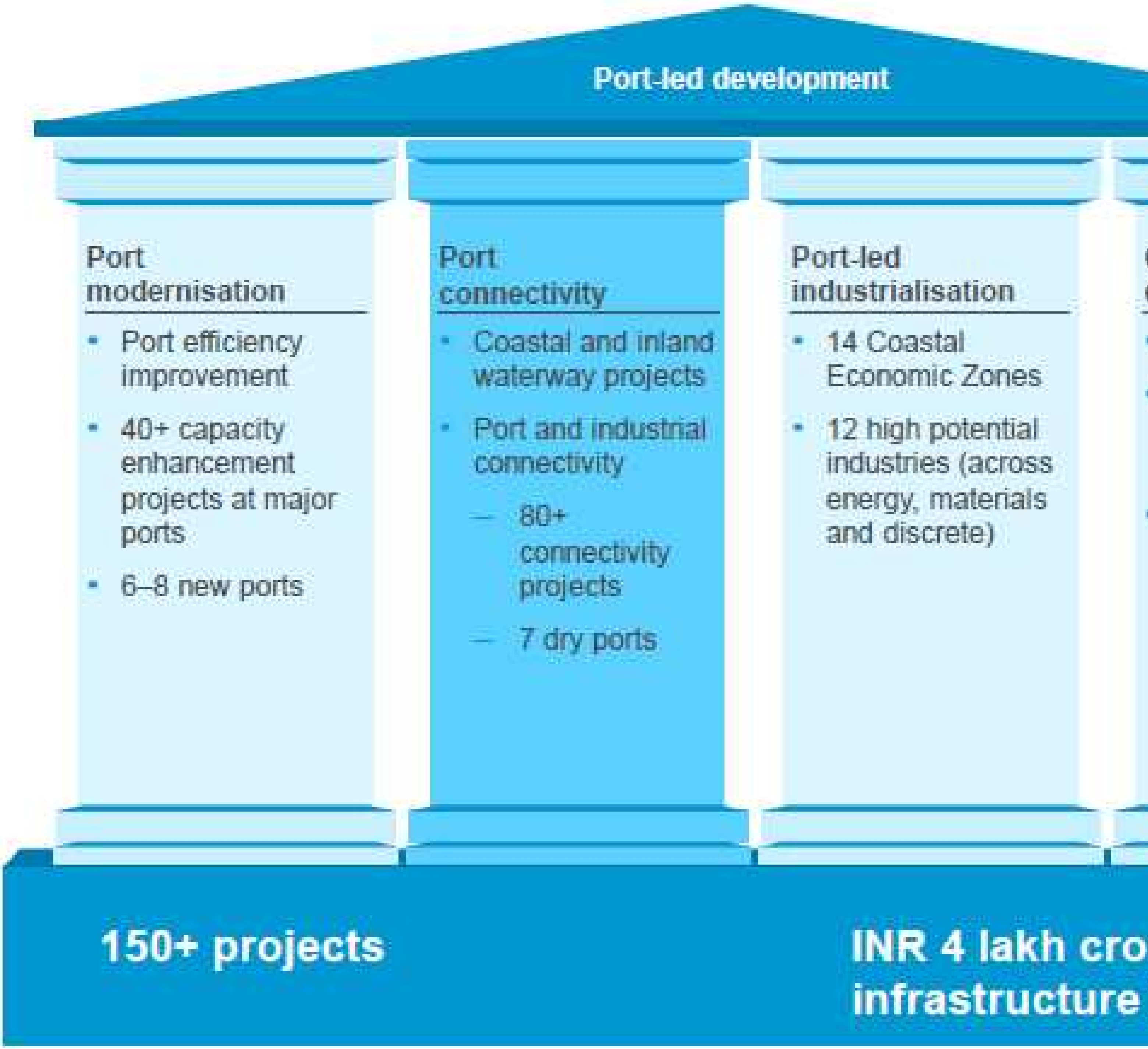
Port Management and Laws

- Indian port and shipping sectors were given high priority in recent years. The main objective is to modernize the inefficient maritime infrastructure -ports and shipping operations. Sagarmala was introduced for this purpose.
- *Sagarmala* is a port-centic plan and the maritime equivalent of Vajpayee's Golden Quadrangle. It was launched by first NDA government in 2003. It was added with greater content and agenda in 2015.

- SG project identified 337 port projects: brown and green, major and non-major ports. Major ports are owned and administered by * * Shipping Ministry. Minor Ports placed under the management of nine coastal states of India.



- *Sagarmala* is an inclusive project which involves: private investment from Indian and foreign investors; port trusts; public undertakings like the Indian Railways, NHAI, IWTA (Inland water transport authority); and the tourism ministry.

2

Port-based Industrialization

- Port-led industrialization is SG's key objective. It plans location of industries around the coastal areas. Industrial clusters like Coastal Economic Zones and Special Economic Zones along the coasts will be developed. These are integrated with national highways, railways, inland and coastal waterways with multimodal perspective.

- SG also envisages building Ports around rivers, construction of POL (Petroleum, Oil and Lubricant) pipelines.

- Land locked and hinterland, backward regions/states like Bihar, Chattisgarh, Telangana will be provided with Dry Ports, called ICDs (Inland Container Depot)

3

Maritime Vision 2030

- Even before the *Sagarmala* completed its mandatory time limit of 2025, Government of India unveiled the *Maritime Vision 2030.* This latest policy initiative is mooted after the Covid pandemic derailed the assumptions and projections of *Sagarmala.*
- *Vision* 2030 envisages transshipment ports. Transshipment ports are conceived to reduce Indian shipping on foreign vessels.
- India for political and strategic reasons wants to avoid dependence on the Chinese built transshipment ports in Sri Lanka, but also other ports like Dubai and Singapore.

4. Port Legislative Reforms

* Until recently Indian port administration was regulated by the colonial laws enacted in 1908. After independence some reforms were made to this outdated Act.

* The Major Port Act, 1963 brought all the major ports of the country under a uniform policy structure. A board of trustees will be constituted for each port by government which is empowered to regulate port fees, rates, its use, ship movements and port development projects.

*All the major ports had to follow the port management policy guidelines set by central government time to time. Tariffs will be levied by them as per the rates fixed by Tariff Authority for Major Ports (TAMP). Such centralised control over the national ports probably was meant to discourage variable and arbitrary port taxes and tariffs, regulatory mechanisms and control by big business houses.

* The 1963 Act was replaced by the 1996 which deregulated government control over ports. It involved private sector, encouraged foreign direct investment, and above all corporatized the Indian port.

* Port structure and regulatory framework was further liberalized a quarter century later by the Major Ports Authorities Act, 2020. This Act changed major port nomenclature from a *service port* to *landlord port*. Parliament passed this bill in February 2021, which caused major structural changes in port administration.

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