

## NEWS FLASH –2<sup>nd</sup> March, 2016

### SUGAR

#### Firm trend in sugar

Sugar prices at mill level ruled firm on back of rising temperature and renewed demand. Prices on the Vashi market edged up by ₹ 2-5 a quintal while at naka level it gained by ₹ 5-8. Mill tender rates were up by ₹ 10. Arrivals to the Vashi market were 59-60 truck loads while local dispatches were at 61-62 loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹ 3,212-3,302 (3,205-3,300) and M-grade ₹ 3,292-3,392 (3,290-3,392). Naka delivery rates: S-grade ₹ 3,220-3,270 (3,200-3,270) and M-grade ₹ 3,270-3,340 (3,270-3,335).

(Source-<http://www.thehindubusinessline.com/markets/commodities/firm-trend-in-sugar/article8300711.ece>, published in Hindu Business Line, March 1, 2016)

#### Indian Beverage Assn seeks relook at excise duty hike

The Indian Beverage Association (IBA) on Tuesday urged the Finance Minister to reconsider the latest increase in excise duty, stating that the viability of the soft drinks industry could be at "grave" danger due to the "consistent adversarial tax approach".

Disappointed with the 3 per cent hike in excise duty on aerated or sweetened beverages proposed in the Budget, the Association said: "This is the third consecutive increase in excise duty since July 2014 and has resulted in an overall increase of 75 per cent, from 12 per cent to the current 21 per cent, during this short period."

Strain on profitability

It said the industry's growth had suffered significantly in 2015 as a result of the earlier increase, adding that the back-to-back hikes will have a serious negative impact on the entire value chain. The IBA statement also pointed out the "pivotal role" played by the industry in supporting sugarcane farmers by accepting the increase of 416 per cent in sugar cess, "despite such cess being not available as a credit, resulting in a direct strain on the profitability of the industry."

The latest excise hike comes in the backdrop of the December report of the Chief Economic Advisor that put sweetened carbonated beverages in the demerit category, proposing tax at the rate of 40 per cent.

The IBA maintained that aerated beverages were not "sin goods or luxury goods" and the ingredients used did not pose any health hazard.

As per industry estimates, the aerated beverages industry has been witnessing a slowdown, with a compounded annual growth rate of 12 per cent in recent years, declining to less than 4 per cent in 2015. The Association also pointed out that the industry was adversely impacted with several States raising value-added tax on carbonated beverages.

(Source- <http://www.thehindubusinessline.com/economy/indian-beverage-assn-seeks-relook-at-excise-duty-hike/article8300886.ece>, published in Hindu Business Line, March 1, 2016)

## COGEN

### 6th World PetroCoal Congress-2016 organised successfully

The 6th World PetroCoal Congress-2016 was organised at New Delhi, India, during February 15-17, 2016, with the participation of 323 national and international delegates from Australia, Belgium, Canada, Hong Kong, Singapore, South Africa, UK, USA. The Conference brought together leading international and domestic players, policy makers, government officials and technocrats on a common platform. The theme of the 6th World PetroCoal Congress, "Petroleum-Coal-Gas: Ensuring Sustainability", provided an appropriate platform for taking stock of new fossil fuels, cleaner use of existing fuels and the need for closer networking among the various agencies handling different fuels for synergising their operations and strategies to achieve higher value addition to secure and depleting resources, enhancing benefits to society, and encouraging better environmental management.

The 6th WPCC-2016 was inaugurated by Mr. Anil Razdan, Former Secretary Power, Government of India on 15th February 2016 and highlighted the importance of fossil fuels in the energy mix for greener growth. Speaking on the inaugural function

#### **The following resolution was adopted in the Congress:**

- Energy will continue to drive economic growth and the fight against poverty in much of Asia and Africa. It has to be affordable and accessible.
- The goal is reliable, sustainable and affordable power to the people. Hence the need to develop a long term road map of Energy for the Citizens. This will vary from region to region, depending upon available resources.
- There is need for developing energy integration and energy synergy, rather than pursue a path of energy apartheid. There is no space for war among fuels. The need is for harmony between different fuels for betterment of the global population. This will be achieved through development of holistic integrated energy systems to provide affordable, reliable, cleaner and sustainable energy for the global citizen to attain universally accepted economic, social and environment goals.
- Grid integration of New Renewables has to move in tandem with new renewable generation capacity addition. Fossil fuels generation will contribute significantly to this integration.
- Fossil fuels will continue to dominate energy use for some decades. There is need to effect improvements from the start of the fuel chain to the end of the delivery chain to ensure cleaner energy management. Coal will also continue to be a dominant fuel for reasons of energy security, load requirements and systems availability. Its beneficiation needs sharp focus.
- The development of lower capacity ultra super critical coal fired generation technology is a necessity.
- Carbon Capture Utilization and Fixation could be the focus of future carbon capture technology development.
- Cleaner Coal Utilization could be achieved through an accelerated development of Coal to Liquid and Coal to Gas. These technologies should be the beneficiaries of clean coal funds and green energy funds.

- Natural Gas is likely to be the fastest growing fossil fuel. It could develop as a universal transport and cooking fuel. Hence the need to develop the infrastructure for its storage, transportation, universal availability and access. Gas grids should develop with the same priority as power grids. The current era of lower prices of oil and gas provide an opportunity for heavy investment in infrastructure of availability. The market of gas will need to develop and mature as market for oil.
- Non-conventional sources of gas and oil, like CBM, CMM, Gas Hydrates, Shale Oil and Gas, Tight Reservoirs need priority funding and development to enhance energy security.
- Rapid urbanization and urban pollution are global concerns. Mindless urbanization without adequate traffic planning cause traffic congestion and can lead to greater and avoidable pollution. Urban planning must incorporate smooth traffic flow. Mass rapid transportation systems could become the norm for future urban development.
- There is an urgent requirement for moving to cleaner EURO 6 transportation fuels, as well as the need to regulate and update automobile technology, as well as its retrofit, to keep urban environment clean.

(Source-<http://energy.economictimes.indiatimes.com/news/power/southern-grid-to-get-4000-mw-more-power-in-one-year-piyush-goyal/51174704>, published February 28, 2016)

**THOUGHT OF THE DAY:**

“People demand freedom of speech as a compensation for the freedom of thought which they seldom use.”

-Soren Kierkegaard