

The Coastal Shipping Act, 2025

The Coastal Shipping Act, 2025, passed by the Parliament, has been notified.

The Act seeks to simplify and modernise the legal framework governing coastal shipping, replacing Part XIV of the Merchant Shipping Act, 1958, with a new-age, progressive legislation aligned with global cabotage norms.

The new Act is central to India's ambition of "increasing its coastal cargo share to 230 million metric tonnes by 2030, while strengthening the maritime sector's contribution to Aatmanirbhar Bharat and Viksit Bharat."

The Act removes licensing requirements for Indian flag ships and will be a strategic enabler for economic growth, employment, and logistics efficiency. The Act reduces regulatory burdens, enhances the competitiveness of Indian vessels, and aligns with India's long-term vision to make India a global maritime hub. It also enables integration of inland with coastal shipping.

The Act introduces a simplified licensing system for coastal shipping and lays down the framework for regulating foreign vessels engaged in coasting trade. Additionally, the Act mandates the formulation of a National Coastal and Inland Shipping Strategic Plan to guide future infrastructure development and policy direction.