

A 'Gujarat Miracle' in the offing

State making rapid strides; set to attain developed world's infrastructure benchmarks by 2020

By Suresh Menon

Forbes magazine, in its latest issue, has described Gujarat as the "most market-oriented and business-friendly" Indian state and Ahmedabad as having "per capita income twice that of the rest of India". The magazine has also listed Ahmedabad, among the fastest growing cities in the world.

Noting that Gujarat's policies helped lure away the new Tata Nano plant from West Bengal to Sanand in Ahmedabad, Forbes compares our beloved state with Singapore and parts of Malaysia and says Gujarat has developed its infrastructure more quickly than its domestic rivals.

Here it needs to be noted that the vibrancy and buoyancy of Gujarat's economy today is indeed no accident. It is the result of the state government's holistic approach to infrastructure development coupled with its meticulous planning and implementation.

A strong entrepreneurial culture among the Gujarati population coupled with systematic focus on infrastructure by its policymakers to support their spirit of enterprise has contributed to making Gujarat what it is today. Starting from the concept of visualizing product clusters in 1960 when the state had just been formed, which were implemented through the 1990s, the state has graduated into conceptualizing Special Investment Regions that are currently taking shape.

Commenting on the Forbes report, the city Municipal Commissioner I P Gautam said that Ahmedabad has been growing at a fast pace with ambitious infrastructure projects like the BRTS, Sabarmati Riverfront Development and Kankaria Lakefront. Ahmedabad is seeing development at such a fast pace because of the positive developmental efforts being made by the state government and local governments like AMC and AUDA, he added.

Emphasizing that the government's proactive policies have also spruced up development in the city, Gautam pointed out that the Vibrant Gujarat summits have brought in a lot of projects in and around Ahmedabad and development has been put in top gear.

In terms of infrastructure, Gujarat is currently dotted with 41 ports, a road network exceeding 74,000 kilometers and the highest number of airports (12) among states. Today, Gujarat is the only State to boast of a state-wide integrated Gas Grid covering a length of 2,200 km. The largest grass root petroleum refinery is located in Gujarat.

There has been consistent and steady metamorphosis through the phase of establishing industrial estates and industrial parks, followed by Special Economic Zones in the early 2000s. As a result of this, Gujarat has now emerged as one of India's most industrialized states with a wide variety of industries, chief amongst them being general and electrical engineering, textile manufacture, vegetable oils, chemicals, soda ash and cement as well as fertilizers and petrochemicals. This pragmatic approach is set to position the state among the advanced economies of the world by 2020.

The Special Investments Regions are expected to oversee global economic activity with a support base of world class infrastructure, centers of excellence, premium civic amenities and a proactive policy framework. According to a recent Deutsche Bank Study, Gujarat offers the most favorable outlook for growth and demand for infrastructure projects. For the past 12 years, Gujarat's GDP (Gross Domestic Product) has been growing at 12%, which is as fast as China's. This has left many other states behind.

The Indian government reported that in fiscal 2009-10, Gujarat posted an impressive 12.99% Gross State Domestic Product (GSDP) growth, which is way above the targeted 11.2% fixed by the Planning Commission under the Five Year Plan 2007-12.

The GSDP indices are reflective of the continued balanced growth of Gujarat's economy and its projections for the next two years of the current Five Year Plan are expected to accelerate its growth rate to 14% and 15% respectively.

According to Mr D J Pandian, Principal Secretary for Energy and Petrochemicals, Gujarat, which has a population of 55 million people, will need 30 gigawatts of power capacity by 2020. It wants to get 20% of this total from renewables by that time. It already has 3 gigawatts of renewable capacity, mostly from wind turbines. This means Gujarat needs to install 3 more gigawatts capacity.

Gujarat currently ranks first nationwide in gas-based thermal electricity generation with national market share of over 8% and second nationwide in nuclear electricity generation with national market share of over 1%. The state is India's petro-gas capital and Reliance Petroleum Limited operates its oil refinery at Jamnagar, which is the world's largest grass-root refinery. The company has also plans for another SEZ (special economic zone) in Jamnagar.

The state has the distinction of housing India's first tidal energy project and the largest wind energy farm. Ahmedabad has a world class public transport system which serves 44 million people and helps in saving 37 lakh tonnes of carbon emission. The state has country's biggest CNG and LNG infrastructure. Ahmedabad, which was derided as the most polluted city in 2003, was recognized as a 'Green City' by the UN in 2009.

Today the state has the world's largest shipbreaking yard at Alang near Bhavnagar. Furthermore it has the longest shoreline of 1,670 kilometers (1,040 miles) and can also boast of highly diversified industries – from diamonds to denim, fertilizers to pharmaceuticals, automobile to milk products, cotton, art-silk, ceramics and oil seeds.

Gujarat also contributes 39% of India's industrial output, 10% of its mineral production, 80% of salt production, 20% of India's exports, 25% of its textile production, 40% of India's pharmaceutical products as well as 67% of petrochemical production. The state also has 40% of the country's art-silk industries, 80 per cent of polished diamond industry and 11 per cent of the world's chemical exports. The state government has formed a land bank of 50,000 hectares for industrial houses to choose the sites online. Meanwhile, the Clinton Foundation has awarded Gujarat the world's largest solar plant and 34 solar projects are in the pipeline.

The Bus Rapid Transit System (BRTS) in Ahmedabad, which completed one year of operations on October 14, 2010, has transformed the face of public transportation in the city. The number of passengers using BRTS has grown nearly five fold to 81,373 from the initial 17,319 in October 2009, when the service was first launched. BRTS currently earns average revenue of Rs 4.39 lakh per day. Some 30 AC buses and 60 ordinary buses will be introduced on the BRTS routes by the end of this month and very soon the existing 88 km BRTS track will be stretched further to 38 km to connect each part of the city through BRTS. The trial for smart card will begin by December this year and Gandhinagar will be linked to Ahmedabad through BRTS service.

After the successful implementation of the Bus Rapid Transit System (BRTS) in the city, planning work for the Ahmedabad Metro Rail project is in the final stages. According to the plans, the Metro Rail project will run between Ahmedabad and Gandhinagar in the first phase. Then the underground Metro line in the walled city will be taken up.

Revealing that studies are on whether an underground Metro line is possible in the old city areas connecting Kalupur railway station to the Income Tax Circle, Urban Development Secretary B K Sinha said the project was put on the backburner after the Bus Rapid Transit System (BRTS) was prioritized for Ahmedabad city. But with the city

limits in Ahmedabad and Gandhinagar expanding, the project has once again been revived.

Meanwhile, an official of the Metro rail project said, "The proposed metro line is designed to carry 40,000 passengers per hour and an estimated 17 lakh commuters are expected to use the service daily. In the first phase, the rail link will connect Vasna to Akshardham via Ashram Road and Koba Circle (32.65 km) and have 31 stations, while the Ahmedabad junction to Thaltej via Delhi Darwaja line will be 10.90 km long and have 11 stations."

The state government also plans to connect the airport with Gift city in the first phase. The second phase will link Sarkhej with Indroda Circle in Gandhinagar, and Vasna with Sarkhej.

The total project cost is estimated upwards of Rs 10,000 crore, said officials. Besides, the state government has launched a Special Purpose Vehicle (SPV) named Metrolink Express for Gandhinagar and Ahmedabad (MEGA) with an authorized capital of Rs 200 crore and an initial paid-up capital of Rs 10 crore. After the studies, the exact cost and time frame will be available for the completion of Phase I and II.

The other ambitious infrastructure projects that have contributed to the fast pace of development in Ahmedabad are the Sabarmati Riverfront Development and Kankaria Lakefront.

Massive housing projects are another area that the Gujarat government has been laying stress on. In a bid to ensure that many large-scale, self-sufficient housing complexes come up across the state, the Gujarat government is encouraging well-planned satellite cities and integrated residential townships.

Realtor Mr Jaxay Shah, who is also president of Confederation of Real Estate Developers Association of India (CREDAI), Gujarat Chapter said that currently Gujarat leads the entire country in township developments and it has sanctioned nine projects this year. The state makes it easy for developers as its single-window clearance system ensures that all approvals are given within three months. Several multinational companies have extended their footprints in and around Ahmedabad, he added.

Gujarat not only has a robust infrastructure, but it is also a pioneer in Public-Private partnership. It takes to its credit as 'Asia's Biggest' Investment Infrastructure Opportunity Centre.' Gujarat has strategically developed very efficient and cost effective infrastructure which boosts its urban and industrial growth.

The state's relentless quest for a larger image with all-round development is foreseen bearing fruits of success. As one of the youngest states of the Indian Federation, its track record has helped Gujarat to emerge as the 'Growth Engine of India.'

The state has an impressive record of successful private sector participation in infrastructure development. However, first and the foremost accomplishment of Gujarat Infrastructure Development Board (GIDB) has been the chalking out of clear-cut and comprehensive policies supported by a legal framework. The Board's focus has been on integrating and augmenting various components of infrastructure to improve the quality of life in the state.

The state government's commitment towards promoting private sector participation in infrastructure development can be adjudged from the fact that a large number of projects are already under implementation in private sectors. Some of them are:

Private Sector Initiatives In Gujarat:

Project	Sector	Developer
Ahmedabad Mehsana Road	ROAD	IL&FS, L&T (ECC)
Akrimota Thermal Power Project, Kutch	POWER	GMDC
Dahej Port	PORTS	Petronet LNG Ltd
Power Project at Hazira	POWER	Gujarat State Energy Generation Co. Ltd. (GSEG)
GSWAN Gujarat State Wide Area Network	IT	United Telecom Ltd
Hazira Port	PORTS	Shell-Essar Consortium
Ichchhapore Hazira Road	ROADS	GIDC
Infocity	IT	Creative Choice Inc.
Mahi Bridge	ROADS	Vijay Mistry Construction Pvt. Ltd, Rajkamal Builders
Mundra	PORTS	Gujarat Adani Ports Ltd.
Mundra Port- Gandhidham Missing Link	RAILWAYS	Gujarat Adani Ports Ltd.
Pipavav Port	PORTS	Gujarat Pipavav Ports Ltd.
ROB Near GNFC Bharuch	ROADS	Vijay Mistry Construction Pvt. Ltd.
ROB at Chayyapuri, Vadodara	ROADS	Ranjit Construction Pvt. Ltd
Surendranagr-Mahuva Gauge Conversion	RAILWAYS	Gujarat Pipavav Ports Ltd.(GPPL) and Ministry

		of Railways
Vadodara Halol Road	ROADS	IL & FS, Punj Lloyd
Watrak Bridge	ROADS	L & T
Zadeshwar Bridge	ROADS	L & T

In a bid to make Gujarat a globally preferred place to live in and to do business through accelerated, balanced, inclusive and sustainable growth driven by robust social, industrial and physical infrastructure, Chief Minister Narendra Modi on June 30, 2010 released an integrated plan for the state's infrastructure development, which is called the Blueprint for Infrastructure in Gujarat 2020 (BIG 2020).

The BIG 2020 outlines investments in infrastructure areas. The creation of infrastructure is expected to attract investments in manufacturing and service facilities which will significantly increase employment and per capita incomes. Gujarat's five-pronged strategy 'Panchamrut' comprising knowledge, security, water, energy and power along with the BIG 2020 is expected to make significant impact on the state's human development index. The result would be all-round development touching all citizens, including those living in the remotest parts of the State.

The implementation of BIG 2020 will drastically improve the state's already commendable infrastructure and provide a fillip to its economic growth. In line with Narendra Modi's claims that he wants to make Gujarat compete not with other Indian states, this mega vision will accelerate the state's development process and envisions Gujarat with a per capita income in the league of top fifty countries of the world. Ultimately, BIG 2020 is expected to have a deep social impact and assure a better quality of life to Gujarat's citizens by enabling the state to attain the developed world's infrastructure benchmarks.

The New Vision document prepared by well-known research and rating agency Crisil focuses on 11 different areas and delineates the key strategies for attracting project investments to the tune of Rs 1,125,591 crore in various sectors like power, gas, roads, ports, railways, logistics parks, airports, urban infrastructure, water supply, IT, tourism as well as SIR Dholera, industrial nodes & SEZs within Delhi-Mumbai Industrial Corridor (DMIC). This will also facilitate Gujarat in achieving UMI (upper middle income) countries' per capita power generations and consumption benchmarks by building large capacities in power generation besides making gas a preferred fuel across the urban and industrial landscape.

The Vision document also aims at accelerating industrialization by developing world-class and globally competitive industrial infrastructure. Developing seamless, efficient and high speed integrated transport networks conforming to global standards are also envisaged.

The vision also aims to put Gujarat in the bracket of major international players in sea freight logistics as well as developing cities that are safe, efficient, clean and green and offer a high quality of life. The vision promises safe, reliable and affordable drinking water across Gujarat, and provide stable water supply for agriculture and aims to make Gujarat a global tourist destination.

The Big 2020 also aims to create improved healthcare infrastructure and widespread network of educational institutions to make Gujarat a globally-recognized knowledge society. It also plans to set up a network of post-harvest agriculture infrastructure to ensure better access to markets.

The integrated infrastructure investment plan will ensure high investments in infrastructure, increase productivity, expand the industries and services sector. The BIG 2020 will make Gujarat's infrastructure the pride of its citizens and a benchmark for the nation. People living in the farthest corners of Gujarat would have access to safe and affordable drinking water, electricity, sturdy roads and telecom services. Substantial investments will be made in securing energy, maximising growth opportunities, enhancing connectivity, managing growing urbanization, providing water for all and ensuring higher quality of life through employment generation, health care and education.

This high investment in infrastructure will sustain high economic growth over the decade. All the three sectors of the economy will register sound growth with industries and services growing in double digits and the agriculture sector recording consistent and stable growth. The ultimate goal of BIG 2020 is to create robust social, industrial and physical infrastructure network ensuring accelerated inclusive and sustainable growth. Rapid and balanced GSDP growth on the one hand and investments in social services and upgradation of health, education and other critical services on the other would ensure this objective is achieved.

All these will help propel Gujarat's economic and all-round development, which in turn will enable the state to catch up with the developed world on all fronts. This will not only take Gujarat to a whole new level but will differentiate it from all other Indian states. All the citizens of Gujarat can be proud of the fact that there is no other initiative in India with a similarly broad and deep futuristic infrastructure thrust, seamlessly fusing the practical and the visionary.