

EDB

ANDHRA PRADESH
ECONOMIC
DEVELOPMENT
BOARD

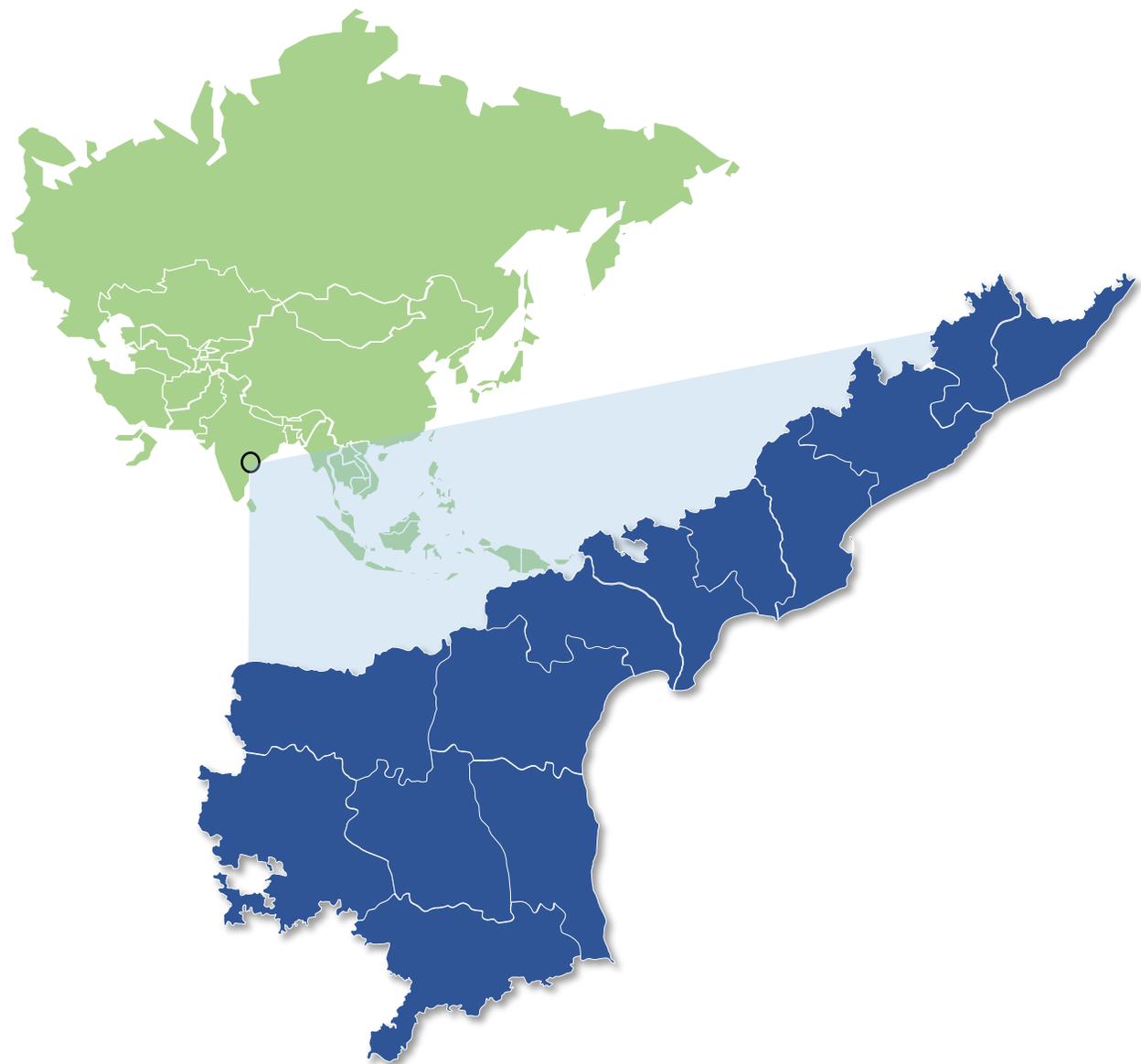


Govt of Andhra Pradesh

Overview of Chemicals & Petrochemicals Ecosystem,
Ease of Doing Business and Opportunities

Andhra Pradesh – Driving India’s Transformation

Gateway to the East with access to 6 Seaports, 6 Airports (3 international) and Domestic demand centers



- 

8th

Largest state in India spread across 162,968 sq km
- 

138

Billion USD GSDP (current price) in 2019-20
- 

974 Km

Second longest coastline with 4 large ports for Indo-pacific trade
- 

27%

Higher per capita income than national average
- 

50%

Targeted increase in urbanization from 35%
- 

400

Industrial parks with pre-cleared land parcels, Plug and Play facilities

Overview of Chemicals and Petrochemicals Sector in Andhra Pradesh



Ideal destination to tap the **USD 11 Bn worth India Opportunity** in Petrochemicals and drive exports in Chemicals sectors

8%
India's production value as on FY 2019-20 i.e., **USD 11.9 bn**

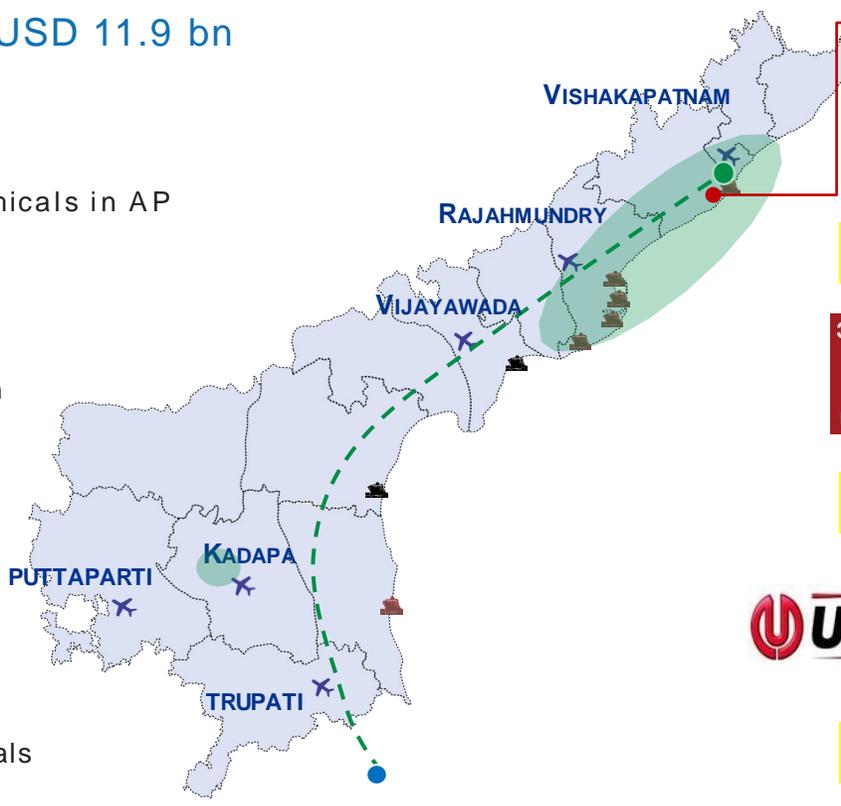
USD 2.4 Billion
Worth investments in Chemicals & Petrochemicals in AP

22%
Growth in AP Exports with **USD 2.1 bn** as on FY 2019-20

1,130 MMTPA
Home to maximum oil and gas reserves

640 Sq.km
Largest Petroleum, Chemicals and Petrochemicals Investment Region in India

5,100+
Mega and MSMEs employing **1.2 lakh** workforce



Largest PCPIR in the nation spread across 640 sq.km between Vishakapatnam and Kakinada

Companies covering Pharma, Organic and Inorganic chemicals, Specialty Chemicals, Industrial Gases, Agro-chemicals and Fertilisers

Oil & Gas Exploration and Refinery Companies



Major Agro-Chemical Companies

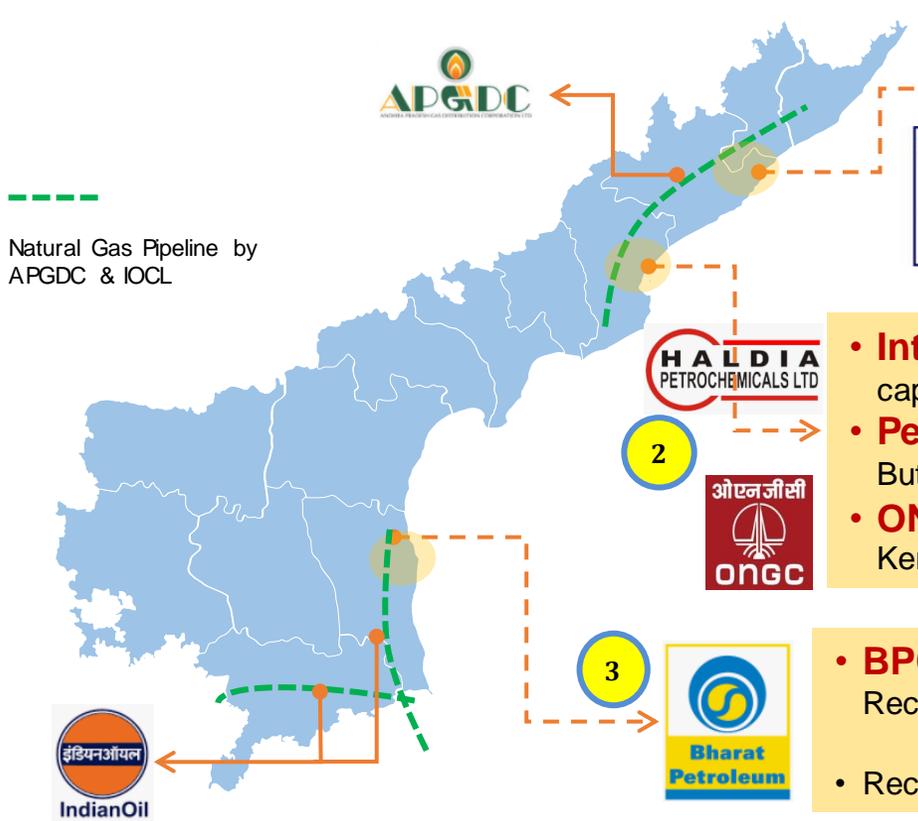


Major Chemical Companies



Presence of Refineries and Availability of Feedstock

Opportunity to build **Self-sufficiency** in Petrochemical Intermediates and drive downstream industries



- **Brownfield expansion of HPCL** refinery from current 8.33 MMTPA to 15 MMTPA
- Hydrocracker unit (FCHCU) with a capacity of 3.053 MMTPA as part of **Visakh Refinery Modernization Project (VRMP)**
- **JV of HPCL & Total of France** - LPG cavern at Visakhapatnam Port for 60,000 MT and Crude Storage of 1.2 MMT

- **Integrated “Crude to Chemicals” Complex** by Haldia Petrochemicals Ltd with capacities of – Refining capacity 9.5 mmTPA, Ethylene Cracker Complex 1.5 mmTPA and Aromatics (PX) 1.6 mmTPA
- **Petrochemical production** of Polymers (HDPE, LLDPE, PP), Chemicals (MEG, Paraxylene, Benzene, Butadiene etc)
- **ONGC Refinery of 0.1 MMTPA crude oil** at Tatipaka, producing Naptha, High Speed Diesel, Superior Kerosene Oil, Reduced Crude Oil

- **BPCL is setting up new Petroleum Oil (POL) Terminal** with capacity of 1.61 lakh cubic meter for Receipt, Storage and Dispatch of Petroleum Products - Motor Spirit, Ethanol, High Speed Diesel and Bio-Diesel
- Receipt would come from BPCL Cochin crude oil refinery of 9.5 MMTPA

Opportunities across end-user industries in Andhra Pradesh

- 12.4%** Growth in **Specialty Chemicals** segment
- 12%** Growth in **Agro Chemicals & Fertilizers**
- 7.5%** Growth in **Petrochemical products**

- 2400+ units invested in **Plastics, Polymers and Allied**
- 4700+ Textiles unit invested within **Artificial, Synthetic, Man Made Fiber, Grey Fabric, Polyester fabric, Agro-textiles**

- Ranked #1 in **Horticulture** - Chillies, Cocoa, Lime, Papaya, and Tomato, Banana, Mango
- Ranked #2 in **Agriculture** in India, with 16000 FPU

- 3 MTPA Integrated **steel plant**, *downstream industries*
- **Sector-specific parks** – *Pharma, Electronics, Furniture*
- **10,641 RBKs** planned to supply seed, fertilizers & seedling to agriculture, Aquaculture and Horticulture

Strong Port Infrastructure and Port-led Development

With direct shipping calls from South East Asian economies to ports in Andhra Pradesh vis-à-vis ports on West coast, the transit time of around **2-3 days** is saved

A New Ports Planned



- Machilipatnam
- Ramayapatnam
- Bhavanapadu
- Kakinada SEZ

B Institutional

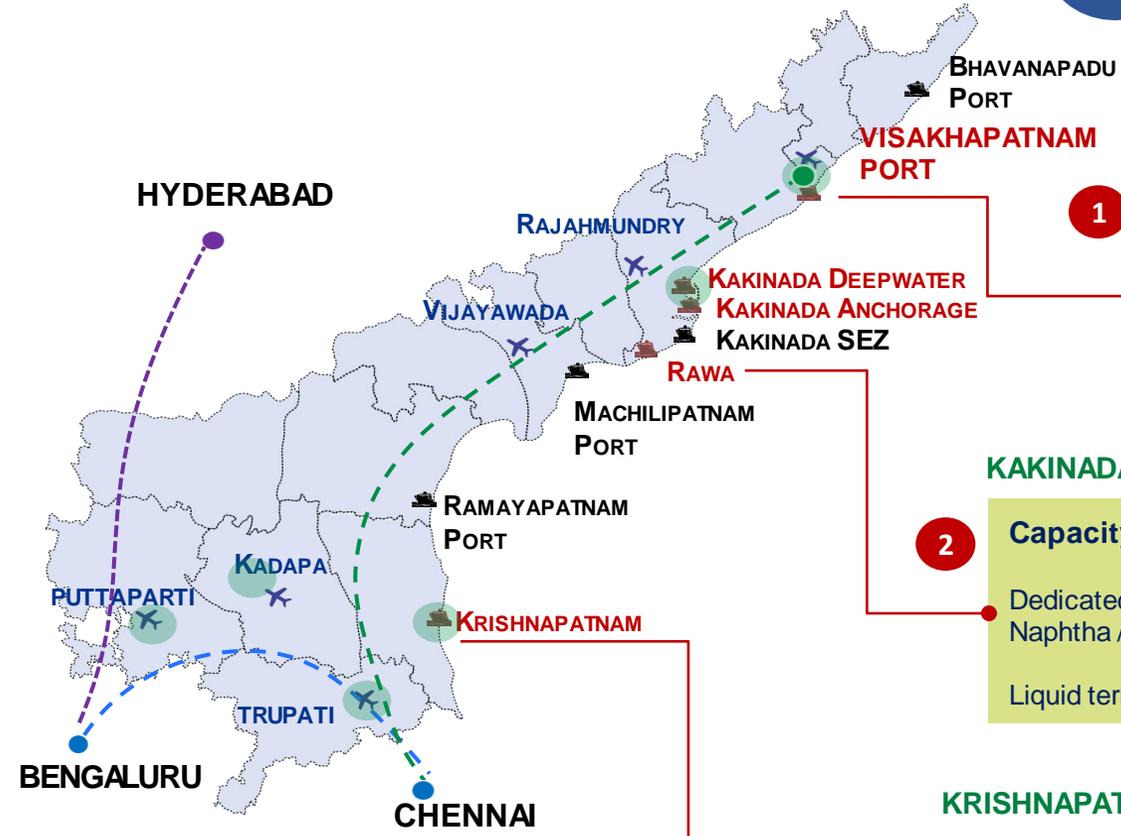


- **AP Maritime Board** for Rapid Development

C Industrialization



- **Port Based Clusters**
- **Desalination Plants** for Assured Water Supply



Legend	
	Existing Ports
	Proposed Ports
	Airports



#2 in Cargo handling capacity
150 MMT of Cargo per annum as on FY 2018-19, targeted to 326 MMT

VISAKHAPATNAM PORT



1

Capacity: 125 MMT PA

Cargoes handled: Iron ore, Coal, Crude oil, Petroleum products, LPG, Fertilizers, Liquid cargoes

Connectivity: 4 lane 12 Km corridor between Visakhapatnam port to NH16 (golden quadrilateral)

KAKINADA PORT



2

Capacity: 14 MMT PA, upgradation to 27 MMT PA

Dedicated berths for Petrochemical complex and Crude Oil refinery, Naphtha / Ethane, etc

Liquid terminals to handle Very Large Crude & Ethane Carriers

KRISHNAPATNAM PORT



3

Capacity: 54 MMT PA

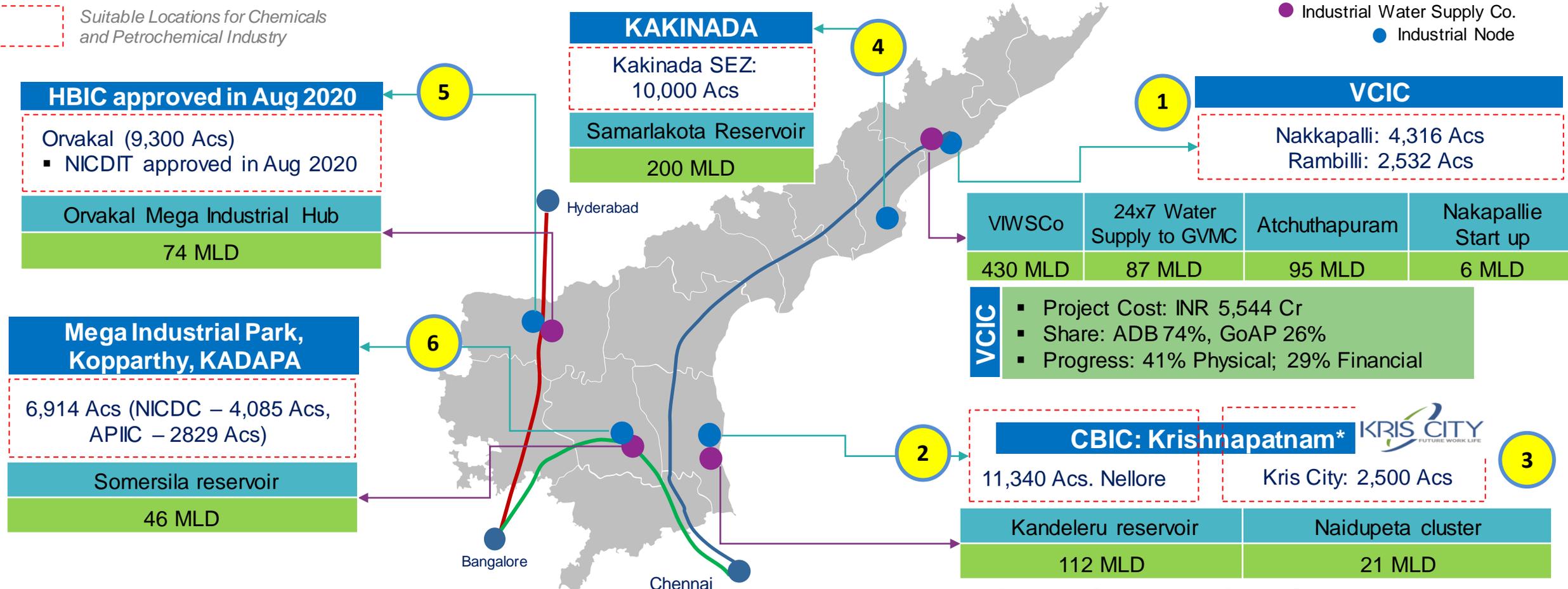
Two Dedicated Liquid Cargo Handling Berths of 17.5 meters for LPG/LNG Ships, POL, Chemicals, Speciality Chemical Ships

Dedicated Liquid Storage for LPG, LNG, POL Products, Petrochemical Products, Speciality Chemicals, Chemicals And Edible Oil

Industrial Corridors and Industrial Water Supply Projects

Only state in India to have **3 National Industrial Corridors**, across 48,352 Acres of land bank

Suitable Locations for Chemicals and Petrochemical Industry



NICDC: National Industrial Corridor Development Corporation

- Vizag-Chennai Industrial Corridor (VCIC)
- Chennai-Bangalore Industrial Corridor (CBIC)
- Hyderabad-Bangalore Industrial Corridor (HBIC)

*INR 2139.44 Cr approved by Cabinet Committee on Economic Affairs, GOI under CBIC Development

- The National Industrial Corridor Development dovetails into the PCPIR development, improving the connectivity further
- Presence of CETP, Access for marine outfall, Well connected and established logistics, Proximity to ports offers distinct advantage

AP Industrial Policy 2020-23 & **Special package of Incentives** for Mega Industrial Hub at Kopparthy, YSR Kadapa District



STAMP DUTY/ TRANSFER DUTY

- 100% Reimbursement



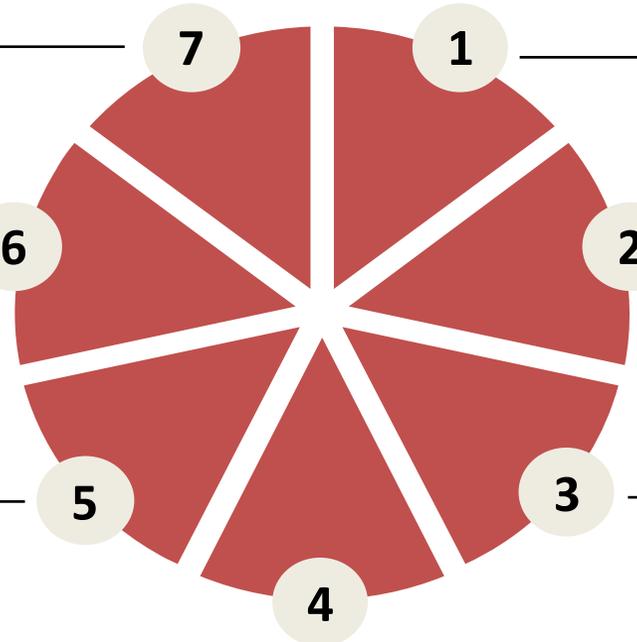
INVESTMENT SUBSIDY

- 15% FCI, upto INR. 20 lakhs
- 20% FCI, upto INR 10 Cr



LAND CONVERSION

- 25% of Conversion charges



INTEREST & LOGISTICS SUBSIDY

- 5% upto INR 1.5 cr per year, for 5 years
- 25% of cost on domestic transport, upto INR 50 lakhs PA for 5 years



POWER SUBSIDY

- Rs. 1/- per unit for 5 years



NET SGST

- 100% Reimbursement for 10 years, upto 100% of FCI



Composite Lease cum Buy Model to de-risk investments and reduce upfront costs

About **4.9 Lakh** Semi-skilled, **3.1 Lakh** Skilled, and **12,000+** B.Pharm/ M.Pharm/ Chemical Engineers Talentpool is available around potential locations on annual basis

Tailor-made Incentives

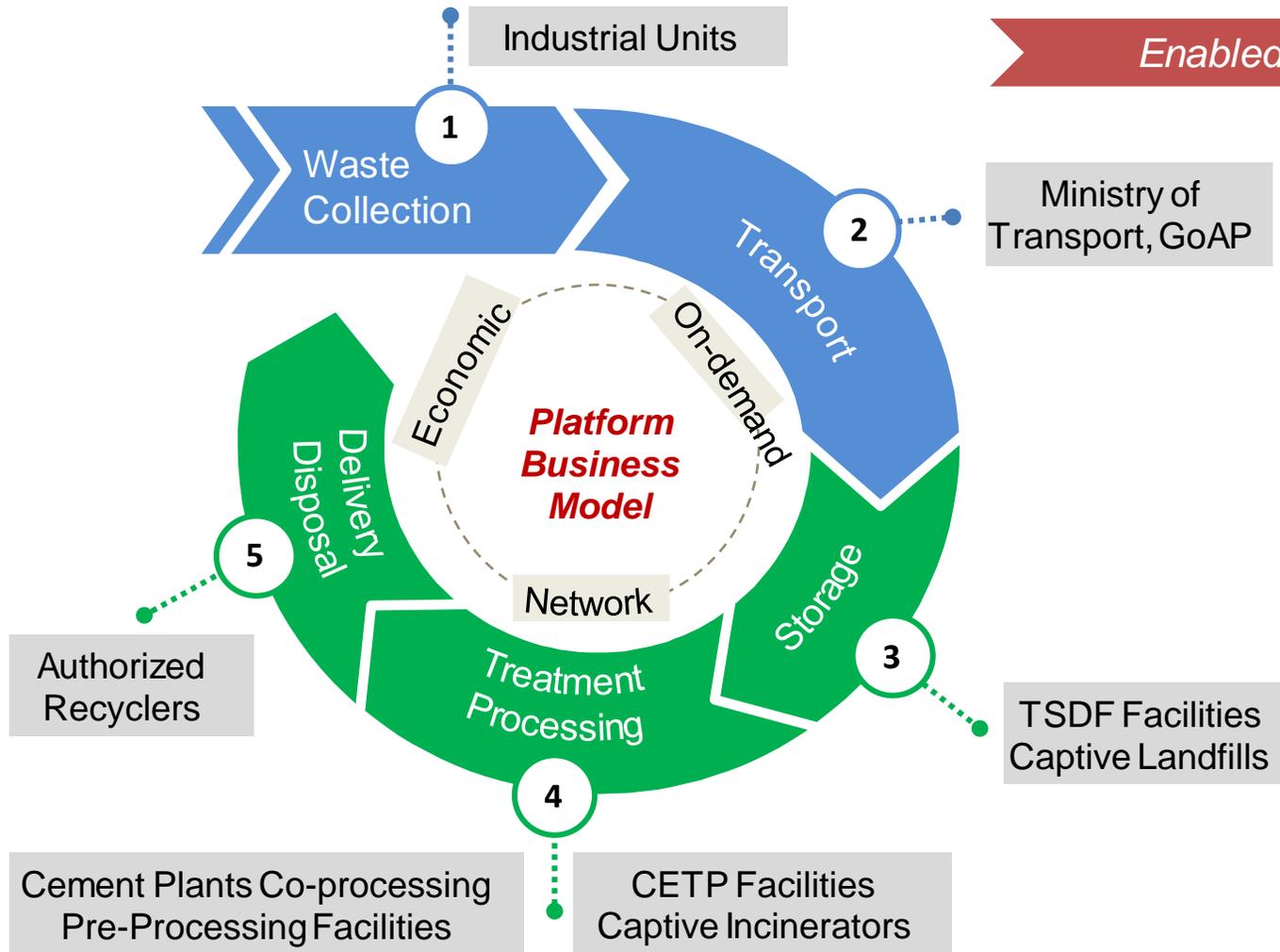
For Investment proposals generating employment for more than 2,000 or investment of INR 500 cr



LAND PRICES	POWER COST	WATER COST	SKILL WAGE
INR 2,000-2,250 per sq.meter	INR 6-7 per kWh	INR 50-60 per KL	INR 8,000-10,000 per month
25-30% lower	33% lower	Abundance and 40% lower	15-20% lower

Effective – *Minimizing Cost of Doing Business*

First State to incorporate a government entity to provide effective mechanism for collection, transportation, storage, treatment, processing, delivery and disposal of the industrial and other wastes by industries



Online Waste Exchange Platform

2683 Waste Generators,
86 Waste Receivers
980 TPD Waste Generated and Disposed

- ### Salient Features
- 100% tracking of waste generation and disposal
 - GPS Vehicle tracking for movement of waste
 - Scrutiny and audit of waste
 - Safe disposal of toxic waste
 - Promote usage of recycled waste
 - Promoting 6 R's of waste management – Reduce, Reuse, Recycle, Refurbish, Redesign and Remanufacture to protect environment

Reduces operational cost of industries by 18-20% and Cost of compliance towards Environmental, Social and Governance norms

Waste and Manifest Management – *Service Charges for Waste Management*

With inputs and recommendations from BDMA, Cement Industries Association, CETPS, TSDFs, Pre-Processing units and Oil Reclamation (Recycling) units



Facilities Offered	Current Capacity	Planned Capacity
CETP	30.97 MLD	39.7 MLD
TSDF	10,25,000 MT	10,00,000 MT
Waste Pre-Processing Facility		50,000 MT (APIIC Atchutapuram)

#	Hazardous Waste	Service Charge (per Ton/ KL)
1	Utilizable Waste	INR. 100
2	Recyclable Waste	INR. 10
3	Incinerable waste	INR. 200
4	Landfillable Waste	INR. 50

#	Non-Hazardous Waste	Service Charge (per Ton/ KL)
1	Fly Ash	INR. 5
2	Domestic Solid Waste	INR. 1
3	Plastic, Glass	INR. 2

#	Liquid Waste	Service Charge (per Ton/ KL)
1	HTDS	INR. 50
2	LTDS	INR. 25
3	Marine Outfall	INR. 10

Pre-processing Facilities for sending pre-processed waste to cement industries for co-processing – **INR 25 per ton/KL**

Going beyond Ease of Doing Business

Andhra Pradesh to be the most preferred investment destination with sustainable growth

Vision

Beyond EoDB

EoDB + Perception

Ease of Doing Business (EoDB)

Minimizing Cost of Doing Business

Rationalization measures in fees charged, cost of compliances etc.

AP Environmental Management Corp Ltd, 'Platform-business model' for waste collection and disposal
 Ready Built Factories/ Plug & Play Facilities
 Skill Development

Implementation based rankings

Implementation of Business Reform Agenda shared by DPIIT,
 Business Process Re-engineering,
 Time bound service delivery,
 Online payment & status tracking of application

Reducing Risk of Doing Business

Lease cum buy model to minimise risk of capital
 "Industries Spandana" Query and Grievance
 Centralized land encumbrance information systems
 Alignment of Relationship Managers to ensure setting up compliance with all requirements
 Export Promotion Committees at district level
 Reforms in compliance inspection to reduce risk of interruption in operations

EoDB | Ranked 1

Perception based rankings

Ensure reform implementation at ground level
 Encourage usage of Single Window Portal
 Building capacity of investors and staff on newly implemented systems and reforms
 Kicked Off District Outreach workshop in Jan 2021 at Vizianagaram



Highest Rating in Business Reforms Action Plan (BRAP) 2019, by DPIIT



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We Welcome you to Partner in Andhra Pradesh's Industrial Growth Story