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A report by KPMG for IBEF
Executive Summary

Goa, as an attractive tourist destination, has established itself among the fastest growing industrial and commercial centres in the country. It has made impressive strides in all round development, measured by socio-economic indicators and ranks among the leading states in the country. The Eleventh Finance Commission Report, 2000 ranked Goa as the premier state in terms of social and economic infrastructure.

The evergreen destination of Goa is a holidaymaker’s paradise. Breathtakingly beautiful blue beaches, silvery sands, fabulous flora and fauna, rich cultural heritage, captivating churches, and terrific temples makes Goa a premier global tourist destination.

With vast reserves of iron-ore, the state has a number of mining units. The state is an attractive destination for Foreign Direct Investment (FDI). The contribution of FDI to the state’s economy has increased ten fold in the past years.

Along with tourism, Goa also provides the right kind of ambience as an IT-enabled state. The state enjoys one of the best telecom densities in the country.
Industrial Centres in Goa

- Pernem
- Bardez
- Bicholim
- Sattari
- Panaji
- Tiswadi
- Marmugoa
- Ponda
- Verna
- Sanguem
- Salcette
- Quepem
- Margao
- South Goa
- Canacona
An Economic Snapshot

Capital
Area (sq km) 4,000
Population (million) (Census 2001) 1.34
Literacy Rate (%) 82.3
Sex Ratio (per 1000 males) 960
Length of Coastline (km) 130
National Highway length (km) 224
Domestic airports Dabolim (25 km from Panaji)
International airport Dabolim
Major ports Marmugao, Panaji (Minor Operative Port)
Key industries Fisheries, Pharmaceuticals, Tourism and Hospitality, Mining and Mineral based industries
Advantage Goa

- Eleventh Finance Commission Report, 2000, ranked Goa the best on social and economic infrastructure
- State GDP registered a 10 per cent growth (CAGR) from 1993-94 to 1999-00
- FDI has grown from US$ 3 million in 1998-99 to US$ 34 million in 1999-00
- Third largest producer of iron-ore
- Achieved hundred per cent electrification
- Second highest tele-density in the country
THE STATE ECONOMY

The services sector has come to be the mainstay of the state economy. The sector has registered an annual compounded growth rate of 11.6 per cent during the period 1993-94 to 1999-02.

The contribution of agriculture to the Gross State Domestic Product (GSDP) declined from 16.5 per cent to 8.7 per cent in 2002-03. Goa has the highest land holding per cultivator. The net area sown per cultivator is 2.5 hectares against the country average of 1.4. The land in the state is conducive for the cultivation of cereals and pulses.

Goa has a very high rate of savings; the per capita bank deposit is as high as US$ 1465 and has increased by 22 times in the last two decades. The very high bank deposits and low credit-deposit (CD) ratio indicate that the banking industry has very high-unexploited potential to accelerate the investment opportunities in the state. The Planning Commission of India has acknowledged that Goa is among the premier destinations in per capita flows in terms of public and private investment, institutional investment and credit utilisation.

Goa - Sectoral contribution to NSDP

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contribution to NSDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>60.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>30.8%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Source: Government website, 2002 at 1993-94 constant prices

Goa’s industrial profile (in per cent)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>41</td>
</tr>
<tr>
<td>Food Processing</td>
<td>15</td>
</tr>
<tr>
<td>Rubber and Plastic</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Goa Economic Survey 2002-03

The state has been able to harness its diverse tourism potential and a natural resource base to shift from an economy, which was predominantly agro based to one with substantial contribution from the services and industrial sector. Good social and economic infrastructure in the state indicates an equal emphasis on both sectors.

The state has the second lowest poverty levels in the country. Only 4.4 per cent of the population is below poverty line (2001). The state is targeting zero poverty level growth in the forthcoming years. Panaji, the capital of Goa, has the highest Market Intensity Index in the country*

The state has one of the highest literacy rates in the country; the rate increased from 75.5 per cent in 1991 to 82.3 per cent in 2001. It also has one of the lowest birth rates, death rates and infant mortality rates.

Goa has a very high rate of savings; the per capita bank deposit is as high as US$ 1465 and has increased by 22 times in the last two decades. The very high bank deposits and low credit-deposit (CD) ratio indicate that the banking industry has very high-unexploited potential to accelerate the investment opportunities in the state. The Planning Commission of India has acknowledged that Goa is among the premier destinations in per capita flows in terms of public and private investment, institutional investment and credit utilisation.

*Market Intensity Index is an indication of the proportion of high-income households in the city. A higher MII implies a higher proportion of high-income households.
Goa has one of the largest iron ore reserves in the country. The state produced 13,641 thousand tonnes of iron-ore valued at US$ 76 million in the year 2001-02, making it the third largest producer. The other major minerals in the state are ferro-bauxite and manganese.

Goa is emerging as a manufacturing base. Plants in the state manufacture fertilisers, tyres and tubes, cement, electrical machinery, fish-net making machines, automatic washing machines, printed circuit boards, pharmaceutical machinery, electronic medical test kits, modems etc. The state has over 6500 small-scale industrial units and 140 large and medium units in the organised sector with the majority of these units being in the manufacturing sector. Pharmaceutical majors such as Merck, Novartis, German Remedies, Hoechst and Indian companies such as Kare Labs, Blue Cross, Indoco Remedies, Nestor have units in the state.

As a pro-active organisation of business, GCCI is committed to spearheading the promotion of a conducive environment for trade, industry and commerce. It is committed to building opinions and suggesting pro-active options for enhancing competitiveness of business and industry by interacting with policy makers and experts. In a fast changing world, it is essential to upgrade skills on continuous basis and keep forging ahead. GCCI provides training and education to corporate executives, entrepreneurs and those interested in business and industry in a variety of areas. It is committed to facilitate the unorganised sector of trade & industry as the unorganised sector contributes a major share in the industrial growth. GCCI helps the Government in providing a transparent administrative and tax system. In order to be successful the GCCI will have to work closely with the Government, professionals, experts, intellectuals and eminent personalities. Similarly, the chamber shall have close interaction with people from industry, trade, businessmen and workers.

Source: www.indiastat.com, 2000-01

Goa - Per capita gross output in industries (US$) (P)

<p>| | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Goa</td>
<td>1425</td>
</tr>
<tr>
<td>India</td>
<td>188</td>
</tr>
</tbody>
</table>

Source: www.indiastat.com, 2000-01
The state has successfully managed to achieve
growth in both social and economic infrastructure.
The Eleventh Finance Commission report ranked the
combined social and economic infrastructure in the
state to be the best in the country.

**Highlights**

- Highest density network of roads
- One of two states with every village electrified
  (the other being Himachal Pradesh)
- Optical fibre-connectivity throughout the state
- Highest hospital bed to population ratio
- Mormugao accounts for 50 per cent of India’s iron-ore exports

**Social infrastructure**

There are several professional colleges, including
engineering, polytechnics and Industrial Training
Institutes (ITIs). Management studies, law colleges and
a catering institute form other important institutes
in the state. The prestigious National Institute
of Oceanography (NIO)* located in Goa is a leader
in marine research in India. The Goa Medical College
is among the oldest in Asia. The state has
23 general education colleges and 22 colleges
for professional education. The state has a sound
health infrastructure with 32 government hospitals
and 106 private hospitals.

**Access infrastructure**

The state has an extensive network of roadways
with the highest per-capita-road-to-man ratio in the
country. Most of the national airlines have flights from
Goa’s airport. International carriers operate around
500 air charter flights between Goa and countries
like the UK, Germany, Russia, Sweden, Switzerland,
Finland and Norway.

The Konkan Railway, connecting Goa with the rest
of the country, has increased the scope of tourism
and trade considerably. The project remains one
of the largest railway project undertaken in the
last five decades. 760 km of railway lines have been
laid through difficult mountainous region.

Mormugao port is one of India’s premier ports.
It accounts for 50 per cent of India’s iron-ore exports
and ranks among the top ten iron-ore exporting
ports in the world.

**Communications infrastructure**

The state has a high tele-density of 12 telephones
per 100 inhabitants, which is the second highest in the
country. The state boasts of a good communication
network. The state has a fibre optical cable network
for telephonic connectivity and 8 mbps bandwidth
for internet connectivity.

**Industrial infrastructure**

Goa Industrial Development Corporation, set
up in 1965 to spur industrial growth in the state,

*Declared as a centre of excellence by the Government of India
has established twenty-two industrial estates. Goa has over 6,500 small-scale units and about 140 large and medium scale industries employing over 50,000 people. This development has emerged simultaneously with the emergence of Goa as an important tourist locale on the world map.

The Goa Chamber of Commerce & Industry (GCCI) has played the pioneering role in the industrial development of the state through promotional efforts to attract large industries in electronics, pharmaceuticals, engineering, etc. To facilitate all new investors, the GCCI has established an “Investment Facilitation Centre”. This Centre provides assistance if any difficulties are encountered by potential investors.

*Corlim, Margao, Sancoale, Daman, Mapusa, Tivim, Bichotim, Kakoda, Honda, Bethora, Canacona, Kundaim, Diu, Tuem, Verna, Cuncotim, Pilerne, Marcaim, Pissurtem, Colvale, Shiroda and Sanguem.
STATE POLICY

The state policy aims to foster industrial growth thereby achieving economic prosperity. The state is committed to balanced regional development and sustainable employment generation for youth in the state. It aims at marketing itself aggressively as the chosen destination for industry investment and as a centre of trade. Goa is keen to tap the business opportunities in the IT and biotech sectors.

The broad objectives of the state policy are highlighted below:

- Deregulate the business environment for an efficient, proactive and transparent administrative framework
- Promote the growth of small scale industries, agro industries and handicrafts by giving financial and institutional support
- Create cluster development centres in rural areas around which traditional livelihood earning professions can develop and thrive
- Catalyse the entrepreneurial as well as creative capabilities of the human resources and provide market support towards the same
- Encourage technology up-gradation and R&D initiatives in the industry
- Promote Goa as the export / import hub of the country
- Promote Goa as one of the top ten tourist destinations in the world

Industrial policy

The industrial policy has identified potential areas of high growth. These thrust areas are to receive focused attention. In this context the state is considering setting up of a film city, an agro-processing zone, an apparel park, a food (including wine) park, a pharma and a software park. The thrust areas identified are:

- Pharmaceuticals, Drugs and Biotech industries
- Food processing and Agro-based industries
- IT and IT-enabled services
- Eco tourism/ Heritage tourism/ Adventure tourism/ Event tourism/ Medical tourism
- Entertainment industry

Small Scale Industries (SSIs) policy

The state policy proposes to develop small-scale industries in order to generate employment within the state. The principal measures outlined in the policy are:

- Pursue a cluster development approach in order to help industries avail a common infrastructure
- Emphasise developing handicrafts and handloom units in rural areas of the state
- Treat any revived industry as a new industry and waive arrears of sales tax, entry tax and any other state government dues; encourage the closing of industries that cannot be salvaged
- Employment subsidy to all small scale, medium and large-scale units to generate employment within the state
- Sales tax exemption on the sale of finished products for a period of 15 years to SSI units and 12 years for medium and large-scale units.
- Interest subsidy scheme to all new small scale and tiny units in the manufacturing sector
- Provide capital support to entrepreneurs in the state. The support will be provided to units manufacturing goods, and units in the tourism sector except hotels and resorts

The policy also proposes to provide financial support towards quality certification and patenting. Additionally, financial assistance will also be provided to export manufacturing units. These measures are introduced to engender industrial growth and nurture quality consciousness and focus on R&D.
Tourism policy

Goa is actively marketing itself as a chosen tourist destination. The Department of Tourism has developed a brand that is unique to Goa; the slogan “Go Goa 365 days on a Holiday” captures the image of a destination that offers holiday solutions throughout the year. The tourism department promotes Goa at all major international trade conferences and summits.

Information kiosks have been installed at major train stations, airports and bus terminals. These have proved to be very popular with tourists. More such kiosks are being set up. Infrastructure supporting tourist activities is also being developed in the state; setting up hotels, restaurants and resorts, illuminating places of interest are some of the measures planned. Measures such as these have helped the state register growth rates in tourist traffic, with growth in 2001-02 touching of 14 per cent.

Agro policy

State policy outlines a number of measures to give a major boost to agriculture and allied activities in the state. Some are:

- Ensuring a minimum return for agro produce: Support prices for sugarcane and arecanut crops
- Crop insurance, watershed development, emphasis on dairy development and fisheries are some of the other measures proposed
- Promoting R&D activity in this sector as well as train farmers in using modern cultivation techniques
- Revitalising ponds and lakes that are either abandoned or not being put to optimum use

Human resource policy

In order to cater to the need for technical manpower, the state policy proposes to enhance the facilities in the ITIs. The institutes will be equipped with latest equipment & machinery. Instructors in these institutes will also undergo skill-upgradation training. A number of on the job training programmes are being introduced to provide production-oriented training.

The state has announced a Retrenchment Benefit Scheme and a Smart Card Scheme to provide a security net against loss of livelihood. Incentives have also been announced to provide employment opportunities for women and to encourage women entrepreneurs.

e-Governance

State policy proposes the following measures to make governance in the state more investor friendly:

- Minimise government interference with the day-to-day functioning of businesses
- Number of state departments have framed citizen charters and a system of regular monitoring and review await implementations
- e-Governance measures have been proposed to ensure smooth and transparent government functioning

State policy has committed to the setting up of a committee to address the problems/grievances of industries in a time bound manner. This committee would meet periodically and review the functioning of the Small Scale Industries and recommend measures for strengthening the sector in addition to addressing specific grievances.

The state is actively promoting itself as a “Global Investment Destination” by attracting investment from both local and overseas entrepreneurs, national, multi-national companies and international agencies including Non-Resident Indians (NRIs).

The state also proposes to set up an investment promotion board. The mandate of the Board will include identifying the investment requirements of the state, prioritising public investment in specific
projects, deciding modalities of funding, ensuring timely clearance of investment proposals and reviewing the execution of the projects. The investment promotion board would act as a facilitator for investment promotion and serve as a single window clearance authority for medium and large-scale industries. A similar clearance authority will also be constituted for small-scale industries.

**IT policy**

The Government of Goa is committed to make Goa a leading Information Technology state in India. It aims to develop Margao-Verna-Vasco-Panaji-Mapusa corridor as one of the leading centres for software development in the world. The Government of Goa has pledged to use IT in the process of governance, education and in the development of infrastructure in the state.
BUSINESS OPPORTUNITIES

There are several factors that affect evolution of an industry in a particular region. The major factors impacting evolution are:

- **Policy proactiveness:** The policy that a state government adopts towards a sector directly affects its attractiveness for further investment. For instance, Goan state policy articulates the need to promote Goa as a chosen tourist destination. This emphasis on tourism has caused the services sector to contribute increasingly to the state GDP.

- **Capability:** Availability of good quality manpower is a must for all industries to flourish. High literacy rates and presence of good education and vocational training institutions have ensured that Goa has well qualified manpower. A number of international pharmaceutical companies have set up manufacturing plants in Goa.

- **Availability of natural resources:** Certain industries like mining and mineral based industries have a high dependence on availability of natural resources. The vast reserves of iron-ore have enabled an iron-ore processing industry to flourish in the state.

Based on an assessment of the above factors, some of the industries with potential for investment and growth in the state are illustrated below:

*This is a qualitative assessment to highlight relative attractiveness of different sectors. A case by case analysis is necessary before investment decisions are made.*

Source: KPMG analysis
**Key industries**

**Tourism**
Goa is actively marketing itself as a chosen tourist destination. The Department of Tourism has developed a brand that is unique to Goa; the slogan “Go Goa 365 days on a Holiday” typifies the image of a destination that offers holiday solutions throughout the year. The tourism department plans to promote Goa at all major international trade conferences and summits.

Information kiosks are to be set up at major train stations, airports and bus termini. Eleven such kiosks have been installed and have proven to be immensely popular with tourists. Infrastructure supporting tourist activity is to be developed in the state; setting up hotels, restaurants and resorts, illuminating places of interest are some of the measures planned. Measures as above, have helped the state register growth rates in tourist traffic, with the growth in 2001-2002 touching a maximum of 14 per cent.

**Mining**
Iron, manganese and bauxite ores are the major minerals found in Goa. The iron ore industry is the main industry and the backbone of Goan economy. Mining is both manual and mechanical employing opencast method. The annual production of iron-ore is around 15 million tonnes. Iron ore from Goa is mainly exported to Japan, European countries, China and South Korea through Mormugao harbour.

**Pharmaceuticals**
A number of domestic and international pharmaceuticals giants such as Cipla, Blue Cross and Aventis have set up manufacturing facilities in the state.

**Exports**
The total exports from Goa in the year 2003 amounted to US$ 110.3 million. Export earnings from chemicals (pharmaceuticals) accounted for 43 per cent of these revenues.

**Fisheries**
Goa has a coastalline of about 130 km and inland waterways of about 250 km. The coast is full of creeks and estuaries formed by rivers. The coastal and inshore waters are very rich in fishery resources specially mackerels and sardines. Thus, fishery is an attractive area of business besides employing a large proportion of the population.

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*Projects Today, as of Feb 2004: Project Today classifies projects as ‘nascent’, ‘planning’, ‘partially completed’ and ‘under execution’. For the purpose of the above estimation, nascent, planning stage projects have been aggregated.*
Potential hubs for investment

Research and Development
National Institute of Oceanography, established in 1966, is headquartered in Dona Paula (Goa) with regional centres located at Kochi, Mumbai and Visakhapatnam. The Institute’s core areas of study are ocean processes, coastal studies, resource survey, identification and conservation, and ocean engineering. In addition to research laboratories spread in various divisions of the institute, a data centre, rich library, a powerful network connected to the world grid using high speed communication lines, computing facility for data analysis, etc., make the working conditions in the Institute very favourable. The Institute has been declared a centre of excellence by the government of India.

Indian Council of Agricultural Research (ICAR) established the ICAR Research Complex for Goa in 1976. Government of Goa had handed over to this complex 19.7 hectares of land from the state department of Agriculture for establishing buildings and experimental plots. Additionally, for expansion of research, field demonstrations and training activities of the ICAR Research Complex, an area of 33.6 hectares has been handed over to the complex by the Government of Goa.

Petronet LNG is setting up LNG terminals in the state to store and distribute natural gas. Investment are also planned for improving the berthing facilities in Mormugao.

Goa has emerged as destination for pharmaceutical manufacturing, a number of multinationals such as Aventis and Knoll have set up their plants in the state.

<table>
<thead>
<tr>
<th>Company</th>
<th>Country of Origin</th>
<th>Segment</th>
<th>Investment (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T</td>
<td>USA</td>
<td>Telecom</td>
<td>500</td>
</tr>
<tr>
<td>Kodak</td>
<td>UK</td>
<td>Electronics</td>
<td>NA</td>
</tr>
<tr>
<td>Knoll</td>
<td>German</td>
<td>Pharma</td>
<td>NA</td>
</tr>
<tr>
<td>Aventis</td>
<td>France</td>
<td>Pharma</td>
<td>NA</td>
</tr>
<tr>
<td>Wyeth Lederle</td>
<td>German</td>
<td>Pharma</td>
<td>11.7</td>
</tr>
</tbody>
</table>

*Total investment planned in the state is US$ 1,360 million of which infrastructure investment total US$ 1,260 million.

Estimate of likely investment in Goa (US$ million)

Source: Projects Today, Feb 2004
Cipla has set up a new export oriented unit at Goa with a capital outlay of over US$ 21.3 million. This unit will manufacture all types of formulations and will mainly cater to developed markets such as US, Europe and Canada.

Crompton Greaves Ltd
Crompton Greaves is a leading private sector enterprise in the business of manufacturing and marketing products related to the generation, transmission, distribution and utilisation of power. It also executes turnkey projects. The Fans Division of Crompton Greaves is a leader in India and has been so for over a decade. In the international market, the company is one of the leading exporters to countries like USA, Italy, South Africa, Ghana, Fiji, Singapore, Bahrain, UAE, Sri Lanka, UK, France, Oman and Sudan. The company has two modern manufacturing facilities in Goa at Bethora and Kundaim. Its products are known for consistent quality, low power consumption and high volume air delivery.

D-Link (India) Pvt Ltd
D-Link (India) Pvt Ltd, a public listed company is a part of the multinational D-Link Corporation, which has a presence in 26 countries. Its core business is in the area of networking and communications. D-Link is also present in the motherboard market through a joint venture with Gigabyte Technology, Taiwan. D-Link (India) has more than 120,000 sq ft manufacturing space in its state-of-the-art facilities in Goa. The three manufacturing facilities in Goa are ISO 9001 and ISO 14001 certified.

E-Merck
Merck India is the Indian arm of the German E-Merck set up in 1967. The Merck Group holds 51 per cent of the shares in Merck India. Merck is the sole
manufacturer of vitamin-E bulk in India with a capacity of over 300 tonnes per year. Vitamin-E bulk is the active ingredient in Evion, which is Merck’s third-largest selling domestic brand, with market share of over 80 per cent in the category. The company has a soft gelletin manufacturing plant at Usagon in Goa. It has a turnover of over US$ 84 million and employee strength of about 1000.

German Remedies
German Remedies is one of the major players in the Indian pharmaceutical industry. German’s product portfolio comprises respiratory (28 per cent), hormones (30 per cent), diagnostic products (8 percent), gastrointestinal (10 per cent) and oncology (3 per cent). The company has set up a pharmaceutical manufacturing facility at Kundaim-Goa, which commenced its operations in 1991. The oncology products manufacturing commenced in 1995. Deriphylline (in the list of top 50 brands) is German’s top brand in the anti-asthma category and is growing at the rate of 20 per cent.

Goa Carbon Ltd (GCL)
Goa Carbon Ltd, a leading pet coke calciner was set up in 1976 as a public limited company. The company manufactures Calcined Petroleum Coke (CPC), a vital input in the production of basic aluminium metal and Titanium Dioxide. The Calcination unit of 100,000 TPA capacity was set up with technical assistance from Great Lakes Carbon Corporation (USA) and is located in southern Goa near Mormugoa port. GCL’s revenues grew at a CAGR of 72 per cent from US$ 17 million in 2001 to US$ 41 million in 2003. The company exports about 70 per cent of its production. The major domestic consumers of the company’s production are Nalco, Indal and Hindalco.

Indoco Remedies
Indoco’s manufacturing location at Verna, Goa is a state-of-the-art facility providing an excellent combination of CGMP and environmental friendliness. The plant has been approved by the UK-MHRA. It is designed on the vertical flow concept, which involves minimum material handling and allows excellent flow of man and material.

Kare Group
The Kare Group of Companies is a leading industrial and trading house in Goa. It has a history of nearly 60 years, particularly in the pharmaceutical business. The group comprises three manufacturing companies, DCI Pharmaceuticals Pvt Ltd, Kare Labs Pvt Ltd and Motiff Laboratories Pvt Ltd Kare Labs, which has a state-of-the-art plant at Verna, Goa. This plant is fully automated and designed to produce high quality, high volume formulations using cost efficient processes, keeping in mind current good
manufacturing practices. This plant has a WHO GMP certification. The flagship of the group, DCI Pharmaceuticals Pvt Ltd is located in Margao.

Kodak India Ltd
Kodak India Ltd was established in 1913. A subsidiary of Kodak Ltd, U.K., Kodak India Ltd was the first photographic company to set up operations in India. In India, Kodak is strongly established as the leader in imaging. The company has one of its three manufacturing facilities in Goa.

MRF
MRF has six manufacturing plants in India one of which is a US$ 5.7 million plant in Ponda in Goa. The company began as a manufacturer of toy balloons and other rubber products and then later on moved to manufacture tyres in 1961. MRF manufactures the largest range of tyres in India and enjoys the highest brand preference for superior quality, appearance and wearability. The company is the market leader with the largest market share in almost every segment of the tyre industry.

MRF established its first office in 1949 at Chennai, Tamil Nadu, India. The company has a distribution network of over 2,500 outlets in India and overseas offices in United Arab Emirates, Bangladesh and Vietnam. The company exports to over 75 countries worldwide.

Nestor Pharmaceuticals
Nestor Pharmaceuticals has more than 300 products in different therapeutic categories in the domestic market. The company has three manufacturing plants in the country and one formulation plant in Goa. Looking at the post 2005 WTO regime, Nestor has initiated negotiations with mid-sized R&D based companies abroad for exclusive co-marketing arrangements for new molecules for Indian markets and may be other markets such as the Far East.

Novartis
Novartis was formed in 1997 with the demerger of Hindustan Ciba-Geigy’s chemical division and subsequent merger of demerged part of Sandoz India with Hindustan Ciba Geigy. The parent company Novartis AG has two subsidiaries in India, namely, Novartis Enterprises Pvt Ltd and Novartis Nutrition AG. Novartis India Ltd registered revenues of about US$ 100 million and over 1,000 employees in 2003. The company’s manufacturing facility at Santa Monica is involved in the manufacture of agrochemicals and bulk drugs.

Tata Infotech Ltd
Established in 1977, Tata Infotech is part of the 125-year-old Tata Group. The group has a turnover of around US$ 11.2 billion. Tata Infotech operates in the chosen areas of system integration, contract
Vicco Laboratories
Established in 1952, the Vicco Group has emerged as makers of internationally known products of Ayurveda, the ancient Indian system of natural medicines. The group has set up one of its three manufacturing facilities in Goa. Commissioned in 1997, the plant has a built-up area of 90,000 sq ft. The facility at Goa bagged the “Best Construction Award” by the American Concrete Association.

Wyeth Lederle
The Philadelphia-based Wyeth is the world’s tenth largest drug manufacturer and has established its subsidiary, Wyeth Lederle Ltd in Goa. Wyeth Lederle has ceased manufacturing of finished dosage forms at its facility at Ghatkopar, Mumbai, and shifted it to its plant in Goa. The shift facilitated the company to reduce its employee cost from 14.8 per cent to 13.3 per cent.

Zuari Group
Zuari Group, fertiliser division, was Goa’s first mega industrial undertaking. The fertiliser plant in Goa has an installed capacity of 946,200 metric tonnes. The estate includes a single stream ammonia plant, a urea plant, an NPK plant and a DAP plant along with related on-site and off-site facilities for handling raw materials and products as well as the generation of steam and captive power. The division is part of the Zuari Chambal Group, a diversified conglomerate with a turnover of US$ 1.1 billion and an asset base of US$ 0.9 billion. It has investment in fertilisers, cement, hybrid seeds, biotechnology, ready-to-assemble furniture, chemicals, software, investment, home finance and engineering services.

Unichem Laboratories Ltd is one of the leading pharmaceutical companies in India. The US$ 4.6 million Bardez plant in Goa manufactures non-antibiotic oral dosage forms and is established completely focusing on the US market. Unichem plans to develop its formulations for the finished dosage drug products using its internally manufactured Active Pharmaceutical Ingredient from the formulation development facility at Goa.

Titan
Titan Industries is India’s leading watch manufacturer. Its business activities cover watches, clocks and jewellery. The company has built, in a relatively short span of time, an enviable reputation for its corporate practices, products and services.

Titan employs around 3,700 personnel, and its manufacturing facilities occupy a built-up area of 33,000 sq mt. The company has a unit that produces electronic circuitry for quartz watches in the state of Goa.

Hardware manufacturing and IT education. The Hardware Manufacturing Division in Mapusa, Goa, is over two decades old. The factory manufactures Automated Teller Machines (ATM), cash dispensers, bill payment machines, check encoders/Sorters and complex electro-mechanical products. The manufacturing unit set up with total area of approximately 60,000 sq ft consists of two independent centrally air-conditioned units, one dedicated to exports and the other for domestic markets.
# DOING BUSINESS IN GOA

## Obtaining approvals

An indicative list of approvals with timeframe for setting up business in Goa

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<thead>
<tr>
<th>List of approvals and clearances required</th>
<th>Departments to be consulted</th>
<th>Estimated time taken (in days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporation of the company</td>
<td>Registrar of companies</td>
<td>NA</td>
</tr>
<tr>
<td>Registration, IEM, Industrial licenses</td>
<td>DIC* for SSI for large and medium industries</td>
<td>NA</td>
</tr>
<tr>
<td>Allotment of land</td>
<td>State DI**/ SIDC***/ Infrastructure corporation</td>
<td>8-15</td>
</tr>
<tr>
<td>Permission for land use</td>
<td>State DI, Department of Town and Country Planning</td>
<td>8-15</td>
</tr>
<tr>
<td>Site environmental approval</td>
<td>State pollution control board and Ministry of environment and forests</td>
<td>NA</td>
</tr>
<tr>
<td>No Objection Certificate and consent under water and pollution control Acts</td>
<td>State pollution control board</td>
<td>NA</td>
</tr>
<tr>
<td>Approval of construction activity and building plan</td>
<td>Town and country planning Authority</td>
<td>NA</td>
</tr>
<tr>
<td>Sanction of power</td>
<td>State electricity board</td>
<td>NA</td>
</tr>
<tr>
<td>Registration under states sales tax Act and central and state excise Act</td>
<td>Sales tax department, Central and state excise departments</td>
<td>NA</td>
</tr>
</tbody>
</table>

Approvals pertaining to a multinational corporation (MNC) investing in a medium to large-scale plant are cleared through a High Powered Coordination Committee (HPCC), which takes 15 days on an average to clear proposals towards setting up manufacturing plants in the state.*

*Source: Goa Industrial Developmental Corporation  
*District Industry Centre  
**Department of Industries  
***State Industrial Development Corporations
## Cost of business

An indicative table on cost of setting up business in Goa

<table>
<thead>
<tr>
<th>Manufacturing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land (US$ / hectare)**</td>
<td>70,212</td>
</tr>
<tr>
<td>Labour Cost (US$ / man year)**</td>
<td>2,336</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation Costs</td>
<td></td>
</tr>
<tr>
<td>(US$ / sq ft / year)</td>
<td>NA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Cost (US$ / man year)****</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Developers</td>
<td>6,383</td>
</tr>
<tr>
<td>Team Leads</td>
<td>14,893</td>
</tr>
<tr>
<td>Architects</td>
<td>21,276</td>
</tr>
<tr>
<td>Project Managers</td>
<td>31,915</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Common Heads</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Capital*****</td>
<td></td>
</tr>
<tr>
<td>(Prime lending rate, per cent)</td>
<td>10.57</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electricity (US cents / kWh)******</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>8.3</td>
</tr>
<tr>
<td>Industrial</td>
<td>8.02</td>
</tr>
</tbody>
</table>

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**Source: www.goa-idc.com .

***Source: Indiastat.com

****KPMG Analysis on costing for an IT venture in India

*****Estimated by computing the average Prime Lending Rates of prominent public sector, private sector and foreign banks in India

******Source: Indiastat.com

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## Contact for information

### State Government Website
Web www.goagovt.nic.in

### Goa Industrial Development Corporation (GIDC)
Goa Industrial Development Corporation was established in Feb 1966 with the objective of securing and assisting in the rapid and orderly establishment of industries in industrial areas and industrial estates in Goa. The Corporation has so far established 20 industrial estates in Goa, viz. Corlim, Margao, Sancoale, Daman, Mapusa, Tivim, Bicholim, Kakoda, Honda, Bethora, Kundaim, Verna among others.

**Goa Industrial Development Corporation**
Patto, Next to Passport Office, Panaji
Goa 403 001
Tel +91 832 2437470
Fax +91 832 2228012
Email goaidc@sanchernet.in
Web www.goaidc.com

### Confederation of Indian Industry (CII)
Information on markets and opportunities for investment in Goa can also be obtained from Confederation of Indian Industry which works with the objective of creating a symbiotic interface between industry and government.

**Confederation of Indian Industry Southern Region**
98/1, Velacherry Main Road
Chennai 600 042
Tel +91 44 52444555
Fax +91 44 52444510
Email ciiwr@ciionline.org

**Confederation of Indian Industry State Office**
C/o V S Dempo & Co Ltd
Dempo House, 1st Floor
Campal, Panaji
Goa 403 001
Telefax +91 832 2422790 / 2422796
Email ciigoa@satyam.net.in / ciigoa@sanchernet.in
Web www.ciionline.org
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