

Doing Business in the State of West Bengal



सत्यमेव जयते



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CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES



INVEST INDIA

NATIONAL INVESTMENT PROMOTION
AND FACILITATION AGENCY

Doing Business in the State of West Bengal



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Doing Business in the State of West Bengal



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Doing Business with West Bengal



US-India Commercial
Dialogue State Spotlight Webinar Series

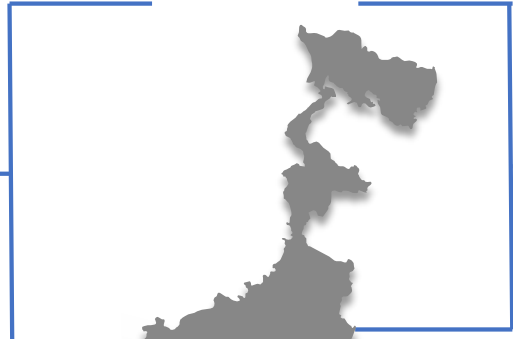
Doing Business in the State of West Bengal
11th July, 2018





West Bengal - Key Economic Strengths and Highlights

Bengal
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4th

Largest economy in India



4th

Largest in terms of NSDP in India



11.80%

GVA – FY 2017-18



\$155.32 bn

GSDP – FY 2017-18



4th

Largest contributor to India's services GDP



6th

Largest contributor to India's manufacturing GDP



1ST

in Ease of Doing Business with 100% compliance

COMETO
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Source: Centre for Monitoring Indian Economy



West Bengal – Economic Growth Snapshots

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2.5x

Tax Revenues

State **tax revenue** more than doubled (2.5X) to ~US\$ 7.3 billion in 2017-18 from 2010-11

5x

State Plan Expenditure

State plan expenditure increased by 5 times from over 2010-11 to US\$ 8.53 billion in 2017-18

8.6x

Capital Expenditure

Capital Expenditure in the State increased by 8.6 times over 2010-11 to US\$ 2.82 billion in 2017-18

7x

Expenditure on Agri Sector

Expenditure in Agriculture and Agri-Allied Sector registered a 7 fold increase over 2010-11 to 2017-18

4.5x

Expenditure on Social Sector

State Plan Expenditure in Social Sector increased by 4.5 times over 2010-11 to 2017-18

4x

Expenditure on Physical Infrastructure

Expenditure increased by 4 times over 2010-11 to 2017-18



Why West Bengal?

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Strategically located on the East coast making it the '**Gateway to SE Asia and NE India**'



Proposed AKIC, linking Amritsar, Delhi & Kolkata, spanning 2,000 Kms in seven states



Largest in number of MSMEs and **third largest** in number of people employed in MSMEs



Leading State in terms of power distribution, quality & availability



Workforce close to **40 million**, **third largest in the country**



Two large container and bulk handling ports at Kolkata and Haldia



Enhanced **Ease of Doing Business** through radical regulatory reforms & competitive incentives



Two international Airports at Kolkata & Bagdogra



Third largest in terms of mineral production with more than 20 percent of country's production



Leading in the country in terms of spread, density & reach of Inland Waterways



Third largest in terms of road coverage with 16 National Highways & two Asian Highways



Among leading exporters with 12% of country's leather & 10% of iron & steel exports



West Bengal – Industrial Infrastructure

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Ready Industrial Infrastructure

200+ Industrial Parks/Estates
20,000 acres land

Scheme to promote Greenfield parks
10 upcoming parks on 670 acres land

Upcoming Industrial Parks

Howrah	Haldia
Haringhata	Raghunathpur

Textile Park
6 Existing and 7 Upcoming

Gems & Jewelry Parks
2 Existing and 1 Upcoming

**Upcoming State Design Centre in
association with Dessault Syatemes**

Existing Industrial Parks

Chemical	Integrated Chemical Park, Howrah
	Poly Park, Howrah
Food Processing	Food Park, Howrah
	Food Park, Malda
Textiles	Paridhan-Garment Park, kolkata
Information Technology	IT Park, Howrah
	IT Park, Siliguri
Gems & Jewelry	Manikanchan, Salt Lake, Kolkata
	Gems & Jewelry Park, Howrah

**Mega Seafood Park,
Kharagpur – INR 4 Bn**

**The Kolkata Financial &
Legal Hub ~ INR 3500 Cr**

Strengthened Common Facilities

Clusters Development Strategy

390 clusters (350 added in the last 5 years)

11% State growth in industrial sector as against **National** growth of **7.3%** in 2015-16



Make in Bengal – *Doing Business Made Easy*

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National Ease of Doing Business ranked West Bengal first with 100% compliance.



Simplified procedures and reduced documentation



Right to Public Services Act enacted to ensure time bound service delivery



e-Services and web-supported systems



State-of-the-art Single Window System developed for online application



Investment Opportunities – Focus Sectors of West Bengal

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Industrial Infrastructure



Engineering



Urban Development



IT & ITES



Agro and Food Processing



Textiles and Apparel



Transport



Power



Tourism



Social Infrastructure

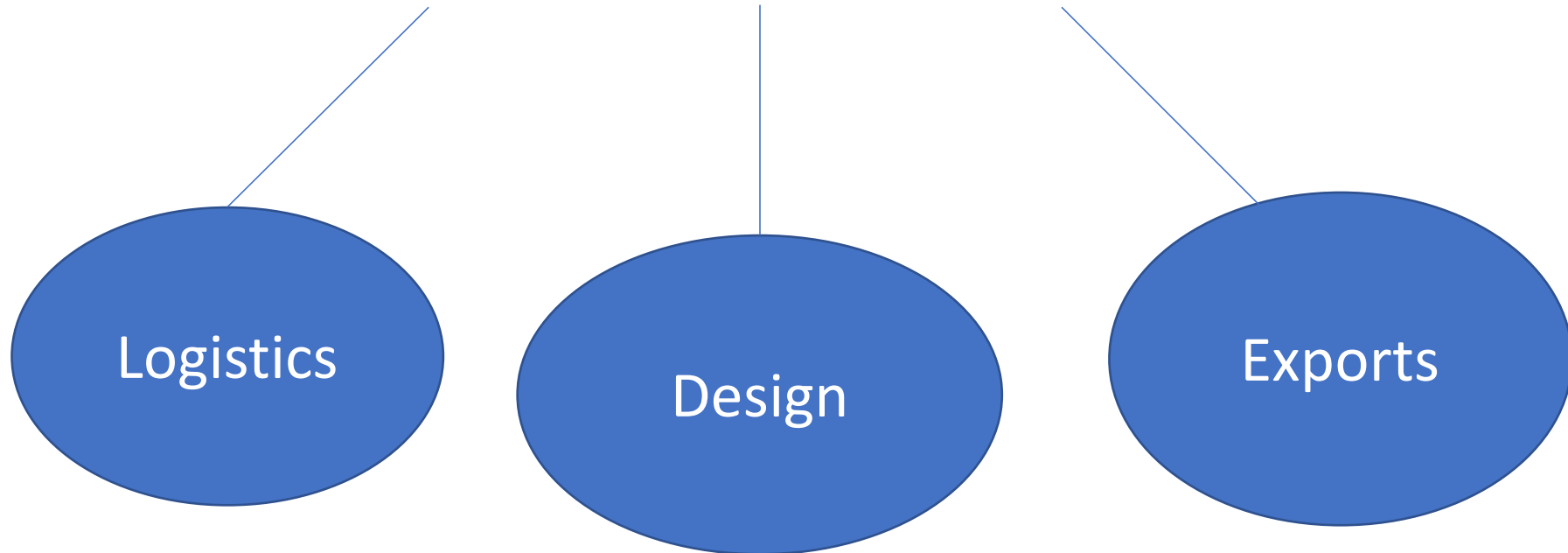
Social Infrastructure
Healthcare, School Education, Higher Education, and Skills and Technical Education

Agri-Business
Seeds & Fertilizers, Food Processing, Animal Resource Development, Fisheries

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New Dimensions





Logistics

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West Bengal has come a long way from being a provider of transport services to a facilitator of integrated logistics services:

Advantage:

- **Eastern Freight Corridors:** Amritsar Kolkata Industrial Corridor (AKIC), along with the Eastern Dedicated Freight Corridor (EDFC) stretching from Ludhiana in Punjab to Dunkuni in West Bengal, is coming up in West Bengal with 2483 acres (~1004 hectare) of industrial land at Raghunathpur
- **Inland Waterways:** 2,293 km National Waterways (16 NWs); 16% of NW area of the country; Highest NW density in the country; 950 kilometres to water front
- **Locational Advantage:** Strategically located on the East coast making it the '*Gateway to SE Asia and NE India*'; 2 existing ports in Kolkata and Haldia and 2 upcoming ports at Bhor Sagar and Tajpur; 3rd largest in terms of road coverage with 16 National Highways & two Asian Highways
- 2nd largest **cold storage capacity** in the country.
- Largest **warehousing capacity** in the Eastern part of the country

GST implementation: - Substantial transformation of informal logistics setups to formal ones.

- Faster freight movement at interstate borders due to dismantling of check posts.
- Transform into one common market, eliminate inefficient taxation processes.

Logistics Park Development and Promotion Policy, 2018: - To facilitate an organized development of its Logistics Sector.

- Boost the investment and exports quantum.
- Comply with various national standards and targets.

Exports

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Position of Exports:

- West Bengal's merchandise exports - US\$ 9.14 billion during 2017-18 with annual growth rate 11.05%.
- It serves as the gateway to North-East India and South-East Asia, gives port access to landlocked states of central India and to independent Himalayan countries of Nepal and Bhutan.

Focus Sectors:

Leather and Leather products, Gems and Jewelry, Tea, Agri-Business (including Food Processing, Horticulture, Fruits & Vegetables etc.), Fisheries and Marine Products, Chemicals and Petrochemicals, Textiles, Engineering Goods, IT/ITES, Financial Services, FinTech

Export Promotion Policy:

The Government of West Bengal launched '*Export Promotion Policy for Government of West Bengal*' in 2018.

Export Promotion Cell:

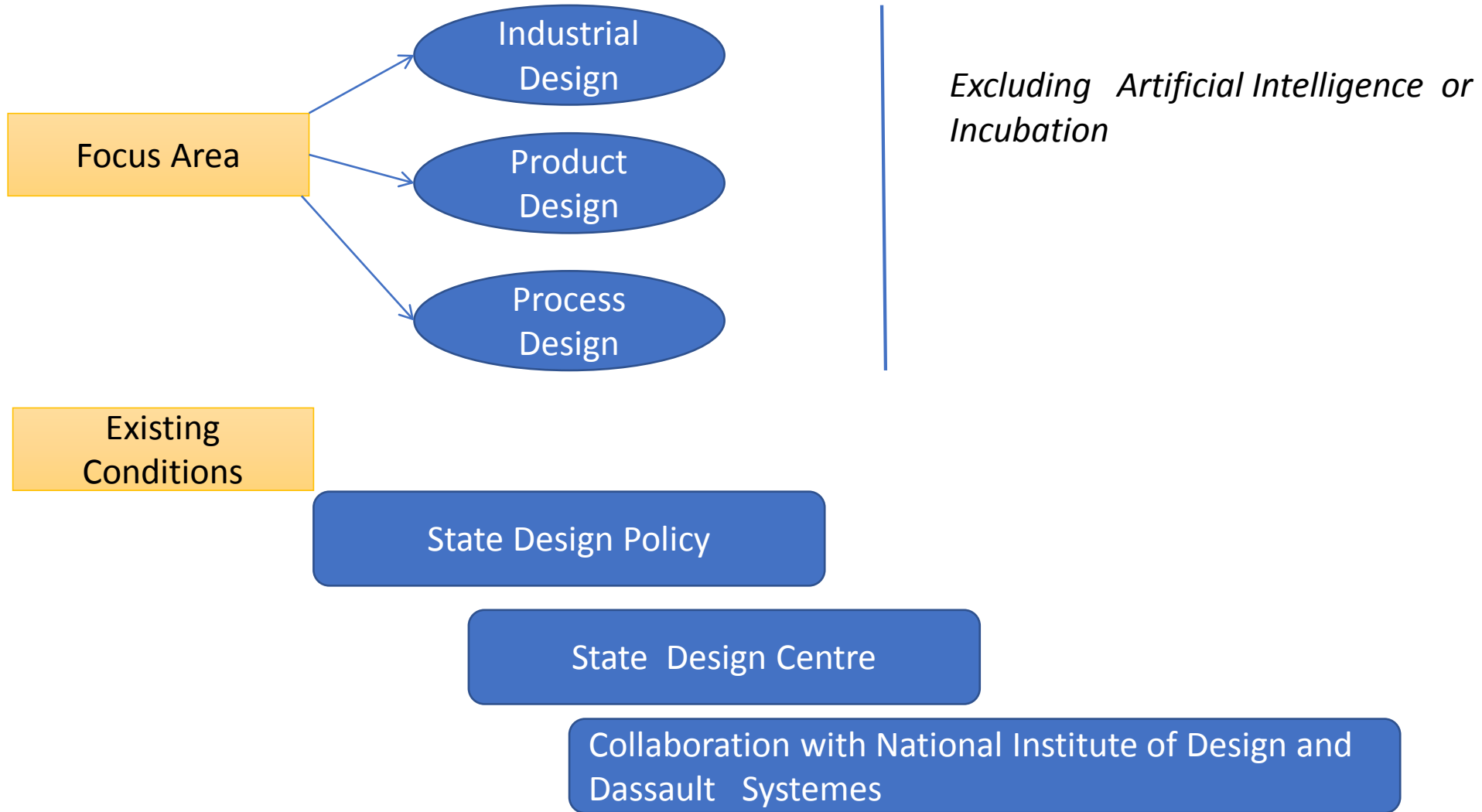
West Bengal Industrial Development Corporation created this Cell to facilitate export promotion and regular review of progress of various export infrastructure works and export promotion schemes, as well as target based performance monitoring of state export councils and overall export performance.





Design

Objective – To make Kolkata the ‘*Design Capital*’ of India



US Companies in West Bengal

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West Bengal has presence of many American and other foreign companies, some of which are given below:

- Ernst & Young LLP
- Cognizant Technology Solutions India Pvt. Ltd.
- PricewaterhouseCoopers Private Limited
- Amway India Enterprises Pvt. Ltd.
- Deloitte Touche Tohmatsu India LLP
- Genpact
- KPMG
- PepsiCo India Holdings Private Limited
- TCG Digital Solutions Pvt. Ltd.
- Cisco Systems
- Lexmark International India Pvt. Ltd.



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Bengal Global Business Summit (BGBS)

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- The Government of West Bengal organizes its flagship **Bengal Global Business Summit** to promote the opportunities in West Bengal.
- The 4 chapters across varied sectors of the Summit have proven to be milestones in terms of establishing Bengal as an ideal investment destination with business proposals worth USD 145.93 billion and many signed MOUs.



BGBS 2015-20 countries
BGBS 2016-26 countries
BGBS 2017-29 countries
BGBS 2018-32 countries

**USD 31.9 Billion in
BGBS 2018 & USD
106 Billion
investment
proposals in BGBS
2015, 2016 & 2017**

Participation of **350**
International Delegates
from **32 Countries** of
Europe, America,
Middle-East and Asia in
BGBS 2018

**5th Bengal Global
Business Summit**

**7th and 8th
February, 2019 in
Kolkata**

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We cordially invite you to **Bengal Global Business Summit-2019** to be held on **7th-8th February, 2019** in Kolkata.

Thank You!

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KARTIKEYA SINGH

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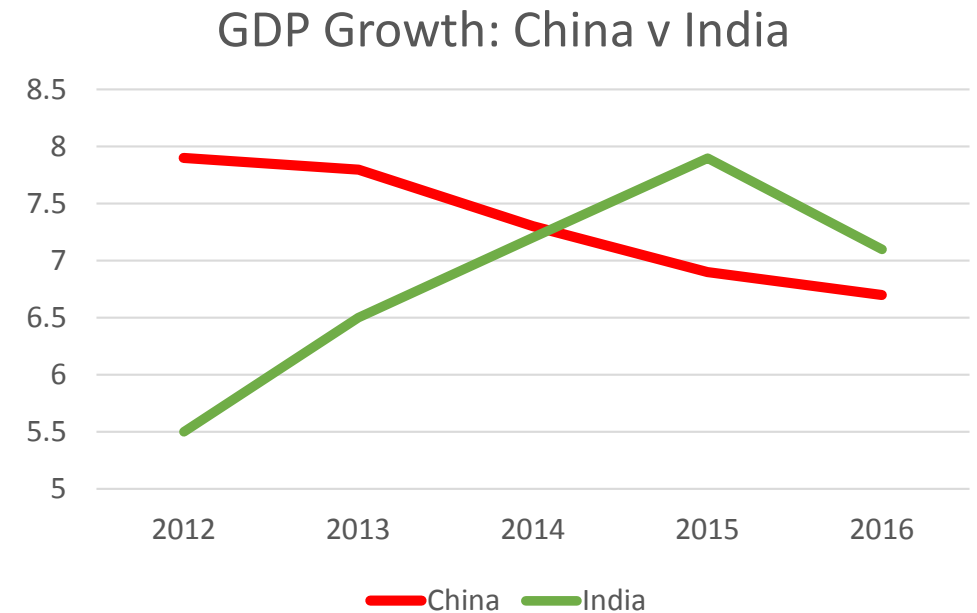
Dr. Kartikeya Singh

Deputy Director and Fellow, CSIS

July 11, 2018

The Economic Picture

- India was the world's fastest-growing large economy in FY 2018, with GDP growth estimated at 6.7 percent in 2017-18.
- India has a population of over 1.3 billion. Per capita national income is roughly \$2,100; in 2018 GDP per capita (PPP) is estimated to be \$7,780.
- India ranks 100 out of 190 countries on the 2018 World Bank Ease of Doing Business Rankings.



Ease of Doing Business

Indonesia: 72

China: 78

India: 100

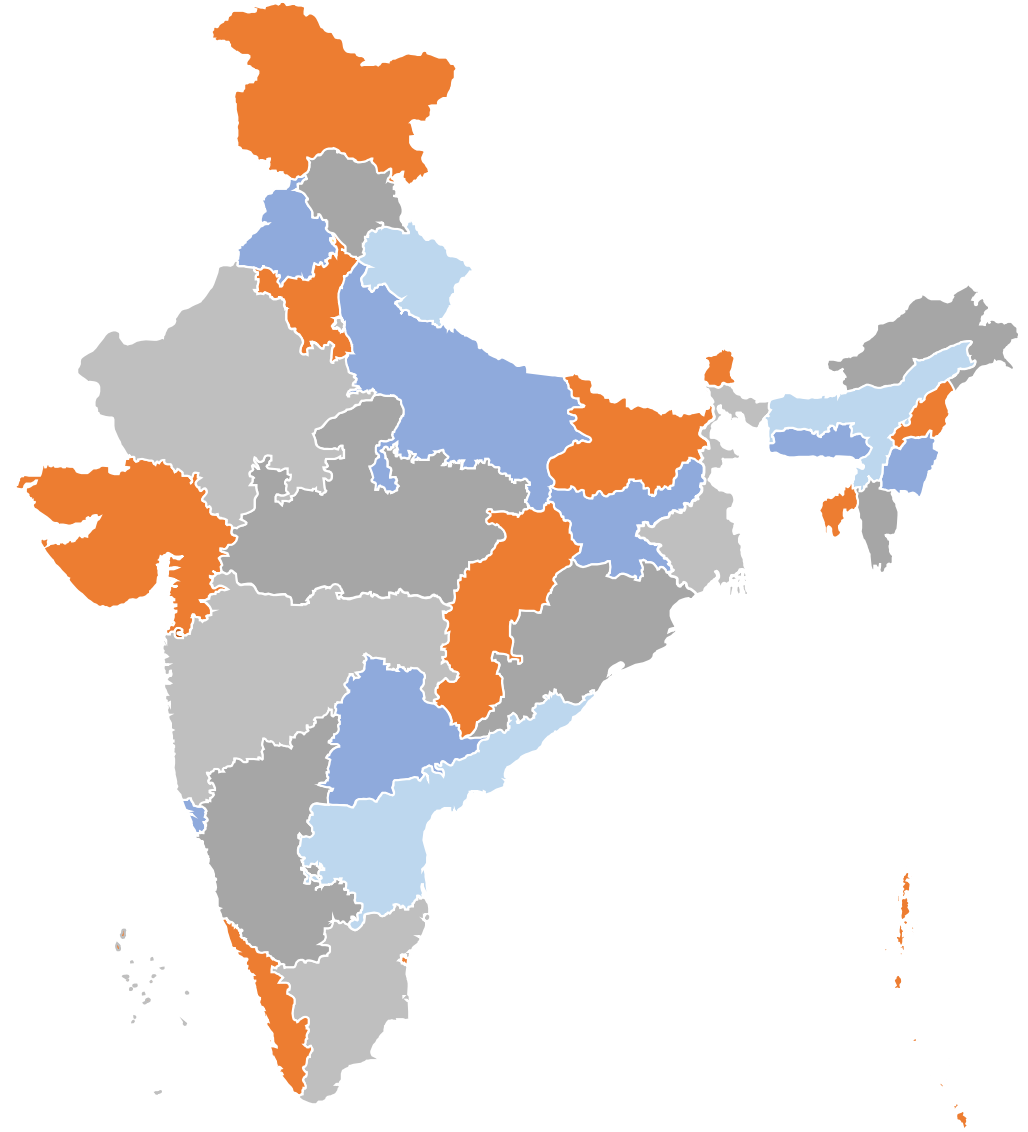
Bangladesh: 177

International Exposure

- India's total trade (in goods) was \$768 billion in 2017, up from \$658 billion in 2016.
- Total U.S.-India bilateral trade was \$126 billion in 2017, up from \$118 billion in 2016 (an 6.3% increase).
- India received \$40 billion in Foreign Direct Investment in 2017, down \$4 billion from 2016. Foreign Portfolio Investment increased from \$2.4 billion in 2016 to \$5.4 billion in 2017.

Indian Federalism

- Like the U.S., India is divided up into states (in this case 29).
- Also as in the U.S., Indian states have power over some core governance functions, like power, policing, and economic development.
- The central government retains complete control over foreign and fiscal policy and when it wishes can legislate on business regulation and taxation.



Introducing West Bengal

- West Bengal is an eastern Indian state, whose economy is driven by services, agriculture and a growing industry sector.
- It has a population of 90 million (4th largest in India) and a GDP of \$160 billion (6th largest in India).
- West Bengal was ruled by a democratically-elected communist government for 34 years, which lost power in 2011.



West Bengal in Comparison

- The industrial sector in West Bengal has seen erratic growth. In 2014, the state faced a couple of major manufacturing shutdowns, including the Uttarpara Hindustan motors car manufacturing unit, as well as the temporary shutdown of the Haldia Petrochemicals plant. It has since focused on fostering industrial investment.
- The state government is focusing on developing its vast mineral reserves (the 9th largest in India) alongside continued support of key agricultural commodities including rice, potatoes, tea, and horticulture.
- West Bengal jumped five places and currently ranks 10th overall in “ease of doing business” as compared to India’s states based on implementation of business reforms recommended by DIPP.

Government Initiatives

- West Bengal has focused its efforts on fostering industrialization in the state, taking steps to lower operational costs in the state. These efforts were reflected in its rising position in the central government's ease of doing business rankings.
- The state is also now working to construct two deep-sea ports, since it only has riverine ports, limiting its ability to accept certain cargo.
- While West Bengal has made progress on reducing operational costs, it still needs to make significant progress to improve labor quality and reform its land acquisition laws.

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Doing Business in the State of West Bengal



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