



VITAL INDUSTRY UPDATES - 02/09/2015

Mining: govt invites Australian firms

Steel and Mines Minister Narendra Singh Tomar on Tuesday invited Australian companies to partner with their Indian counterparts to develop the domestic mining and exploration sector.

Tomar, in his inaugural address at the Asia Pacific International Mining Exhibition (AIMEX) 2015 in Sydney, said that India and Australia can forge mutually beneficial relationships, an official statement said.

Major Ports to be impacted by labour stir today

Operations at the Major Ports, including JN Port and Mumbai Port, are set to be impacted on Wednesday (September 2, 2015) due to the strike call given by the central trade unions and five recognised federations of port and dock workers.

According to port and union sources, it could be a day-long stoppage or a token stir. The latter would have minimal impact on operations. Also, the private terminals at the Major Ports are unlikely to be impacted, sources said.

Port managements have reportedly readied some contingency plans to face the proposed agitation, it is learnt. The strike is purportedly against the "anti-labour" policies of the Union government.

Govt to provide INR 5K cr. to push exports

Under the Merchandise Exports from India Scheme (MEIS), the Union government plans to provide an additional Rs 5,000 crore towards covering more



sectors and markets. It could expand the scope of this 3 per cent interest subsidy scheme for exporters by extending it to more sectors.

According to Commerce Ministry sources, sectors excluded from the scheme are chemicals, pharmaceuticals and electronics. They would be brought under the purview of the scheme, for which Rs 1,650 crore was allocated in Budget 2015-16.

Other sectors left out are engineering goods and textiles as well as merchant exporters which could be given the benefit of interest subvention, they added.

The Ministry is considering bringing more sectors under the scheme by facilitating them tapping new markets like Latin America, Africa and Asia, even though the rate of duty credit scrips issued under MEIS (currently ranging from 2 per cent to 5 per cent) may not be tinkered, it is learnt.

New cargo handling policy from April next year

Following allegations raised by a whistle-blower and an MP of the Bharatiya Janata Party (BJP) of gross financial irregularities in cargo handling at the 12 major ports in the country, the Ministry of Shipping has issued a new policy to handle cargo. The new policy has asked the chairmen of the ports to set up a “transparent auction system” to locate stevedores and shore handlers who would provide the “highest revenue share.” The BJP MP from Gujarat, Mansukhbhai D. Vasava, had complained earlier that owing to “flagrant violations” by the “port authority” in selecting cargo handling agents, the Ministry had lost nearly 8 lakh crore over the years. Following Mr. Vasava’s report to the PMO during the UPA rule, The Hindu had published several stories in 2014 highlighting malpractices in ports under the Ministry of Shipping. Eventually the issue was probed by the Ministry and the fresh policies have been announced.



Coal India misses August output target by 3.8 per cent

State-owned Coal India BSE -0.11 % recorded an output of 36.21 million tonnes (MT) in August, missing the target by 3.82 per cent.

The company's production target for August was 37.65 million tonnes, Coal India (CIL) said in a regulatory filing.

The government has set an ambitious one billion tonnes coal production target for Coal India by 2020.

CIL's achieved an output of 192.37 MT in the first five months of the current fiscal, missing its target of 196.73 million tonnes. Coal India's output target for the current fiscal is 550 million tonnes.

Coal India missed the production target for the financial year 2014-15 by 3 per cent recording an output of 494.23 million tonnes.

The government had earlier said that it is hopeful that state-owned Coal India will surpass its one billion tonne excavation target by 2020.



Govt seeks corporate majors' push for solar projects

India has closed bids for a third of its target of tendering 15,000 MW of solar projects this fiscal year, a government official said, and is expecting interest from investors such as SoftBank to lift the industry.

The tenders are part of Prime Minister Narendra Modi's ambitious plans to raise solar capacity five fold to 100,000 MW by 2022 to meet India's growing power needs, create jobs and fight climate change without committing to an emission target.

"We are creating the base for big companies like SoftBank and Foxconn to participate," Upendra Tripathy, New and Renewable Energy Secretary, told Reuters. "We want big players to come in, costs to come down and targets to be met."

Japan's SoftBank this month announced plans to set up a company to invest \$20 billion in India's renewable energy industry, with Taiwanese iPhone maker Foxconn and Bharti Enterprise as minority partners. SoftBank's executives have met both Modi and Tripathy.

Adani Group has all but ended a deal with US company SunEdison for a solar equipment plant, only to start talks with Softbank and Foxconn for investments, sources said. So far, this fiscal, India has closed tenders for about 5,000 MW of solar power and is seeking bids for 5,000 MW more, Tripathy said. Government-controlled companies Solar Energy Corp of India and NTPC Ltd have issued most of the tenders, along with States such as Madhya Pradesh. SkyPower, Acme Solar, Suzlon Energy and SunEdison have been among the winners. Tripathy said though companies were keen to invest and solar power was already competing with fossil-fuel derived electricity, federal and state governments would have to make it easier for businesses to buy land.



Govt to scrap licensing of Indian ships

India-registered ships will no longer need to hold permits from India's director general of shipping to operate, according to the draft of a new merchant shipping bill drafted by the government to make it easier for companies to do business.

The new bill, once cleared by Parliament, will replace the existing Merchant Shipping Act which was framed in 1958. *Mint* has reviewed a copy of the new bill. The focus of the new bill is to make it compact (the bill contains 267 sections compared with the 461 sections in the existing Act) and easily implementable, to promote ease of doing business in tune with the prevailing socio-economic realities.

"We have proposed removing licensing requirements for Indian-registered ships from the new Act," a spokesman for the shipping ministry said. "As a result, licensing *raj* will disappear," he added.

The scrapping of the licensing requirement will help simplify customs procedures and dispense with port clearance requirements. "In future, registration of ship will be sufficient because the registration certificate will be deemed to be the licence," the ministry spokesman said. "So long as a ship is registered under the Indian flag, a licence is not required," said Amitava Majumdar, managing partner at maritime law firm Bose & Mitra & Co.

Shipping minister Nitin Gadkari simplified the ship-licensing regime for Indian ships a few months ago by making it a one-time, life-long licence co-terminus with the registration of the vessel. Earlier, Indian-registered ships had to renew their licences every year from the director general of shipping, India's maritime regulator.



Even the one-time licensing is now being dispensed with. The licensing requirement will, however, remain for ships registered overseas when they are hired to operate on local routes.

