

Indian Coastal Shipping - Policies, current updates & vision

— By Dr. Vishwapati Trivedi, IAS, Former Secretary, Ministry of Shipping

COASTAL shipping has attracted a fair share of attention of the government in the last 3-4 years.

The National Shipping Board, in its recommendations to the Ministry of Shipping had asked for a reduction in the cost of compliance as far as coastal shipping in India is concerned. The basic premise was that laws relating to coastal shipping are a part of the Merchant Shipping Act, 1958, and so most conditions relating to pollution control, manning norms and other operating norms are generally benchmarked to the ocean-going ship levels. The National Shipping Board had then asked for a separate part in the new MS Act (proposed), with most conditions to be specified under the rules. The proposed draft Bill has suitably accommodated these features, and it expected to become a new act by the Budget session in 2017.

The National Shipping Board also suggested to the Ministry that in order to facilitate induction of the latest technology in coastal shipping and make it easier for higher technology to come to India, the policy should fully authorise all the international classification societies a status equal to the Indian Register of Shipping. The DG Shipping has in line with this thinking relaxed the norms for other classification societies, but some more needs to be done for bringing all of them at par.



Sometimes coastal shipping operators face delays and high transaction costs due to a lax administration of the shore side or hinterland transportation authorities. One interesting report demonstrated that rampant overloading of trucks due to the connivance of authorities creates difficulties for the coastal operators as the ship can allow only a true weight and the excess load arriving by road cannot be accommodated, and has to wait or be returned, causing large losses.

Besides such regulatory issues there are many commercial issues which need affirmative action for a kick start. The National Shipping Board, in its last meeting held at Chennai, suggested that there is a need to issue long term contracts for transport of coal from the east to the west coast of India. These long-term contracts will make it possible for the multimodal logistics market to develop in India. And one leg of this would be coastal shipping.

Finally, there is a crying need to have a suitable infrastructure for facilitating the growth of coastal shipping. While the sector is already getting all the necessary support from the government, it is felt that there is a need for a more “concrete” push. It needs embarking and disembarking/landing sites on the ports, which are suitable to that particular cargo. Sometimes

it will be cars, sometimes LNG, sometimes logs or containers, etc. They all need suitable jetties and located outside the Customs-bond area. The schemes for such development are now part of the Sagarmala Project and several ports have sought assistance under the scheme for partial funding.

We may have a long way to get to a perfect solution, but the efforts under the Sagarmala Project and the efforts of the authorities to streamline the regulatory regime have already created a positive sentiment towards this mode of transport. ■

