



## Critically Analyse The Draft Indian Ports Bill 2022. (250 Words / 15 M) (GS-3 Infrastructure )

### Approach:

1. Introduction
2. Objectives of the Bill.
3. Mention the possible issues raised.
4. Conclusion

The Union Government has prepared a new **Draft Ports Bill, 2022**. It has been prepared to replace the Indian Ports Act, 1908. Apart from the 1908 Act, the Major Ports are governed by the **Major Port Authorities Act, 2021** which repealed the earlier Major Port Trusts Act, 1963.

**Objective of Draft ports bill 2022:** The Draft Indian Ports Bill has a 4-fold primary objectives: (a) Promote integrated planning between States and Centre-States through a consultative and recommendatory framework; (b) Ensure prevention of pollution measures for all ports in India while incorporating India's obligations under international treaties; (c) Address lacunae in the dispute resolution framework required for burgeoning ports sector; (d) Usher-in transparency and cooperation in the development and other aspects through the use of data.

The Bill is aimed at ensuring streamlined and homogenised development in the maritime sector. Its objective is to promote ease of doing business. Some of the redundant provisions of the 1908 Act have been deleted or replaced with contemporary provisions.

### Issues with the Draft Bill:

- The Draft Bill seeks to give statutory status along with wide ranging powers and functions to the MSDC. The Bill will make it a permanent body with its own office, staff, accounts and audit. A body like the MSDC is necessary, but the nature and quantum of its work do not call for a statutory or permanent status.
- The proposed composition of the MSDC favors the Union Government. The draft Bill makes 5 Secretaries and 1 Joint Secretary to the Government of India, besides the administrators of the coastal UTs, as members of the MSDC. The vote of an officer would count the same as the vote of a minister. This can sets a bad precedent.
- The performance of non-major ports has been better. Between, 1993-94 and 2021-22, the average growth rate of cargo traffic has been 14% in non-major ports versus 4.8% in major ports. Thus the Union Government should delegate more control to State Governments rather than centralising through MSDC.
- The 2011 World Bank Report, 'Regulation of the Indian Port Sector', observed that non-major ports are perceived as more business-oriented, customer-friendly, cheaper, and, in general, more efficient. On the other hand unnecessary regulatory and financial burdens are imposed upon port trusts, private terminal operators, and investors by the Union Government.

The MSDC should continue to function as an apex advisory body. It should consist only of the



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concerned Ministers of the Union and maritime States/UTs; officers should only be special invitees. The Union and State Governments can have 50% vote share each. In accordance with global port reform strategies, the Union Government should strive for greater decentralisation, deregulation, corporatisation, and private sector participation. State Governments and city municipal corporations should be provided greater stakes in corporatized major ports.

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