

Haldia industry hit by higher electricity cost: Investors

Power rate worries units

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Haldia, April 28: The Mamata Banerjee government today got a wake up call amidst its efforts to pitch Haldia as an investment destination as representatives of industrial units aired their concerns over steep power costs at the industrial township at a seminar here.

Officials of Indian Oil Corporation, which operates a refinery at Haldia, said higher tariff for power — a key raw material for any industry — from the state utility was adding to the cost of production at the plant.

"Based on a Supreme Court directive, by 2020-21, Bharat Stage VI fuel should be made available in all metro cities in the country. As part of that initiative, the Haldia refinery has lined up investments to the tune of Rs 10,000 crore in the coming four years for expanding production capacity and improving quality. It will be difficult to manage cost unless we get electricity at a cheaper rate," said C.K. Tiwari, the executive director of the Haldia refinery.

He was addressing a seminar organised by the Merchants' Chamber of Commerce and Industry here today.

In order to keep business margins intact, Tiwari said, the oil major was exploring the idea of sourcing power from the national grid or setting up a captive power unit of its own, which would entail further cost.



Tamluk MP Dibyendu Adhikari inaugurates the seminar at Haldia on Friday

The executive vice-president of Haldia Petrochemicals Ltd, Ashok Kumar Ghosh, also referred to the high price of electricity in Haldia.

"In Bengal, the industrial electricity tariff is much higher than what is in Gujarat's Hazira where gas-based power is cheaper," said Ghosh.

Investors have raised their concerns on several occasions over the 30 per cent gap between the West Bengal State Electricity Distribution Company Ltd and other suppliers like Damodar Valley Corporation, a central utility, for the rate they charge for power in the industrial towns of Bengal.

The industrial units at Haldia claimed that compared to Rs 6.5 to Rs 7.5 per unit in nearby states, the Bengal power utility was charging close to Rs 9 per unit.

Rohit Ferrotech, which operates a factory at Haldia, had suspended work in 2015 over high power costs.

"The Bengal government is pitching abundance of power as a key advantage for potential investors. But those who depend on the state power utility know about the lopsided power tariffs, lower for households and higher for industry. Several industrial units operating at Asansol, Durgapur and Haldia, which

source power from the state utility, have repeatedly taken up the matter both with the state government as well as the West Bengal Electricity Regulatory Commission," said a Calcutta-based industrialist.

State power department officials, however, said industries were charged higher to compensate the cheap electricity the Bengal government was providing to domestic consumers. "Their claim is nothing new. Our tariff has been kept higher because we have to manage our own costs as we are cross-subsidising domestic users," said a WBSEDCL source.

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- KOLKATA

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State growth has surpassed national records: Adhikari



EOI CORRESPONDENT

KOLKATA, APRIL 28/--/The Merchants Chamber of Commerce and Industry organized a Seminar on "Destination Haldia: The Road Ahead" today at Haldia. The Seminar was inaugurated by Dibyendu Adhikari, Member of Parliament, Tamluk Constituency.

The Seminar was addressed by G Senthilvel, Deputy Chairman, Haldia Dock Complex, Dr. Rashmi Kamal, IAS, District Magistrate & District Collector, Purba Medinipur, Alok Rajoria, IPS, Superintendent of Police, Purba Medinipur, Samit Chatterjee, GM, District Industries Centre, Purba Medinipur, Ashok Kumar Ghosh, Executive Vice President, Head Plant, Haldia Petrochemicals Ltd., C K Tiwari, Executive Director, Indian Oil Corporation Ltd., Prahlad Hazra, Chief Advisor to Confederation of Purba & Paschim Medinipur District Chamber of Commerce & Industries and Kanta Basu, its Chairperson, Women's Cell.

While delivering the welcome address, Hemant Bangur, President MCCI said the Kolkata centric model of development has to be dispensed with and these policies and programmes have to be percolated at the ground-level in Tier-II and Tier-III towns, which are acting as the catalytic agents of development for the State. Such interactions at the ground-level in the districts with a Regional Chamber of Commerce like MCCI, local administration, local Chamber of Commerce, business community and entrepreneurs will create a strong bonding and provide a platform to exchange ideas for developing coherent policies particularly for MSME sector, which contributes about 45 p.c. of the industrial output and 40 p.c. in exports.

Inaugurating the seminar, Mr Adhikari said that under the dynamic leadership of the Chief Minister, state growth parameters of the state are much higher than the national average in industry and agriculture. Mr Senthilvel informed that waiting time for getting a birth in Haldia Dock Complex has since been reduced. Mr Ghosh lamented on low per capita consumption of HDP in India and low demand of their products are affecting the growth of HPL. Mr Tiwari mentioned about the growth plan of IOC who will be producing Euro VI grade auto grade fuel by 2020. Dr Kamal and Mr Rajoria assured all possible help from administration for smooth run of the industry.