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17th August, 2020

Shri Mansukh Mandaviya
Hon'ble Minister of State for Shipping (Independent Charge) and
Chemicals & Fertilizers, Government of India
Transport Bhavan 1
Parliament Street
New Delhi 110001

Sub: Submitting Issues discussed at GCCI Webinar on 6th August 2020 for consideration

Hon'ble Sir,

Greetings from Gujarat Chamber of Commerce & Industry...

We take this opportunity to express our sincere gratitude to you for sparing your valuable time to be with us in the webinar organized by GCCI on 6th August 2020.

The Webinar witnessed positive deliberations by the panel members based on the inputs received from GCCI members. As advised by you, we are happy to submit the major issues discussed during the webinar in the attached annexures.

We request you to consider these issues and the problems faced by the business community and do the needful to resolve them at the earliest. Your early actions will provide strength to the business fraternity's efforts to return back to normal after being hugely affected due to the COVID 19 lockdowns.

Thanking you in anticipation,

Sincerely,

Durgesh Buch
President

Enclosure:

- 1. Annexure A: Chemicals & Dyes Sector**
- 2. Annexure B: Shipping Sector**
- 3. Annexure C: Pharmaceuticals Sector**

Durgesh V. Buch
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Sr. Vice President

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Secretary (R)

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Treasurer

Annexure A: Chemicals & Dyes Sector

1. Time limit extension

All the permissions for establishing new Industry or expansion must be given within a period of 3 months and if the authority finds any discrepancy then it should be conveyed to the applicant within 1 month so that the applicant may respond to it as early as possible so that waste of time and delay in permission do not take place. If the authority does not respond within 90 days of the application then it should be treated as deemed permission.

2. To provide the common infrastructure facilities

(1) **CETP:** Common Effluent Treatment Plant to treat the highly concentrated Effluent being generated from Industries.

(2) **Common Spray Dryer:** will help to reduce the liquid effluent load on CETP.

(3) **MEE:** Multi Effect Evaporator must be installed on Individual as well as at Common basis so that the Industrial Waste Water is evaporated which will also help to reduce the load on CETP.

(4) **Common Steam Boiler:** It will also help Industries on large scale to save the Land and Land Cost and also give the benefit to save the environment.

(5) **Acid Neutralization Plant:** It will help reduce the high acid concentration of the Effluent, which can be re-used in the fertilizer Industry.

(6) **Allotment of Land for TSDF Site:** State Govt. must allot barren notified land in GIDC for Total Solid Disposal Facility (TSDF) Site at token rate with all the procedure for EC done in advance to establish a new Industry, which will help generate more employment in the State and more revenue for the Nation.

(7) **Deep Sea Discharge:** permission must be given to the CETP for final discharge of the treated Industrial wastewater into deep sea so that maximum dilution can be achieved.

(8) **Finance:** Govt. must also allocate the finance for new establishment with a minimum rate of interest with some grace period for respect of the loan, etc. In addition to the above New Industrial Estates must be developed with 5 years Tax Holiday then the Industries will surely become "ATMANIRBHAR".

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(9) Other Infrastructure Facilities: Road, Railway, Air Cargo, Electricity and Water must be given to setup a new Industry in GIDC Estate.

3. Penalty by National Green Tribunal (NGT)

At present as per the direction of Hon'ble National Green Tribunal (NGT) the State Pollution Control Board is levying heavy penalty from the Industry in Vapi, Ankleshwar, Baroda, Surat and Ahmedabad in case of Fatal Accident even for smallest mistake on the part of Industry which acts as a great blow on the Financial stability of the unit.

We also draw your kind attention to the Hon'ble NGT orders dated 10/7/19 and 14/11/19 in O.A. no 1038 Of 2018 & the subsequent O.M. dated 31/10/19 from MoEF &CC-GoI.

The Chamber of Small Industries Association (COSIA) and The Chamber of Marathwada Industries and Agriculture (CMIA) both from Maharashtra, moved the Hon'ble Apex court and obtained a stay vide its order dated 18/3/20 against the orders of the NGT.

We request you to kindly take up these issues with Ministry of Environment, Forest and Climate Change (MoEF&CC) in the larger interest of MSME Industry which is the backbone of Indian Economy generating highest employment and revenue for the Nation.

4. Raw Material related issues

More than 50% of key raw materials are being imported from China as they are either not manufactured in India or the volumes are not good enough to fulfill the demands. Moreover, we are sure this key raw material not only to cater to local demand but also export finished products worldwide. So, by disturbing imports, we will not only have shortage of finished products in local market but also, we will lose exports revenue which is very critical these days.

Industry has already been in doom due to the prevailing COVID-19 situation and the above procedure further leads to extra time and additional charges. It is necessary to examine the Goods but at the same time industries also should not suffer for want of Raw Materials and extra burden of charges.

Recently Govt has asked details from the Industry regarding the products they do not wish to import from China.

Sir You are well aware that China is the major suppliers of Basic Raw Material of Dyes & Dye Intermediates and Pharma & Drug Intermediates. We request you that Govt. should not Ban on these Dyes, Dye Intermediates, Drugs & Pharma Intermediates Immediately. First of all,

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Annexure B: Shipping Sector

1. Demurrage Charges

Exemption and Waiver of Storage, Demurrage and Penal Charges, which was charged by the DPT during Lockdown Period. Right from first lockdown and there after consecutive lockdowns, there were acute shortage of man power and other operational facilities, no desired cargo movement have done. DPT has charged all these charges despite of Ministry's directions. Refer our letter No. GCCCI/K/119 dated 16/6/2020.

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2. Shortage of Oil Jetty

At DPT, there is a demand of Oil Jetty at Berth No. 7 is long pending. Due to shortage of Oil Jetty, the Port Users has to pay a huge demurrage. It affected the business of liquid Cargo at DPT. Hence Oil Jetty must be starts immediately for the best interest of the DPT as well stake holders.

3. Lease Rent of Tank Terminals

They are on very higher side. Request to review it and reduced the same at the earliest. Tank Terminal business is a prime business of the port and the Lease Rent of the same must be very reasonable.

4. SIPC- conditions should be reasonable

DPT has announced the SIPC with a vision of Business deployment, but the terms and conditions of SIPC is unbearable and not friendly with the investors. Due to harsh Terms and conditions, there is no any industrialist come forward to do the business. The Terms and Conditions should be a target based and affordable to the industries. The Land shall be allotted on free hold basis with the intent to increase traffic of DPT. DPT's prime aim is to promote the industry and not earned the revenue. If the industry looks the plan is attractive and affordable for long run, they will certainly will exited to invest their hard-earned money in SIPC. The Conditions should be reasonable for both sides and with the purpose to invites and promote the Trade and Commerce.

5. To Develop Tourism point

The Deendayal Port has a huge potentiality to develop the entire area as a Tourism Centre. It will attract the tourists as well as investors to come with a vision of Sight Seeing, Yatch and other Marine Adventures etc..

6. To start 100% Direct Port Delivery

Sir in your talk with GCCCI members you yourself had emphasized the importance of 100% Direct Port Delivery and reduction of Turnaround time. We request you to kindly ensure that the same is put in practice at the earliest.



7. **Direct Port Delivery issue of Paper Manufacturers**

Recent problem with Gujarat's Paper Industry and waste paper is their Raw Material which are depended on imports and their cost of transaction has gone up due to customs orders for examination of cargo as industry is not able to avail Direct Port Delivery services and is now paying additional cost towards examination of cargo in CFS. So, request you to allow Paper Manufacturers to avail scheme from ports and bring down their transaction cost.

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8. **E- Bill**

E-Bill of Lading this has to be taken to a logical conclusion. What we are doing now is only remote printing in my office.

9. **Set up a mechanism for payment of freight and its related charges**

Freezing the charges charged by Lines and Forwarders in India which are not in line with International practices.

10. **E-DO**

A uniform 100% implementation of the same. All lines have reverted to earlier models of working i.e. pre-Covid. The most important one is that we should NOT revert to any of the old practices involving paper and human interaction - this is essential if we want to improve ease of doing business and reduce the time frames for clearances.

Annexure C: Pharmaceutical Sector

1. New Bulk Drug Policy and PLI Scheme

a. Out of the 3 Bulk Drugs parks under the new API policy, 1 Bulk Drug Park (for Synthetic APIs) be allocated to Gujarat, keeping in view the fact that Gujarat is India's leading producer of Formulations, has a fully active and supportive eco system including developed chemical industry to supply inputs and consume by-products, proximity to Ports, developed Engineering industry, Environment treatment facility due to coastal proximity, academic institute etc.

b. Request to review the requirements for net worth and minimum investment under the PLI Scheme

2. Promotion of API Industry in India

a. Segregate the API industry from the Effluent treatment industry. Experts in API industry are experts in Chemistry and must be promoted to use their knowledge to develop and manufacture API. Simultaneously, the Effluent treatment/ environment management industry can be promoted and developed so that it can be made accountable for the environment issues. Both industries can be developed so that they support each other.

b. Extend the exemption granted to existing API industry from EC, which is granted upto 30th Sept 2020, to extend further upto 31st March 2021. Also, the exemption must be granted to those manufacturing "API and Intermediates" as most API manufacturers also manufacture Intermediates first and then convert to API finally.

c. Environment clearance to be given to API industry be granted as "Synthetic API and Intermediates" so that changing product or adding new products, without any change in environmental load, can be easily done.

3. Exports

a. Mutual Recognition Agreement with more than 150 countries who accept WHO GMP as a level of plant GMP compliance. This will open a big market access of pharmaceutical formulations for India. No other country has this advantage as of now, and India can be the first.

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