



GUJARAT

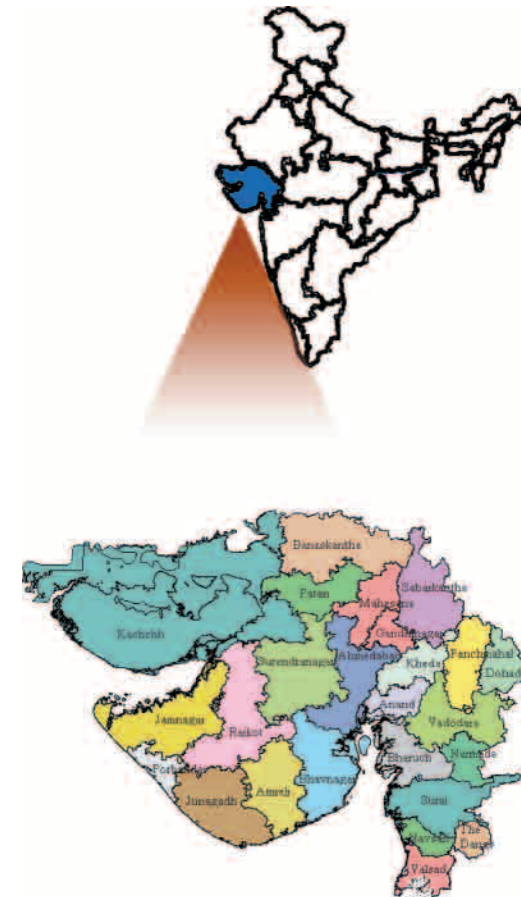
January 2008



STATE ECONOMY & SOCIO-ECONOMIC PROFILE

Gujarat – A Snapshot

- Gandhinagar, the Capital Gujarat is located close to Ahmedabad, the Commercial capital
- Diverse climatic conditions with mild and pleasant winters and hot and dry summers and heavy monsoon
- The State currently has 25 districts (226 talukas, 18,618 villages, 242 towns)



Socio-Economic Snapshot

Demographic Indicators	
Population Density	258 per sq. km.
Rural population (%)	62.64
Urban Population (%)	37.36
Decadal Growth Rate (%)	22.66 (1991-2001)
Birth Rate	23.7 (2005)
Death Rate	7.1 (2005)
Growth Rate	16.6 (2005)
Sex Ratio	870 females per 1000 males (2006)
Effective Literacy Rate(%)	69.14 (2001)

Economic Profile

Economic Indicators

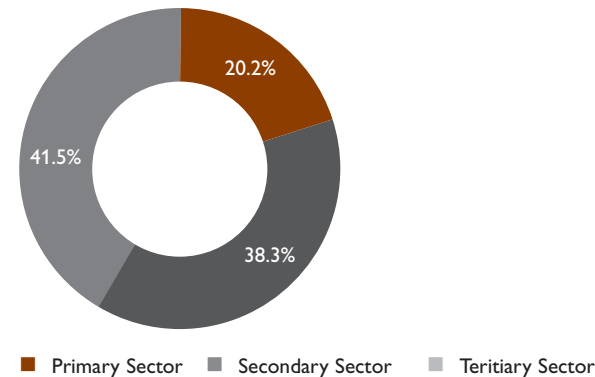
Growth Trends in Gross State Domestic Product (GSDP)

- Current GSDP is US\$ 52.8 billion (at current prices)
- GSDP growth (2002-06) is 10.6%
- Gujarat has set the highest growth target of 11.2% for the 11th Five Year Plan

Sectoral Contribution to GSDP

- Tertiary sector highest contributor to GSDP
- Manufacturing sector a key driver of Gujarat's economy

Composition of GSDP as per Economic Activity



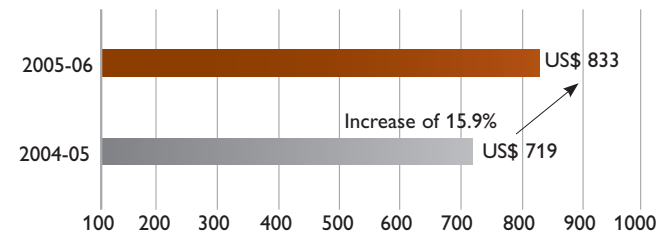
Economic Profile

Economic Indicators

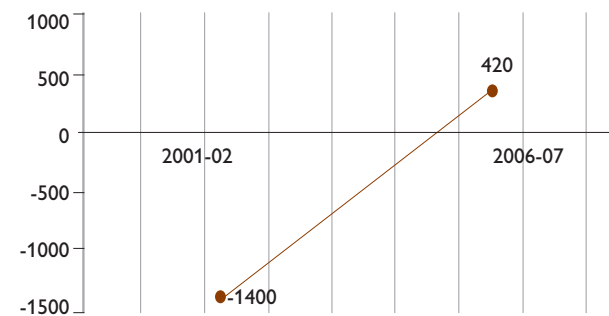
Per Capita Income

- Per Capita income of Gujarat (2005-06) is US\$ 833, higher than the national average (US\$ 627.2)

Increase in Per Capita Income (At Current Prices)



From Revenue Deficit to Revenue Surplus (US\$ million)



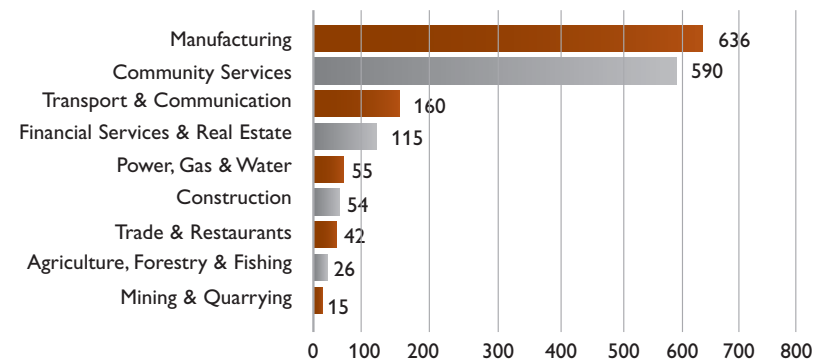
Source: Socio-Economic Review 2006-07

Socio-Economic Profile

Employment Distribution

- Manufacturing accounts for largest share of employment across industries
- Employment in public sector establishments was 0.83 million (March 2005)
- Employment in private sector was 0.86 million (March 2005)
- Public sector employed 17.35% and Private sector employed 10.45% women (March 2005)

Employment Distribution across sectors ('000)



Source: Socio-Economic Review 2006-07

INFRASTRUCTURE STATUS

Physical Infrastructure - Ports

- 41 ports along 1,600 km coastline including 1 major port at Kandla and 40 minor ports
- The State has 6 direct berthing commercial ports, 14 direct berthing captive port terminals, 11 lighterage cargo ports
- Amount of total cargo handled is 108 mmtpa (approx. 25% of India) (2006)
- 2 LNG terminals; cost efficient transportation of natural gas, crude oil and petroleum products from the Middle East and Europe
- First state to take up port privatisation
- Modern mechanised cargo handling systems in all new ports
- Port policy envisages development of 10 greenfield sites

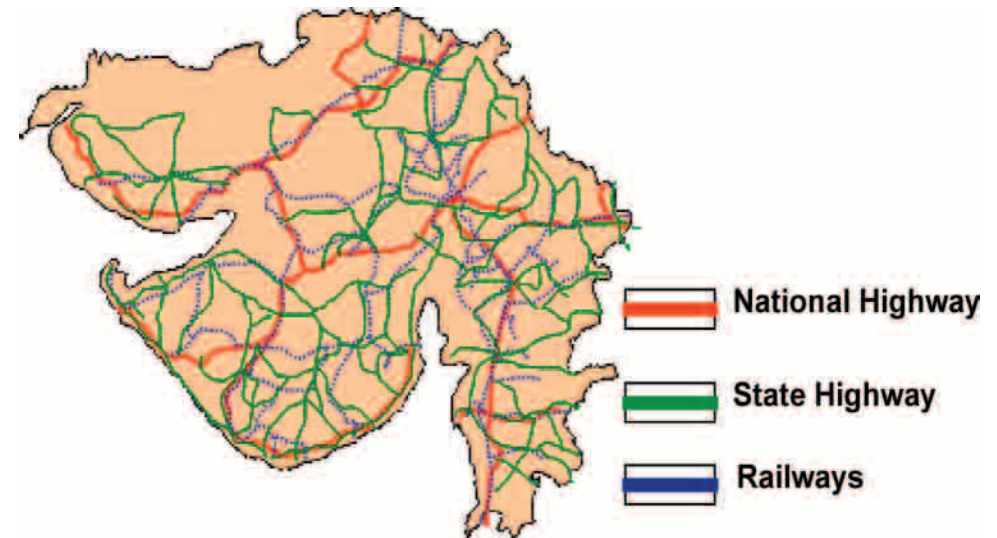
Ports of Gujarat



Source: Gujarat Maritime Board

Physical Infrastructure – Rail, Road & Air

- Road network of 74,111 km, including National Highways (2,781 km), State Highways (18,738 km) and Expressways (93 km), targeted to increase to 1,14,866 km*
- 38.2% of total Expressways and National Highways in the State are multi-lane; 87.9% of total roads asphalt-surfaced
- 98.86% rural connectivity through all weather roads, the highest in India
- Pragatipath Yojana (Govt. initiative introduced in 2005) envisaged development of 9 high speed corridors and widening of highways to connect tribal, coastal, industrial and rural areas with mainstream area

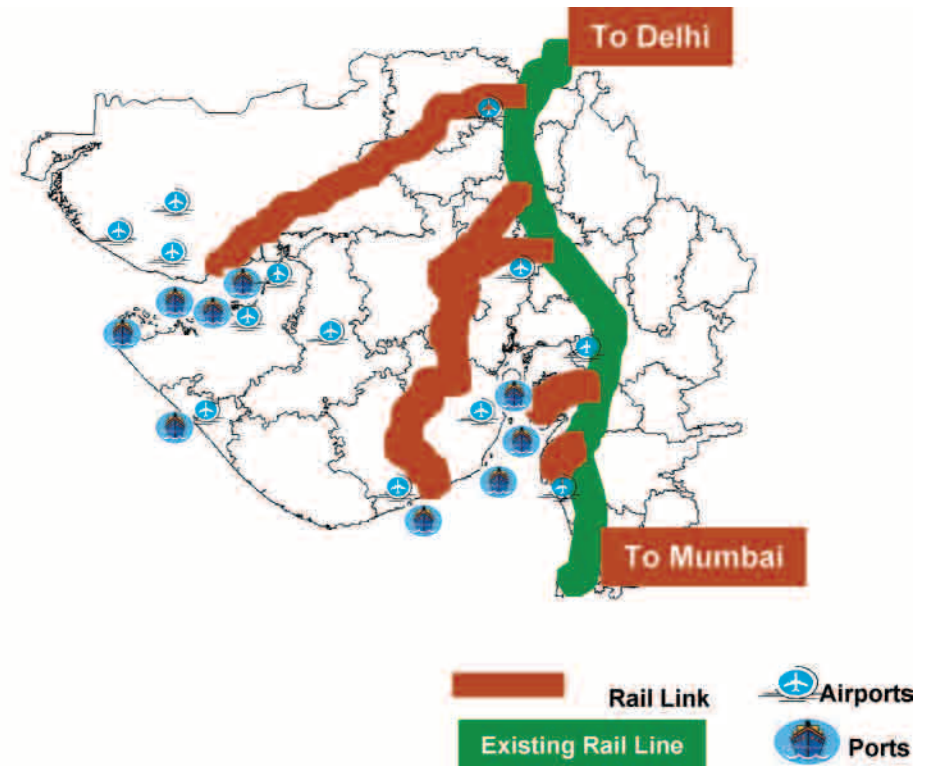


* Gujarat State Road Development Corporation, Socio-Economic Survey, 2006-07

Physical Infrastructure – Rail, Road & Air

- 13 Domestic airports (highest in the Country) and 1 International airport (Ahmedabad)
- Extensive railway network of 5,188 km

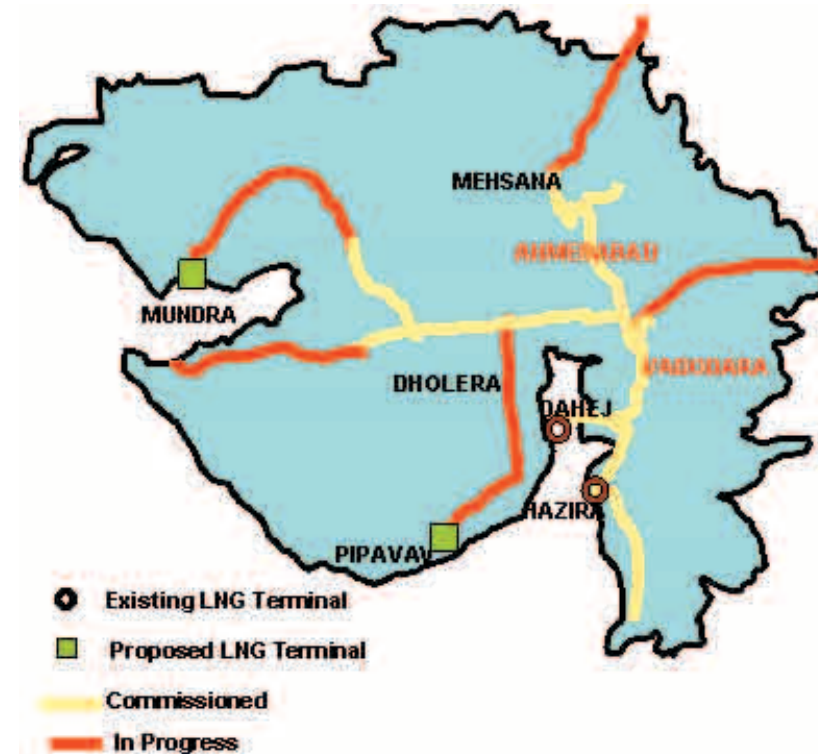
Railroad	Length (km)
Broad Gauge	2,736
Meter Gauge	1,665
NarrAow Gauge	787



Physical Infrastructure – Power

- Electricity Generation Capacity of 13,500 MW (including captive power generation capacity)
- Over 18,000 villages supplied with 24hr, 3-phase electricity under Jyotirgram Yojana
- Unbundling of Gujarat Electricity Board (GEB) has led to reduction in Transmission and Distribution losses from 30.9% (2003-04) to 21.5% (2006-07)
- Only State in India with a 2,200 km integrated gas grid operated on an open access , common carrier principle

Integrated Gas Grid for Energy Security



Physical Infrastructure – Power

- City Gas Distribution Project to connect 2 million households with Piped Gas Network(PNG) over next 5 years
- Gujarat State Petroleum Corporation(GSPC) holds 42 oil and gas fields across India, in addition to exploration blocks in Australia, Egypt and Yemen
- GSPC discovered the largest gas reserve in India at Krishna-Godavari Basin with an estimated reserve of 20 TCF*

*Trillion Cubic Feet

Integrated Gas Grid

Current transmission	13 mmscmd
Total Length	2,200 km
Completed	1,200 km
Under Construction	800 km

Source: Gujarat State Petroleum Corporation

Physical Infrastructure – Telecom and IT Infrastructure

- Key initiatives introduced as part of the E-Governance drive:
 - * Gujarat State Wide Area Network (GSWAN), the world's second largest IP based WAN connecting over 2800 govt. offices
 - * Availability of Secretariat Integrated Communication Network (SICN) with over 7,500 voice connections
 - * Online redressal of citizen grievances through state-wide grievance attention on public grievances by application of technology (SWAGAT)
 - * Integrated Workflow and Document Management System (IWDMS) streamlines documentation in Govt. offices

Telecommunications Snapshot (October 31, 2006)

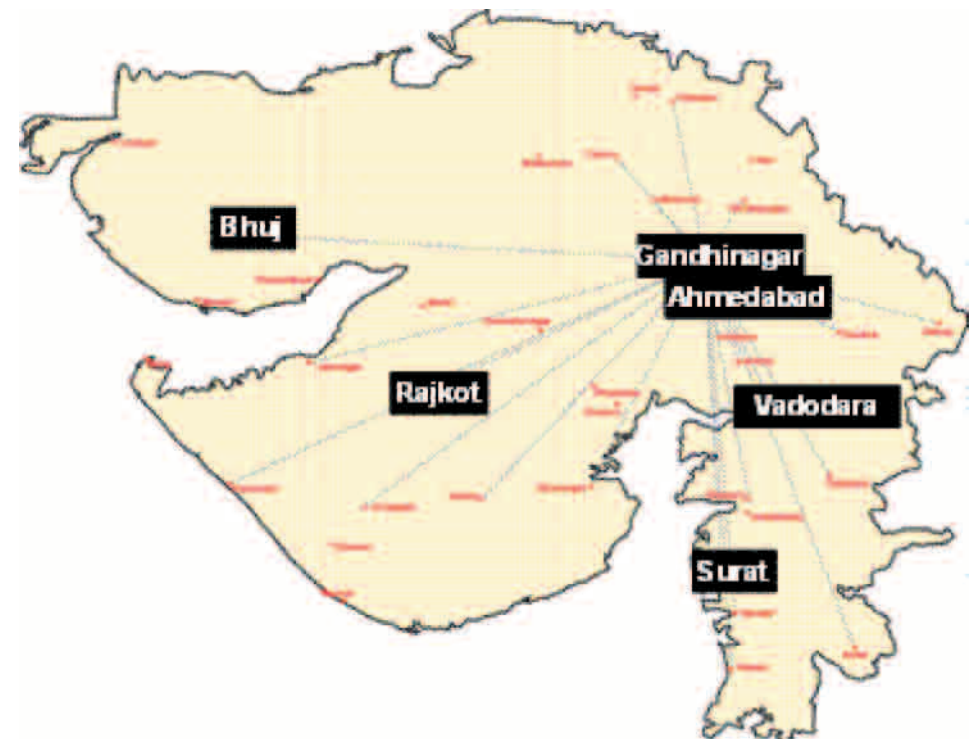
Phones per 100 population (including WLL + mobile)	6.77
Phones per sq. km. (including WLL + mobile)	17.48
No. of Internet Subscribers	146,176
No. of Cellphone Subscribers (November 30, 2006)	74,13,500 (Increase of 52.89% from November 2005)

Source: Socio-Economic Review, 2006-07

Physical Infrastructure – Telecom and IT Infrastructure

- All district headquarters provided with back-up support of transportable V-SAT terminals
- Availability of State Disaster Resource Network (SDRN) – Database of disaster management related inventory
- Bhaskaracharya Institute for Space Applications and Geoinformatics (BISAG) has satellite communication facilities with a dedicated bandwidth

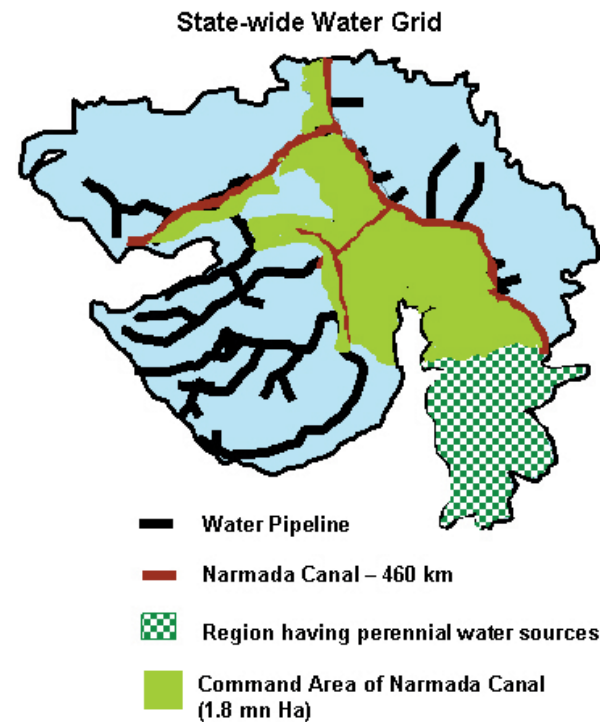
Gujarat State Wide Area Network



Physical Infrastructure - Water

- To overcome the uneven availability of water in the State, the development of the water grid was proposed
- Government plans to cover 75% population through the grid by 2010
- Water conservation schemes:
 - 87,179 Check Dams*
 - 35,379 Bori Bandhs (Dams made of sand bags)
 - 130,262 Khet Talavadi (Farm ponds)
 - 5,551 deepened ponds

* Check Dam – Small weir constructed across rivulet having minimum discharge of 1 cusec after monsoon



Physical Infrastructure - Water

- Gujarat Water Users' Participatory Irrigation Management Bill, 2007 – Authorizes farmers to constitute Water Users' Associations (WUA) for management of canals handed over, after rehabilitation by the Government

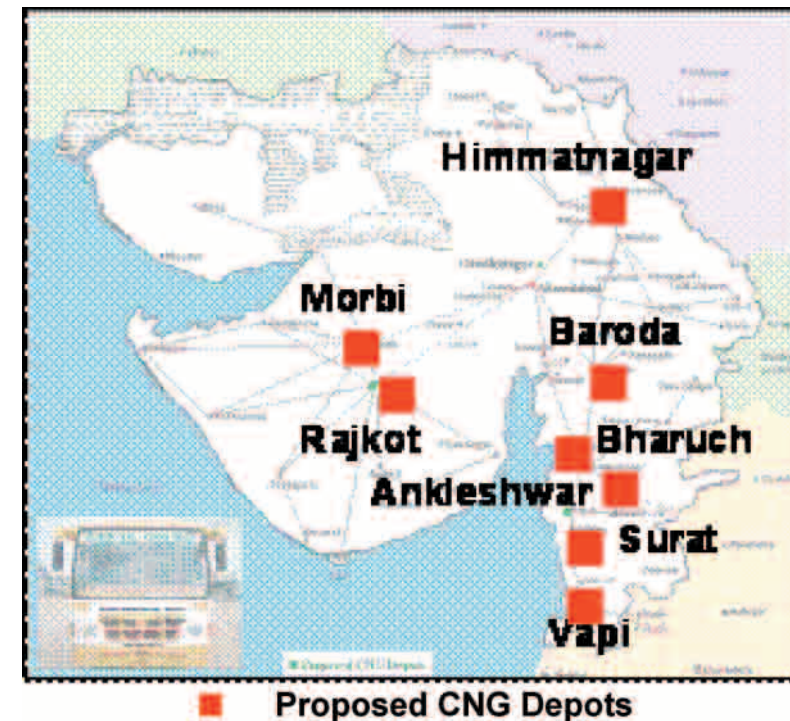
Surface Water	38,100 MCM
Ground Water	12,000 MCM
Total	50,100 MCM

Urban Infrastructure

CNG Initiatives of the State

- Replacement of conventional fuels by Compressed Natural Gas (CNG) for all Buses and Auto rickshaws
- 90 CNG Stations already established
- 535 CNG Buses and 31,513 CNG Auto Rickshaws currently operational
- In Ahmedabad, CNG Auto Rickshaws made mandatory

Proposed CNG Bus Depot and Operation (2007-2008)



Urban Infrastructure

Bus Rapid Transit System (BRTS)

- Implemented jointly by State Government, Gujarat Infrastructure Development Board (GIDB), Ahmedabad Municipal Corporation (AMC) and Ahmedabad Urban Development Authority (AUDA)
- Total BRTS network – 380 km, 20% completed (August 2007)
- Entire project to be completed by 2010

Simulation of BRTS Project



Urban Infrastructure

Riverfront Development

- Development around Sabarmati and Tapi rivers undertaken to revitalise city and improve existing infrastructure
- Envisages development of commercial, residential and recreational facilities
- Sabarmati Riverfront Development Corporation honoured with Prime Minister's Award for Excellence in Urban Planning and Design for development along Sabarmati River

Other reforms

- Municipal accounting
- Solid waste management
- Energy efficiency

Proposed Night View along Sabarmati River

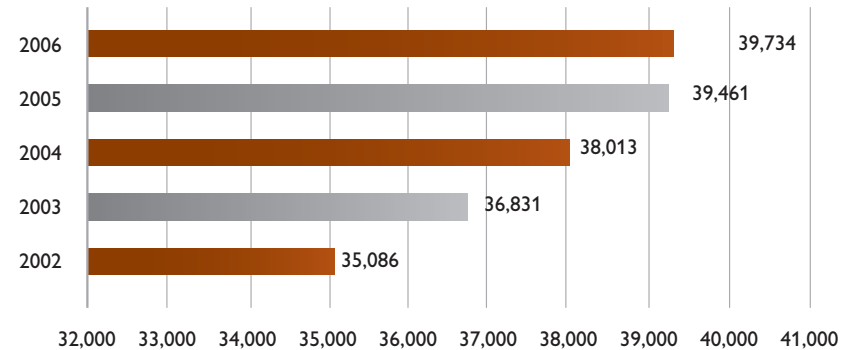


Social Infrastructure - Health

Healthcare Facilities

- The State currently has 13 Medical colleges; 1,072 Primary Health Centres, 7,274 Sub Centres, 273 Community Health Centres and 85 Mobile Healthcare Units

No. of Registered Doctors (2006)



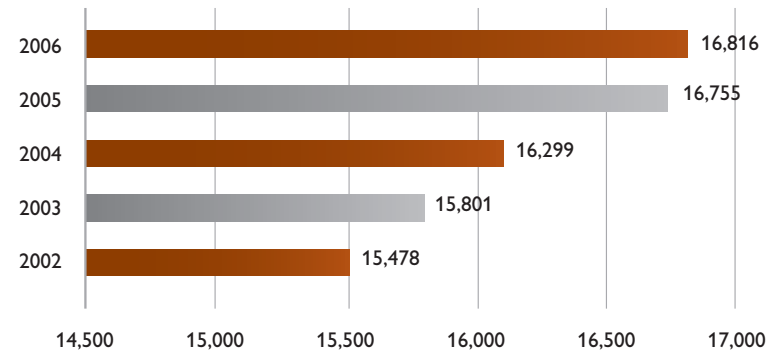
Source: Department of Health, GoG

Social Infrastructure - Health

Healthcare Facilities

- Public Private Partnership in healthcare delivery
 - * Chiranjeevi Scheme introduced to reduce maternal and infant mortality, involves collaborations between government and private sector specialists to provide safe child delivery, for socio-economically weaker sections
 - * Transfer of Palanpur Hospital's management to Wockhardt

No. of Registered Nurses (2006)



Source: Department of Health, GoG

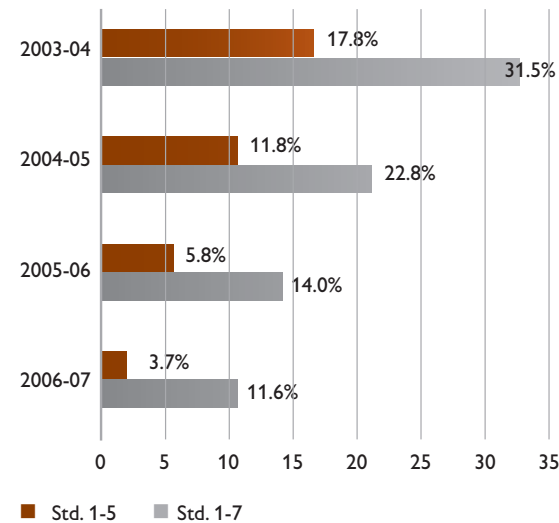
Maternal Mortality Rate	389 (2005)	172 (Aug. 2007)
Infant Mortality Rate	64 (2005)	54 (Aug. 2007)
No. of Private specialists enrolled	801 (till Aug 2007)	
No. of deliveries by private specialists	95,066 (till Aug 2007)	
Lives saved under Chiranjeevi Scheme	548 Mothers and 3,443 New Borns	

Source: Department of Health, GoG

Social Infrastructure – Education

- New enrolments in Primary School – 944,432 (2003-07)
- Addition of 4,357 Government Primary Schools (2003-07)
- Appointment of 36583 teachers to meet demand of increasing primary schools (2003-07)

Reduction in year-wise drop-out rates (Primary School)

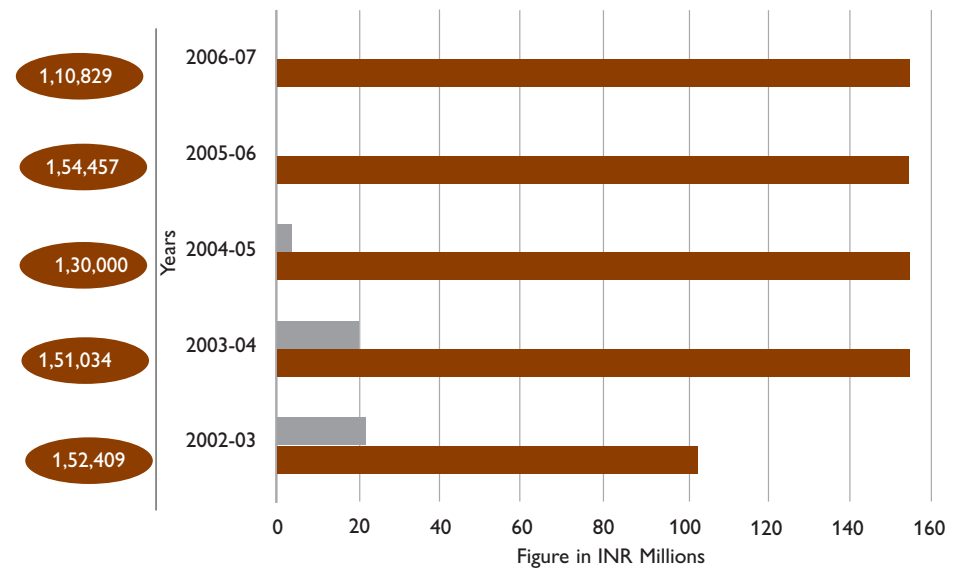


Source: Department of Education, GoI

Social Infrastructure – Education

- Kanya Kelavani – State wide girl child education campaign to increase enrollment ratio and decrease drop out rates
 - * Increase in net enrollment ratio from 75% to 97%
 - * Increase in enrollment ratio of girls to boys from 845 (2003-04) to 866 (2006-07)
- Vidya Laxmi Yojana – Undertaken to achieve 100 % enrolment and retention of girls in primary schools
 - * Around 6,99,000 Girls have been given Vidya Laxmi Bond in last 5 years

Number of Girl Children Benefited under Vidya Laxmi Yojana

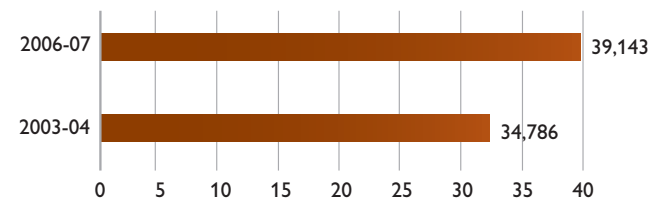


Source: Department of Primary Education, GoG

Social Infrastructure – Education

- Number of schools imparting Secondary and Higher Secondary Education – 7,654 (2005-06)
- Addition of 1,150 seats in Engineering and 720 seats in Pharmacy courses (2006-07)
- Over 0.5 million students graduate every year, across disciplines
- Existing internationally acclaimed institutions:
 - * Indian Institute of Management (IIM), Ahmedabad
 - * National Institute of Design (NID)
 - * National Institute of Fashion Technology (NIFT)
 - * Centre for Environment Planning and Technology (CEPT)

Number of Schools

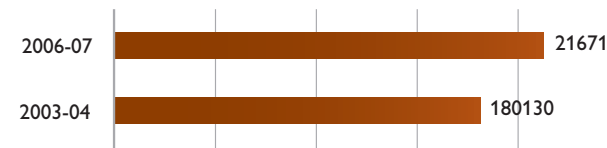


Source: Department of Higher Education, GoG

Social Infrastructure – Education

- Well renowned institutions propose to establish their centres in Gujarat:
 - * Indian Institute of Technology (IIT-Mumbai)
 - * National Institute of Pharmaceutical Education & Research (NIPER)
- Sakshardeep – Literacy campaigns for adult education
 - * 1.27 million adults educated (2006)
- Society for Creating of Opportunity through Proficiency in English (SCOPE): An initiative by Government to make the youth proficient in Business English

Number of School Teachers



Source: Department of Higher Education, GoG

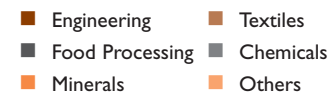
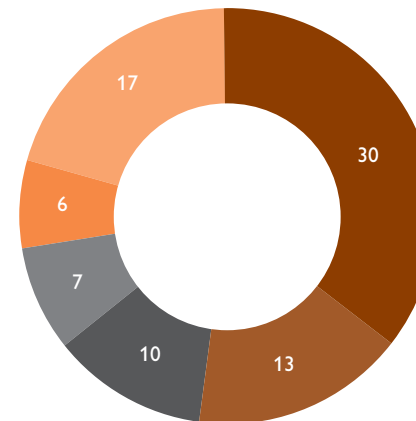
Industrial Infrastructure

SMEs, Product Clusters and Industrial Estates

- The State's manufacturing industry supported by 3,12,000 small and 2,200 medium units
- State has 83 product clusters
- Cluster Development Scheme* launched for furthering growth of product clusters

* Clusters are groups of industries manufacturing identical and complimentary products having critical mass of 50 units, located within a radius of 10 km

Cluster Classification in Gujarat



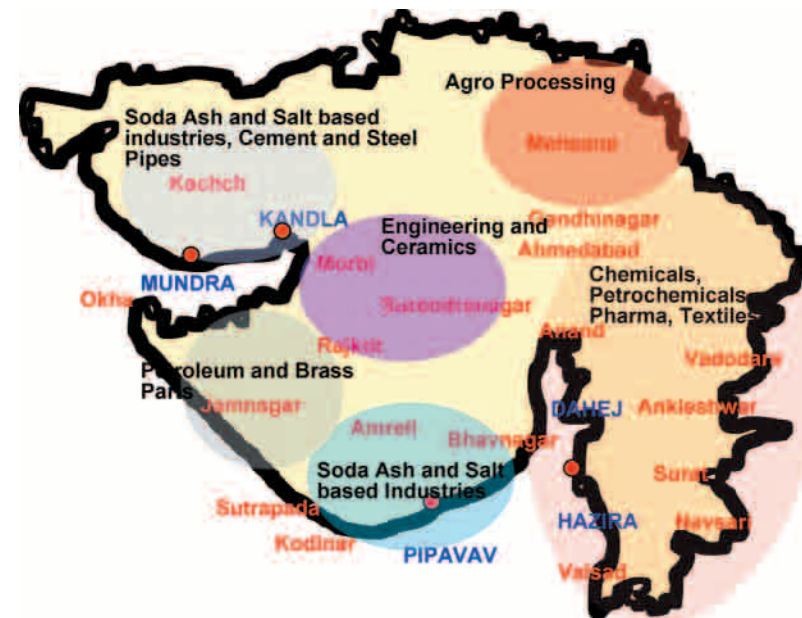
Source: Industries Commissionerate, GoG

Industrial Infrastructure

SMEs, Product Clusters and Industrial Estates

- Successful clusters include Ceramics Cluster (Morbi), Brass Parts Cluster (Jamnagar), Fish Processing Cluster (Veraval) and Power Looms Cluster (Ahmedabad)
- Gujarat has 182 industrial estates established by Gujarat Industrial Development Corporation (GIDC) for specific sectors - Chemicals, Electronics, Gems, Apparels and Granite
- Estates are set up on non-agricultural land after assessment of industrial viability

Product Clusters

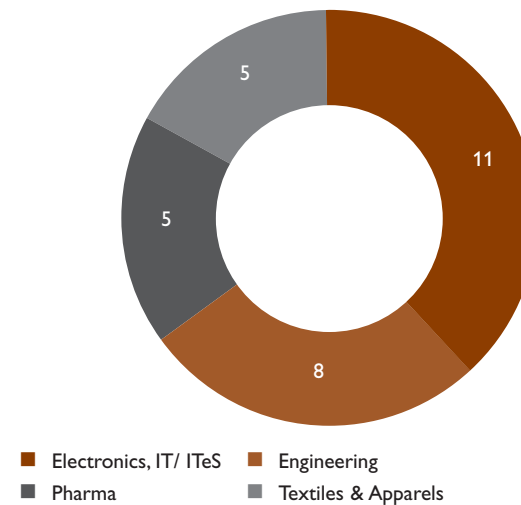


Industrial Infrastructure

Special Economic Zones (SEZs)

- Gujarat has 51 approved SEZs (40 sector specific and 11 multi-product), as on October 3, 2007
- Current SEZ Status: Functional (5), Notified (8), In Principle Approval (13), Formal Approval (25)
- Leading SEZ State with highest geographical area (over 15,000 hectares) under SEZ development

Key Sector-wise Break-up of SEZs



Source: Industries Commissionerate, GoG

Industrial Infrastructure

Special Economic Zones (SEZs)

- Key upcoming SEZs: Reliance SEZ (Chemicals & Petrochemicals), Pharmez (Pharmaceuticals) and Essar Hazira SEZ (Engineering)
- First state to formulate an SEZ policy which includes flexible labour laws and exit options for investors

Other Sectors

Specific SEZ Type	Number
Chemicals	2
Power	2
Gems and Jewellery	1
Ceramics and Glass	1
Biotechnology	1
Handicraft	1
Multi Service	3

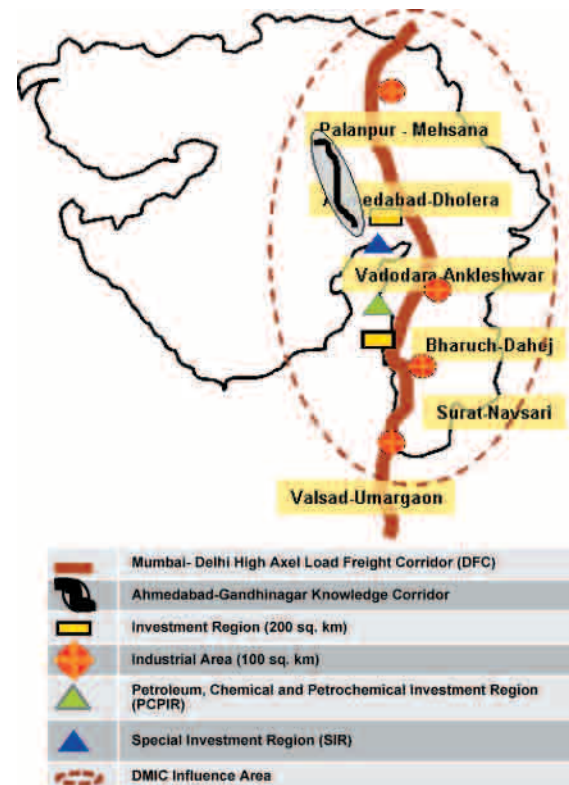
Source: Industries Commissionerate, GoG

Industrial Infrastructure

Key Investment Regions – Delhi Mumbai Industrial Corridor

- Gujarat’s share of the Delhi Mumbai dedicated freight corridor of 1,483 km is -38% (564 km)
- 2 Investment Regions identified for Phase-1 development:
 - * Ahmedabad-Dholera Investment Region
 - * Vadodara-Ankleshwar Industrial Area
- DMIC Influence area in Gujarat
 - * 62% of total area (18 districts out of 25)
 - * 74% of population (37 million)

Other Sectors



Industrial Infrastructure

Key Investment Regions – Delhi Mumbai Industrial Corridor

- Excellent connectivity to ports such as Mundra, Pipavav, Dholera, Dahej, Hazira and Maroli
- Other key projects include Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) at Dahej and Special Investment Region (SIR) at Dholera
- Gujarat International Finance Tec-City (GIFT), a collaboration between GUDC* and IL&FS**, being developed as Central Finance and Business District (CFBD)

*Gujarat Urban Development Company Ltd.

** Infrastructure Leasing and Financial Services

STATE POLICIES & INCENTIVES

State Policies and Incentives

State Industrial Policy

- Gujarat Industrial Policy introduced in 2003
 - Policy proposed to address industry requirements on long term basis
 - Key highlights of the policy:
 - * Facilitating access to concrete, speedy and authentic information for entrepreneurs
 - * Up-gradation of Industrial and Urban infrastructure
 - * Development of thrust industries
 - * Constitution of Gujarat Industrial Promotion Board (GIPB) to provide single window mechanism for large projects
-

State Policies and Incentives

State Industrial Policy

- Key highlights of the policy:
 - * Promotion and development of SEZs and Industrial Parks
 - * Flexibility of labour laws in SEZs
 - * Power reforms
 - * Cluster development for Small and Medium Enterprises
 - * Human resource development and creation of employment opportunities
 - * Creating a Global Brand Image for Gujarat and its products
 - * Strengthening existing manufacturing base
 - * Environment protection
-

State Policies and Incentives

Agro Policy – Key Highlights

- Financial support and incentives for Agro-industrial projects for development and facilitation of infrastructure, marketing and research
 - 6% per annum back ended interest subsidy for first 5 years from commencement
 - Provision of support to private sector industries, apex cooperative industries and Agriculture Product Marketing Committees (APMCs) for setting up Centers of Excellence
-

State Policies and Incentives

Agro Policy – Key Highlights

- Initiatives undertaken for export of Agri products:
 - * Development of Agri-export zones and Air Cargo Complex
 - * 25% air freight subsidy on agri exports
 - * Financial assistance (upto 50% of cost) for R&D activities
 - * Establishment of kiosks at APMCs for connectivity with related departments of agriculture, universities, industries and international markets
-

State Policies and Incentives

Port Policy - Key Highlights

- Enhancing Gujarat's share in national EXIM sector
 - Decongesting of existing ports on the western coast through efficient services to support domestic and international trade
 - 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
-

State Policies and Incentives

Port Policy - Key Highlights

- Promoting coastal shipping for passengers and cargo traffic between various locations within and outside Gujarat
 - Supporting power plants by offering exclusive facilities for import of different power fuels
 - Encouraging private sector investment in minor and intermediate ports as well as new port locations
-

State Policies and Incentives

Power Policy – Key Highlights

- Carry out planning and building up adequate capacity in generation, transmission and distribution
 - Achieve optimum utilisation of existing equipments
 - Rationalise tariff structure
 - Improve quality of services to achieve cost effectiveness
 - Strive for energy conservation
 - Encourage power generation by utilising non-conventional sources
 - De-monopolise distribution of power and invite involvement of private partners
-

State Policies and Incentives

IT Policy – Key Highlights

- Capital Subsidy at 25% for eligible new IT units on total eligible capital investment
 - Special incentives as capital subsidy to large units on graduated scale
 - Turnover incentive at 5% of eligible annual turnover with a ceiling of US\$ 1.2 million
 - Incidence of Sales Tax on computer hardware and peripherals to be reduced
 - Connectivity incentive where government would subsidise leased line rental up to 500 km, to an extent of 50% of the lease rentals
-

State Policies and Incentives

Mineral Policy – Key Highlights

- Invite participation from private sector for mining and exploration
 - Prioritise exploration of lignite to meet power demand of state and fuel requirement of industries
 - Creation of data bank by compiling geological and technical details of State and Central Government agencies in geological survey and mineral exploration
 - Implement environment assessment norms which would be constantly monitored in leases of major minerals
 - Promote use of modern technology in mining
-

Road Policies and Incentives

Road Policy – Key Highlights

- First state in India to have a law governing Built Own and Transfer (BOT) transaction
 - Impart connectivity to all villages by all-weather roads to improve quality of life in rural areas
 - Develop efficient road system to ensure smooth and uninterrupted flow of goods and passenger traffic
 - Constantly upgrade technology by inducting superior and quicker construction and maintenance methods
 - Induct scientific principles of resource allocation for maintenance and new construction programmes
 - Set high standards of road safety and travel comforts
-

BUSINESS OPPORTUNITIES

Attractive Sectors

Agro and Food Processing

- Agro sector, including animal husbandry contributes 15.5% to Gujarat's GSDP (2005-06)
- Significant share in national production of principal crops
 - * Highest production of Groundnut – 3.39 MT
 - * Highest production of Cotton – 6.77 MT
 - * Second highest production of Onion – 2.13 MT

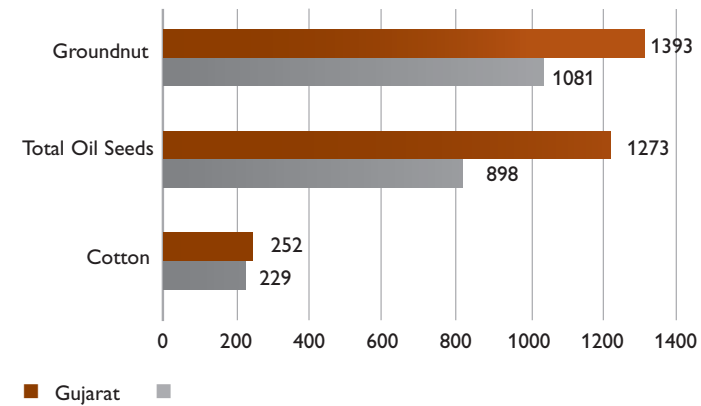


Attractive Sectors

Agro and Food Processing

- Strong marketing network
- Annual average growth rate is 24.11% (2001-05)
- 204 Market Committees
- 193 Main Yards
- 207 Sub-Market Yards

Yield of Principal Crops (Kg/Hectare) - Comparison



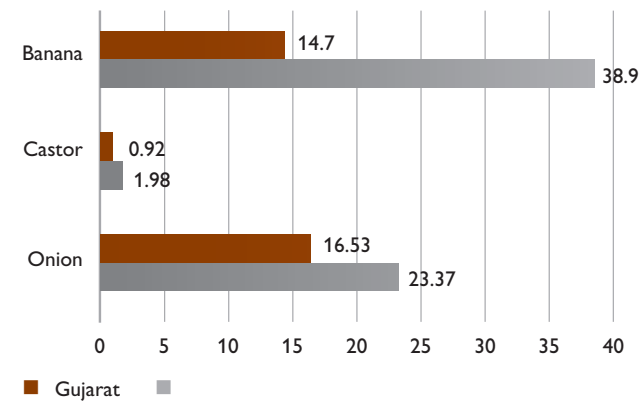
Source: Socio-Economic Review 2006-07

Attractive Sectors

Agro and Food Processing

- State has significant number of well established food processing units:
 - * 3,700 small scale industrial units
 - * 1,875 working factories
 - * 150 large and medium scale units

Gujarat's share in World Productivity (MT/Ha)



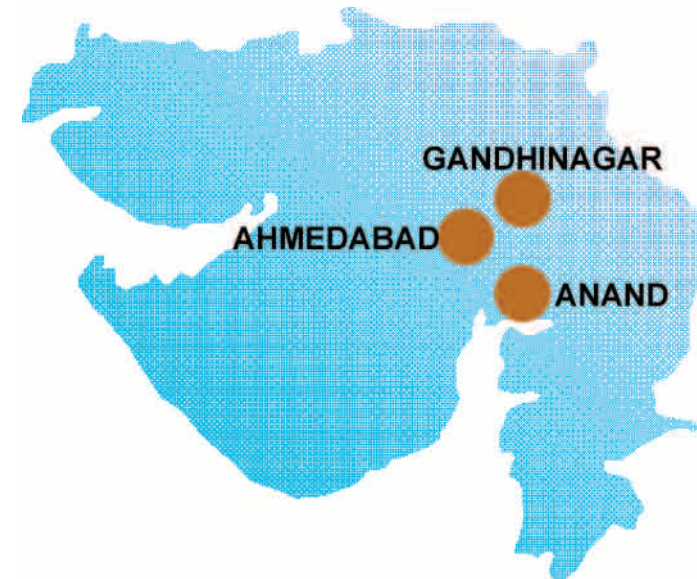
Source: Socio-Economic Review 2006-07

Attractive Sectors

Dairy Sector

- Gujarat's dairy sector
 - * 13 district milk producers' unions
 - * Network of 12,991 milk cooperative societies having 2.5 million members
 - * Total milk production – 18.97 million litres per day
- National Dairy Development Board (Anand) - Involved in promoting, financing and supporting milk distribution organisations in India

Key Districts in Dairy Sector



Attractive Sectors

Dairy Sector

- Gujarat Cooperative Milk Marketing Federation (GCMMF), a cooperative dairy giant, sells Amul and Sagar brands of dairy products through 500,000 unorganised retailers and 3,000 distributors
- GCMMF has clocked a turnover of US\$ 1.05 billion during fiscal year 2006-07 to become the first billion dollar cooperative in India

Key Players in Gujarat

Amul

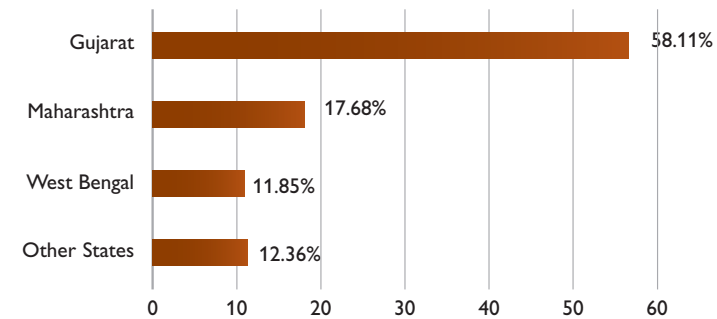


Attractive Sectors

Chemicals and Petrochemicals

- Gujarat contributes about 53% to national production of chemicals (2005-06)
- Highest contributor to total national production of petrochemical products
- Chemicals & Petrochemicals account for 60.3% of the State's total industrial production

Gujarat's Share in Petrochemical Industry



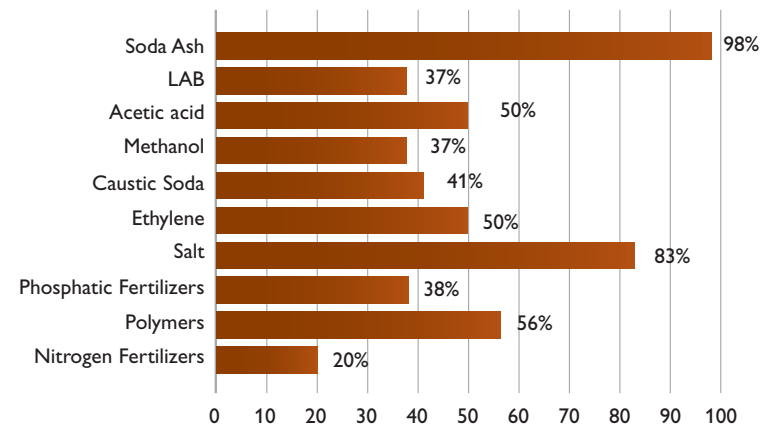
Source: Ministry of Chemicals and Fertilizers, Govt of India

Attractive Sectors

Chemicals and Petrochemicals

- Over 15,000 registered Small Scale Industrial (SSI) units focusing on production of chemicals (March 2006)
- Highest producer of major chemicals, including alkali and organic, inorganic, pesticides, dyes and dyestuff
- 1,867 factories manufacturing chemical products employing over 0.8 million people (2004-05)

Gujarat's Share in Major chemicals

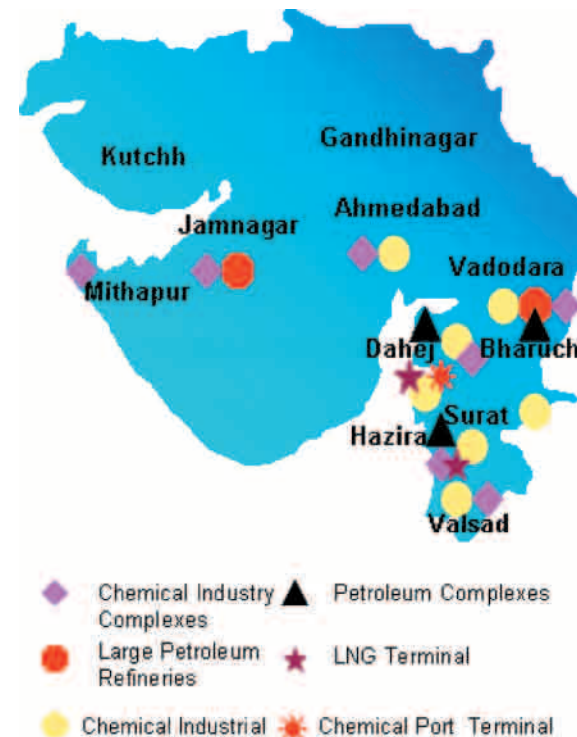


Attractive Sectors

Chemicals and Petrochemicals

- Major companies present: Reliance Industries, Nirma, Lanxess ABS Ltd., Gujarat Alkalies and Chemicals Ltd. (GACL), Gujarat State Fertilizer Company (GSFC), etc.
- Proposed development of Petroleum and Chemical and Petrochemical Investment Region (PCPIR) at Dahej

Gujarat's Share in Major chemicals

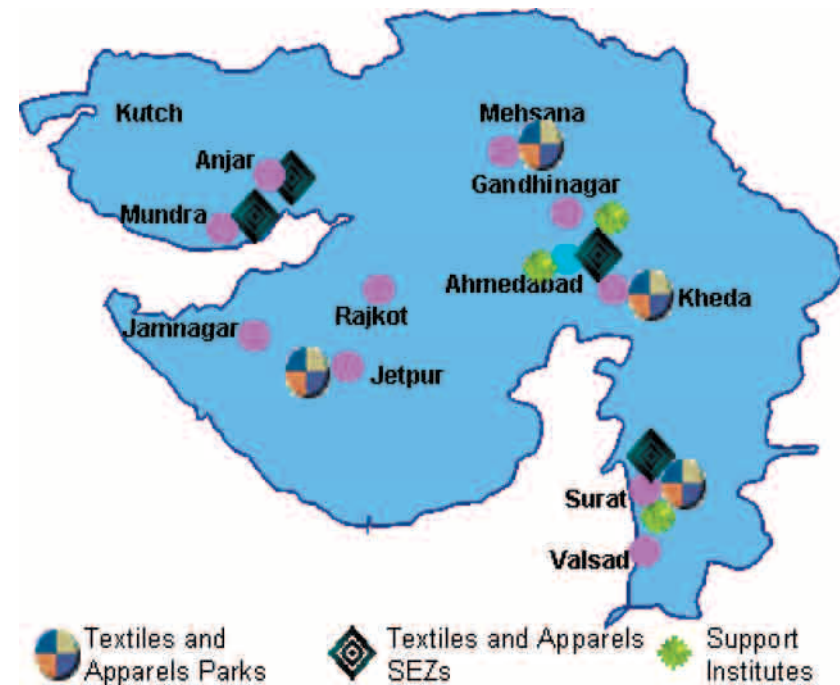


Attractive Sectors

Textiles and Apparels

- Largest producer of raw cotton in the country, producing 8.9 million bales (35%) and highest exporter of cotton (60%)
- Highest contributor of man-made fibre (31%) and man-made filament yarn (38%) in the country
- Contributes 12% to national textile exports and Over 40% of art-silk fabric produced in the country is from Surat alone

Gujarat's Share in Major chemicals



Attractive Sectors

Textiles and Apparels

- Over 35% of fabric from organised sector and 25% fabric from decentralised power loom sector is from Gujarat
- Gujarat is home to Asia's largest denim producer (Arvind Mills)

Textile Industry: Statistical Snapshot

Textile Production	14.2% of India
Number of medium and large textile units	1,560
Employment generated for organised sector	150,000

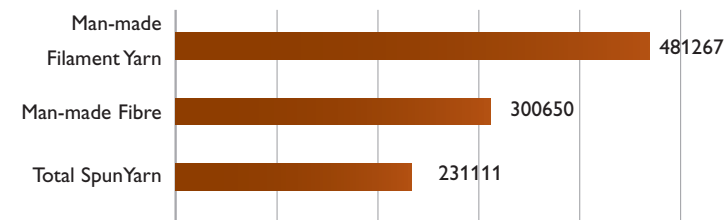
Source: Industrial Extension Bureau, GoG

Attractive Sectors

Textiles and Apparels

- Highest number of State owned looms for cotton/man-made fibre (6,888 as on March 31, 2006); Second highest number of privately owned looms (11,963 as on March 31, 2006)
- 3 million spindles in the cotton/man-made fibre mills
- Operations across entire value chain

Production of Key Textiles (in tonnes)



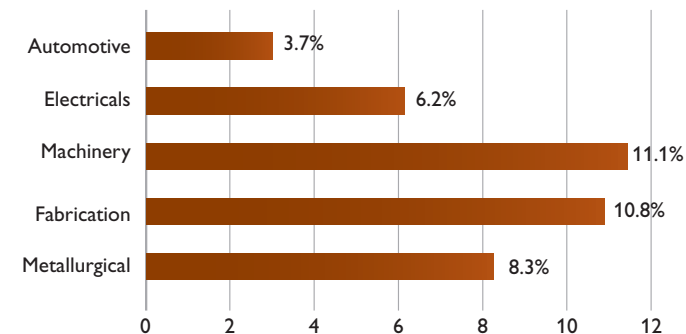
Source: Ministry of Textile, Govt

Attractive Sectors

Engineering & Auto

- Contributes 15% to total industrial production in the State and over 9% to national engineering output
- Average annual growth rate is 15%
- Over 600 medium and large scale units and over 75,000 small scale units
- 30 engineering product clusters

Share of Gujarat in National Engineering Sector Output

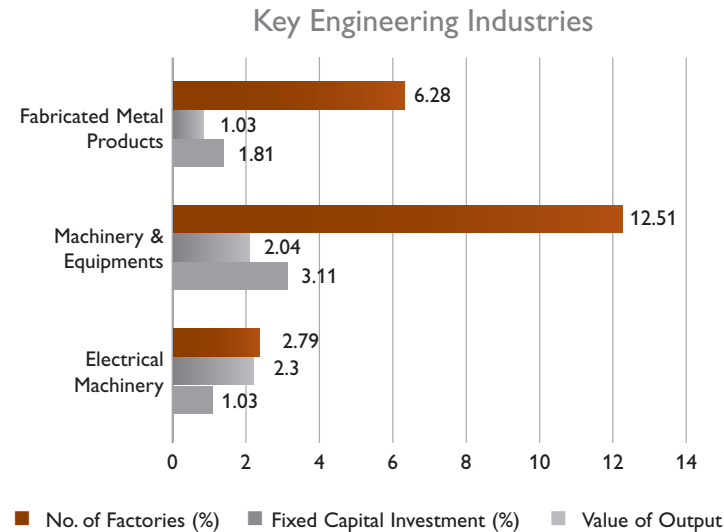


Source: Industrial Extension Bureau, GoG

Attractive Sectors

Engineering & Auto

- SSI units are significant contributors to national production of brass parts, foundry, forging and machine tools, oil engines and electric motors, submersible pumps and industrial valves and bearings
- Brass parts cluster at Jamnagar has over 5,000 small units and meets the entire requirement for brass parts in India
- Kuthich is the 3rd largest steel hub in the World
- General Motors has set up its automotive manufacturing facilities in Gujarat, giving boost to the auto-ancillary industry



Source: Annual Survey of Industries, 2004-05

Attractive Sectors

Engineering & Auto- Key Strengths

Largest producer of sponge iron	Essar Steel
Largest copper rod manufacturing facility	Hindalco
Largest manufacturer of material handling equipment	Elecon Engineering
Largest producer of earth moving equipment	Gujarat Apollo
Largest power transmission capacity plant	Kalpataru Power Transmissions
Largest manufacturer of glass shells for TV tubes	Videocon International

Key Engineering Clusters



Attractive Sectors

Leading Players in Gujarat

- Hitachi
- Novino
- Videocon
- General Motors
- Welspun
- Aditya Birla Group
- Essar
- Elecon
- L&T
- ABB



Attractive Sectors

Gems and Jewellery

- Contributes 90% of the total diamonds processed in India in the 10000 units located in Surat
- 8 out of 10 diamonds in the world are polished in Surat
- World's second largest producer of gold jewellery
- Contributes highest share (85%) to total national jewellery production
- Highest labour productivity in the jewellery sector in India



Attractive Sectors

Gems and Jewellery

- Internationally renowned for production of unique hand made silver ornaments (85% of total silver jewellery production of India)
- Contributed 80% to national diamond exports (2004-05)
- Renowned institutions such as Indian Diamond Institute, Gujarat Hira Bourse and Gems and Jewellery Export Promotion Council cater to the need of skilled manpower

Ongoing work at Gujarat Hira Bourse



Attractive Sectors

Oil and Gas

- Gujarat is the second largest gas producing region in India
- Proximity to the Middle East gas sources and an attractive northern market makes Gujarat a potential gas supply hub
- Oil and gas reserves located at Ankleshwar, Mehsana, Tapti High, Hazira, Bharuch, Gandhar, Dahej, Jambusar, Palej, Kalol and isolated gas fields around Ahmedabad
- 2200 km state wide integrated gas grid
- 2 existing (Hazira and Dahej) and 2 proposed (Pipavav and Mundra) LNG terminals

Location	Activity
Jamnagar	RIL refinery - 3rd largest in the world, Essar Refinery
Dahej	Petronet LNG Ltd's re-gasification terminal
Hazira	Shell and Total's LNG terminal
Vadodara	IOC Refinery
Gandhar	ONGC's Gas Processing Complex

Leading Players in Gujarat

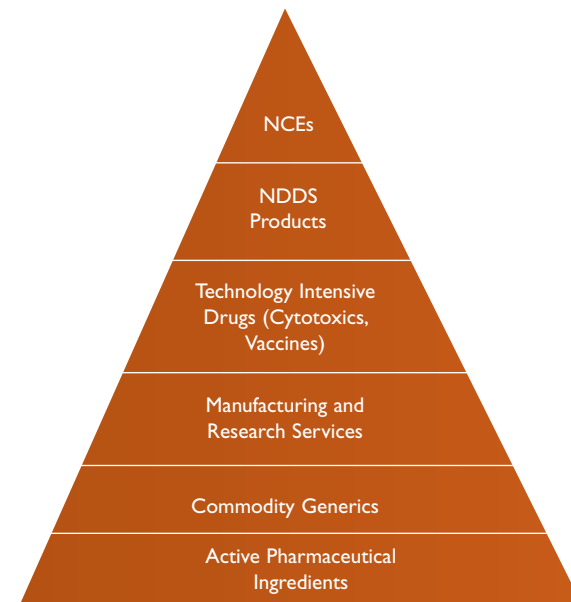


Attractive Sectors

Pharmaceuticals and Biotechnology

- Gujarat accounts for 28% of national pharmaceutical production (2006-07)
- First state to manufacture APIs and Finished Dosage forms
- Home to 902 Allopathic manufacturing units and 2122 Contract manufacturing units
- Gujarat accounts for exports worth US\$ 1.4 billion (2006-07)

Key Players Across the Value Chain



Zydus
Cadila



torrent[®]
TORRENT, FARMACIA LIPOBILI



SUN
PHARMACEUTICAL
INDUSTRIES LTD.



INTAS



Alembic

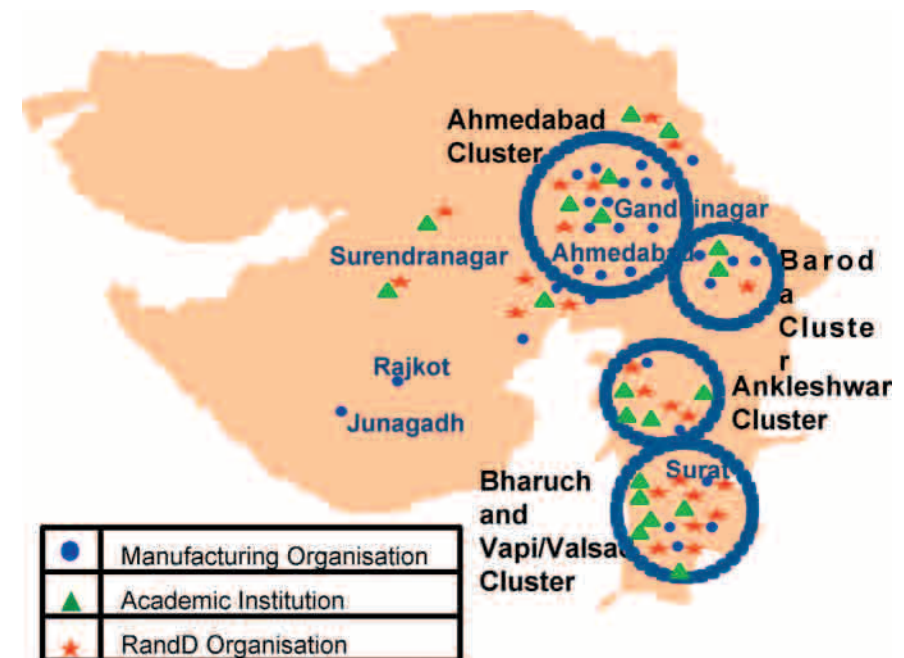


dishman
PHARMACEUTICALS &
CHEMICALS LIMITED

Attractive Sectors

Pharmaceuticals and Biotechnology

- Home to largest number of Clinical Research Organisations in India and over 100 companies with WHO compliant manufacturing units
- Academic and research institutions providing over 4,600 technically skilled manpower per annum
- India's largest biotech park of 700 acres being developed at Savli, Vadodara

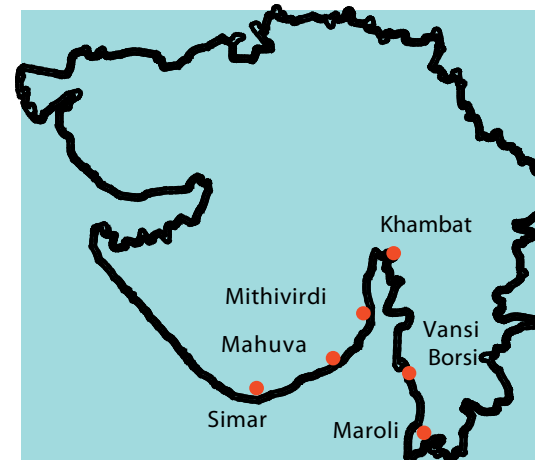


Emerging Business Opportunities

Port Led Development

- Vast hinterland comprising key northern states, with large external trade potential
- Many upcoming ports being developed as captive ports for catering to specific companies
- Fast-track clearance and establishment of ports, through private participation
- Investments worth over US\$ 3 billion expected at major port sites – Hazira, Pipavav
- Development of 6 locations as greenfield ports expected with investments over US\$ 1 billion
- US\$ 5.6 billion allocated for upgradation of existing ports
- Increase in connectivity to non major ports owing to development of the Delhi Mumbai Dedicated Freight Corridor

Sites Identified for Development of Greenfield Ports



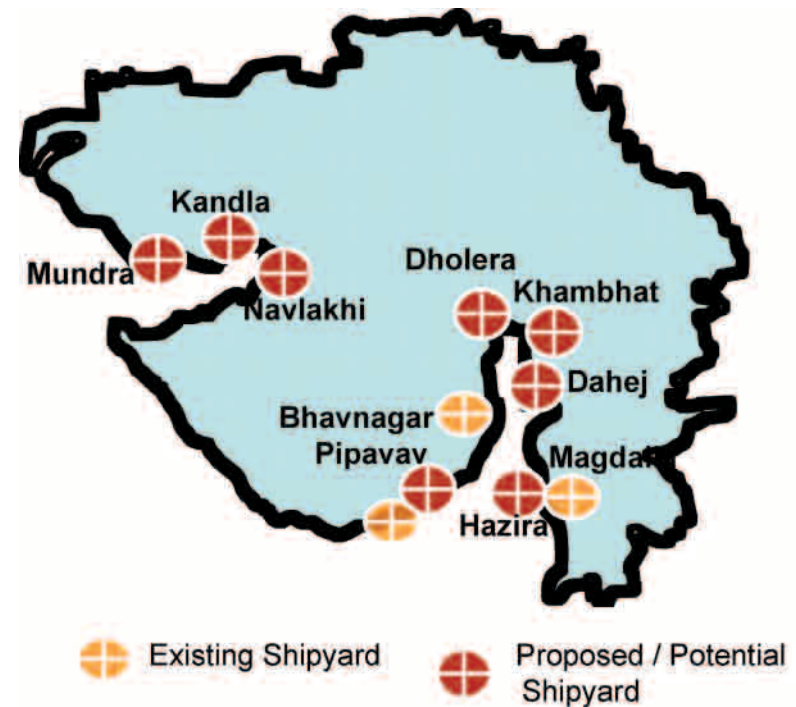
Source: Gujarat Maritime Board

Emerging Business Opportunities

Shipbuilding

- Presence of several shipyards – ABG Shipyard, Alcock Ashdown and Vipul Shipyard
- Infrastructure available for development of shipbuilding industry:
 - * Availability of raw materials – ship building plates and engines
 - * Stillness of water and deep draft
 - * Proximity to ancillary industries
 - * Sufficient anchorage space

Shipbuilding Sites in Gujarat



Emerging Business Opportunities

Shipbuilding

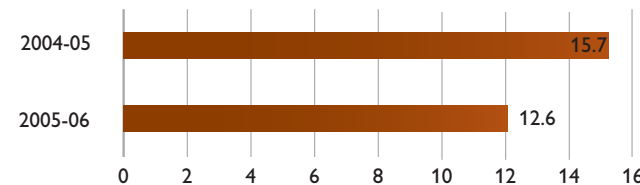
- Presence of 10 promising shipbuilding sites along coastline
- New shipyards being established in Mundra, Pipavav and Hazira
- Kalpasar project to result in development of new sites for ship building – Pipavav, Maroli, Dholera, Dahej, Hazira and Umergaon



Export Profile

- Contributes 14.3% to India's total exports of merchandised goods and services
- In 2005-06, exports have shown an increase of 20% over 2004-05
- Exports include items from sectors like Textiles, Petroleum, Chemicals, Pharmaceuticals, Engineering and Gems and Jewellery

Increase in exports from Gujarat (US\$ billion)

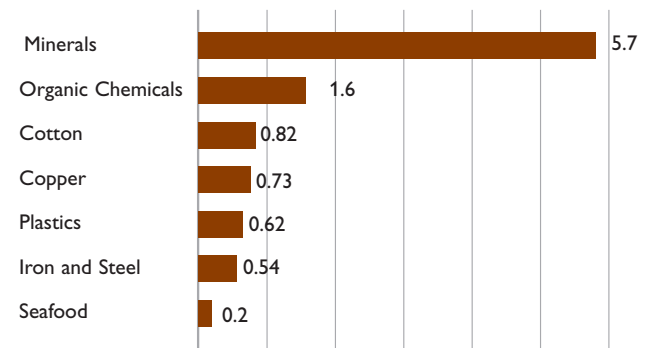


Source: Industries Commissionerate, GoG

Export Profile

- Exports from Kandla port have increased by 6.61% during 2005-06, over previous year
- Export items from intermediate and minor ports - Naphtha, Petrol, Clinker, Cement, Oil Cakes, Bauxite, Paraxylene, Salt, Soda Ash, Food grain, Cement Clinker, Ethylene

Sector wise Exports (US\$ billion)



Source: Industries Commissionerate, GoG

Emerging Business Opportunities

Tourism

- Rich architectural and cultural heritage, Indus Valley Civilization sites (Lothal, Harappa)
- Presence of several pilgrimage and historical places, wild life sanctuaries, beach and hill resorts
- Celebration of Tourism Year 2006 to promote Gujarat as a key tourist destination of India

Sun Temple at Modhera

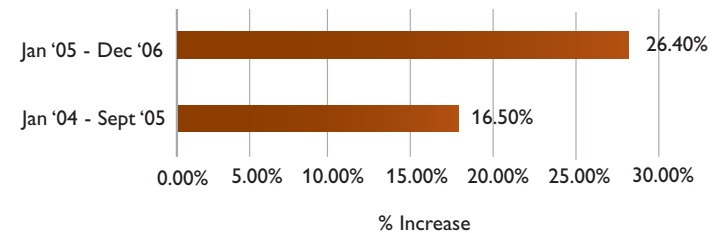


Emerging Business Opportunities

Tourism

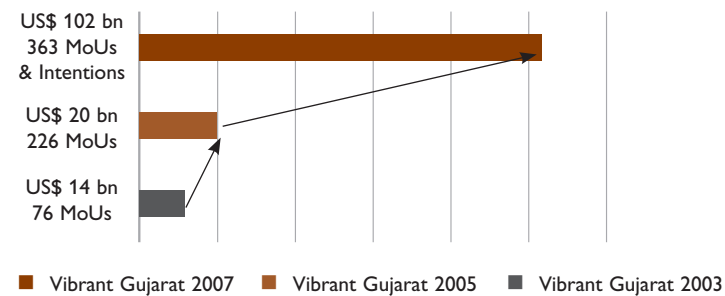
- Initiatives undertaken by the Government:
 - * Development plan for 6 tourist destinations by Pilgrimage Development Board of Gujarat
 - * Constitution of Tourism Promotion Council
 - * Reduction in Entertainment Tax from 50% to 25%
 - * Increase in tourism budget from US\$ 789 to US\$ 26.31 million
 - * Policies on Medical Tourism, Eco Tourism and Heritage Tourism
 - * Introduction of courses in tourism and hospitality management
 - * Heritage Conservation – Stepwells, Vadnagar, Champaner

% Increase in the Tourist Arrival in Gujarat



Investment Profile

- Gujarat ranked first in India in terms of total value (US\$ 97.5 billion) of Industrial Entrepreneurs Memorandum (IEM) (1991 – 2007)
- Gujarat has been ranked first among all states with over 25% share of new private corporate investments (US\$ 17.8 billion)



Investment Profile

- Gujarat has received investment intents worth approximately US\$ 210 billion between 2003-07
- State hosted an urban summit where 320 MoUs worth investment of US\$ 46.6 billion were signed

Vibrant Gujarat 2007: Key Investments

Sector	MoUs	Investment (US\$ billion)
SEZs	28	38.84
Power	19	30.32
Oil and Gas	26	10.17
Auto and Engineering	36	3.40
IT	21	3.37
Ports	22	3.07
Chemicals and Petrochemicals	31	3.05
Others	180	12.74

Source: Reserve Bank of India's Study on Outlook for Corporate Investments

Key Players

Reliance Industries Ltd.



- India's largest and only private sector company to feature in Fortune Global 500 list of World's Largest Corporations
- Annual revenues of over US\$ 22 billion
- 3 manufacturing facilities in Gujarat – Naroda, Jamnagar and Hazira
- Largest grassroot refinery in the world (Jamnagar)
- Product lines include synthetic textiles, fabrics, fibre intermediates, plastics, polyester, chemicals and petrochemicals
- Proposed establishment of Petroleum and Petrochemicals SEZ at Jamnagar (US\$ 1.1 billion)

Key Players

Adani Group



- Established in 1988, Annual sales – US\$ 2.3 billion (March 31, 2006)
- Largest trading house in India, Leading trader in coal, wheat, castor oil, petroleum, Business Process Outsourcing (BPO), power trading, iron ore, pulses
- Involved in development of Mundra Port – Second port to be privatised in Gujarat
- Developed natural gas distribution network
- Established India's largest edible oil refinery in the State
- Proposed establishment of multi purpose port at Mundra, in JV with Petronet LNG

Key Players

Essar Group



- Diversified business group with enterprise value over US\$ 20 billion
 - Business portfolio includes steel, energy, power, communication, shipping and logistics and construction
 - Operations in Mumbai, Gujarat (Ahmedabad, Hazira and Vadinar) and Vishakhapatnam
 - Focusing on global expansion with projects in Canada, USA, Africa, the Middle East, the Caribbean and South East Asia
 - Largest producer of Sponge Iron
 - India's largest exporter of flat steel products (steel plants in Gujarat – Hazira and Vishakhapatnam)
 - Essar Power – 515 MW power plant at Hazira
-

Key Players

Aditya Birla Group



- 11th largest cement producer in the World and 7th largest in Asia
 - Hindalco, Fortune 500 company of AB Group, one of the world's largest aluminium rolling companies
 - One of the biggest producers of primary aluminium in Asia, 3rd largest producer of insulators
 - Among the fastest growing copper companies in Asia
 - 10 manufacturing facilities located across Gujarat (highest)
-

Key Players

ABG Shipyard



- Key business activities – Ship Building, Ship Repairing
 - India's largest private sector shipyard (Magdalla-Surat), proposed shipyard at Dahej
 - Constructed and delivered 99 specialised vessels – interceptor boats, self loading and discharging bulk cement carriers, split barges, newsprint carriers and offshore supply vessels
 - First to export vessels to Norway
 - First to produce diesel electric dynamic ships and pollution control vessels
 - Highest Exporter Award from Engineering Export Promotion Council (EEPC) for past 2 years
-

Key Players

Torrent Group



- US\$ 950 million diversified conglomerate with a strong presence in power and pharmaceuticals
- Group companies of Torrent include Torrent Pharmaceuticals Ltd., Torrent Power Ltd. and Torrent Cable Ltd.
- Torrent Power distributes over 7 billion units of power annually to Ahmedabad, Gandhinagar and Surat
- Torrent Pharmaceuticals has a manufacturing plant at Indrad (Gujarat), which manufactures formulations and bulk drugs

Key Players

Zydus Cadila



- One of India's leading pharmaceutical companies; Sales – US\$ 457 million (2006-07)
- Product line includes formulations, Active Pharmaceutical Ingredients (APIs), diagnostics, health and dietetic foods, skin care and animal healthcare
- Exports formulations and APIs to over 43 countries
- Focus areas for exports include cardiovascular, gastrointestinal and pain management
- Production units in Ahmedabad, Vadodara and Ankleshwar – manufacture of tablets, injectables, capsules, liquids and APIs

Key Players

Quintiles India

- Leading global Clinical Research Organisation (CRO), first global CRO to be established in India
- Only CRO in India to be identified as a commercial R&D company by the Dept. of Scientific and Industrial Research
- Conducted over 175 clinical studies involving over 1,300 sites and 35,000 patients



Key Players

Nirma



- Sales force of over 350,400 distributors, over 1 million retailers and 300 million consumers
- Product line includes cosmetics, soaps, detergents and salt
- Largest detergent manufacturer in India

Key Players

Welspun



- Presence across 50 countries
 - Business activities include home textiles, saw pipes and steel, specialty texturised polyester yarn, bathrobes, retail
 - Welspun-Rohren – among largest saw pipe manufacturers in Asia
 - Among top 2 terry towel producers and largest manufacturer of specialty polyester filament yarn
-

Key Players

Amul



- Anand Milk Union Limited (AMUL) was established in 1956
 - Market leader in butter, whole milk, cheese, ice cream, dairy whitener, condensed milk, saturated fats and long life milk
 - Staff strength of 1,200 and collects 700,000 - 800,000 litres of milk every day from 1,003 milk societies in Anand and Kheda districts of Gujarat
-

Key Players

Arvind Mills



- One of the top 3 producers of denim in the world and largest producer in Asia
- Product line includes production of fabrics (denims, shirtings, khakis and knitwear) and garments
- Asia's first fabric manufacturing unit to receive an ISO 14001 certification

Key Players

Ashima Group



- One of India's leading 100% cotton fabric manufacturers
 - Over 2/3rds of their production of 60 million metres of woven and 2,800 tonnes of circular knitted cotton fabrics is exported to over 45 countries
 - Products include denims, shirtings, knitted fabrics and garments
 - First textile company to get certified for 'Integrated Quality and Environmental Management System' ISO 9001:2000 and ISO 14001:2004
-

Key Players

Rasna



- Holds 93% market share in Indian soft drink concentrate market
 - 82% of in-house consumption of soft drink market
 - Wide range of products in processed foods category
-

Key Players

Bombardier Transportation India

BOMBARDIER

- Presents in India since 35 years, headquartered in Canada
 - Business activities include rail transportation equipment, systems and services, regional and business aircrafts and leading supplier of motor vehicles worldwide
 - Among the first private companies to have been chosen to build rail vehicles in India
 - Production facility at Vadodara
-

Key Players

Matsushita



- Largest Japanese electronics producer
 - Products include audiovisual and information/communication equipment and home appliances
 - Among the first companies to establish a business unit in Gujarat in 1972 through JV with Lakhanpal
 - Manufacturing unit at Vadodara – manufacture of dry cell batteries
-

Key Players

Mc Cain Foods



- Privately owned, multinational leader in the frozen food industry, with revenue of US\$ 6 billion (2004)
- World's largest producer of French fries and Potato specialties; Food products include appetizers, pizzas, vegetables, desserts and other frozen foods
- Over 55 production facilities spread across 6 continents, supported by over 20,000 employees
- Aims to promote contract farming and buy potatoes from over 100 farmers spread over Anand, Borsad, Palanpur and Deesa in Gujarat
- 2,000 acres of drip irrigation present in Gujarat for potato farming, introduced by McCain
- Manufacturing facility at Mehsana

Key Players

Alstom



- With a revenue over US\$ 19 billion (March 2007), the group operates in the sectors power turbo systems, power service and transport
 - Headquartered in France and has presence in 70 countries, employing 65,000 people worldwide
 - Alstom Projects India Ltd. is headquartered in New Delhi and has facilities in Durgapur (Utility Boilers manufacturing facility), Coimbatore (Transport manufacturing facility), Bangalore (Transport sector's software development centre), Kolkata (Power service and environmental control system), Shahabad (Boiler and foundry products manufacturing facility) and Vadodara (Hydro business manufacturing facility)
-

Key Players

Alstom



- Alstom has won a contract with Gujarat State Electricity Corporation Ltd. (GSECL) for the construction of the first Alstom GT26-based combined cycle power plant in India as an extension of the existing power plant at Utran (Surat)

Key Players

Shell



- Among global leaders in oil, gas and petrochemical companies with interests in biofuels, wind, solar power and hydrogen
- Operates in over 130 countries, employing over 108,000 people worldwide
- Largest and most diversified international investor in India's energy sector
- Only global major to obtain a fuel retail license in India
- The Hazira LNG terminal and port project is the largest Shell venture in India

Key Players

General Motors



- Founded in 1908, GM is the world's largest auto maker. In 2006, 9.1 million GM cars and trucks were sold globally
- Global industry sales leader for 76 years, GM employs 284,000 people around the world
- Headquartered in Detroit (USA), GM manufactures its cars and trucks in 33 countries
- General Motors India, incorporated in 1994, became a fully owned subsidiary of GM in 1999
- 45,000 sq m plant in Halol (Panchmahal) Gujarat, produces Opel Corsa, Corsa Sail, Chevrolet Optra, and Chevrolet Tavera

Key Players

Linde Engineering



- Leading industrial gas and engineering company with over 49,000 employees working in 70 countries
- Constituent companies – Linde Gas, Linde Engineering
- Linde designs and builds turnkey process plants for industrial users and applications - Linde Engineering has operations in India (Vadodara)

DOING BUSINESS

Key Approvals Required

Step 1: Approvals/Registration/Filing Information

Key Approvals Required	
Procedure	Authority
SSI Registration	District Industries Centre of the district where the unit is to be located
Letter of Permission	For automatic approval: Development Commissioner

Specific Approvals Required	
Procedure	Authority
Food and Drug Manufacturing Sectors	Commissionerate of FDA
Mining of Minerals	Commissionerate of Geology and Mining
Project located within 500m of a coastline	Gujarat Maritime Board

Key Approvals Required

Step 2: Registration of Business Organization

Key Approvals Required	
Type of Organization	Authority
Sole Proprietorship	No registration required
Partnership	Registrar of partnership firms Government of Gujarat
Corporation (Pvt. / Public Ltd.)	Registrar of companies Govt. of India (office located in Gujarat)

Key Approvals Required

Step 3. Acquisition of Land

- In Gujarat, investors can acquire land in the following ways:
 - * Purchase land in GIDC estate
 - * Apply for State Govt. land
 - * Purchase private land

Key Approvals Required	
Land	Authority
In GIDC Estate	Concerned office of GIDC
Government Land	Concerned District Collector or Collector/District Development Officer
Private Land (Purchase of agricultural land for non-agricultural use)	Deputy Collector
Non-Agricultural permission	District Collector (urban area), District Development Officer (rural area)

Key Approvals Required

Step 4: Clearance from Pollution Control Board

- No Objection Certificate (NOC) to be obtained from Gujarat Pollution Control Board (GPCB)
- Consent of GPCB mandatory to commence production
- GPCB maintains and regularly updates list of industries not required to obtain NOC

Key Approvals Required	
Applicability	Authority
Recommendation of State Govt. for environmental clearance	Forest and Environment Department Govt. of Gujarat
Central Regulation Zone	Forest and Environment Department Govt. of Gujarat

Key Approvals Required

Step 5: Arrangement of Power

Purpose	Authority
Sole proprietorship sanction of power	Location specific circle office of electricity company
Captive power	Gujarat Electricity Regulatory Commission
Non-conventional sources of energy	Gujarat Energy Development Commission

Step 6: Arrangement of Water

Location of Unit	Authority
In GIDC Estates	Authority of concerned GIDC estate
Outside GIDC estates (for drawing canal/ underground water)	Commissionerate of Geology and Mining, Government of Gujarat

Key Approvals Required

Step 7: Approval of Building Plans

Location of Unit	Authority
In GIDC Estates	Executive Engineer (GIDC) of the concerned region
Outside GIDC Estates	Local authority incharge of the area where the unit is to be established

Key Approvals Required

Step 8: Other Approvals

Applicability	Authority
Factory Registration	Director of Industrial Safety and Health, Govt. of Gujarat
Boiler Registration	Chief Inspectorate, Steam and Boiler, Govt. of Gujarat
Handling of hazardous items	Director of Industrial Safety and Health, Govt. of Gujarat
Quality Certification	Bureau of Indian Standards (office located in Gujarat)

Single Window Clearance

Industrial Extension Bureau (iNDEXTb) provides single point contact for all investment activities in Gujarat

Average Cost of Doing Business

An industry estimate provides the following average costs for setting up a business unit in Gujarat

Component	Cost
Urban land	290 – 365
Rural land (US\$ / Sq m)	120 – 146
Electricity (US\$ / unit)	0.17
Construction for office space (US\$ / Sq ft)	61
Lending rate	10 – 12%
Employee cost (US\$ / man year)	
Labour	1463
Supervisor level	2,341
Managerial level	7,317 - 14,634

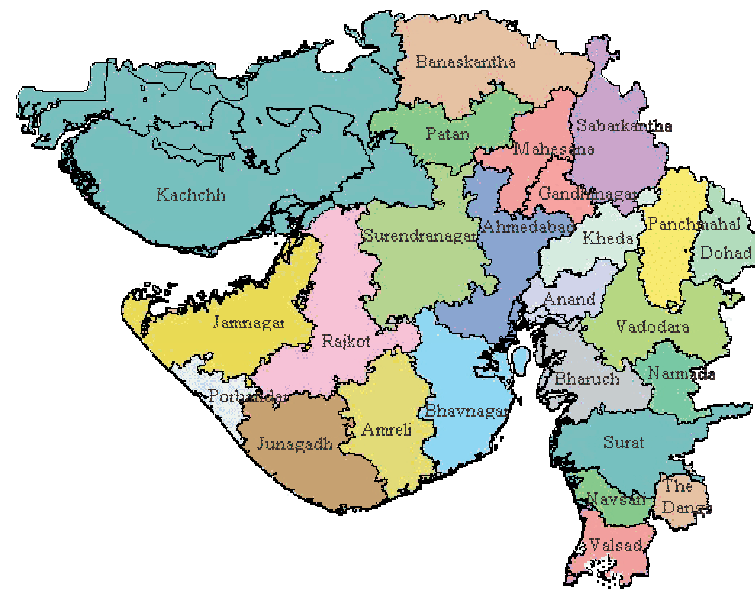
Business Climate

Infrastructure Availability

- 41 ports, 13 airports
- Extensive Road and Rail network
- Highest number of Airports
- 24 hr Power supply to Urban and Rural areas
- 2,200 km Gas Grid for Gas supply to Industrial areas
- 83 Product Clusters, 182 Industrial Estates, 51 SEZs, Delhi Mumbai Dedicated Freight Corridor

Availability of Skilled Manpower

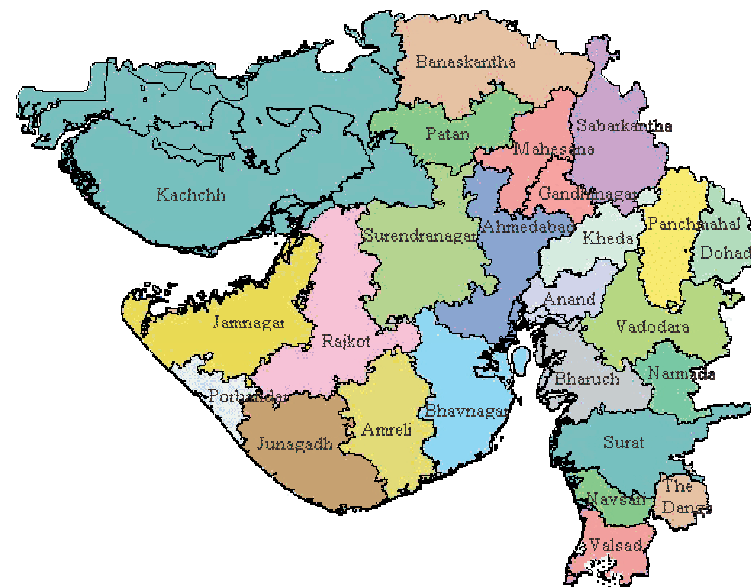
- Renowned academic and research institutions – IIM, NIFT, NID
- Industrial training institutes in each district for training manpower at shop floor level
- Least man days lost among comparable industrial states (0.6% of the Country's total man days lost)



Business Climate

Proactive Governance

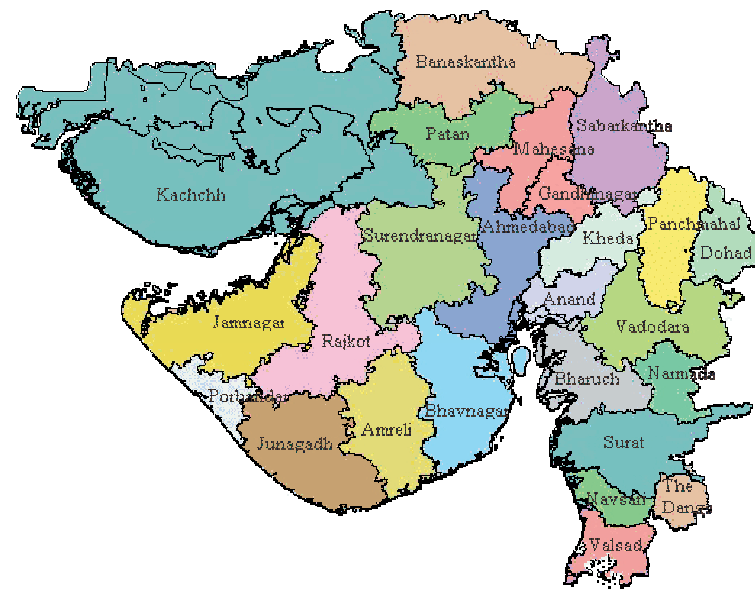
- Strong regulatory and judiciary framework
- SEZ Act
- Gujarat Infrastructure Development Act
- Gujarat Port Policy
- Gujarat Industrial Policy 2000
- Gujarat Build Operate Transfer Law
- Cluster Development Scheme
- Port Privatisation



Business Climate

Growing Economy and Industry

- Higher GSDP growth than country's average
- Robust financial growth
- Strong presence across all industry sectors
- Manufacturing facilities of leading national and international companies

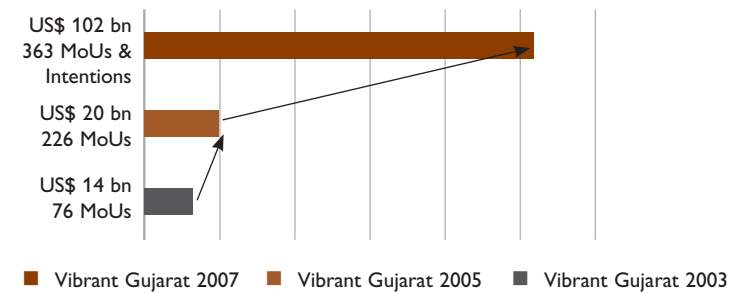


Business Climate

Investment Destination of Choice

- In Outlook for Corporate Investments by Reserve Bank of India (RBI), Gujarat ranks 1st for private corporate investments in the country
- State ranking analysis done by India Today Group declares Gujarat as the top state in India with infrastructure for attracting and sustaining investments

Increasing Investments



OVERALL STATE COMPETITIVENESS

Overall State Competitiveness

Parameter

Gujarat

Opportunities in Type of Industry

Tourism



Information Technology



Food Processing Industry



Crude Oil and Natural Gas



Petrochemicals



Pharmaceuticals & Biotechnology



Overall State Competitiveness

Parameter

Gujarat

Opportunities in Type of Industry

Agriculture Food & Agro Processing Industry 

Mineral Based Industry 

Engineering Industry 

Chemicals Industry 

Apparel & Textile 

Retail 

 High  Medium  Low

Overall State Competitiveness

Parameter

Gujarat

Opportunities in Type of Industry

Electronic Hardware



Gems & Jewellery



Overall State Competitiveness

Parameter

Gujarat

Doing Business

Fiscal and Non-Fiscal Incentives



Cost of doing business



Availability of Labour



Ease of Setting up and Carrying out Business



Overall State Competitiveness

Parameter

Gujarat

Industrial Infrastructure - Existing and Proposed

Power



Connectivity



Industrial Estates/Areas



STP



EPIP



EPZ



 High

 Medium

 Low

Overall State Competitiveness

Parameter

Gujarat

Industrial Infrastructure - Existing and Proposed

IIDC



Industrial Growth Centre



High



Medium



Low

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