

Export Plan for South Goa District



S No.	Table of Contents	Page No.
1.0	Objective	2
1.1	Methodology	2
2.0	State profile- Goa	2
2.1	District Profile- South Goa	5
3.0	Pharmaceuticals	8
3.1	Information Technology	10
3.2	Other Potential Sectors	11
3.3	Export Logistics	13
Annexures		
I	Presence of Trade Related Organisations	17

1.0

Objective

The Study overall aims towards facilitating exporters in the district through various measures pertaining to policy, infrastructure, logistics, ease of doing business, promotion, skill development, cluster development, etc. The study also aims to identify the export potential of South Goa District and analyse the available export infrastructure.

1.1

Methodology

The report has been prepared via secondary analysis of data available on various Government websites and databases. Furthermore, findings from the notified export strategy of Goa have been incorporated wherever applicable and found relevant. Inputs from the members of the District Export Promotion Committee for South Goa District have also been incorporated in the report. Furthermore, the report also incorporates common data and issues identified in the report prepared by the Federation of Indian Export Organisations (FIEO) for North Goa District wherein stakeholder's consultation was also carried out to identify key issues and challenges. The stakeholder's consultation was attended by Joint DGFT, Officials from DIC, Representatives from Goa Pharmaceutical manufacturers association, Goa Air Cargo Association, Goa chamber of commerce and Industries, Travel and Tourism association of Goa, Goa Technology Association and World Trade Centre.

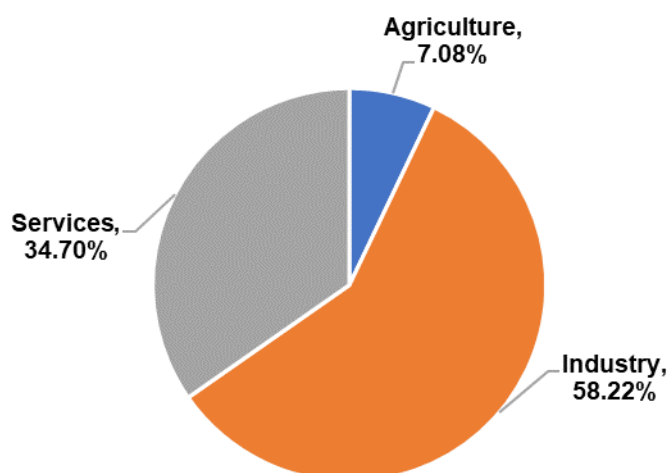
2.0

State profile

Goa

- Goa is located on the West coast of India. The State shares its borders with Arabian Sea to the West, Maharashtra to the North, and Karnataka to the South and the East. It is traditionally known as a tourist paradise for its natural scenery, unique beaches, and cultural diversity. 68% of its area is under forest and tree cover. State Government is committed to conserve and improve the rich natural heritage of forest and biodiversity of Goa with people's participation and also to compensate any loss of tree/ forest cover due to various developmental works.
- Gross State Domestic Product (GSDP) of Goa at current prices increased at a Compound Annual Growth Rate (CAGR) of 10.88% between 2015-16 and 2019-21. Goa's Net State Domestic Product (NSDP) was Rs. 660.60 billion (US\$ 9.45 billion) in 2018-19. Goa's economic growth is driven by the strong performance of its industrial sectors such as mining, tourism, and pharmaceuticals.

Composition of Goa's Gross Value Added (at current prices)

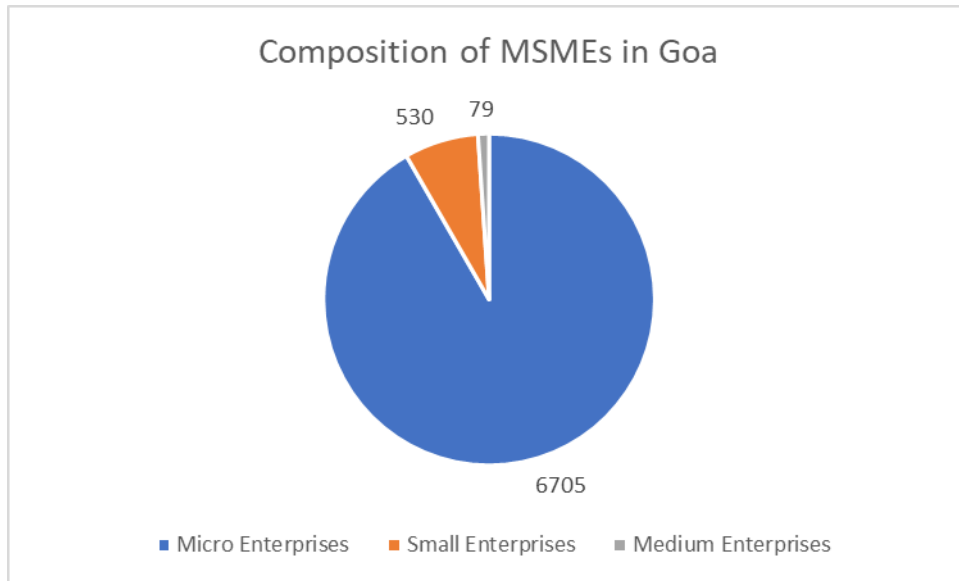


Goa's GSDP (current prices): Rs 81502 Crores
Rank in India: 17th (2019-20)

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), Foreign Direct Investment (FDI) inflow in Goa stood at US\$ 77.97 million between October 2019 and September 2020.
- As per 2011 Census, the population of Goa constitutes around 0.12% of the total Country's population i.e. 14,58,545 as against 1,210,569,573.
- Goa has been placed at 21st position in terms of mobility of goods and efficiency of logistics chain, according to the Logistics Ease Across Different States (LEADS) index 2019 of the Ministry of Commerce & Industry.
- According to NITI Aayog's Export Preparedness Index 2020, Goa stood at 17th position both among all Indian States/UT's and placed at 2nd position under the category of Union Territories.
- Goa is a popular tourist destination due to its natural beauty and bountiful avenues for leisure and relaxation. The tourism industry directly contributes 16.43% to Goa's Gross Domestic Product (GDP) and directly employs ~35% of the state's population.
- The State received 42.00 lakh tourists in the year 2019-20 upto August which comprises of 37.07 lakh domestic and 4.93 lakh foreign tourists. It has been observed that, there is a 3 percent increase in the arrival of tourist of which 2.70 percent contributed by domestic tourist and 4.87 percent by foreign tourist. The State has good connectivity in terms of international flights, including chartered flights from European countries.
- Goa has a coastline of about 104 kms and inland waterways of about 250 kms. The coast is full of creeks and estuaries formed by rivers. 125.6

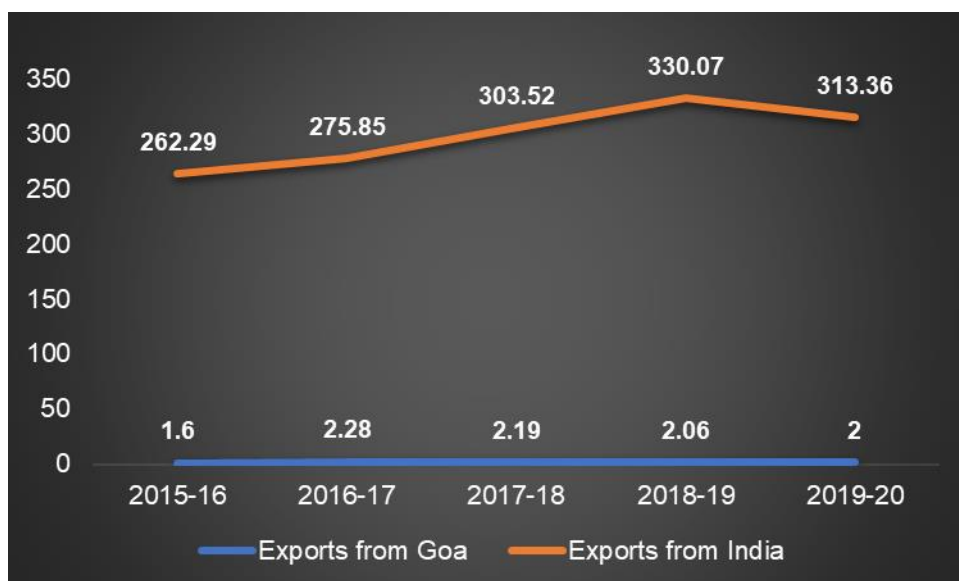
thousand tonnes of marine fish were harvested in 2019. Exports of marine products from Goa stood at US\$ 53.64 million between 2019 and 2020; and were at US\$ 23.22 million in April-November 2020.

- Industry sector accounted largest number of percentage share (58.22%), followed by Services and Agricultural sector. Rise in the secondary sector was largely driven by the manufacturing industry, construction and utility services, while the growth in the primary sector was driven by agriculture and fishing sectors.

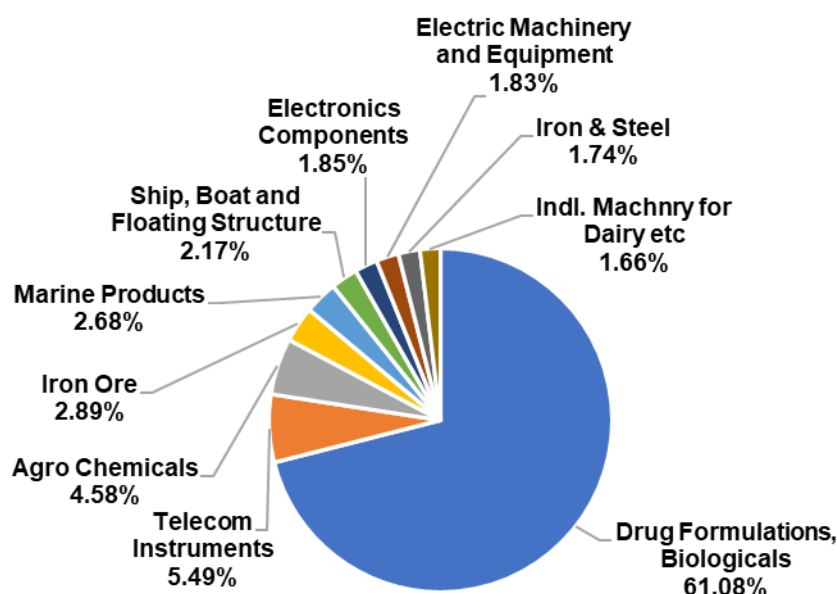


Source: Buletin-V-Analysis-of-Udyam-Registration-Data Office of Development Commissioner (MSME) Ministry of Micro, Small and Medium Enterprises

EXPORTS FROM INDIA vis-à-vis GOA (values in USD Bn)



During 2015-16 to 2017-18, Goa stood as 16th largest exporting State in the Country. While, for 2018-19 and 2019-20, Goa was placed at 18th position.



Out of 168 principal commodities, Goa exported 121 commodities in 2019-20. The above pie chart depicts the top 10 principal commodities which constituted a share of 85.97% in State's total exports.

2.1

***District Profile
South Goa***

South Goa is one of the two districts that constitute the State of Goa. The district has an area of 1966 Sq kms. South Goa District covers the entire southern part of Goa state. Arabian sea is to the west of district, North Goa district to the North and Uttar Kannada district of Karnataka in the East and South. South Goa is situated between the latitudinal parallels of 15 degree 29' 32" N and 14 degree 53' 57" N and longitudinal parallels of 73 degree 46' 21" E and 74 degree 20' 11" E. From north to south and from east to west the district spans a distance of 86 kms and 40 kms respectively.

Margao, houses the Headquarters of South Goa District, headed by a Collector. South Goa is divided into and comprises of 7 talukas for administrative convenience i.e. Salcete, Quepem, Canacona, Sanguem, Ponda, Dharbandora and Mormugao.

Topography

Goa is a part of Konkan Region. Sahyadri Mountains are to the east of South Goa. This part is covered with dense forest. In this area, some of the mountains are very steep. Chandranath at Paroda, Dudhsagar in Sanguem taluka and Cormolghant in Canacona taluka are the Peaks in South Goa. Many streams and rivers flow from this region to low lands. Zuari, Talpona, Sal and Galgibag are the rivers flowing in South Goa. Rivers are used for transportation. Inland waterways play an important role in transport of mineral ores from the mining sites in Sanguem taluka such as Costi, Kirpal, Netravlim, Rivona, Ducorcond and Kuddegal to the Mormugao harbour for export..

Connectivity

South Goa District is endowed with multiple modes of transportation.

- **Road:** NH-17 runs along India's West Coast & links Goa to Mumbai in the north & Mangalore to the south. NH-4A running across the state connects Panaji to Belgaum (Karnataka) in the east. As of March 2019, Goa had 293 km of national highways.
- **Airport:** Goa has one airport at Dabolim, which functions as a domestic as well as an international airport. The state is connected to most Indian cities by air.
- **Rail:** The total railway route in Goa comprises of two rail tracks: the Konkan Railways line that runs from the north to south and the South-Western Railways line that runs from west to east. These routes connect the State to other parts of the country. Konkan Railways, which connects Mumbai, Goa and Mangalore, has considerably boosted tourism. The Mormugao port is connected through a broad-gauge line.
- **Multi Modal Logistics Park (MMLP), Balli:** Multi Modal Logistics Park is located at Balli Station near Madgaon in Goa. The Park is located on Konkan Railway route. It has been set as per Memorandum of Understanding entered between Konkan Railway Corporation & Container Corporation of India Ltd (CONCOR).
 - The Park from its economic transport solutions and state of the art facilities will benefit both trade and industry in Goa. The container depot at the park will reduce time required to cover distance between Jawaharlal Nehru Port Trust (JNPT) port (Mumbai) and Goa via road from 30-40 hrs (by road) to 16 to 18 hrs. Thus, it will save time, along with cost of transportation and relieve congestion on road.
 - Set up of MMLP at Balli has been already done, while approval of authorities for bonded permission is still awaited. Domestic movement has started. Provision of rail facility and custom clearance facility will also be there at Balli. Goa has capacity of 1000 twenty-foot equivalent units (TEUs) and the park can function even if 500 TEU's is provided to Balli.

Key sectors

Based on the existing infrastructure and industry ecosystem along with the potential export growth in the future as well as the stakeholder consultation done by FIEO for preparation of the State Export Strategy as well as the Export plan for North Goa district, following sectors were identified for export promotion in the South Goa district:

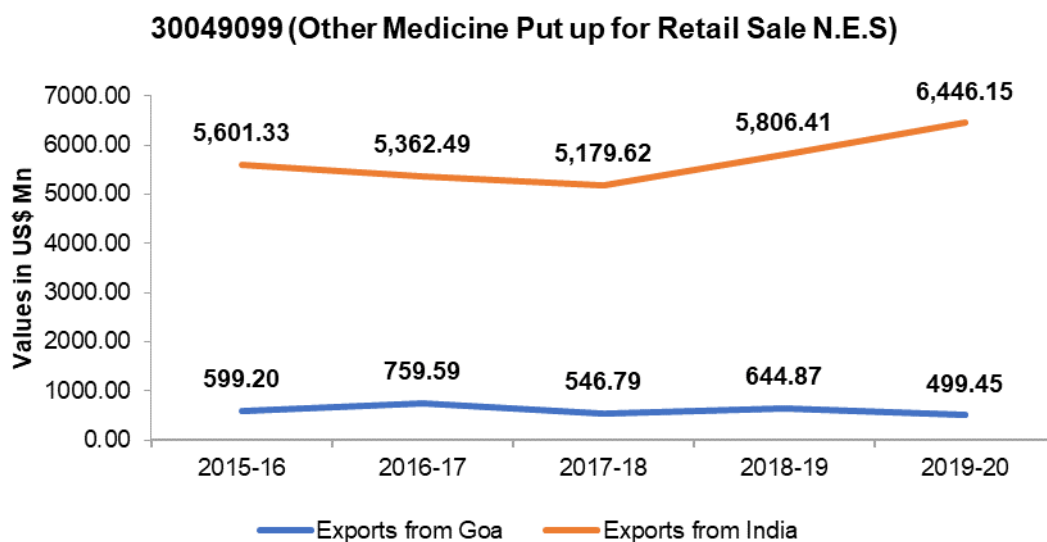
- ❖ Pharmaceutical sector
- ❖ IT
- ❖ Ship Building

A detailed analysis of each of the above sectors including the concerns of stakeholders/recommendations for boosting exports is covered in the sectoral chapters of this report.

Goa has a large established pharmaceutical industry with estimated yearly revenues of more than Rs. 7,500 crores (\$ 1.35 billion). The industry is growing at a healthy rate of about 15% annually, and employs more than 25,000 persons. It is estimated that the pharmaceutical industry in Goa contributes around 10% of India's pharmaceutical output.

The Pharmaceutical Industry has emerged as a major component in the industrial development of Goa because of its ambience and pollution free atmosphere that is conducive to the Pharma Industry.

Goa has international advantage and natural attraction, there is scope to set up companies. Pharma industry from Goa turnover has 20,000 crores.



Strategy

Facilitating infrastructure

- Companies are sending hazardous waste generated in the State to Mumbai. Due to over burden of capacities in Mumbai, the companies are looking at other options in Hyderabad too. There is an immediate requirement for an incineration facility to be set up in Goa as waste is sent to incineration facility located in Mumbai for treatment, as a result of which trade has to bear huge transportation cost (approximately Rs 45/kg).
- There are hardly 1 or 2 testing labs in Goa. Samples are being sent to Mumbai or Hyderabad for testing. Thus, setting up of testing lab in Pharmacy College can be considered.

- Export facilitation desk at North Goa and South Goa can be created for connecting to buyer, export related information can be created. This can also facilitate the loan requirement/ skill development needs of the industry.

Facilitating human resource

- There are sufficient colleges in Goa offering Bachelor of Pharmacy (P.E.S's Rajaram and Tarabai Bandekar College of Pharmacy and Goa College of Pharmacy) and the number of seats offered are also enough as per the industry needs. However, there is an artificial shortage due to gender imbalance which is posing challenge. Pharmaceutical companies are required to work in three shifts which hinders the hiring of female candidates due to regulatory and cultural issues. Furthermore, sparse public transportation across the State during night further poses challenge with the movement of female employees.

Policy intervention needed

- Government may consider providing subsidies and tax benefits for attracting pharmaceutical companies in the State. This can help the companies in the State to compete with competitors from Asia Pacific and China in the price sensitive markets.
- Taking local populace into confidence before setting up any huge industry outside industrial estates is also suggested to promote investments in the State
- Continuous interaction of Government-Industry stakeholders to clear up infrastructure bottlenecks is important.

Exports of other medicine put up for retail sale (HS code 30049099) from Goa in 2019-20

Exports from Goa	:	US\$ 499.4 Mn
Exports from India	:	US\$ 6446.14 Mn
Share of Goa	:	7.74%

Major Export Destinations of Goa for HS code 3004909



These five markets occupied a share of 67.08% in Goa's total exports of the item.

3.1

Information Technology

The State of Goa has immense capability to develop one of the best start-up ecosystems in the Indian IT sector. There are around 250 IT companies in Goa out of which 57% are startups. Goa's IT industry is about Rs 700 crore growing at 8% year on year basis. By 2025, it is envisaged at Rs 1200 crore. The sector generates around employment of approximately 27,000. However, IT exports from Goa is around 0.1% of total India's exports. Attaining a share of 1% of India's exports in the next 5-6 should be the target of the sector.

Strategy

Facilitating Infrastructure

- Apart from G-wave and Ethernet express, DNA-Goa network is also one of the reliable suppliers of internet in Goa. However, there are issues related to last mile connectivity and which affects the working conditions in today's work from home set up and may also block people from remote areas of the State

out of employment in the Sector. This needs attention by the State government on priority basis.

- Coordination between concerned Government Departments i.e., Public Works Department (PWD) and telecom companies is required when a new internet line is being laid/ has been laid to avoid disruption in connectivity.
- All panchayats are already connected by G-wave. To give impetus and provide an eco-system to smaller enterprises in panchayat areas, a co-working space for 10-15 people can be created.
- IT companies serve their clients across the globe and hence IT companies have shifts. However, since there is no public transport connectivity in the State, can cause inconvenience to employees working late night shifts. Government can explore working in coordination with the IT sector to improve late night public transportation to suit the needs of the industry.

Policy Interventions

- The IT industry, particularly start-ups have been benefited by Startup and IT policy of the Government. However, there is a matter of concern of regular disbursements under the IT sector schemes especially due to the adverse effects on the industry due to the pandemic. Sustained timely disbursement of funds under the prevailing schemes is the need of the hour.

3.2

Other potential sectors

Shipbuilding

In Goa, mainly small vessels are manufactured. There are few private companies that are involved in shipbuilding in Goa. Goa Shipyard Ltd, one of the PSUs of Government of India is based in Mormugao, South Goa. Furthermore, under the Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of Government of India, in-principle approval has been obtained for setting up Konkan Maritime Cluster in Goa. Under this scheme, a common facilitation centre will be set up in the State for various stakeholders of the shipbuilding industry. The project cost is estimated at approximately Rs 16.22 crores. This project is expected to give further boost to the shipbuilding industry in the State.

Some of the areas of concern of the industry include:

- Better access to capital at low interest rates for a longer term is the demand of the industry. Furthermore, the industry may require better support from financial institutions in obtaining bank guarantees required for their business.
- Encouraging Research & Development: Investing in design, research & development, helps in reducing production cost. Through use of modern ship design software, cost incurred in corrections of design faults in construction stage is eliminated.

- The duty structure for importing new vessel and second-hand vessel is the same. Due to this, second-hand vessels are being imported in large number from South East Japan, making it difficult for the domestic shipbuilding companies to compete.

Marine

State of Goa contributes approximately 1.6% of the total foreign exchange earned from seafood exports in the country and there is scope and potential to increase production and exports. Goa holds a huge scope in the fisheries development, particularly through brackish water and marine production. Marine fishing is the major activity which is carried out. Items having export potential from the State is ribbon fish, scuttle fish, tuna and squid. There are 3 major fish landing centers in South Goa i.e. Khariwada Jetty, Vasco, Cutbona Jetty, Salcete, and Talpona Jetty, Canacona. In addition, there are 9 medium and 10 minor fish landing centers in South Goa.

Prominent species which is being caught in the State is Mackerel and Tuna. Purse-seiners and Trawlers are the big boats used for catching fish for export market, otherwise, from Goa, fish is mainly caught for local market.

Some of the areas of concern of the industry include:

- Upgrading infrastructure at the jetties including working ice plants at the major jetties as well as providing adequate testing labs is important. As per the data of Export Inspection Agency, total 16 units are approved under EIA-Mumbai S.O. Goa Region for exports of fish and fish products. 5 units are approved for export of Chilled Fish and fishery products but their export potential is underutilized due to lack of infrastructure and quality control and testing facilities.
- Sustainable fishing is important to ensure that the marine resources of the State are not depleted. Strict monitoring on practices of LED fishing and use of proper mesh sizes of nets is necessary.
- Promoting aquaculture in the State can help the State to have sustained fish exports. Setting up of hatcheries of the Sea bass or Mud Crab species can be promoted. The initiative can be undertaken with the assistance of The Marine Products Export Development Authority (MPEDA). Aquaculture farmers may adopt Better Management Practices (BMPs) advocated by MPEDA for carrying out sustainable farming. Fisheries department may implement BMP's in the State of Goa.

Dabolim Airport

It has been reported during stakeholder consultation that air cargo in the State from the Dabolim airport is set to fall due to the disastrous impact of the pandemic on flights. Cargo movement from the airport in 2020-21 is not even going to be 10 per cent of what it was in the previous year. In 2019-20, the State's international airport handled 1,800 tonne of cargo comprising mainly of exports of perishable commodities. But in 2020-21, the total traffic is only about 100 tonne (made up of about 80 tonne of exports and 10 tonne of imports).

Strategy

Facilitating Infrastructure

In 2018-19, the cargo terminal at Dabolim handled 2,200 tonnes of cargo. The airport presently has a capacity to transport around 3,000 tonnes of cargo annually. The extreme drop in air cargo volume could have been easily avoided if the local industry had used the terminal at the airport for goods movement. The State is a hub for pharmaceutical exports, but local pharmaceutical companies prefer to use the cargo facilities at Mumbai or even Bengaluru and Chennai while blaming the lack of cargo facilities at the Dabolim airport. Also, large-bodied aircrafts are willing to land in the State for pharmaceutical exports but so far virtually no pharmaceutical company excluding Glenmark Limited has showed an interest in transporting air cargo from Dabolim.

- Presently Dabolim airport has an Electronic Data Interchange (EDI) facility and has also got EU Aviation Security Validated Regulated Agents (RA3) certification which is required for exports of Fruits and vegetables to Europe. Various cargo service operators are ready to operate from Goa, however, in absence of a consolidated demand projection, the scheduled carrier could not be worked out. Therefore, there is a need to have joint consultation among major associations and councils and their members so as to estimate actual requirement of the trade present in Goa.

Mormugao Port Trust

Strategy

Facilitating infrastructure

- Barring few, most of the pharmaceutical companies are directly sending their cargo to JNPT as they have their logistics office located in Mumbai. It has been informed that on booking larger volumes of Cargo through Mumbai, trade is usually offered better rate along with competitive pricing. The same can be facilitated from Goa itself in order to attract logistics flow directly from the State.

It is understood from the trade that around 150 containers of pharmaceutical companies are being sent to Mumbai on daily basis for export from JNPT. The option of feeder vessel could be once again explored provided it has backing from industry in a consolidated manner and such vessel should get priority berthing at JNPT.

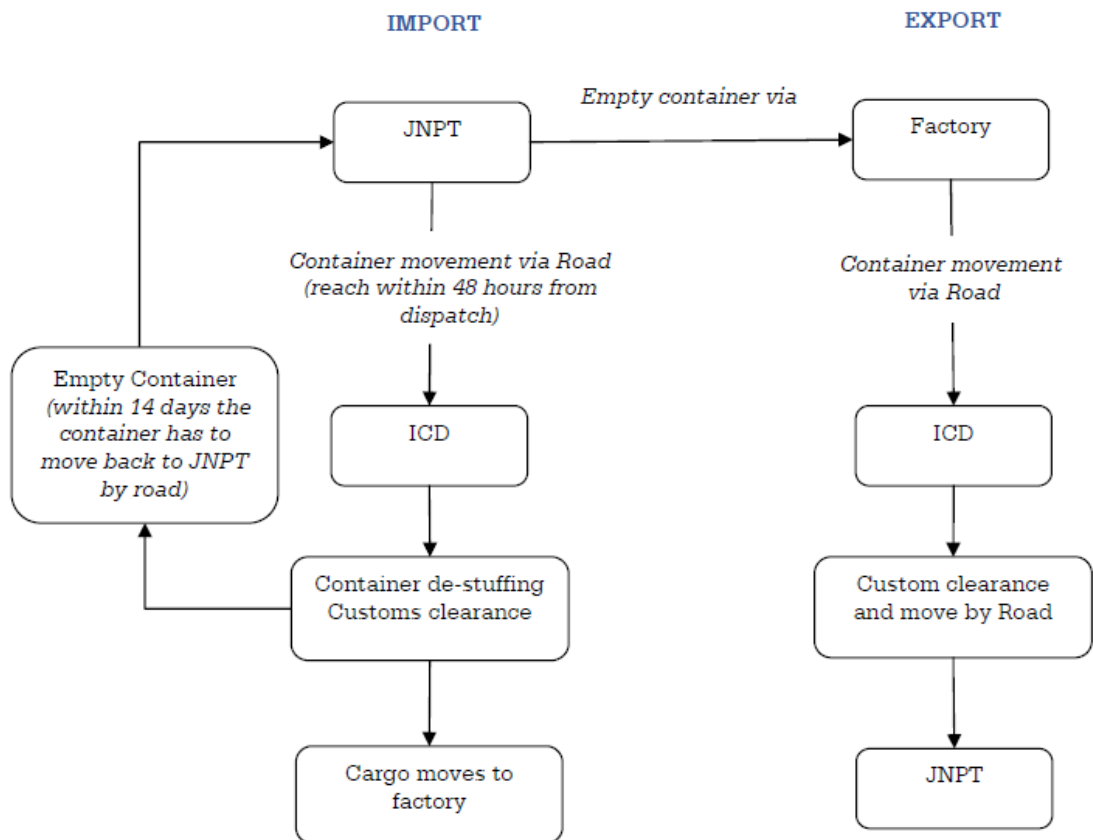
The option of rail/ feeder could be explored to bring efficiency.

- Industry is facing disadvantage of both cost and time while using MPT. There is a time delay of around 7-12 days when using MPT or even higher. Moreover, it is expensive as the cargo has to be offloaded and connected to generators at transit location to maintain temperature. There is a waiting time at Colombo also. Difference of time and cost is reflected as per table below:

Destination	Loading Port	Pre-Carriage Cost	Custom clearance charges (Incl.THG)	Sea Freight	Total Cost in INR	Transit Time Port to Port
Australia	Nhava Sheva	65,700	38,244	118,620	222,564	29 days
Australia	Marmagao	21,240	49,908	199,437	270,585	35 days
Germany	Nhava Sheva	65,700	41,123	138,240	245,063	28 days
Germany	Marmagao	21,240	52,717	154,022	227,979	45 days
UK	Nhava Sheva	70,500	41,123	138,060	249,683	28 days
UK	Marmagao	21,240	37,577	150,898	209,715	45 days

The concern of cost and time once addressed through more feeder/Balli ICD would provide much relief to the sector.

- **LOGISTICS MAPPING**



- There has been consistent demand from the industry to upgrade infrastructure at MPT including installing modern shore crane that can enable the port to significantly increase its efficiency and improve volume of container traffic from the port.
- There is no regular availability of custom officials and drug control officials at Mormugao port, this needs to be taken care on top priority.



ANNEXURE

PRESENCE OF TRADE RELATED ORGANISATIONS

District: South Goa

DGFT	o/o Additional DGFT 6 th floor, Kendriya Sadan, C&E wing, Koramangala, 2 nd Block 17 th Main Road, Bangalore- 560 034 Phone: 080-25527215 Telefax: 080- 25537214
State Government & DIC Goa	Industry directorate, trade and commerce, Government of Goa, Udyog Bhawan, Panaji, Goa - 403 001. Phone: (0832) -2222241, 2420787, 2226377, 2422268 Email: dir-indu.goa@nic.in
FIEO	Times Square, Unit No.3A, B-Wing, 4th Floor Andheri Kurla Road Andheri (East), Mumbai-400059 Phone: +91-22-40572222,
Local Export Promotion Bodies	Goa Pharmaceutical Manufacturers Association Sanofi Synthelabo(India) Pvt Ltd GIDC, Plot No. L-121,Phase IIIA. Verna Industrial Estate, Verna Goa 403722, India.
	Goa technology Association S7, Second Floor, Pai House, Sadar, Ponda, Goa Email: info@goatechassociation.com
	World Trade Centre Goa Office 26, EDC Complex, Dr A. B. Rd, Panaji Panaji - Goa, India 403 001; India Phone: +91 (0832) 2431107 / 08; +91 (0832) 2431107 Email id: wtc@wtcgoa.org
	Travel and Tourism Association of Goa 609 Dempo Tower, Patto, Panaji, Goa 403001