

Plan B: New law ready for structural rejig of major ports

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The Shipping Ministry has drafted the Indian Ports Bill 2018 to rewrite more than a century-old omnibus law for the country's ports.

The move to rewrite the Indian Ports Act 1908 indicates that the Centre was preparing a Plan B to alter the institutional structure of the 12 ports it runs as trusts in case its efforts to carry out this task through a separate law does not materialise.

Following Cabinet approval based on the recommendations of the parliamentary standing committee, the Shipping Ministry has revised some of the clauses in the Major Port Authorities Bill, that seeks to convert the 11 major ports that are currently run as 'trusts' into 'authorities'.

Workers' still angry

The changes, though, have not mollified workers' unions agitating against the structural reform planned by the ministry, dubbing the revision as "cosmetic and bogus," and demanding the withdrawal of the Bill.

Among other things, the unions fear that the government may use its powers to issue policy directions to convert the 'port authority' into a 'company', potentially leading to privatisation of these ports at a later date.

The Shipping Ministry says that the Major Port Authorities Bill does not have provisions for corporatisation or privatisation of major ports.

Terms of reference

Against this backdrop, the timing of the drafting of the Indian Ports Bill assumes significance.

The terms of the reference of the committee that drafted the Bill included a mandate to repeal obsolete clauses and propose new ones to bring in professionalism in its governance.

While rewriting the Indian Port Act 1908, the committee scrapped some 20 clauses, which according to critics has the "potential to hurt the revenue generation of major ports."

What is more serious is that the Indian Ports Bill 2018 has inserted a new clause which grants powers to the government to "remit or exempt the whole or any portion of the port changes, in special cases," said T Narendra Rao, general secretary, Water Transport Workers' Federation of India.

"This would only benefit shipping cartels," he said.

Merger of Bills mooted

The India Ports Act in its existing avatar has been used by maritime States such as Gujarat, Andhra Pradesh, Tamil Nadu, Orissa and Kerala to pursue privatisation of ports (outside Central government control) with ease.

A section within the government feels that it would have been "ideal" to merge the two laws to achieve the purpose of corporatisation of ports without attracting the ire of the workers' unions.

"The management of major ports can be defined as one chapter in that. It should have been best to merge them," a government official said.

But, the government moved the Major Port Authorities Bill first, which is now a property of Parliament.

"The Indian Ports Bill is currently undergoing consultative process with various stakeholders. Once it is firmed up, the question of bringing both into one is a subsequent policy decision. They haven't said no to this. In fact, there is a good possibility it would happen, but since one Bill is already the property of Parliament, it is not possible now for us to withdraw that and submit a new Bill," the government official said.



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