

# Gujarat

## The Global Business Hub



**Shri Achal Kumar Joti IAS**

Chief Secretary  
Government of Gujarat

I am glad to present this edition of the Vibrant Gujarat Newsletter; as it has come at a time when the dream of the Honorable Chief Minister to make Gujarat an automotive hub is being realized. After TATA Motors establishing its manufacturing facility at Sanand, the Ford Motor Company has shown interest by signing a memorandum of understanding (MoU) followed by France's Peugeot. This reinforces the confidence which industries have on the State and its administration.

Ford will invest approximately Rs. 4,000 crore (\$1 billion) in state-of-the-art vehicle manufacturing facility and an engine plant which will come up at Sanand. The manufacturing operation will be built on a 460-acre site, and will create around 5,000 jobs.

As per the President and CEO Asia Pacific and Africa of Ford, they have aggressive expansion plans in India, Asia Pacific and Africa, and these two new plants will play an important role in realizing their growth strategy.

Similar to Ford, Peugeot shall also invest in a manufacturing plant at Sanand which is expected to get operational by 2014. Many other national and international automotive players have also shown interest to invest in Gujarat and are planning to set up their manufacturing facilities in the state.

The prime reason why these companies have selected Gujarat is because of its pro-business environment, excellent infrastructure, market access through Gujarat's ports and the availability of skilled workforce. Setting up facilities in Gujarat allows quick access from the manufacturing site to the hinterland of northern and western India.

I invite you all to benefit from these strategic advantages which Gujarat has to offer and be a part of the growth story of Gujarat.

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## Peugeot to set up Rs.4000 crore facility in Gujarat

September 02, 2011



Global automobile major Peugeot Citroen Automobiles (PCA) on Thursday signed an agreement with the Gujarat government to set up an automobile manufacturing plant near Sanand at a cost of Rs.4,000 crore.

The fully integrated manufacturing unit, the first one in India, will be set up on a 584-acre plot. It will encompass a cutting edge vehicle manufacturing facility integrating stamping, body paint and assembly operations with an initial capacity of 165 000 vehicles per year.

This plant will provide direct employment to 5,000 people and indirect employment to 25,000 people.

## FMCGs join Auto rush to set up units in Gujarat's Sanand

August 23, 2011



Sanand, the emerging auto hub of Gujarat is all set to get the reputation as the industrial hub as well with companies from FMCG, consumer electronics, electrical equipments

and minerals eyeing their facilities in the industrial estate coming up over 1,600 acres.

The state industries department has recently given nod to the projects of Colgate Palmolive, Hitachi, Tbea, Corning, Allied Minerals and Bosch. These companies will together pump in Rs 3,000 crore, said officials of state industries department

## Sun Borne Energy pools funds for Gujarat solar plant

August 18, 2011



Sun Borne Energy has tied up funds to the tune of Rs 140 crore from domestic banks for its 15 megawatt (MW) solar photovoltaic plant in Gujarat. The total project cost is estimated in the range of Rs 200-240 crore.

State Bank of Patiala, the lead bank, with three other banks, Export-Import Bank of India, Canara Bank and State Bank of Travancore, participated in the debt program.

## CEA eyes Gujarat for second mega power project

August 03, 2011



Central Electricity Authority is likely to decide soon on a second UMPP in the State, to be set up with the estimated investment of Rs 20,000 crore.

CEA officials have inspected a few sites in Gujarat and zeroed in on Lodhava village in Kodinar taluka of Junagarh district, but they are yet to take a final decision.

Gujarat is expected to get 40 per cent of the power generated at the UMPP while the rest would be allocated to other states through the national grid.

### **Gujarat May See Disneyland-Style Theme Park**

August 01, 2011



The world's leading theme park operators—Disney World, Canada's Wonderland, Sentosa of Singapore and Genting of Malaysia—are in talks to set up a Disneyland-style park in Gujarat that could be bigger than the Disneylands in California, Paris or Tokyo.

The \$2.1 billion project is being developed by Mumbai-based infrastructure and real estate firm Atlanta, and has already been cleared by the Gujarat Tourism Department.

Spread over 13 square kilometers, the site—Suvali Beach—has a 3.3 km stretch along the Arabian Sea coast. The beach is located around 20 km from Surat and will have five theme parks, such as a nature park, amusement park, water park, beach park, ice skating and skiing dome, restaurants, hotels,

studios, forest villas, beach villas, studio lagoon and apartments and villas among others.

### **JP Iscon to construct Gujarat's biggest mall** July 28, 2011

Real estate developer JP Iscon plans to construct Gujarat's biggest mall, with a million square feet of retail space, in next two years. The location of the mall is expected to be in western part of Ahmedabad, either in South Bopal or Gota.

### **Ford to create 5,000 jobs in Gujarat** July 28, 2011



U.S. automobile major Ford will invest \$1 billion to manufacture cars and engines at an integrated facility at Sanand in Gujarat, generating 5,000 jobs.

Ford has signed a memorandum of understanding (MoU) with the Gujarat government to construct the facility. The construction of both the plants will begin later this year, with the first vehicle and engine scheduled to come off the line in 2014.

Further, the vehicle manufacturing plant will have an initial annual capacity of 240,000 units, and the engine plant will have an initial annual capacity of 270,000 engines.

## Marg bags order worth Rs 238 crore from Bhavnagar Energy Company Limited, Gujarat

July 26, 2011



MARG Limited, one of the India's leading diversified infrastructure organization, has won an EPC work order valued at Rs 238 crore from Bhavnagar Energy Company Limited (BECL) in Gujarat.

The work order includes a Sea Water Intake, Outfall and Circulating Water System for the 2 X 250 MW Lignite Based Thermal Power Plant at Padva, Bhavnagar, Gujarat.

The scope of work includes the challenging work of laying submarine pipeline of 5 km in the roughest sea of Gulf of Cambay, critical marine and civil structures, pumping stations, pipelines, substations and transmission lines. The time frame for completion of the project is 24 months.

## IRB Infra co bags Gujarat NHAI project

July 25, 2011



IRB Infrastructure Developers Ltd's wholly-owned subsidiary IRB Ahmedabad Vadodara Super Express Tollway Pvt Ltd has executed the concession agreement with NHAI for six-laning of Ahmedabad-Vadodara section of NH-8 for a length of 102.3 km and improvement to the existing Ahmedabad-Vadodara Expressway in Gujarat for a length

of 93.3 km under Phase V on design, build finance operate transfer toll basis.

The project has a concession period of 25 years. Estimated construction cost is approximately Rs. 3,600 crore and the construction is to be completed within three years from the appointed date. The SPV will get tolling rights on Ahmedabad Vadodara expressway from the appointed date and on NH8 post-completion of construction.

## Gujarat plans centre of excellence, Narayana Murthy may be mentor

July 21, 2011

Gujarat has roped in Chairman and Chief Mentor of Infosys, N R Narayana Murthy, to guide a proposed international centre of excellence near Ahmedabad.

The state government has initiated the process of setting up a special purpose vehicle (SPV) – Gujarat Foundation for Entrepreneurship Excellence (GFEE) – with a 50:50 equity partnership of Rs 5 lakh each between Gujarat Mineral Development Corporation Ltd (GMDC) and a private company, Gujarat Entrepreneurship Venture Promotion Foundation (GEVPF) to develop the centre.

According to government officials, an agreement between the two companies has been inked and the SPV will be formed within the next couple of months. "The formation of this company is aimed at supporting innovation and incubates entrepreneurs. A center of excellence will be set up near Ahmedabad to facilitate new age innovations, nurture them and protect them. GMDC will take a lead role in developing this center expected to come up on 30-32 acre plot," said V S Gadhvi, IAS, Managing Director, GMDC. The premium offered to NHAI in year one is Rs 309.6 crore, which will increase by 5% year-on-year. The capitalised cost of the project is approximately Rs 4,920 crore



## **Gamesa Wind Turbine forays into Gujarat** July 20, 2011

Gamesa Wind Turbine, the Indian arm of the Spain-based wind turbine manufacturer Gamesa forays into Gujarat.

In 2011, the company had planned an installation capacity of 25 MW in Gujarat, of which 16 MW has already been installed and commissioned. Along with this the firm is also tapping Madhya Pradesh, Maharashtra, Andhra Pradesh and Karnataka as a wind farm developer.

## **Edelweiss-Tokio to invest Rs. 550 crore in Gujarat** July 15, 2011

Edelweiss-Tokio Life Insurance has started its operations in Gujarat from the diamond city of Surat. The company has plans to invest Rs. 550 crore in the state till 2013 in a phased manner. They will increase the investment with respect to the increase in business in the state.

## **IIM-A alumni to support Gujarat's start-ups** July 14, 2011



Young entrepreneurs in the state will now get financial support and mentoring from the Institute of Management, Ahmedabad (IIM-A) grads. The Ahmedabad Chapter of the alumni of IIM-A have decided to extend a helping hand to start-up companies in Gujarat.

The 500-member strong alumni association will join hands with IIM-A's Centre for Innovation Incubation and Entrepreneurship

(CIIE) to lend their support to the start-up companies.

## **Learning from Gujarat's port-led development** July 14, 2011



Gujarat is taking the initiative in bringing port-led development to the state.

Impressed by this Western state's success story in ports, many coastal states have also started looking to Gujarat to help them chalk-out a road map for port-led growth.

Coastal states including Orissa, Kerala and Karnataka have already initiated talks with the Gujarat government to formulate a maritime authority for their respective states.

## **Chemtrols solar plant in Gujarat** July 12, 2011

Chemtrols Solar, part of the Mumbai-based Chemtrols group bagged a turnkey EPC contract for a one megawatt solar photovoltaic power plant in Gujarat, which will be commissioned by November this year. The project, part of second phase of the Gujarat policy for development of solar energy, is located in Patdi, 90 km from Ahmedabad.

## Tata BP Solar bags three solar projects in Gujarat

July 11, 2011

Tata BP Solar India Ltd, a joint venture of Tata Power and BP Solar, has three solar power projects totalling more than 30 MW in the state of Gujarat.

The projects are located in the Patan, Kutch and Mithapur areas of the state. Each solar

power project will comprise an array of solar photovoltaic modules of 230W and above, laid out in a modular combination to generate power from solar radiation.

## Focal Point

### Gujarat: Strong Fundamentals Driving In Auto Majors

Gujarat long considered as the 'State to be in' has now yet another industry vying to establish a strong presence. After the State Government succeeded in getting the coveted Tata 'Nano' Project based on swift actions by government, major auto makers around the world are keen on setting up a base in the State.

The state has always been leading in the auto components sector. The Honourable Chief Minister Narendra Modi's vision of developing the state as an auto hub has also started fructifying. One of the largest carmakers of U.S, Ford has also zeroed in on Gujarat for setting up its second plant in India with an investment of Rs. 4000 crore. The plant with an initial capacity of 2.4 lakh units per year will cater to domestic and international markets.

*"We have selected Gujarat because of its pro-business environment, excellent infrastructure, access to ports, availability of land and availability of skill force."*

- MD, Ford India

France's largest car maker and Europe's second largest, PSA Peugeot Citroen did not want to be left behind and will now invest Rs. 4000 crore to build a factory at Sanand near Ahmedabad for 1,65,000 cars yearly and creating 5000 jobs directly. The integrated manufacturing plant is expected to roll out its first car in 2014. With other majors like General Motors, Tatas and Hero Honda already present Gujarat is on its way in making a big mark on India's automotive map and is even being termed as the next Detroit of India.



It is interesting to note that this new found love for Gujarat by auto majors is based on very strong fundamentals that the State has developed over the years. The State's basic infrastructure like power and roads is well known as one of the best in the country. Facilitation of land acquisition and proximity to well developed ports like Mundra and Kandla are now acting as an icing on the cake for auto players looking at lucrative export markets. Almost 40% of the Delhi Mumbai Corridor falls in Gujarat and the state government is leaving no stone unturned to proactively develop infrastructural facilities along the entire stretch.

With strong fundamentals and an even stronger political will Gujarat is expected to give stiff competition to existing auto hubs like Chennai, Pune and Gurgaon.

*“The entire green-field approach of developing the state as an auto hub is working wonders. Importantly, Gujarat’s labour is not tainted by dirty practices, which is a bonus for those who want to establish themselves here”*

- Adil Darukhanawala, Auto Expert



## International Collaboration

### Chinese delegation to Gujarat

The Chinese High Commissioner to India, Mr. Zhang Yan visited Gujarat on 25<sup>th</sup> of August 2011, in Gandhinagar along with members of the India China Economic and Cultural Council.



Mr. Zhang was greeted by Hon’ble Chief Minister of Gujarat, Shri Narendra Modi. Mr. Zhang Yan expressed his desire for cooperation with a progressive state like Gujarat in economic and industrial sector along with cultural relations.

Mr. Modi also briefed Mr. Zhang about the various opportunities that Gujarat presents for fostering economic and cultural relationships between China and Gujarat.



## US Consul General visits Gujarat

New US Consul General of Mumbai Consulate, Mr. Peter Haas, visited Gujarat on 8<sup>th</sup> September 2011. During his 2 day visit, Mr. Haas met senior Government officials including Chief Secretary, Shri A. K. Joti, IAS and several NGOs and Human Rights Activists.

## JETRO delegation to Gujarat

A five member delegation from Japan External Trade Organization (JETRO) met senior state officials in Industrial Extension Bureau (iNDEXTb) on July 13 to explore the possibility of involving Japanese entrepreneurs in various projects in the state. After proposing to involve itself in a big way in Dholera Special Investment Region (SIR) and the Delhi-Mumbai Industrial Corridor (DMIC), Japanese investors are showing keen interest in investing in the water business as well in Gujarat.

Mr. B. B. Swain, IAS, Industries Commissioner, and Mr. Mukesh Kumar, IAS, Managing Director-iNDEXTb, represented Government of Gujarat, in the meeting. The senior officials assured that the policies of state are most suited to nurture the growth of entrepreneurs in Gujarat. The officials reiterated that the state is ready to extend all possible help in facilitating the investment of the Japanese entrepreneurs in the state.

Mr. Yasuhisa Lida, Director, JETRO, was heading the Japanese delegation. The Japanese team also visited the Dholera Special Investment Region.

## Nigerian delegation to Gujarat

An eight-member delegation from Nigeria visited Industrial Extension Bureau (iNDEXTb) on July 18 to explore opportunities of doing business in Gujarat and to understand the role of iNDEXTb in promotion of industries in Gujarat.

The Nigerian delegation was represented by members of Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) and Nigerian Investment Promotion Commission (NIPC), Government of Nigeria. Mr. Umar Nadada Muhammad, Director General, SMEDAN and Mr. Kifasi, Ruben, Director Investment Promotion, NIPC were part of the delegation team.





Mr. Mukesh Kumar, IAS, Managing Director, iNDEXTb, presided over the meeting. A presentation was made to showcase the growth in the MSME sector in Gujarat alongside other achievements of the state in terms of industrial growth.

### Chinese delegation to Gujarat

A seminar on “Doing business with China” was organised by the Confederation of Indian Industry (CII) on 27 July. The seminar was attended by a high level Chinese delegation with representatives from China Executive Leadership Academy (CELAP) and China Council for Promotion of International Trade (CCPIT).

A video film on “*Gujarat: The Growth Engine of India*” was shown as part of the seminar. Various industry captains had participated in the seminar viz. Mr. Atul Garg, Chairman – CII Gujarat State Council & Chief Operating Officer, InteQ IT Services (India) Pvt. Ltd.; Mr. Bai Xuezhu, Director Research, China Executive Leadership Academy (CELAP); Mr. Yu Ping, Vice – Chairman, China Council for Promotion of International Trade (CCPIT) and others.

The objective of the seminar was to discuss emerging Business & Investment Opportunities for Indian companies doing business with China, Overview of the Chinese economy, Mode of setting up operations in China, Basic Business Laws & tax regulations, financing options & experience sharing.

### Visit of Diplomats

The Indonesian Ambassador to India, Lt. General (R) Andi M. Ghalib, SH, MH., visited Gujarat and met Mr. M. Sahu, IAS, Principal Secretary, Industries and Mines, to explore opportunities for nurturing business relationships between Indonesia and Gujarat. Earlier, Indonesia has invited Indian industrialists to invest in infrastructure sectors and also look at it as a source of many other products apart from coal in order to expand bilateral trade and investments between the two countries. Mr. Ghalib was also invited by CII to meet prominent industrialists of the state.

- Indian investment in Indonesia is present in various industries including mining, automotives and machinery, clothing, agriculture and chemicals. India is also Indonesia's largest buyer of crude palm oil and an importer of its mining, petroleum and paper products.
- On its part, India exports refined petroleum products, wheat, rice, sugar and steel to Indonesia.

According to Mr. Ghalib, the two countries are in the process of setting up an Eminent Persons' Group (EPG) to develop 'Vision Statement 2025' for the Indonesia-India strategic partnership.

The Singapore Consul General also visited Gandhinagar on 26 July and met Mr. M. Sahu, IAS, Principal Secretary, Industries and Mines. Singapore is keen to focus on the growing trade relationship with Gujarat.

## Upcoming events in September-October 2011

## Contact Us

Industrial Extension Bureau  
Block No 18 2nd Floor,  
Udyog Bhavan Sector 11,  
Gandhinagar - 382010  
Gujarat, India

+91 79 232 50492

+91 79 232 50493

+91 79 232 56592

Fax: +91 79 232 50490

[indextb@indextb.com](mailto:indextb@indextb.com)

Find us on the Web:

[www.indextb.com](http://www.indextb.com)

[www.vibrantgujarat.com](http://www.vibrantgujarat.com)



Agency	Event	Date	Venue
ITMA	ITMA 2011	22-Sep-11	Barcelona, Spain
Denmark Embassy	Renewable Energy	03 Oct-11	Gandhinagar
CII	Jeweltech 2011	07-Oct-11	Surat
FICCI	Indiachem	13-Oct-11	Gandhinagar

Knowledge Partner

