



VIBRANT GUJARAT

India's premier industrial state, Gujarat continues to attract billions of rupees in investment as the business-friendly government pushes ahead with reforms at a breakneck speed. L B Rao reports from Ahmedabad on the flurry of activities in the state.



MODERN ECONOMY: A Business Process Outsourcing unit at Ahmedabad

INDIA'S premier industrial state, Gujarat has been able to retain its leading position successively for the past several years, despite growing competition from other western and southern states.

Interestingly, Gujarat has seen all-round progress, not just in the industrial sector, but also in the agriculture and services segment. With the inter-linking of rivers and a focus on water management, a new kind of Green Revolution is occurring in the hinterlands, bringing prosperity to the rural areas.

This western Indian state has today emerged as a leader in several industries, including agro-based ones. It is a leader in the chemicals, pharmaceuticals, dyes, diamonds, dairy, ceramics and textiles businesses. Gujarat is a front-runner in pharmaceutical research in India. It is the largest producer of salt and soda ash in India.

Eighty per cent of the world's diamonds are polished in this state, which also has one of the largest crude refineries in the world. It is the second largest producer of denim in the world.

As on August 31, 2005, Gujarat accounts for the highest investment in India - 16.75 per cent, amounting to a whopping Rs. 2.74 trillion, and accounting for nearly 7,500 projects. Over the last five years (2000-2005), the state has attracted the highest investments among all states in India - a record Rs. 943.57 billion.

Implementation of projects in the state is as high as 60 per cent. And since 1991, the year when economic reforms were launched in India, nearly 4,500 medium and large projects with a total investment of Rs. 1.1 trillion have been commissioned, and another 1,400 projects with an investment of almost Rs. 750 billion are under implementation.

"Gujarat is not in competition with the other states," declares Narendra Modi, the chief minister. "We in fact see ourselves as a potential global player and that is where the focus is."

A.K. Sharma, an Indian Administrative Service (IAS) officer, who is the secretary to the chief minister, and also the managing director of the state's Industrial Extension Bureau (INDEXTb), points out that there has been an all-round development in

Gujarat in the recent years.

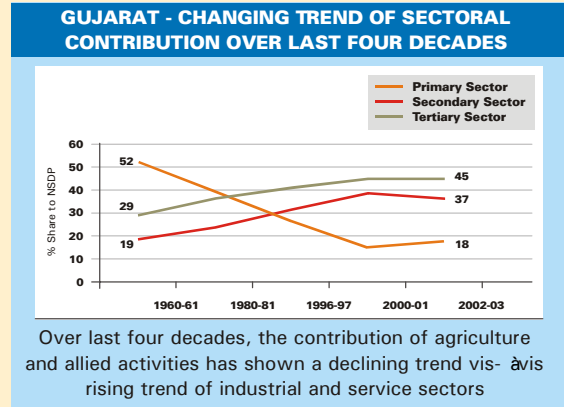
The inter-linking of rivers, water conservation through check dams and farm ponds and propagation of micro irrigation systems, is leading to better farm productivity raising purchasing power in rural areas. This attracts producers of consumer goods as demand for their products soars. Automobile companies, including two-wheeler manufacturers are reporting record sales from Gujarat.

Bureaucrats note that though Gujarat already had achieved 100 per cent electrification of its villages, for the first time round the clock three-phase power is now possible in villages. Under the Jyotigram scheme, the state government has initiated a project to separate domestic feeders from agricultural ones, to ensure uninterrupted power to individual consumers. About 13,000 of the state's 18,000 villages have already been covered under this scheme.

THIS move has also given an impetus to the rural industries. For instance, many diamond-cutters had migrated to cities in the past because of erratic power supplies. Now, with the restoration of power, many are returning to their villages. The cottage and handicraft industries are also being revived.

The state government has also initiated several moves to strengthen the education infrastructure, especially at the school level. Half of the 30,000 schools in the state have been given computers.

The government has provided video conference connectivity to its District Institute of Education & Training (DIET) centres, which have emerged as resource centres for village schools. An



integrated e-governance programme has been executed at villages, called E-gram, with the government providing computers, personnel and connectivity.

An integrated grievances redressal programme has been launched, wherein a citizen can dial a local number and lodge a complaint with the chief minister. The State-Wide Attention of Grievances by Application of Technology (SWAGAT) scheme has seen a resounding success. The chief minister comes online through video conferencing, addressing the citizens' grievances.

Another key e-governance measure initiated by the government is the setting up of civic facilitation centres at municipalities, municipal corporations, taluka offices and collectorates. A citizen can apply for documents and certificates - including ration cards - at these centres, and get them within a few hours under this 'One day Governance' scheme.



ATTRACTING INVESTMENTS: The General Motors plant at Halol in Gujarat

GUJARAT - MAJOR INDUSTRIAL SECTORS

| SECTOR | SHARE IN GUJARAT(%) | SHARE IN INDIA (%) |
|-------------------------------------|---------------------|--------------------|
| Refined Petroleum Products | 30.8 | 38 |
| Chemicals including Pharma | 26.7 | 30 |
| Engineering Industry | 9.5 | 7 |
| Food & Beverages | 9.2 | 9 |
| Metallurgical Industry | 7.4 | 11 |
| Textiles | 7.2 | 15 |
| Non-metallic mineral based Industry | 2.4 | 12 |
| Plastic Products | 1.9 | 10 |
| Paper Industry | 1.2 | 11 |

GUJARAT - INDUSTRIAL PROFILE

| | |
|---|--|
| Net state Domestic Product | Rs. 1425.60 Billion (2003-04) (€26.40bn) |
| Manufacturing Sector | Rs. 354 Billion (€6.5 Billion) |
| Share in NSDP | 24.9% |
| Small Scale Sector Units | Over 300,000 |
| Medium & Large Ind. Units | Over 2,200 |
| Fixed Capital investment | 18.5% share in India |
| Industrial Production | 16.2% share in India |
| Value Addition | 13.3% share in India |
| Gujarat's Industry is a major contributor not only to the State's economy but also to the national one. | |

Of course, all these programmes - including e-governance, computers in schools, DIETs etc - would have been meaningless without regular and uninterrupted supply of power which has become possible through the Jyotigram scheme. Gujarat has traditionally been a better managed state in terms of power supply. Even today, the state has a per capita power consumption of 1175 kWh as against a national average of 592 kWh.

The government continues to encourage investments in the power sector, especially in unconventional areas such as wind, hydro, solar and bio-diesel. The new oil and gas discoveries have helped Gujarat become a gas-based economy.

The private sector has invested in ports, roads and railway projects (three railway projects have attracted private investments on a BOT basis).

It is clear that the government's focus is also on good governance, and it has launched ambitious programmes such as Karmayogi Maha Abhiyan, in which it has elicited the feedback of the half a million government employees on their work and surroundings. Training modules have been created for government staff, to help them imbibe a new work culture.

Chief Minister Narendra Modi organised the Vibrant Gujarat - Global Investors' Summit 2005 (in January) to highlight the strengths of the state, and also to inform global investors about the potential in the state.

OVER 6,000 people attended the inaugural ceremony, including industry representatives, multi-nationals, NRIs, and top industrialists including Mukesh Ambani of Reliance, Gautam Adani of the Adani Group, Shashi Ruia of Essar, and Nigel Shaw of British Gas. MOUs (Memorandum of understanding) for setting up projects worth Rs. 1.06 trillion (covering 226 projects) were signed.

There were exhibitions focussed on sectors such as information technology, biotech, agro, energy, gas, petroleum, non-conventional energy, port and port-led industries, financial services, textiles and apparels, gems and jewellery and tourism.

Industrial giants including Reliance, Essar, Videocon, Larsen & Toubro, Arvind Mills, Shell Hazira, Torrent, Adani group, General

Motors and Welspun were among those who announced major investments at the summit.

There are an estimated six million Gujaratis who are settled abroad in different parts of the world. "We want this vast diaspora to get involved in Gujarat's development," says the chief minister.

The Gujarat government has pressed ahead with the reforms, selling its stake in many public sector units, closing down half a dozen PSUs, and encouraging private investments in different sectors.

The state has led other states in job creation over the last three years and it has also topped the list of states in terms of achieving targets in poverty alleviation programmes.

Gujarat is also fast emerging as a major transport hub in the sub-continent. The state has nearly a dozen airports, and Ahmedabad has emerged as a major international airport. International airlines operate flights to London, Dubai, Abu Dhabi, Singapore, and Kuala Lumpur.

The state is also promoting 11 special economic zones of which two are already operational. It has 180 functional industrial estates, eight industrial parks (three diamond and jewellery parks, three apparel parks, and one each in the pharma and biotech sectors).

The state has a 1,500-km gas grid network, and the largest optical fibre network of 35,000 km. Gujarat also has a teledensity of 9.17, compared to an all-India average of 7.02. The Gujarat State Wide Area Network (GSWAN) is the largest wide area network of its kind in Asia. It connects the central administration, the secretariat, with the provincial administration at the Taluka level.

Not surprisingly, the state has won several awards. It tops the Economic Freedom Index adjudged by the Rajiv Gandhi Institute for Contemporary Studies. The investment environment in Gujarat has been described as the best among India's big states, and it recorded the fastest economic growth among all states, according to an India Today survey.

No wonder many multinational companies like GM, Shell, ABB, British Gas, P&O Ports etc. and major Indian groups like Reliance, Essar, Nirma, Tata, Birlas etc. are in Gujarat.

The private sector has invested in ports, roads and railway projects (three railway projects have attracted private investments on a BOT basis), and even in the power sector.

FASCINATING DESTINATION

The 'Land of Festivals and Fairs' is attracting thousands of tourists, who come to experience the colourful spectacles held round-the-year

FOR a relatively small-sized state, Gujarat indeed offers an amazing range of opportunities and vistas for tourists. It has sun-kissed beaches, fascinating palaces, exquisite architectural monuments, exciting wildlife, ancient temples, salubrious hill stations, and a vibrant calendar packed with events from the state's rich cultural and religious tapestry.

The state is a shopper's paradise - from colourful textiles and fabrics to a scintillating range of handicrafts, it has a remarkable variety of things on offer for the visitor; and also a gourmet's delight. The mouth-watering delicacies of Gujarat are a joy to indulge in right through the day - from steaming hot jalebis in the early morning to a satisfying plate of khichadi at night.

The cuisine is a major attraction for tourists and there are several theme restaurants across the state, which offer a unique experience to the visitor.

Gujarat, unlike many other Indian states, has an excellent network of highways that link most parts of the state. The state is also well linked through the services of Western Railway. But to experience the state, the best way of travelling is by road, either hiring a car, or travelling in the numerous coaches that connect all parts of the state - Kutch, Saurashtra, north Gujarat, central and south Gujarat.

A land of festivals, Gujarat attracts numerous visitors from around the world and other parts of India during these events. The state government and the tourism department are promoting these festivals, by organising package tours covering these events.

It is estimated that there are about 2,000 festivals and over 200 of these events have become unforgettable occasions celebrated widely, and attracting tens of thousands of people. Festivals are held to celebrate a variety of events - when the seasons change, while harvesting the fields, or while celebrating religious events drawn from India's rich mythological traditions.

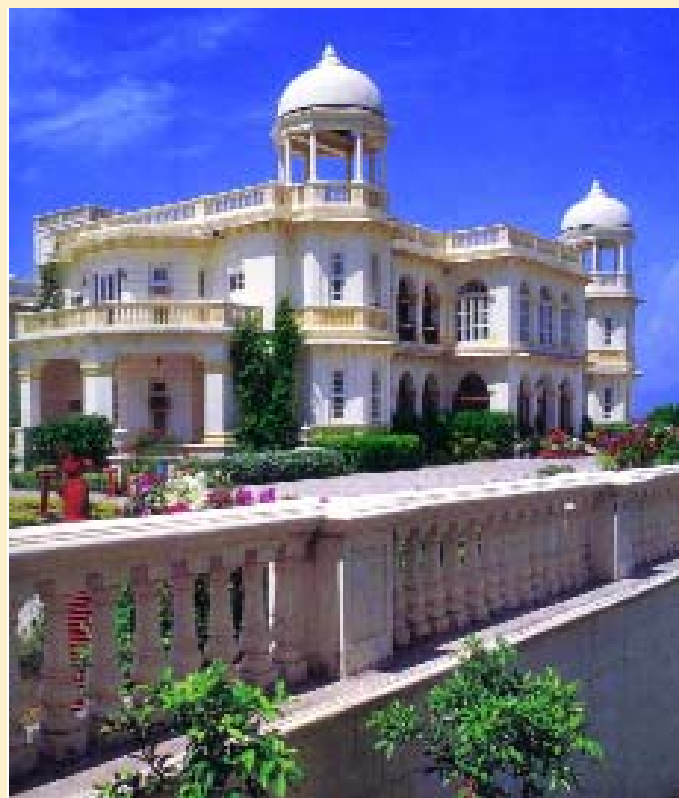
For the visitor, these fairs and festivals offer an opportunity to experience the diverse cultural and religious identity of the people of Gujarat. Though rooted in religion and mythology, these celebrations centred around gods and goddesses are truly secular events, in which people of all faiths participate.

The calendar year starts off with the most colourful events of all, the International Kite Festival, which falls on January 14,

the festival of Uttarayan or Makar Sankranti, held to celebrate the end of winter. Participants from around the world descend on Gujarat to celebrate the joyous event. The State owned Tourism Corporation of Gujarat Ltd. organises the event across the state.

International kite flyers take on local champions, and exotic kites are also flown. At night, illuminated kites ('tukals') soar into the sky. A 'Patang (kite) bazaar,' is also opened at Ahmedabad, where kites, strings and a whole lot of paraphernalia are sold.

A Vishwa Gujarati Parivar Mahotsav is being organized every year around this time and a large number of NRIs and NRGs participate in this 'one of its kind' celebration marked with events, cultural and dance festivals. An exhibition of theme pavilions covering various aspects including religious, medical, ecological, heritage tourism, and Sardar Sarovar, is also held.



HERITAGE TOURISM: Palaces like these attract tourists

Another major, turn-of-the-season festival is the Tarnetar fair, held every year towards the end of the monsoon in Tarnetar village in Saurashtra. The three-day festival is held at the 14th century temple of Shiva (Trinetreshwar), popularly known in the region as Tarnetar.

Members of various tribes like the Kolis, the Rabaris, the Bharwads, the Khants, the Khanbis, the Charans and the Kathis gather at the village to celebrate the legendary marriage of Draupadi with Arjuna. According to popular belief, the historic 'swayamvara' of Draupadi was held at the village.

The event is also a major matchmaking fair for the tribal youths, who dress elegantly in their traditional clothes and carry the 'Tarnetar Chhatra' (umbrella) embroidered by bachelors to attract the attention of unmarried girls. Thousands of visitors descend on the village to witness this festival, unique to Saurashtra.

THE festival sees participants perform folk dances like the Rasada, Ras Garba, and the Hudo dance. Groups of people also form 'bhajan mandalis' and sing devotional songs to the tune of folk instruments such as khartals, pakhawaj, dhol and tabla.

Of course, the most popular festival in Gujarat is Navratri, celebrated recently just before Diwali. The Gujarat government organised a grand Navratri extravaganza, and visiting tourists stayed with host families, experiencing first-hand the vibrant festival. Navratri is an auspicious occasion commemorating the worship of the Divine Mother Goddess and her numerous

manifestations. Many Gujaratis fast all day, and dance through the night, dressed in colourful dresses. In Gujarat, music and dance form part of every celebration and festival.

The state also has numerous temples that attract millions of devotees. Prominent ones include the Dwarkadhish temple - honouring Lord Krishna - and the Somnath temple.

Gujarat has several other historical and archaeological monuments. The state has had a history dating back 4,500 years, with visitors including Muslims, Zoroastrians and the Portuguese coming here to trade or to settle. The archaeological sites at Dholavira and Lothal offers an unparalleled insight of the Harappan civilisation, and Ahmedabad has examples of Indo-Sarcenic architecture.

The world heritage sites of Champaner fort near Pavagadh, Dholavira (in Kutch) and Lothal of Indus Valley civilisation are a major draw for visitors interested in heritage tourism.

Palitana has a profusion of temples in the Jain style, while Junagadh displays Buddhist caves. Rajput architecture is evident in different parts of Gujarat.

Amazingly, Gujarat has a 1,600-km-long coastline, the longest in India. The state is dotted with some of the finest beaches, including Ahmedpur-Mandvi, Kutch-Mandvi, Chorwad and Gopnath. The long coastline also has interesting Portuguese forts, shore temples, princely port cities and beach palaces.

Ahmedpur-Mandvi is one of the state's best beaches; the water is calm and is perfect for swimming. Water sports facilities are available, including scooters, skiing, surfing,



MODHERA SUN TEMPLE: Gujarat's glorious heritage



VIBRANT COLOURS: Women dancing during Navratri

Gujarat has a 1,600-km-long coastline, the longest in India, and the state is dotted with some of the finest beaches

parasailing and speedboats. Another major beach resort is Mandvi, about 75 km from Bhuj in Kutch, which was established as a seaport in 1851. It has unspoilt beaches, and a long stone bridge built in 1883.

Saputara, perched on scenic hills and surrounded by forests, is a picturesque hill resort. The hill-station is surrounded by fascinating range of mountains, which rise to 1,083 metres above sea level. There is a lovely lake in the town, besides streams and woodlands.

With its dry (and also moist) deciduous forests, majestic grasslands, wetlands, and marine ecosystems, Gujarat is home for several species of animals and birds. It has several national parks and wildlife sanctuaries.

The Asiatic lion is found only in the Gir national park, while other rare wildlife found in the state include the Wild ass in the Rann of Kutch, the rare great Indian bustard in the bird reserves, the world's only four-horned antelope, the Black Buck, the dugong, and the rare Boralia species.

The Gir national park in Junagadh district is home to the Asian lion, leopards, spotted deers, hyenas, and chinkaras. The Black buck national park in Bhavnagar district has black bucks, foxes and the houbara bustard, while the Marine national park



in the Gulf of Kutch has sponges, corals, jellyfish, seahorses, octopus, pearl oysters, starfish, lobsters, dolphins and dugongs.

The Little Rann of Kutch has the Wild Ass sanctuary, while flamingos and can be spotted at the Nal Sarovar birds sanctuary in Ahmedabad.

The state also has lot to offer the tourists, which includes theme parks and multiplexes. The Sardar Sarovar on the Narmada river will open new vistas in promoting water sports and eco tourism.

With a large population of NRIs from the state, Gujarat has emerged as hub of medical tourism in India. With a package of varied attractions, Gujarat's tourist business will touch new heights in the coming year.

"WE CAN MAKE GUJARAT THE DRIVER OF INDIA'S DEVELOPMENT"



Chief Minister Narendra Modi has positioned the state as a global hub for commerce, manufacturing, finance, R&D and tourism activities

GUJARAT Chief Minister, Narendra Modi is upbeat about the prospects for the state. Having retained its lead over other advanced states, Gujarat is now looking at its vast, and affluent diaspora that has settled down in various parts of the world. He is keen that overseas Indians plough back their intellectual inputs and also their savings in profitable and social ventures in Gujarat. Excerpts from an interview with the chief minister:

There is growing competition among different Indian states to attract both foreign and domestic investments in sectors including information technology, infrastructure, ports, airports and industry. Comments?

Modi: Gujarat is not in competition with other states. It sees itself as a potential global player and that is where the focus is. Unhealthy competition between states within India is not good. If anything, there is a need to create competition between each district in every state for development. Gujarat has inherent strengths and with our current pro-active approach we will definitely succeed in our mission to make Gujarat a global destination.

What according to you are the factors that have contributed to making Gujarat a preferred destination for investments in recent years? Are you confident that the state would retain this premier position over the coming years?

Modi: Gujarat is known for its robust infrastructure. This gives an instant edge to Gujarat. Even now, we have been investing more and more in infrastructure. We have world-class roads. Now for the first time, under the 'pragati-path' scheme we will be investing in nine horizontal east-west roads. These will connect Adivasi districts via developed

areas of the state to the coastal areas.

To give a boost to agricultural trade we are creating 1,000 'pukka' roads under our 'kissan path' scheme. We have been the first in port, road and railway privatisation. Our statewide optical fibre area network is the largest in Asia and the second largest in the world.

We have already completed 1,500 km of the targeted 2,200-km gas transmission grid across the state. I see Gujarat not in isolation, but as positioned strategically to boost the country's growth. My mantra is 'Bharat ke vikas ke liye Gujarat ka vikas.'

What are the problems confronting Gujarat, and how do you propose to tackle them?

Gujarat hardly has many raw materials where there is tremendous scope for value addition. But more than this, its people are its real assets. Entrepreneurship, investor-friendly attitude, absence of red tape, and an all-pervasive red carpet welcome are the distinguishing characteristics that make Gujarat what it is. It is the right climate that is important in getting investors. Vibrancy of the state and entrepreneurial attitude of people is able to cope up with any competition or challenge.

What is your vision for Gujarat?

Modi: I see Gujarat as very critical for India's growth. We are trying to position Gujarat as a global hub for commerce, manufacturing, finance, research and development, tourism and a large number of service activities where we have a clear-cut advantage.

We want to give tough competition to South East Asian countries and acquire a prime position in all these areas. With the co-operation of the people, I am sure, we can make this happen. With the largest coastline in the country, Gujarat has tremendous potential to service the country's trade. 🌈