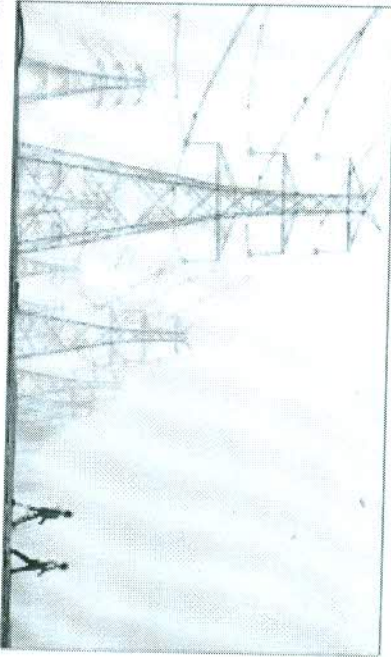


Indian power sector seeing low capacity utilisation: Assocham

New Delhi

The Indian power sector suffers from low capacity utilisation and the plant load factor (PLF) for power plants is estimated to remain low at around 62 per cent until 2018-19, industry chamber Assocham said on Tuesday, citing its report.

"India's energy sector is facing low capacity utilisation in power generation as plant load factor (PLF) is estimated to remain low at around 62 per cent until 2018-19," Assocham said citing its joint study with ratings agency Crisil titled



"Insolvency and Bankruptcy Code: Protecting stakeholders, improving ease of doing business". However, operational performance of discoms

remains a concern, besides intensive rural electrification in Uttar Pradesh, Bihar and north-eastern states also remained low." The study noted that

while a number of reforms have been announced by the Centre, the execution of most remains a work-in-progress. Assocham said that while reforms under health, education and technological readiness are in the initial stage of implementation, those concerning macro-economic environment, infrastructure and financial market development are in the middle stage. Reforms under goods market efficiency and institutions are in the advanced stage. IAMS

On the macroeconomic front, the study said weak investments challenge sustainable growth and private investments are unlikely to pick up before 2019 owing to low capacity utilisation and weak balance sheets. It noted that concrete reform measures are still pending in the labour market.

"Little progress has been seen in easing labour laws and absence of a uniform simplified labour law continues to deter investments in labour-intensive industries," the study said.

It also said that large-scale employment generation is difficult in an environment of slow growth. IAMS



GREAT LOGISTICS

Logistics market in India is expected to be worth \$307 billion by 2020

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Tax reforms, GST and rising economy have put logistics industry on a fast track growth. According to a study by ASSOCHAM, the size of logistics market in India will be \$307 billion by 2020.

THE CATALYST

The major boost to logistics market comes from the ongoing infrastructure projects, increasing customer demand from the tier 2 and 3 cities, which is being further fueled by the increasing popularity of online shopping. Also, the country's air cargo sector is projected to grow at over 9 per cent in the next few years as the regional connectivity scheme would help in the continued growth of the air cargo sector.

No wonder the sector is expected to grow at CAGR of 16 per cent on an average in the coming years. "The border checkposts have been removed even as states

SURGE IN DEMAND

According to the study, investments in infrastructure development across all modes of transportation, relaxed foreign direct investment regulations, implementation of GST, and increased technology adoption are altering the Indian logistics industry.

Meanwhile, the increasing influx of international logistics service providers (LSPs) are prompting third-party logistics (3PLs) and domestic LSPs to expand their footprint and focus on transportation service, warehousing and freight forwarding.

It will also open up opportunities for partnerships, and domestic logistics companies will have access to the modern technologies introduced by global service providers. Logistics services in India will greatly benefit from the development of transportation and logistics-related infrastructure, such as dedicated freight corridors, logistics parks, free-trade warehousing zones, port modernization, and container freight stations.

Overall, LSPs are leveraging technologies such as Big Data and cloud-based application platforms for

**GST
implementation
will also support
organised players**

