

Gujarat

Destination for Investment

Why Gujarat is the Destination For Many Gujaratis And Foreign Visitors

- Strategic Location
- Fastest growing Economy
- Business Friendly Policies
- Robust physical, Social and Industrial Infrastructure
- Quality Manpower
- Abundant Natural Resources
- High Quality of Life, low cost of Living

Gujarat offers a model for Economic Progress and Development for the developing nations. Its significant contribution to Indian Economy has made India visible to a competitive market in spite of the downturn in World Economy. Emerging as 'Investor friendly' destinations in the country, Gujarat highlights a luxurious lifestyle of leisure, pleasure, business and Investments.

Why Business is Vibrant in Gujarat? :

- ✦ Business is a way of Life
- ✦ Inherited Entrepreneurial spirit
- ✦ The SEZ –Growth engines that can boost manufacturing, augment exports and generate employment
- ✦ SME Backbone of the economy. Sector playing a key role in shaping the manufacturing industry
- ✦ PPP – Public Private Partnership. A winning combination for Investments
- ✦ Led by visionary Political Leaders
- ✦ Government felicitates, encourages investment and holistic growth
- ✦ Gujarat is on forefront to promote Excellence

The **Only State in India** to emerge '**Investor Friendly**' even in **World Economy Downturn** :

Gujarat emerges to be an Industrial hub with India's most Industrialized State. Gujarat pays a 27% tax of India. With Vibrant Gujarat Summits, it is evident that Gujarat has the highest success rate of projects implemented in the Country.

Gujarat's Industrial Policy 2009 is geared for catalyzing Robust, Sustainable and Inclusive Growth. The Industry in Gujarat has evoked new models of development. Enhancing IRs and SIRs while traversing through Product Clusters, Industrial Estates, Industrial Parks and SEZ, these phases have met with success and co-exist as Gujarat plunges to expansion with Business growth. Increasing Industrial activity in Gujarat has led to vast Business Resources and immense prosperity for the people of Gujarat

Major Industries

Industries in Gujarat :

Gujarat's Industrial Policy 2009 is geared for catalyzing Robust, Sustainable and Inclusive Growth. The only state to emerge as 'Investor friendly', Gujarat has achieved the distinction of being the top most industrially developed state in India in respect of investment in industrial sector and second among states in respect of value of production and value addition in industrial sector in India.

Growth in the Industrial sector is as high as 12.5%. Overall, it contributes to 16% of the Industrial production in the country. Gujarat also proves the Investment-worthiness by mobilizing the highest share (22%) of investments in 2007-2008. Gujarat is a contributing State which accounts only for 5% of the country's population and 6% of its geographical area. By exercising financial discipline and rationalizing the tax structure, Gujarat is a revenue plus state.

Some highlighted fields:

- ✦ A 'Petro-capital' State of India, Gujarat offers 30% of Petrochemicals, 50% Chemicals and Pharmaceuticals business.
- ✦ Gujarat tops Agri Growth table at 9.6% with Agriculture Infrastructure achieving maximum growth between 200-2008.
- ✦ Gems and Jewellery Business in Gujarat is the fastest growing sectors in the country. Supported by Policy Initiatives by the Government, in addition to cutting and polishing of Diamonds, processing and jewellery design has also gained prominence.
- ✦ It is the largest producer (35%) and exporter (60%) of cotton and is the third largest denim producer in the world. It offers India's 12% textile exports. Known as the 'Manchester of the East' and 'Denim City.' Gujarat's six percent of total Industrial Production comes from textile industry.

Large Units :

Industrial Units with Investment exceeding over 10 Crores in Plant and Machinery are classified as Large Scale Units. Approved by Government of India, other remaining Industries are required to file under IEM (Industrial Entrepreneur Memorandum) – and SEZ (export oriented or setting up a Project) require permission from Development Commissioner, SEZ. Gujarat has major 1200 large scale Industries and growing, thereby witnessing Industrial development since its formation as a State in 1960.

Micro, Small and Medium Scale Units :

The micro, Small and Medium Scale Units classify with Investments ranging from various Investments in Plant and Machinery and Equipment. Gujarat witness impressive development in SME sector. In 1961, the State had upto over 2000s of Industrial Units with a sharp rise as years roll down, leading to a whopping 4 Lac SMEs catering to deal business expansions and robust leap towards development. SMEs have the potential to provide support to the larger units, provide employment and provide cost effectiveness. The Industrial Policy provide

Exports and Economic Zones

High on Exports with impressive performance, Gujarat's Export share in India is highest contributing to an average over 14% share in India. Gems and Jewellery deem for a rise to 25% and over. The

Government is encouraging SEZ (Special Economic Zones) considered as growth engines that can boost manufacturing, augments exports and generate employment. These include multi product SEZs and sector specific SEZs covering textiles, pharma, engineering, chemicals, ceramics, gems and jewellery and IT/ITES sectors.

Following are some Identified INDUSTRIAL PROJECTS in Gujarat:

- ✦ Agro Based & Food Processing Industry
- ✦ Chemical & Petrochemicals
- ✦ Information Technology
- ✦ Mineral-Based and Allied Industries
- ✦ Plastic and Allied Industries
- ✦ Port-Related Activities & Infrastructure
- ✦ Textile & Apparels Industry
- ✦ Gems and Jewellery
- ✦ Other Sectors

Investment Opportunities

**Gujarat: Only State in India to emerge
'Investor Friendly'
even in World Economy Downturn**

Gujarat, the Growth Engine with Business Resources, offers tremendous Opportunities for Investment as it is the most preferred location for Industrial Investment in the Country. It is the home for Dynamic Industrialists and Business Entrepreneurs.

Several factors influence Investment Opportunities in Gujarat depending on Investment Environment:

Availability of Natural Resources

Gujarat is rich in its mineral base. It has a sharp growth in Agriculture at 9.6% expansion in farm production. A 'petro capital' State with Industry depending on availability of natural resources which are in abundance in the state.

Manpower

Gujarat excels in skilled manpower. Gujarat has amongst the least man-days lost – 0.6 per cent of the country's total.

Following are the Identified Investment Opportunities in Gujarat:

Industrial Projects

- ✦ Agro Based & Food Processing Industry
- ✦ Chemical & Petrochemicals
- ✦ Information Technology
- ✦ Mineral-Based and Allied Industries
- ✦ Plastic and Allied Industries
- ✦ Port-Related Activities & Infrastructure
- ✦ Textile & Apparels Industry
- ✦ Gems and Jewellery
- ✦ Other Sectors

Tourism Development

Policy Measures and Incentives

The support of a proactive government is key factor for rapid industrial growth. The Gujarat Government has undertaken several Policy measures and Incentives to attract large investments in various sectors. The Policies aim to promote overall development of the economy.

Economy Attractions

At a time of the World Economy melt down, Global Investors envisage for safer Investments and fetch assured returns. Investors look towards India and Gujarat has been a preferred Investment Destination with Vibrant Gujarat Summit MoUs signed to overwhelming response with a whooping 12 lakh Crores.

Projects

- ✦ Infrastructure With Focus on SIRs (Special Investment Regions)
- ✦ Development and Environment
- ✦ Urban Development
- ✦ Engineering and Auto
- ✦ Bio Technology and Pharma
- ✦ Oil – Gas – Power Sector
- ✦ Social Infrastructure & HDI
- ✦ Investment opportunities in Tourism

Stable Leadership and Growth Policies

With a Stable Leadership and Business environment, Gujarat is recognized as a front runner in proactive Governance with its progressive policies and incentives. Being among the first states to establish reform-oriented policies has been a vital factor for creating a conducive environment for investors. Gujarat has further launched specific policies that cater to the development of sectors such as ports, roads, biotechnology, IT, agriculture and minerals.

Enhancing Investments

There is specific intervention across sectors which would facilitates in fostering significant growth. The IRs and SIRs are steered for 'Model for Growth.' The DMIC (Delhi-Mumbai Industrial Corridor) is strategically planned Project of the Government covering 1483 kms, of which, 546 kms long route covers Eighteen (18) Regions of Gujarat. Gujarat Government has incredible development plans under this Project.

Partnering Strengths

The PPP model is encouraged by Gujarat Government in Infrastructure Sector to leverage entrepreneur spirit of Gujarat and have multiple effects on Government efforts. Mega Projects and Innovative Projects are also being encouraged by the State. This aims for **Investors Paradise** as Partnering strengths are Growth Propellers.

Major Projects

Innovation Is The Key To Success

Gujarat Government implements various Projects with developmental Initiatives, Schemes and policies for Growth. The Sectors are covered up under GOG Departments who efficiently analyze in-depth, the core Issues and focus on various Initiatives and schemes for Project development. These promote the growth of the Sector with a view to socio-economic development growth. The GoG Departments' directs and guides effective management of projects.

Project Management Framework:

- | | |
|------------------------------|---|
| ✦ GoG Departments | ✦ Approvals |
| ✦ Policies | ✦ Implementation |
| ✦ Principles | ✦ Tools and Techniques |
| ✦ Responsibilities and Roles | ✦ Effective communication and documentation |
| ✦ Initiatives | ✦ Processing Methodology |

GoG Departments undertakes the Project Implementation and Process with detailed Project planning and research. The Growth for Policies with various Initiatives, power the Projects to progressive results leading to successful project completion or to follow up the process thereby.

Managing Government Projects and implementing strategies can often be challenging. It calls for, Managing team work, enhancing skills and communication, undertaking Initiatives while meeting the expectations of Project Completion. As such, GoG synergizes excellent and Innovative thought implementation with talent and technologies. The GoG motivates Inculcation of Work Culture with the 'Chintan Shibirs' - The Karmayogi Maha Abhiyan (reflection workshops for profound thinking) as well as V-Governance.

Chintan Shibirs are annual retreats for the ministers and the Senior Government Officials for brainstorming, progress review, goal setting and developing a collective vision; while V-Governance is a unique training initiative for Vibrant Governance through 'change in mindset'. Till date 4 Chintan Shibirs have been held and lacs of officers/employees have undergone the V-Governance training. In addition to the government officials, over 2.5 lac teachers too have undergone the karmayogi training.

Many Development programs are not only catalyzing the pace of development but it has also remained instrumental in changing the direction of development. Gujarat is going to architect the landscapes of development and as the development flame illuminates, faith leads the way ahead for Architecting Eternal and Swarnim Gujarat.

Vision :

Managing Climate Change

Global Climate change is a major challenge to Humanity. To tackle it, Gujarat has established a separate Department for Climate Change. This initiative by Gujarat Government is a trendsetter not only for India but for the whole of Asia. Gujarat Initiates in Environment Conservation. The

only 4th Province in the World to have a Department of Climate Change

Industrial Park

Industrial Parks - An Industrial Estate where infrastructure facilities required for Industries and Service Sector

Activities like :

- ◆ Developed Land/Plot
- ◆ Water Distribution
- ◆ Sewerage Collection and Treatment
- ◆ Internal Roads
- ◆ Electricity
- ◆ Communication Network
- ◆ Effluent Treatment and Disposal Facilities for treated effluents
- ◆ Any other Service Required

The Industrial Parks Scheme came to existence in Gujarat in the year 2002. This Scheme is known as 'Industrial Parks Scheme 2002' through Private Agencies.

The Industrial Policy of Gujarat emphasize on creating more opportunities in Industrial, Commercial and Service Sectors to accelerate the flow of Industrial Investment. With the Sales Tax Incentive schemes removed, there has been adequate Investment Opportunities with qualitative facilities and enhanced Infrastructure. As such, the State Government has its plans on Infrastructure Development and providing Social amenities on a bigger scale. It attracts Industrialists and Entrepreneurs to set their business in the Established Estates.

Investment Oriented Parks

An industrial park which is not included under the scheme of employment-oriented park or hi-tech park, and in which the total fixed capital investment in industrial units being established shall be Rs 500 crore or more, including the investment made for setting up of industrial park.

Export Oriented Parks

Export Oriented Park - a unit, which exports more than 50% of its production. It is aimed, Exports are doubled in the coming ten years and also attract private sector more in infrastructure services.

Types of Industrial Parks :

Industrial Projects

- ◆ Readymade Garment and Hosiery.
- ◆ Diamond Cutting and Polishing.
- ◆ Gems and Jewellery.
- ◆ Handloom and Handicraft.
- ◆ Leather- based products
- ◆ Mineral Industries.
- ◆ Other industries like Brass Parts, Engineering Industry etc.

Hi Tech Parks

- ◆ Biotechnology Park.
- ◆ Pharmaceutical Park.
- ◆ Information Technology Park.
- ◆ Clinical Testing.

Eco Industrial Parks

State Govt. aims for 'Zero Waste' through Eco Industrial Parks that can play a vital role in preserving the state's natural beauty. Conservation and management tools such as eco-industrial parks (EIP) have tremendous relevance in maintaining the purity of nature and environment. An eco-industrial park- an industrial park in which businesses cooperate with each other and with the local community in an attempt to reduce waste and pollution, efficiently share resources (such as information, materials, water, energy, infrastructure, and natural resources), and help achieve sustainable development, with the intention of increasing economic gains and improving environmental quality.

Key Players

- ✦ The chemical industry in Gujarat accounts for half of the annual investment in the state and contributes to more than 20 percent of India's chemical output.
- ✦ The gems and jewellery industry in Gujarat accounts for over 80 percent of India's total diamond exports.
- ✦ Gujarat is rich in bio-resources and has a forest cover of 1.88 billion hectares.
- ✦ Good reserve of mineral resources especially limestone, lignite and bauxite.
- ✦ Producer of horticultural crops with over 10.7 million hectares of highly diversified cropping area.
- ✦ Gujarat accounts for 40 per cent of India's pharmaceutical production.
- ✦ State cooperative Federations have progressed rural Gujarat.

Gujarat has set up single window facilities at the district level and a provision is made for converting the Industrial Park into an SEZ, with status of deemed foreign territory, where no Central Taxation rules apply.

Policies for Growth

Mineral Policy:

The Government of Gujarat has envisaged specific policy initiatives for industrial minerals occurring in the state to attract investment in the fields mineral exploration, exploitation, and mineral-based industries. It is intended to create competitive environment to speed up industrial development in mineral potential area by enhancement of Human Resource capabilities, improvement in infrastructure & adopting modern technology. The approach is to make progress by increasing mineral production and export of value added material through local and global competitiveness. Efforts to develop with special attention to minerals which are only available in the Gujarat as compared to other states in the country and mineral occurring in few states & having high quality. Creating local employment through mineral exploitation while maintaining mine safety & striking ecological equilibrium is also an additional addendum of this policy

BT Policy:

Biotechnology: A Growth Engine:

Globally, BT has been acknowledged as a tool for socio-economic development. Biotechnology is one of the world's fastest growing technologies, registering a growth rate of 15% (Source: Beyond the Borders--Ernst & Young, 2004). As per the 2006 survey by ABLE-Biospectrum, the forecast of the size of BT industry in India should have been to the tune of \$2 bn by 2004 and \$5bn by 2008. However, predicted growth for 2005 was almost achieved in 2004 itself, reflecting the fast pace of development. In India, BT industry has been growing at an average annual growth rate of 37.42%. In terms of sectors, it is led by Bio-Agri sector showing a growth of 81%, followed by Bio-Pharma (31.88 %) and Bio-Informatics (20%) and Bio-Industries (17.9%) (Source: ABLE-Bio spectrum, 2006 survey).

Power Policy:

- ❖ Planning and building up adequate capacity in generation, transmission and distribution
- ❖ Achieving optimum utilization of existing equipments
- ❖ Rationalizing the tariff structure
- ❖ Improving quality of services thereby achieving cost effectiveness
- ❖ Striving for energy conservation
- ❖ Encouraging power generation utilizing non-conventional sources

Port Policy:

- ❖ Enhancing Gujarat's Share in EXIM Sector
- ❖ Decongesting the overburden on existing ports on the western coast through efficient facilities and services to support the domestic and international trade.
- ❖ Developing / upgrading port facilities at 10 locations.
- ❖ Targeting to handle 100 mln. tonnes of cargo accounting for 25% of national volume by 2000 AD.
- ❖ Providing port facilities to promote export-oriented industries and port-based industries entailing almost 50% of total industrial investment.
- ❖ Encouraging shipbuilding, ship repairing and manufacturing facilities for cranes, dredgers and floating crafts.
- ❖ Promoting coastal shipping for passengers and cargo traffic between various locations within the state and important places outside the state.
- ❖ Supporting power plants by offering exclusive facilities for import of different power fuels.
- ❖ Attracting private sector investment in minor and intermediate ports as also at the new port locations.

Disaster Management Policy:

The state of Gujarat ('the state') has been prone to disasters. Over the years, these disasters have caused extensive damage to life and property and have adversely impacted economic development. The Government of Gujarat ('GoG') recognizes the need to have a proactive, comprehensive, and sustained approach to disaster management to reduce the detrimental effects of disasters on overall socio-economic development of the state. GoG believes that there is a need for a policy that articulates its vision and strategy for disaster management in the state.

The aim of the Gujarat State Disaster Management Policy is establishing necessary systems, structures, programs, resources, capabilities and guiding principles for reducing disaster risks and preparing for and responding to disasters and threats of disasters in the state of Gujarat in order to save lives and property, avoid disruption of economic activity and damage to environment and to ensure the continuity and sustainability of development.

Tourism Policy:

- ✦ Identifying and developing tourist destination and related activities
- ✦ Diversifying tourism-related activities for attracting more tourists
- ✦ Developing pilgrimage Centres as tourist destinations
- ✦ Creating adequate facilities for budget tourist
- ✦ Strengthening present tourism - related infrastructure with opening of new Centres Promoting accommodation projects, food oriented projects, entertainment projects, service oriented projects, etc.
- ✦ Promoting tourism in the areas of religious and archaeology, heritage, wild life, coastal and beach, traditional art and craft based, corporate, adventure, highway, etc.
- ✦ Encouraging training facilities for developing a pool of human resources for tourism - related activities by private sector

IT Policy:

Over the last two decades Information Technology (IT) and information Technology enabled Services (ITeS) Industry in India has emerged as a strategic sector in India's competitiveness in global market on both employment as well as economic value creation fronts. IT as a sector has marched ahead at a brisk pace evolving into a key driver to both India's global trade and to Indian's mobility.

A report by NASSCOM evaluating the contribution of IT over last decade brings out that; IT has off set 65% of India's cumulative net oil imports. IT/ITeS sector has contributed to 45% of incremental urban employment – both direct and indirect – with over 30% women employees and 45% new entrants. The report also acknowledges that for the globally competitive market place IT has opened the doors for India in forging business relationships with almost all Fortune 500 companies.

Road Policy:

- ✦ Imparting connectivity to all villages by all-weather roads thereby improving quality of life in rural areas.
- ✦ Developing adequate and efficient road system encompassing all transportation needs to ensure smooth and uninterrupted flow of goods and passenger traffic.
- ✦ Upgrading constantly the technology by inducting superior and quicker construction and maintenance methods.
- ✦ Inducting more scientific principles of resource allocation for maintenance and new construction programs.
- ✦ Setting high standards of road safety and travel comforts.

Investment Regions

**In 21st Century, For India's Development, Gujarat's Progress
led to Gujarat as 'Petro Capital' to Good Governance,
Pro-Active Governance and SEZ – NOW SIRs "Model for Growth**

Pro Advantage Features:

- ✦ 'Business Friendly' Environment
- ✦ Government Facilitates, Encourages Investment and Holistic Growth
- ✦ Inherent Entrepreneur skills
- ✦ Skilled, Educated and hardworking Man Power
- ✦ Efficient Power Sector
- ✦ Natural resources in abundance
- ✦ Connectivity by Road, Rail, Air, Sea
- ✦ Large Consumer base
- ✦ The SEZ –Growth engines that can boost manufacturing, augment exports and generate employment
- ✦ SME Backbone of the economy. Sector playing a key role in shaping the manufacturing industry
- ✦ PPP – Public Private Partnership. A winning combination for Investments Social Infrastructure and HDI
- ✦ Urban Development
- ✦ Led by visionary Political Leaders

Gujarat has a robust Infrastructure and fast track Economic Development of the State. It takes to it's credit as Asia's Biggest "Investment Infrastructure Opportunity Centre."

Investment Regions (IRs)

Government of India announced the establishing the Dedicated Freight Corridor between Delhi and Mumbai, covering an overall length of 1483km and passing thru the States of U.P, NCR of Delhi, Haryana, Rajasthan, Gujarat and Maharashtra, with end terminals at Dadri in the National Capital Region of Delhi and Jawaharlal Nehru Port near Mumbai.

An Investment Region (IRs) are specifically delineated Industrial Region with a minimum area of over 200 square kilometers (20,000 hectares), while an Industrial Area (IAs) would be developed with a minimum area of over 100 square kilometers (10,000 hectares). (In Gujarat, as per the Ordinance Act, An Investment Region will be developed in an area of more than 100 sq. kms and an Industrial area will be developed in an area of more than 50 sq. kms.)

Special Investment Regions (SIRs)

In January 2009, the State Government promulgated a legal framework - The Gujarat Special Investment Regional Ordinance, 2009. State Government has passed the SIR ordinance particularly to create large size Investment Regions and Industrial Areas in the State of Gujarat; and to specially enable their development as global hubs of economic activity supported by world class infrastructure, premium civic amenities, centers of excellence and pro-active policy framework; and to set up an organizational structure with that purpose.

This strategy of the State Government is complimented with the strategy of the Government of India. Government of India has proposed a project of Dedicated Freight Corridor (DFC) between Delhi and Mumbai. The area of 150 kms on both sides of the DFC will be developed as the Industrial Corridor. 38% of the length of the DFC is falling in Gujarat. As part of this Delhi-Mumbai Industrial Corridor (DMIC), six mega industrial nodes (**four industrial areas and two investment regions**) have been proposed for the State of Gujarat. Almost one third of the proposed investments of about 90 billion US dollars in DMIC is expected to take place in Gujarat alone

Six mega Investment Regions/Industrial nodes (four industrial areas and two investment regions) in the DMIC Area Focus :

✦ Dholera	Ahmedabad Investment Region
✦ Vadodara	Ankleshwar Industrial Area
✦ Palanpur	Mehsana Industrial Area
✦ Bharuch	Dahej Investment Region as PCPIR
✦ Surat	Hazira Industrial Area and
✦ Valsad	Umernagar Industrial Area

Special Economic Zones:

Gujarat has the distinction of being the first state to enact the Special Economic Zone (SEZ) Act, 2004. Special Economic Zones (SEZs) are growth engines that can boost manufacturing, augment exports and generate employment. The Government has introduced the scheme of SEZs in order to provide a hassle free operational regime and encompassing state of the art infrastructure and support services.

Key Sector wise break up of Special Economic Zones:

✦ Electronics, IT/ ITES	17
✦ Engineering	10
✦ Pharma	4
✦ Textiles & Apparels	4

Infrastructure

Gujarat: State of the Art Infrastructure

Gujarat has a robust Infrastructure and is pioneer in Public-Private partnership. It takes to its credit as 'Asia's Biggest' Investment Infrastructure Opportunity Centre.' Gujarat state have strategically developed very efficient and cost affective infrastructure which boost states Urban and Industrial growth.

It's relentless quest for a larger image of Gujarat with all round development is foreseen bearing fruits of success. As one of the youngest States of the Indian Federation, Gujarat's track record has shown impressive Development which make it a 'Growth Engine of Gujarat.'

Formed in 1960, the State has predictably reached a sharp 'Progress Chart' on all fronts. With Vibrant Gujarat Summit MoUs signed to 12 Lac Crores in 2009, it has emerged as a leading Industrial State in the country within a short span of time. It evolves in an 'Economy Domain' primarily by 'Investor's Paradise' with vast potential for growth in coming successive years.

Since 2003, the word '*Vibrant*' has become associated with Gujarat enhancing the national and international reputation of the state. In spite of the economic slowdown, the two-day Vibrant Gujarat Global Investors' Summit 2009, which concluded in Ahmedabad on January 13, attracted promised investments of over Rs. 12 lac. crore. More than 8,500 Memoranda of Understanding were signed between the State government and the intending investors. These have the potential to create over 25 lac. additional employment opportunities. While the last three editions of the 'Vibrant Gujarat' summit in 2003, 2005 and 2007 together received promises for investment of over Rs 6.34 lac. crore, the 2009 summit alone had inked MoUs to invest 12 lac. Crore

Gujarat Infrastructure comprise of Extensive network of :

- ✦ Physical Infrastructure
- ✦ Social Infrastructure
- ✦ Education Infrastructure
- ✦ Water Infrastructure
- ✦ Power and Energy Infrastructure
- ✦ Integrated Gas grid and Energy Security
- ✦ Tele communication and IT Infrastructure
- ✦ Industrial Infrastructure
- ✦ SEZ
- ✦ Chemicals and Petrochemicals
- ✦ Tourism
- ✦ Rural and Urban Development