

SPOTLIGHT

- **Sector in Focus: Chemicals, Plastics and Petrochemicals**
- **Industrial Infrastructure: PCPIR and Plastics Park, Paradip**
- **Ease of Doing Business: Key Business Reforms implemented by the Labour and ESI Department**
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► Sector in Focus

Chemicals, Plastics and Petrochemicals

India is the 4th largest consumer of crude oil and petroleum products in the world. It is the 3rd largest producer of chemicals. Consumption of petrochemical intermediates in India has been growing at a CAGR



of 7% over the past 5 years. The Demand – Supply gap for petrochemical intermediates has been growing at a CAGR of 12% over the past 5 years. The considerable growth in demand for Chemicals, Plastics & Petrochemicals products in

local as well as global market, offers substantial investment opportunities in the sector.

Odisha has identified Chemicals, Plastics and Petrochemicals as one of the focus sectors of the State and is developing world class infrastructure to provide a conducive business environment and attract investments..

The State has a forward looking Industrial Policy which offers a number of attractive incentives for investments in the sector. The highlights of the policy ecosystem include:

Incentives for setting up Private Industrial Parks

Capital grant of 50% of infrastructure cost upto:

- Rs. 10 crore for setting up a new park
- Rs 5 crore for upgradation of existing park

Anchor Tenant Subsidy

- 25% subsidy on cost of land

- VAT Reimbursement for upto 9 years

Additional Fiscal Incentives

Capital Subsidy on plant & machinery of upto Rs. 50 crore in Plastics sector based on investment and employment:

- 5% Interest Subsidy per annum on term loan for a period of 5 years
- 100% reimbursement of ESI and EPF: a) 3 years for displaced workers, b) 5 years for persons with disabilities
- 100% exemption on Stamp Duty
- Electricity Duty exemption upto a contract demand of 5 MVA for a period of 5 years
- 100% assistance for obtaining quality certification
- 100% reimbursement of cost for purchase of technology upto Rs. 5 lakh
- Training Subsidy of upto Rs. 4,000 per person based on investment and employment.

► Industrial Infrastructure

Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) Paradip

Odisha is home to one of the only four Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) approved by Government of India.

Strategically located in the vicinity of Paradip Port, the region is developed over an area of 284 sq. km with 123 sq. km of processing area exclusively for industrial and associated development.

Indian Oil Corporation Limited (IOCL), India's biggest state-owned oil and gas behemoth is the anchor tenant of the

Polypropylene, Mono Ethylene Glycol, Paraxylene-Purified Terephthalic Acid (PTA) Complex and Petcoke Gasification from its refinery.

The region would offer opportunities in Integrated Petrochemical products such as Polyester Chips, Fibres, PET Bottles & Chips Sheets, high performance chemicals, pigments and coating products etc.

Plastics Park, Paradip

As a part of the larger PCPIR ecosystem, the State Government is developing an industrial park exclusively for plastics and polymers. Spread over an area of 120 acres, the park shall have state-of-the-art manufacturing base with common facilities for the downstream plastic industry. The units set up in the park shall have committed feedstock of Polypropylene and Ethylene from IOCL.

The park offers investment opportunities in injection moulding, blow & roto moulding and extrusion moulding. Short profiles have been prepared with key features of various projects that investors may consider to set up. These project profiles are available on the link:

<http://investodisha.org/download/InvestmentOpportunitiesforDownstreamIndustriesinPlastics.pdf>



project with a 15 MMTPA refinery under operation. It has also committed availability of petrochemical feedstock such as

► Ease of Doing Business

Key reforms by Labour & ESI Department

A host of measures are being taken up by the State Government to create an investment-friendly ecosystem for businesses. In this endeavor, the Labour and ESI Department has undertaken several reforms to make it easy for companies to set up and operate in the State.

The Department has designed a Voluntary Compliance Scheme for Industries and Commercial Establishments to simplify the processes involved in implementation of various labour laws in the State. Inspections under 18 labour laws have been included under this scheme. The industries/establishments covered under the Scheme will be inspected only once in 3 years under various labour laws.

The Department has implemented numerous other

reforms such as:

- Provision for renewal of Factory License for a duration of 10 years
- Provision for third party certification of boilers
- Self-certification under Factories Act

Furthermore, the department has delegated powers to:

- Joint Directors for approval of factory plans, renewal of factory licenses, and approval of steam pipelines drawings
- Deputy Directors for approval of extension plans for factories and renewal of factory licenses for 'one-year' term for factories with manpower upto 100 persons
- Executive Engineers in the Works Department and Rural Development Department for issuance of Certificate of Stability in respect of buildings and structures

► Other Key Events

Investors' Meet at Vizag

An investors' meet was organised at Vizag during July 26-27, 2017 where the State delegation met with approximately 50 investors over two days.

During the meetings, the delegation discussed the business ecosystem and the investment opportunities in the State. The first of its kind Sea food park at Deras generated strong interest amongst the sea food processing companies based in Vizag.



Shri Sanjeev Chopra, Chairman-and-Managing Director, IPICOL and Shri Sanjay Singh, CMD, IDCO interacting with sea food exporters at Vizag

73rd SLSWCA Meeting

The 73rd State Level Single Window Clearance Authority (SLSWCA) meeting held on July 29, 2017 approved investment proposals worth Rs. 1,325 crore for projects by Chettinad Cement Corporation, North Eastern Electric

Coastal Economic Zone at Paradip-Dhamra

Shri Amitabh Kant, CEO, NITI Aayog and a senior delegation from Government of India visited Dhamra to evaluate the potential of Dhamra-Paradip to be developed amongst the first CEZs in the country

East Coast Economic Corridor

Asian Development Bank (ADB) has submitted the draft draft findings of the Comprehensive Development Plan (CDP) for the East Coast Economic Corridor to the State Government. The final plan is due for submission by Aug 16.



Mr. Kenichi Yokoyama, Country Director, ADB presenting the draft CDP for ECEC to Shri A P Padhi, Chief Secretary

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