

Daily Economic News Summary: 16 February 2016

1. Shipshape performance at India's 12 major ports

Source: **Business Standard** ([Link](#))

India's 12 major ports registered an overall improvement in the performance parameters during the April-December 2015 period compared to the first nine months of FY15. These ports handled 447 million tonnes (mt) up to December 2015 against 433 mt in the year-ago period. While overall growth in traffic stood at 3.18 per cent during the period under review, nine ports witnessed positive growth and three registered negative growth. The overall performance of the major ports is measured by three parameters - average turnaround time (ATT) of vessels on port (in days), average pre-berthing time on port (in hours), and average output per ship berth day (in tonnes).

Between April and December 2015, ATT reduced to 2.12 days from 2.30 days a year ago. Besides, average pre-berthing time fell to 3.97 hours from 5.55 hours. Also, the average output per ship berth day increased to 12,614 tonnes from 12,313 tonnes. During 2014-15, ATT was 2.13 days against 2.32 days in 2013-14 - an improvement of 0.19 days. Likewise, an improvement of 1.89 hours was witnessed in average pre-berthing time at 5.02 hours in FY15, against 6.91 hours in 2013-14. Also, negligible reduction was noticed in the average output per ship berth day from 12,468 tonnes in FY14 to 12,458 tonnes in FY15. However, the performance of a few major ports declined in the above three parameters from April to December 2015, compared to corresponding period of last year. There has been improvement in ATT in most ports except Kamarajar, where it increased to 1.80 days against 0.09 days. The highest improvement of 21.71 per cent was shown by Visakhapatnam Port followed by Cochin with 18.38 per cent and Kandla Ports with 17.65 per cent.

2. Shipping Ministry to offer over 200 investment projects at Maritime India Summit

Source: **Business Standard** ([Link](#))

From ports- and ship-led development to projects pertaining to connectivity and logistics, the Ministry of Shipping will showcase all its investable opportunities to domestic and global investors in the first-ever Maritime India Summit (MIS) to be held in Mumbai from April 14-16, 2016. The ministry is likely to showcase over 200 detailed projects in the maritime sector, targeting an investment of Rs 35,000 crore – Rs 50,000 crore. The summit will be inaugurated by Prime Minister Narendra Modi on April 14. It is an attempt by the central government to attract

investment in the Indian Shipping and Maritime industry from both domestic as well as international players.

South Korea will be the partner country for the summit and there will be special session by a delegation from that nation on potential areas of collaboration such as shipping, ship building, port, maritime affairs, fisheries and aquatic resources. The ministry is seeking investment opportunities such as port-led development under the Sagarmala project and ship building under the 'Make in India' scheme. Besides, investment is likely to be sought in inland waterways, coastal and cruise shipping, specialised cargo handling and port mechanisation.

3. Potential of the Indian market is dramatic: Doug DeVo, Amway

Source: **Economic Times** ([Link](#))

Amway Corporation, the world's biggest direct seller, will cross Rs 1,000 crore in investments in India over the next five years, boosting its presence in only its third market outside the US with manufacturing facilities and putting behind brushes with the country's complex regulatory structure. India has made significant progress in regulation and growth, Amway global president Doug DeVos said. The company named Anshu Budhraj as its India leader last year to explore launching country-specific products and increase its ability to source locally. The maker of Nutrilite protein powder, Satinque shampoo and Glister toothpaste, is investing heavily in India, which was among Amway's top 10 markets in 2015. *"There are not many places that are seeing good economic development like in India. Potential of the Indian market is dramatic,"* he said.

4. Maharashtra bets big, hopes to make state electronics hub by 2020

Source: **Business Standard** ([Link](#))

The BJP-led government in Maharashtra is betting big on the electronic system design & manufacturing (ESDM) policy to develop the state as an electronics hub with an annual turnover \$12 billion by 2020. The policy, released today at the Make In India week function, plans to increase the ESDM sector's exports to \$2 billion and create additional employment for one lakh people by 2020. Even before the formal release of the ESDP policy, the government has already signed an MoU with Twinstar Display Technologies, promoted by Volcan Investments, to set up a LCD manufacturing unit, known as Panel FAB. Under the agreement, Twinstar Display Technologies will invest \$10 billion over five phases.

The government will offer investors a slew of incentives, including industrial promotion subsidy. Additionally, all new and expansion units will be eligible for interest subsidy on term

loans availed from banks and public financial institutions for acquisition of fixed assets for the eligible project. For the purpose of this assistance, bank's prime lending rate or the rate of interest actually charged, minus penal interest if any, whichever is less, will be taken as the effective interest rate. The eligible new ESDM units will be eligible for power tariff subsidy to the tune of Re 1 per unit for a period of 3 years in category A and B areas and 5 years in other parts of state. Furthermore, new ESDM units will be exempted from paying Electricity Duty for 15 years and from stamp duty during the investment period, for acquiring land and for term loan purposes.

5. Govt plans start-up center for capital goods sector

Source: **Live Mint** ([Link](#))

The Indian government has decided to create a 'start-up centre' for the capital goods industry and will also launch a technology development fund for the sector. The ministry of heavy industries and public enterprises, on Monday, while announcing national capital goods policy 2016, said it will create a start up centre for the capital goods sector in partnership with industry associations to provide an array of technical, business and financial resources and services to promising start-ups in the manufacturing and services space.

These services will focus on pre-incubation, incubation and post incubation phases of a start ups' growth to ensure that a robust foundation is established, the document released on Monday said. The ministry will also launch a technology fund under the public private partnership (PPP) model to fund technology acquisition, transfer of technology, purchase of intellectual property rights, as well as for commercialisation of such technologies related to the capital goods sector.

6. Dubai seeking to expand air traffic with India; wants to fly 50,000 more passengers per week

Source: **Economic Times** ([Link](#))

Dubai is seeking to expand air traffic with India by adding as many as 50,000 seats a week to the current two-way capacity, a proposal that is sure to be opposed by local and foreign airlines as they see it disproportionately benefiting the emirate's flag carrier at the cost of others. If the move goes through, carriers from the two sides will be able to fly up to 1.13 lakh seats every week, higher than the combined entitlements given under bilateral air traffic agreements with Abu Dhabi, Qatar, Sharjah and Oman. Last Friday, the aviation ministry asked Indian carriers for their views on the proposal. Dubai's Emirates, the world's third largest carrier by number of passengers flown, would be the biggest beneficiary of the move. It already

operates 183 weekly India-Dubai flights, compared with the combined number of just over 300 by India's four international airlines - Air India, Jet Airways, IndiGo and SpiceJet. Emirates, referred to in a lighter vein as India's national carrier, ferries the largest chunk of overseas travellers out of India, many of whom further travelling to western destinations.

By Harsha Hazarika