ILFI INFRASTRUCTURE INDUSTRY AND LOGISTICS FEDERATION OF INDIA

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Foreword

Post-Lockdown Strategy for Infrastructure Projects in the Country

The recent report of the ministry of statistics and programme implementation regarding the losses suffered by projects due to cost and time overruns needs careful analysis. According to the report, 401 infrastructure projects, each worth Rs 150 crore or more, have been hit by cost overruns. The value of losses on account of the delays and other reasons are estimated at Rs 4.06 lakh crore. The projects hit by time overruns is put at 583, of the total 1701 projects evaluated by the ministry. That would mean a total of 984 projects are hit by time and cost overruns.

The ministry's observation has come after evaluating data till December 2019. During the Covid-19 days, a study undertaken by projects monitoring organization - Projects Today- reveals that around 8,917 projects worth Rs 21.11 lakh crore are stuck in the 108 red zone districts, which account for 37.4 per cent of the total projects under execution across the country. These include 1,292 road projects, 166 railway projects, 203 hospital projects, 3,971 real estate projects, 630 under-construction commercial complexes and 178 industrial parks, among others. The remaining over 900 projects pertain to sectors like manufacturing, irrigation, power and mining. Of the 8,917 projects, 62.9 per cent are owned by government agencies. The Central government agencies are executing 1,036 projects worth Rs 4.42 lakh crore, various departments of the state governments are executing 2,609 projects worth Rs 8.86 lakh crore.

The above analysis clearly shows that for the year 2020, the cost and time overruns are likely to go up. The government has taken cognisance of the possible delays in the implementation of the project. That is why the government has estimated a sizable contraction in the GDP growth, given that the road to economic recovery is still uncertain.

What is the way out? The task force to draw up the National Infrastructure Pipeline (NIP) headed by Economic Affairs Secretary Atanu Chakraborty, which has submitted its report to the finance minister, recently projected total infrastructure investment at Rs 11 lakh crore during 2019-20 to 2024-25. It also says that investment to that tune is critical to take India to US$ 5 trillion economy by 2025.

The report of the task force has come at the most opportune time. Infrastructure creation is also labor absorbing and boosts employment and income generation in the economy and further spurs domestic demand. Improved infrastructure capacities also create efficiency gains through improved logistics and networks, which would improve the competitiveness of the economy.

Of the total expected capital expenditure of Rs 111 lakh crore envisioned by the task force , projects worth Rs 44 lakh crore (40 percent of NIP) are under implementation, projects worth Rs 33 lakh crore (30 per cent) are at conceptual stage and projects worth Rs 22 lakh crore (20 percent) are under development. Sectors such as energy (24 per cent), roads (18 per cent), urban (17 per cent) and railways (12 per cent) amount to around 71 per cent of the projected infrastructure investments in India. The Centre (39 per cent) and States (40 per cent) are expected to have an almost equal share in implementing the NIP in India, followed by the private sector (21 per cent).

We have the blueprint for infra development in the post Coid-19 days and a government committed to steer clear the economy from the fault lines cast by the pandemic. What we need is a strong implementation machinery to complete the projects in a time bound manner. It is also the key to India’s post pandemic development.

Dr Mahesh Y Reddy

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Infra task force report released

Describing infrastructure development as an enabler for growth, a finance ministry-constituted task force has observed that creating new and upgrading existing infra projects with Rs 111 lakh crore investment will be key to raising India's competitiveness and achieving US$ 5 trillion economy goal by 2025.

The task force to draw up the National Infrastructure Pipeline (NIP) headed by Economic Affairs Secretary Atanu Chakraborty projected total infrastructure investment at Rs 111 lakh crore during 2019-20 to 2024-25. The final report of the task was submitted to Finance Minister Nirmala Sitharaman recently.

Cost overruns affect 401 infra projects

As many as 401 infrastructure projects, each worth Rs 150 crore or more, have been hit by cost overruns of over Rs 4.06 lakh crore owing to delays and other reasons, according to a report by the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above. Of the 1,701 such projects, 401 projects reported cost overruns and 583 projects time escalation.

The total original cost of implementation of the 1701 projects was Rs 20,65,739.00 crore and their anticipated completion cost is likely to be Rs 24,71,954.78 crore, which reflects overall cost overruns of Rs 4,06,215.78 crore (19.66 percent of original cost). The expenditure incurred on these projects till December 2019 was Rs 10,89,178.11 crore, which is 44.06 per cent of the anticipated cost of the projects. However, it said the number of delayed projects decreases to 483 if delay is calculated on the basis of the latest schedule of completion.

FICCI seeks infrastructure status for the lockdown-hit steel sector

Federation of Indian Chambers of Commerce and Industry (FICCI) has suggested various measures like infrastructure status to the steel industry, zero duty on critical raw materials, and another three-month moratorium to revive the sector, which has been impacted by the lockdown.

COVID-19 pandemic and subsequent nationwide lockdown have affected the demand and production of steel, as well as resulted in the rise of inventory levels, it said, adding the policy interventions would help the industry to revive and help generate employment opportunities.

Granting infrastructure status to the steel industry, it said, will give access to finance at competitive rates from various markets and sources. Besides, the entire supply chain of the sector should be incorporated into essential services, and be allowed to operate with precautionary measures as per the guidelines of the government. The industry body also suggested zero import duty on critical raw materials for steel making. The move will help players to reduce input cost and sustain in the market.

Land acquisition rules for road projects take a hit

With the economy in distress, continuing with land acquisition would offer an effective way to increase the supply of money in the market. But land acquisition has come down drastically in areas with a large number of Covid-19 cases. The National Highways Authority of India has asked state governments to expedite the process.

While the shortage of officials is a major issue, another is the financial crunch of states, which have to bear a part of the acquisition cost. Most states are facing a shortage of funds due to a fall in their revenue and enhanced spending on healthcare amid the pandemic. As of the last week of April, state governments were to clear Rs 25,000 crore of payments towards land already acquired. This would be a good time for the government to push land acquisition for infrastructure projects as people would not want to hold on to a piece of land in expectation of a better offer as the “economy softens”.

US$ 575 billion investment opportunity in transport infra in next 5 yrs: Kearney

Transport infrastructure sector in India holds an investment opportunity of US$ 575 billion in the next five years, according to a report. Although the country has improved its transportation landscape over the last two decades, much remains to be done to meet the increasing demand now and in the years ahead, the report by management consulting firm Kearney said. India holds an investment opportunity of US$ 575 billion in transport infrastructure sector in the next five years, the report said. However, it identified delays in land acquisition, clearance, constraints in funding for infrastructure projects, lack of efficient dispute resolution mechanism as key challenges in realizing the investment opportunity.

Outlining key steps for overcoming the obstacles and maximizing the opportunities, it said the government authorities need to focus on identifying the right funding model, ensuring robust cash flow management with comprehensive viability assessment, and enabling a vibrant ecosystem of concessionaires and contractors while designing their transport infrastructure development strategies.

Banks identify Simplex Infrastructures as NPA, resolution plans underway

Simplex Infrastructures, which has built some of the landmark bridges and urban mass rapid transport system in key metros, has begun to default on bank loans as delay on payments by government agencies has led to a liquidity squeeze and subsequent cancellation of some large work orders. The company's outstanding borrowings from banks and financial institutions were around Rs 3600 crore at the end of January. United Bank of India (UBI), the leader of a consortium of 28 lenders, has identified Simplex Infra account as 'non-performing asset' (NPA) in the third quarter of FY20. Bank of India too marked Simplex Infra’s Rs 24.33 crore in working capital loan as NPA in February. UBI together with State Bank of India and Allahabad Bank have large exposure in the Kolkata-based engineering, procurement and construction (EPC) firm owned by the Mundhra family.

Can NHAI build smart cities along Delhi-Mumbai Expressway?

The government is awaiting legal opinion on whether the NHAI can construct smart cities, villages and logistic parks along the Delhi-Mumbai Expressway project that could usher in development in the most backward, tribal and far-flung areas, Union Minister Nitin Gadkari has said. The Rs 1 lakh crore flagship Delhi-Mumbai Expressway project being built on a new alignment will pass through backward and far-flung tribal areas of Gujarat, Madhya Pradesh, Haryana, Maharashtra and Rajasthan and is scheduled to be completed within three years.

The Minister said, though the provisions are there for it in the NHAI constitution since the time it was incorporated but the Ministry is still taking a legal opinion so that it can proceed on the ambitious project as it would change the face of development in tribal areas, which are backward and shorn of development

Modified DPR of Ujh Multipurpose Project in J-K

The Centre has given approval to a modified detailed project report (DPR) of the Ujh Multipurpose Project (MPP) in Jammu and Kashmir at an estimated cost of Rs 9,167 crore. The Central Advisory Committee for consideration of techno-economic viability of major and medium irrigation, flood control and multipurpose project proposals accepted the project proposal subject to certain conditions.

The proposal was approved keeping in view its strategic importance from Indus Waters Treaty angle for utilisation and regulation of waters flowing across the border.The modified Ujh MPP is located on river Ujh, one of the main tributaries of river Ravi, in Kathua district of Jammu and Kashmir.

Water and sewer projects in 11 states

About 229 mega water and sewer projects worth Rs 20,000 crore have been restarted in 11 states during the current phase of lockdown. Urban affairs ministry statistics showed Maharashtra restarted maximum such projects. Following relaxations in green zone districts, construction work was allowed with social distancing norms and standard operating procedures which included setting up of proper residential camps and quarantining labourers for 14 days at the work site before beginning work. The ministry prioritised works under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which aims to provide water and sewer connection to every household in 500 cities, developing green spaces and reducing pollution by switching to public transport or non-motorised transport.

Restarting projects under AMRUT was possible as several were in green zone towns and cities. Maharashtra government restarted 63 projects worth Rs 6,783 crore. Most projects have been started in districts with fewer cases, including Ahmednagar, Akola, Amravati, Beed and Dhule. Kerala, which has only 65 active Covid-19 cases, has started 52 projects worth Rs 276 crore. Madhya Pradesh, where the confirmed Covid-19 cases have increased to 4,426, has also started 49 projects worth Rs 4,338 crore.Even as major urban centres like Bhopal, Indore and Ujjain are witnessing Covid-19 spread, projects have been restarted away from the city centres. Bhopal, for instance, has restarted a sewerage network and sewage treatment plant for Kolar and nearby Salaiya town. Chhattisgarh has also restarted 24 projects worth Rs 1,444 crore. These include projects across the state in Raipur, Durg, Raigarh, Ambikapur, Rajnandgaon, Bilaspur and Bhillai Nagar.

No increase in lease rent of SEZ units for 2020-21: Govt

The government on Monday said the lease rent for units in the government-owned special economic zones (SEZs) will not be increased for 2020-21 due to the COVID-19 pandemic, a move which will provide relief to these facilities. It also said that payment of lease rent for the first quarter is deferred up to July 31 for all SEZ units and the deferment would not invite any interest. The commerce and industry ministry said that after consulting the proposal with the Department of Expenditure, these relief measures were decided for SEZ units on account of Covid-19 outbreak. Further, it asked development commissioners of other SEZs to advise SEZ developers of state governments and privately-owned zones to consider similar relief measures.

There are seven government-owned SEZs in the country and are under the supervision of a development commissioner (DC).

70% Highway projects resume after the partial lifting of lockdown

Work on about 70 per cent highway projects underway has resumed with the government allowing the partial lifting of the lockdown for certain sectors amid the fight to contain the Covid-19 outbreak. Permissions to resume construction have not come in for the Delhi- National Capital Region (NCR) as it remains among cities with the highest number of positive cases, an official said.

As the ministry of home affairs (MHA) made way for lifting curbs on certain sectors to get economic activity restarted, construction activity is still crawling, though it has started across various districts.

Inter-state movement of new, additional labour is an issue where more labourers are needed, while at some project sites they are anticipating a shortage in inventory and raw materials, the official said. Of around 375 projects for which permission was sought for the resumption of works, 260 projects have got the go-ahead.

Covid-19: Capex cut by states to hit construction sector, says Icra

With states starting at huge revenue deficits in the wake of significant contraction of gross tax collections due to the disruption caused by the COVID-19 pandemic, the overall CAPEX budgeted by these governments is likely to witness a steep cut, impacting the construction industry, says Icra. According to the rating agency, the overall CAPEX budgeted by states for FY2021, which was around Rs 5.7 lakh crore, is now likely to witness steep cut, as the headroom available to them for incurring capital expenditure has reduced substantially. With the country being under a nationwide lockdown for almost over 60 days, economic activities have been severely impacted, and so have the state revenues, Icra said.

State-led CAPEX accounts for around half of the total government-driven CAPEX in the country. Over the last three years, it grew by 16 per cent to Rs 5.11 lakh crore in FY2020 (Revised Estimates) from Rs. 3.73 lakh crore in FY2018. Recently, the Maharashtra government said that only 33 per cent of the outlay will be released in FY2021.

Zurich Airport gets security clearance for Jewar airport

Swiss firm Zurich Airport International AG has got security clearance from the Centre for developing Jewar airport in western Uttar Pradesh.

The firm had on November 29 emerged as the highest bidder to develop the Greenfield Airport in Jewar on the outskirts of Delhi, outbidding competitors like Adani Enterprises, DIAL and Anchorage Infrastructure Investments Holding. The firm had applied to the Union Ministry of Home Affairs for security clearance as part of the process to begin the work. Billed to be the biggest airport in India, the entire project will be spread over 5,000 hectares and is estimated to cost Rs 29,560 crores. The first phase of the airport would be spread over 1,334 hectares and cost Rs 4,588 crore. The project is being managed and operated by the Noida International Airport (NIAL), a special agency floated by the government, according to officials.

78,000 'ready to move in' homes unsold across top cities: Report

Around 78,000 ready-to-move-in housing units, valued at ₹65,950 crores, remain unsold in the country, according to a report by Anarock Property Consultants. It accounts for nearly 12 per cent of the 6.44 lakh unsold units in cities. The report suggests that homebuyers seeking de-risked ready-to-move-in properties can leverage the COVID-19 period to their advantage. The report said that although construction activity is completely halted across India, first-time homebuyers are at an unprecedented advantage to negotiate good deals on ready-to-move-in options and simultaneously benefit from all-time low-interest rates of 7.15-7.8 per cent.

The National Capital Region (NCR) has around 15,600 unsold ready units, followed by Bengaluru with nearly 10,100 apartments. Hyderabad has the least unsold ready stock of around 2,400 homes worth ₹1,870 crores.

Uber India lays off 600 people

Uber said it is laying off about 600 employees in India - about a quarter of its staff in the country- as the business has taken a major hit amid Covid-19 pandemic.

The development comes days after rival Ola had announced laying off 1,400 people from its rides, financial services and food business. Uber, in an e-mailed response, said the impacted positions include its driver and rider support operations, and other functions in India.
These reductions are part of previously announced global job cuts this month

Lack of permission to operate special chartered flights hurts seafarers' job prospects

Lack of government permission to a ship management company to run a chartered flight on May 28 to Colombo, will kill the employment chances of some 150 Indian seafarers onboard five ships. The issue highlights the 'soft handling' of the crew change crisis by the Indian government. About 150 Indian seafarers have been lined up by V R Maritime for the Mumbai to Colombo flight via Chennai. Each such chartered flight including the return flight costs some Rs 50 lakhs which is borne by the ship management company. An estimated 6,000 Indian seafarers have already lost employment opportunities to Filipinos, Ukrainians and Chinese due to lack of permission for chartered flights, he said. Countries such as Russia and Dubai do not allow the crew to change at their ports. The crew change procedures unveiled by Singapore recently are too rigid besides VISA's are not available for many countries due to shut down of embassies. Indian seafarers are hence at the mercy of a few locations such as Japan, South Korea and Colombo for a crew change.

Seafarers arriving at Colombo airport will have to take a connecting flight within six hours, else they have to stay in quarantine facilities provided by the Sri Lankan government till they take the next flight. Indian seafarers can take COVID tests in Sri Lanka.

Measures taken by the Government

With a view to facilitate sign-on of Indian seafarers at foreign ports, the Ministry of Home Affairs has allowed Indian seafarers to travel by chartered flights arranged by employers in addition to the Vande Bharat flights run by Air India.

Bengaluru Airport to handle 215 Air Traffic Movements per day with a reduced terminal capacity

As part of the interim summer schedule, the Kempegowda International Airport, Bengaluru (KIAB or BLR Airport), will handle an average of 215 Air Traffic Movements (ATMs) per day (108 departures and 107 arrivals), with reduced terminal capacity, to ensure social distancing norms. Indigo, with 47 per cent, is the top airline during this schedule by ATMs, while Air Asia and Spice Jet have 16 per cent and 14 per cent respectively, said an

BLR Airport release. Slots have been optimised in 10-minute intervals, spread over an hour, through the day, to support passenger flow within the terminal, while maintaining both service standards and safe distances.

Meanwhile, BIAL will work closely with various government departments to ensure that air passengers adhere to the new quarantine policy.

With the airport set to resume operations from May 25, the Bangalore International Airport Limited (BIAL) has announced an interim summer schedule 2020.

As defined by the Ministry of Civil Aviation, the new schedule is 32 per cent of the schedule which was expected to come into effect from March 29. The revised schedule will be in effect until June 30, 2020.

Container train operators (CTOs) would like to access more goods sheds of Indian Railways so that they can send and receive containerised goods from a greater number of points. Such access will allow the movement of more containerised cargo through the railway network

Sagarmala is passe; Government begins work on new maritime vision

The Shipping Ministry has started the work related to drafting a new blueprint for India's maritime sector for the next decade. This comes after the coronavirus pandemic decimated the previously laid down assumptions and projections on trade that formed the basis for Sagarmala, the flagship maritime programme of the Narendra Modi-led government.

Future urban mobility post Covid-19

Cities need to steer 'Mobility as a Service' that can be accessed by commuters. Pedestrians, bicyclists, e-bikers, all must be accommodated alongside public transit this concluding piece on the impact of Covid-19, we look beyond automobiles and examine how cities and societies will reshape urban mobility. The auto industry has been anticipating its transformation by adopting electrification, data connectivity, and technologies for driver-less cars. It was understood that these steps would likely lead to a future where commuters will routinely access Mobility as a Service (MaaS).

Warehousing & logistics sector to grow at 35% in 2021: Report

The Welspun One Logistics Parks (WOLP) report estimates the warehousing and logistics industry to grow at 35% in 2021 as opposed to the earlier predicted demand of 25%. The warehousing and logistics asset class could be among the fastest to recover from the coronavirus crisis, a report says, citing an expected increase in domestic demand and possibility of global firms shifting manufacturing to India to de-risk supply chains as reasons. The Welspun One Logistics Parks (WOLP) report estimates that the warehousing and logistics industry will grow at 35% in 2021 compared with the earlier industry demand forecast of 25%. The segment is also expected to attract a large pool of capital with fund managers looking at warehousing and industrial real estate as a safer, resilient and scalable asset class for their investors. Occupiers are also expected to look at backup storage options in terms of large warehouses in tier 2 & 3 markets to further de-risk their supply chains, away from the tier 1 cities which have been highly affected.

Logistics sector to lose Rs 50,000 crore due to lockdown

Estimating losses to the logistics sector at about Rs 50,000 crore due to the coronavirus lockdown, industry body ICC on Thursday demanded a relief package for the industry, including priority lending and lower taxes. The growing logistics sector in India is looking at mounting losses, with the aviation sector taking the biggest hit, the Indian Chamber of Commerce (ICC) said in a statement.

Though the government has allowed movement of both essential and non-essential goods, the situation is not so easy at the ground level, it said. Container freight stations, inland container depots, warehouses and port terminals, which are all notified as essential services, are getting choked due to slow evacuation of containers and cargo, it added.

It sought relief measures like digital permits and packaged food service from NHAI for drivers after every 50 km and complete waiver of EMI obligations for at least 6 months till earnings normalize. Demanding treatment of logistics industry as a priority sector for lending -- sanctioned soft loans and existing loans be rolled over at a lower rate, it also stressed the need for auto-renewal of national movement permits till September 2020.

ICC also stressed the need for a government-sponsored health insurance coverage for all employees of the sector and extension of the construction period of ongoing PPP projects by 6 months to 1 year, besides allowing of GST input credit on such projects

India's industrial and logistics demand down 30% in Q1 2020

India's industrial and logistics real estate quarterly demand dropped by 30% in the first quarter of 2020, according to JLL's latest report "COVID-19: Industrial & Logistics Sector in India. Impact and Opportunities," released today. This has been lower than the previous first quarter of the last three years (2017 – 2019) demonstrating a contraction of approx due to nationwide lockdown. India's warehousing sector, driven by new supply in eight major metros including Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, Delhi NCR and Pune, saw an approximately 15% contraction (in mn sq. ft.) during January-March, the first quarter of 2020. Net absorptions stood at 5.9 mn sq. ft. in the midst of the lockdown across the country starting March 2020.

The quarterly new supply addition is higher than the average quarterly new supply addition of first quarter in the last three years (between 2017–2019) which demonstrates that the impact of lockdown has likely not set in yet," says the report.

As the impact of the national lockdown becomes clearer, the leases and active RFPs that were in various stages of closure are likely to be completed in the third and fourth quarters of 2020.Post- lockdown, demand is likely to be driven by e-commerce and 3PL players who will continue to explore urban spaces. Grade A properties will be more attractive to occupiers due to health and safety considerations.

Covid-19 halted major projects in India –Study

According to the study by projects monitoring organisation Projects Today, around 8,917 projects worth Rs 21.11 lakh crore are stuck in the 108 red zone districts, which account for 37.4 per cent of the total projects under execution across the country.

The study noted that when Prime Minister Narendra Modi first announced the lockdown on March 25, there were 17,372 projects entailing a total investment of Rs 56.51 lakh crore in various stages of implementation. Of these 8,917 projects, as many as 7,998, entailing an investment of over Rs 16.26 lakh crore, are in the infrastructure sector. These include 1,292 road projects, 166 railway projects, 203 hospital projects, 3,971 real estate projects, 630 under-construction commercial complexes and 178 industrial parks, among others. The remaining over 900 projects pertain to sectors like manufacturing, irrigation, power and mining.

According to Projects Today, out of the 8,917 projects, 62.9 per cent are owned by government agencies. While the Central government agencies are executing 1,036 projects worth ₹4.42 lakh crore, various departments of the state governments are executing 2,609 projects worth ₹8.86 lakh crore. The survey also found out that of the 19 states and three union territories where all the 130 red zone districts are located, Maharashtra tops the list in terms of halted projects. Maharashtra has 2,970 projects with a total investment of Rs 5.96 lakh crore under execution in 14 coronavirus hotspot districts, followed by Gujarat (769), Uttar Pradesh (695), Andhra Pradesh (390) and Delhi (198).

States staring at a cut in capital expenditure

With states starting at huge revenue deficits in the wake of significant contraction of gross tax collections due to the disruption caused by the COVID-19 pandemic, the overall CAPEX budgeted by these governments is likely to witness a steep cut, thus impacting the construction industry, says Icra. According to the rating agency, the overall CAPEX budgeted by states for FY2021, which was around ₹5.7 lakh crore, is now likely to witness steep cut, as the headroom available to them for incurring capital expenditure has reduced substantially. With the country being under a nationwide lockdown for almost over 60 days, economic activities have been severely impacted, and so have the state revenues, Icra said.

Indian Railways to use isolation coaches to ferry migrant labour

Indian railways to use 50% of its 5,213 isolation coaches meant for COVID-19 positive patients to run Shramik Special trains. In an order dated 21 May 2020, the Railway Board permitted 60% of these modified train coaches to operate Indian Railways' special trains to transport migrants. According to officials, these non-AC coaches will not be reconverted into normal coaches. They will be used as “they are” for these services, they said. Railway Board Chairman V K Yadav said that so far, 5,000 such coaches have been converted and 80,000 beds are available. These converted train coaches can be deployed wherever the states desire. But as of now, since the converted coaches were not in use, it has been decided by the board to use 50% of them as Shramik Special coaches, he said.

According to the report, while making the modified isolation wards for COVID-19 patients, the compartment’s lower portion had been plugged by plywood and the middle berths had been removed. Also, a provision has been provided for partition from the aisle side for isolation of the compartment. As there is no middle berth, the trains, when in use, with these isolation coaches will have a lower number of passengers. All on board equipment like ventilators, oxygen tanks, and other medical items will be removed from these coaches. For passengers travelling on these trains, there will be a proper bathroom and not just a toilet. In each of these isolation coaches, the four toilets have been turned into two bathrooms by plugging the toilet pan along with proper flooring. There will be a hand shower, bucket and mug in each bathroom.

Tirupati station to become world-class

The Rail Land Development Authority (RLDA) recently successfully conducted an online pre-bid meeting for the Tirupati Railway Station, which was attended by several prospective developers including GMR, Oberoi and Ambience. The station is estimated to be re-developed at a cost of Rs 510 crore and it would be built through the public-private partnership (PPP) mode on the Design, Build, Finance, Operate, Transfer (Model).
The cost of the Tirupati station development portion is Rs 230 crore. According to the proposed plan, the station would have areas like

administrative areas, security and station operation staff area and miscellaneous technical area. Indian Railways aims to re-develop the Tirupati station within three years, and the tenders would be opened in mid-June.

Shipping ministry wants advisory from commerce ministry for recognition of electronic trading documents

To ensure smooth cargo operations at India's ports amid the coronavirus pandemic, the shipping ministry has sought the commerce ministry's intervention for issuing advisory for recognition of electronic trading documents instead of "manual trade documentation" still required by many departments and financial institutions.

Citing bottlenecks caused in handling EXIM cargo on account of the current manual process, it sought the commerce ministry's intervention for issuing advisory to departments, including customs, and the Indian Banks Association for accepting 'electronically generated trade documentation'.

India has 12 major ports -- Deendayal (erstwhile Kandla), Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Kamarajar (earlier Ennore), V O Chidambarnar, Visakhapatnam, Paradip and Kolkata (including Haldia) that handled nearly 705 million tonnes (MT) cargo in 2019-20.

Citing challenges faced in handling of EXIM cargo, Shipping Secretary Gopal Krishna in a letter to Commerce Secretary Anup Wadhawan said the inability of service providers such as courier agencies, general lockdown restrictions and the requirement of social distancing are causing severe impediment in issuance, delivery and despatch of physical format based trade documentation, which is directly impacting the release of import containers and cargo.

Indian Railways resumed locomotives production

Amid nationwide lockdown due to the novel coronavirus pandemic, Indian Railways' Chittaranjan Locomotive Works rolls out the first locomotive number WAG9H 32810 of the financial year 2020-21. The Chittaranjan Locomotive Works (CLW) workshop re-opened with limited staff on 11 May 2020, after a gap of 49 days due to the lockdown imposed across the country because of the COVID-19 outbreak. According to details shared by the locomotive manufacturing factory, CLW rolled out the first locomotive of the financial year 2020-21, within only three days of resumption of work. In the financial year 2019-20, CLW manufactured a total of 431 locomotives. With this new record, the locomotive manufacturing factory surpassed its own previous world record of production of as many as 402 locomotives in the financial year 2018-19.

Recovery in oil demand thanks to higher consumption in China and India

The volume of crude stored on ships in Asia has come off the peaks seen earlier this month on a recovery in demand in China and India, trade sources and analysts said. A total of 3.4 million tonnes (24.8 million barrels) of crude oil was discharged from floating storage into Asian markets in the past seven days, with China the top destination at 1.8 million tonnes and India second at 842,679 tonnes, according to oil analytics firm Vortexa. Robust demand from China, the world's top oil importer, and OPEC+ production cuts supported crude prices this month while Brent's contango price spread that previously encouraged traders to store oil for future sales to reap higher prices has also narrowed. Data from oil analytics firm Kpler showed that floating storage volumes in Chinese waters came off a peak of 35.4 million barrels on May 23 to 29.4 million barrels as of

May 26. Oil majors and trading houses have been offering Middle Eastern and West African oil stored at sea as spot prices strengthened in Asia, trade sources said. Refiners are buying in hopes of a fuel demand recovery as more countries ease coronavirus restrictions, and in anticipation that crude prices and freight rates may rise further, they said, although refining margins remained weak, limiting refiners' ability to raise output.

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