Gujarat and Japan

A winning Partnership

July 2017
### Gujarat: A Vibrant Economy

- **6% of India’s Geographical Area:** 1,96,000 sq. km.
- **5% of India’s population:** 60.4 million
- **7.6% of India’s GDP:** INR 8,64,314 Crore at Constant Prices (2011-12)
- **10% of India’s factories**
- **Over 18% of India’s industrial output**
- **More than 20% of India’s exports**
- **30% of India’s stock market capitalization**
- **41% of India’s Port Cargo handled by Gujarat ports**

*Source: Gujarat State Socio – Economic Review 2016-17*
Gujarat’s economic and industrial growth

Gujarat registered the highest economic growth among peers (2015-16)...

...And ranks first among the states in terms of investments implemented (year 2008 to 2016) (in Rs. Crore)

State-wise industrial output contribution to India (ASI 2014-15)

Manufacturing sector contribution to state GDP (2015-16)

Source: Gujarat – Socio Economic survey 2016-17, Annual Survey of Industries (2014-15), DIPP
Gujarat: Robust Infrastructure

- Power Surplus State, with uninterrupted 24 X 7 supply
- 163,000 km of well surfaced all weather roads
- State-wide Water Grid across 120,000 km
- 2400 km state-wide Integrated Gas Grid, the only state in India
- One of the most urbanized state in India, with 43% urban population
- 2 International & 16 Domestic Airports
- 48 Large Ports
Gujarat – one of the most favored FDI destination

FDI to Gujarat registered a 58% CAGR between 2013-14 and 2016-17. FDI inflow in Gujarat between 2000 to 2010 was USD 6 billion, which accelerated to USD 10.5 billion between 2011-17.

- As of 2016-17, Gujarat ranked among the top 3 states in attracting FDI.
- Robust FDI outlook in Auto & Auto Components, Aerospace & Defense, ESDM, IT & ITeS, Chemicals & Petrochemicals and Maritime.

Source: *Department of Industrial Policy & Promotion – Government of India*;
Gujarat is home to over 80 Japanese Companies


- Government of Gujarat and METI have setup a Policy Dialogue Framework to fast-track implementation of projects by Japanese companies

- Important Projects:
  - Indo-Japanese Industrial Zone at Khoraj
  - Metro-Link for Gandhinagar and Ahmedabad (MEGA)
  - Mumbai-Ahmedabad High Speed Rail Corridor (Bullet Train)

- Potential areas for collaboration:
  - Dholera Special Investment Region (SIR)
  - GIFT City
  - Dholera International Airport
Gujarat: Emerging Automobile Hub

- **Sound base of 30 clusters** comprising of castings, brass parts, electric motors, bearings, auto-ancillaries
- Home to some of the largest global auto manufacturers: **Suzuki, Honda, Ford, Tata**
- Automobile sector accounts for about **13%** of the total FDI received by Gujarat
- Investment of **USD 2 billion** realized till 2016, and additional **USD 3.2 billion** committed by 2020
- The current capacity of manufacturing is **0.6 million vehicles per annum** which is projected to increase to **3 million per annum** in the short term

### Auto and Auto Ancillary clusters in Gujarat

<table>
<thead>
<tr>
<th>Particular</th>
<th>Symbol</th>
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</thead>
<tbody>
<tr>
<td>Existing Auto Clusters</td>
<td>●</td>
</tr>
<tr>
<td>Emerging auto clusters in Special Investment Regions</td>
<td>○</td>
</tr>
<tr>
<td>DMIC influence area</td>
<td>●○</td>
</tr>
</tbody>
</table>
Robust manufacturing ecosystem and export infrastructure

**Bhuj**
- **Manufacturing unit:** AMW Trucks
- **Planned Capacity:** 50,000 vehicles per annum

**Mundra Port**
- **Operator:** Adani Port and SEZ Ltd.
- **Ro-Ro Capacity:** >0.1 Million cars per annum

**Pipavav Port**
- **Operator:** Gujarat Pipavav Port Ltd.
- **Ro-Ro Capacity:** 0.25 Million cars per annum

**Mandal**
- **Manufacturing units:** Suzuki Motors, Honda Motorcycle and Scooter India
- **Planned Capacity:** 0.25 Million cars and 1.2 Million two-wheelers per annum

**Sanand**
- **Manufacturing units:** Tata Motors, Ford Motors, Maxxis Rubber
- **Planned Capacity:** ~0.5 Million cars per annum

**Halol and Vadodara**
- **Manufacturing units:** Hero MotoCorp, CEAT Tyres, Apollo Tyres
- **Planned Capacity:** 1.2 Million two-wheelers per annum and >12 Million tyres per annum

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Partners in our progress
Gujarat: Well-established Pharmaceutical Hub

Gujarat accounts for:

- 53% of the total medical devices manufactured in India
- 40% of pharmaceutical production
- 40% of India’s pharma machinery manufactured in Gujarat
- 40% of CROs & CRAMS companies
- 33% of India’s pharma sector turnover (~USD 6.7 billion in 2015-16)
- 28% of India’s pharma exports (~USD 3.06 billion in 2015-16)

Gujarat is the largest manufacturer of I.V. sets and orthopedic implants

78% of Cardiac Stents & 50% of Intraocular Lenses manufactured in Gujarat

Over 3300 manufacturing units located across the state in four large clusters in Ahmedabad, Vadodara, Bharuch and Vapi and 5 Special Economic Zones

Note: CRAMS: Contract Research and Manufacturing Services; CRO: Contract Research Organizations; I.V: Intra Venous
Gujarat: Well established Textile value chain

**Robust Infrastructure:** 18 Product Clusters, 4 SEZs, 7 Integrated Textile Parks and 2 Research & Testing Facilities

<table>
<thead>
<tr>
<th>Stage</th>
<th>Key Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm</td>
<td>Largest producer of raw cotton</td>
</tr>
<tr>
<td>Fiber</td>
<td>• Over 1200 cotton ginning units</td>
</tr>
<tr>
<td></td>
<td>• Largest producer of man made fiber in the country</td>
</tr>
<tr>
<td>Fabric</td>
<td>Largest producer of manmade &amp; filament fabric in India</td>
</tr>
<tr>
<td>Fashion (Garment)</td>
<td>• Largest producer of denim in India (65%) and 3rd largest in the world</td>
</tr>
<tr>
<td></td>
<td>• 25% of India’s technical textile output</td>
</tr>
<tr>
<td>Foreign (export)</td>
<td>12% of textile exports of the country</td>
</tr>
</tbody>
</table>
Gujarat: Engineering Scenario

- Gujarat’s Engineering sector contributes 9% to the national output & 18% to state’s total industrial production
- Comprises more than 600 units in large sector & over 120,000 MSMEs
- 30 clusters across the state manufacture engines, machine tools, industrial & electrical motors, bearings, etc

Major engineering product clusters in Gujarat

<table>
<thead>
<tr>
<th>Share of Gujarat in national engineering goods production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics</td>
</tr>
<tr>
<td>6%</td>
</tr>
</tbody>
</table>
Gujarat: A Chemical & Petrochemical Hub

Gujarat accounts for 62% of India’s petrochemical production, 30% of total chemicals production and 18% of India’s chemical exports

- Gujarat accounts for **30% of total chemicals production, and 18% of India’s chemical exports**
- Home to the **world’s largest crude oil refinery** operated by Reliance Industries Limited
- Over 16,000 chemical units manufacturing more than 6500 different chemicals
- Presence across the entire chemical value chain which enables cost competitive production, suitable for exports

Note: **LAB**: Linear Alkyl Benzene
Gujarat: Propelling India’s Maritime dreams

Gujarat port’s are expected to handle over 550 million MT of cargo and develop a capacity of 850 million MT by 2020

- Mundra Port is the largest private port in India, with a capacity to handle over 180 MMT of cargo a year
- Only state in the country with 2 LNG Terminals (Dahej & Hazira)
- 60% share of Indian shipbuilding order book
- Investment opportunities worth USD 20 billion in Port sector like: setting up of Maritime Cluster(s), development of Port Cities and Maritime University in Gujarat

Traffic at Gujarat Ports has grown at a CAGR of over 12% in last 10 years (MMTPA)
Gujarat: Enabling ecosystem for Agro and Food processing

- **8 Agro-climatic zones** with **40+ major crops**
- Leading producer of Banana, Mango, Sapota (Chikoo), Onion, Potato and Seed Spices
- Over **30,000 operational food processing** units
- **4th largest producer of milk**, offering ample downstream processing opportunities
- Amongst the top 5 states in India's total cold chain storage capacity
- Designated **Agriculture Export Zones** for mangoes & vegetables, value-added onions and sesame seeds
- Stands 1st in Marine fish production with 20 fish landing centers & 5 operational fishing harbors
Gujarat: A policy driven state with 16 policies announced in last 5 years

- Aerospace and Defense Policy 2016
- Biotechnology Policy 2016
- Health Policy 2016
- Electronics Policy 2016
- IT Policy 2016
- Sports Policy 2016
- Industrial Policy 2015/2016
- Agri-Business Policy 2016
- General Incentives Scheme 2016
- Wind Power Policy 2016
- Rural & Cottage Industries Policy 2016
- Startup Scheme 2015
- Tourism Policy 2015
- Solar Power Policy 2015
- Manufacturing Policy 2013
- Textile Policy 2012/2013
## Setting up Business in Gujarat

### Step 1: Company Registration
1. Udyog Aadhaar / IEM
2. Company Registration / Partnership firm
3. Apply for PAN

**Step 1 takes < 1 Week**

<table>
<thead>
<tr>
<th>Step 2: Land Related approvals</th>
<th>Step 3: Pre Establishment Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land Allotment – GIDC</td>
<td>1. Consent to Establish under Air &amp; Water Act by GPCB</td>
</tr>
<tr>
<td>2. Property Registration (in Case of Non GIDC)</td>
<td>2. Building Plan approval by ULB / GIDC</td>
</tr>
<tr>
<td>3. Change of Land Use</td>
<td>3. Approval of electrical plan by Chief Electrical Inspector (for HT connections)</td>
</tr>
<tr>
<td>4. Tree cutting and Tree Transit permission</td>
<td>4. Approval of Factory Plan by Directorate of Industrial Safety and Health (DISH)</td>
</tr>
</tbody>
</table>

~ 45 – 60 days each for Step 2, 3 & 4

### Step 4: Pre-operation Approvals
1. Boiler registration, Boiler License
2. Boiler Erector Certificate
3. Boiler Manufacturer Certificate
4. Consent to Operate under Air & Water Act by GPCB
5. Building Use permission by ULB / GIDC
6. Certification of Electrical Installation by Chief Electrical Inspector
7. Factory License by Directorate of Industrial Safety and Health (DISH)
8. License for contractors under provision of The Contracts Labour Act
9. Registration of principal employer’s establishment under provision of The Contracts Labour Act

**All applications can be made online at Single Window Portal** [www.ifpgujarat.gov.in](http://www.ifpgujarat.gov.in)
Gujarat offers the right facilitation with all major clearances / approvals provided online

- 202 estates and 3 Special Investment Region (each with an area of over 100 sq. km) managed and operated by Gujarat Industrial Development Corporation (GIDC)
- Application and approval for Land allotment/lease deed/transfer, utilities connection, plan approval available online
- Total 52 investment related applications are integrated with Investor Facilitation Portal (IFP) (www.ifp.gov.in) including 11 Departments
- State to announce a comprehensive Single Window Act soon, which will further facilitate ease of doing business in Gujarat

Online approval information on www.gidc.gov.in
Availability of land across the state

GIDC Land Bank

- Land bank information is available on IFP website
- Online Screening Committee constituted for speedy approval of land allotment
- Land allotment is provided within the time limit of 30 days

Other Land bank information

- Development Plan & Town Planning maps – ULBs
- Special Investment Region (SIR)
- Special Economic Zone (SEZ)
- Private Industrial Park – Land bank availability, Link infrastructure, CETPs and Contact details of Developer
Pioneering Labour & Pollution Control Reforms initiated by Gujarat Government

Labour
- Online Registration of Establishments, Issue of Licenses and Permissions; and Services to Industry and Workers
- Self Certification Scheme for Industry
- Inspection Reports Online Within 24 Hours
- Audit and Assessment Scheme for Good Labour Standards
- Registration and Inspection Reports Open to General Public

Gujarat Pollution Control Board
- GPCB provides 24 X 7 anywhere e-access to businesses through an unique ID for:
  - Making and tracking online applications
  - Filing returns and statements prescribed under the acts/ rules
  - Facilitate reuse / recycle of waste
  - Issue of Licenses and Permissions
  - NOC/CCA Application
  - Query redressal
  - Printing of bills/receipts/assessment
  - Filing of water cess returns

- Gujarat has Lowest Rate of Strikes, Lockouts and Industrial Disputes
- Industrial units can track status of online application through e-mail, SMS alerts and mobile app
Mr. B.C. Warli, Chief Engineer – Gujarat Industrial Development Corporation would be the single point of contact in GIDC for Japanese investors. Facilitation provided:

- Construction Plan approval
- Provision of utilities – water and electricity
- Natural Gas connection (if applicable)
- Internal Roads / Street Lights

Contact details of Mr. B.C. Warli:

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**Contact number:** +91 79 2325 0590, +91 9879 110 101

**Additional email id:** vcmd@gidcgujarat.org

**Contact number:** +91 79 2325 0583, +91 79 2325 0584
Landmark Infrastructure Projects of Gujarat
India’s only operational Petroleum, Chemical & Petrochemical Investment Region (PCPIR)

A specifically delineated investment region of 453 sq. km. planned for the establishment of manufacturing facilities for domestic and export led production of petroleum, chemicals and petrochemicals

- Strategically located with excellent access to entire North West Indian hinterland
- World class SEZ; 1.1 MMTPA multi-feed cracker
- Concentration of Petroleum, Chemical and Petrochemical estates
- Availability of natural resources and feedstock
- Chemical port terminal and chemical storage facility at Dahej
- LNG Terminal at Hazira and Dahej
- Liquid Fuel Jetty and Solid Cargo Jetty
- PCPIR specific infrastructure - effluent disposal pipelines, solid waste disposal sites
- One of Asia’s largest Petrochemicals Complex by ONGC operational at Dahej PCPIR
Major Units in PCPIR

Commissioned Unit

Under Implementation
Delhi Mumbai Industrial Corridor

High Impact industrial area within 150 km on each side of the Freight Corridor

- GoI is developing DMIC as a global manufacturing and investment destination utilizing the 1,483 km-long, high-capacity western Dedicated Railway Freight Corridor (DFC) as the backbone.
- 38% of the 1500 km DFC is through Gujarat (565 km) with 6 nodes including Ahmedabad - Dholera node
- Large scale infrastructure projects expected at an approximate investment of USD 90 billion
- Around 60% of the total investments likely to be in Gujarat
Dholera Special Investment Region - Futuristic Development

Dholera SIR to be the biggest beneficiary of DMIC and DFC

DSIR Advantages:
• Large and contiguous land parcels for industrial development
• Total Notified Area: 920 sq.km.
• Long term growth potential
• Fully serviced plots – Plug & Play
• Smart & Sustainable Social infrastructure

Investment Opportunities:
• Infrastructure Development
• Heavy Engineering
• Automobiles & Auto Ancillary
• Defence
• Electronics, Hi-tech Technologies
• Agro & Food Processing

Declared as National Investment Manufacturing Zone (NIMZ)
Dholera Industrial City

- Large land parcels are available and in possession
- Well connected by Road and Rail with airports & seaports
- Dholera international Airport under planning
- 24X7 power & water for industries and domestic use
- 100% recycling and reuse of waste water
- City Integrated Operations Centre (CIOC) for efficient and safe operations

**Target Industries for Dholera**

- Aviation & Defence
- Heavy Engineering
- Auto & Auto ancillaries
- General Manufacturing
- Electrical and Electronics
- Agro & Food processing
Roads & Underground utilities

- Roads & Underground utilities
- Bridges

Construction of Storm water drain
Laying of effluent pipelines and manholes
Construction of Bridges (4 out of 6 completed)
Administrative and Business Centre for Dholera (ABCD)

Construction Completes

Sep 2018
Mumbai-Ahmedabad High Speed Rail Corridor (Bullet Train)

- An MOU has been signed between JICA and Ministry of Railways on 07.10.2013 for conducting a joint feasibility study for Mumbai - Ahmedabad high speed rail system
- JICA has submitted its Final Report of Feasibility Study of this corridor to Ministry of Railways in July 2015
- Alignment and designs on 508 km corridor have been finalized
- Social impact assessment underway, which will be completed by September 2017
- Two-thirds of the land required for the project falls within Gujarat
- India’s first high speed rail training centre to open at Gandhinagar, which will be operational by 2020
Gujarat International Finance Tec-CITY – Global Financial Hub

- Multi-Services SEZ with India’s 1st International Financial Services Centre (IFSC)
- Recently crossed USD 1 billion worth business transactions
- Foreign firms can raise capital in foreign currency by issuing and listing their shares on stock exchanges within the IFSC
- Firms can undertake offshore transaction in the field of Banking, Insurance & Capital Markets
- Offices can be set up at cost effective rate with locational advantage and modern infrastructure

Some of the major investors in GIFT city are Oracle, World Trade Centre, State Bank of India, Bank of India, Tata Communications, New India Assurance, iPlex India Pvt Ltd., Sterling Addlife India Pvt. Ltd.
Khoraj Industrial Estate
Thank you
## Gujarat - Key Facts

<table>
<thead>
<tr>
<th>Rank</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>World’s largest Grassroots Refinery</td>
</tr>
<tr>
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<td>World’s largest producer of Castor, Cumin, Fennel Seeds and Isabgol</td>
</tr>
<tr>
<td>1</td>
<td>World’s largest producer of processed diamonds</td>
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<tr>
<td>1</td>
<td>World’s largest fully mechanized Coal Terminal</td>
</tr>
<tr>
<td>1</td>
<td>World’s largest Shipbreaking and Recycling Hub</td>
</tr>
<tr>
<td>1</td>
<td>World’s largest single location Copper Smelter</td>
</tr>
<tr>
<td>1</td>
<td>World’s largest gas based Sponge Iron Plant</td>
</tr>
<tr>
<td>1</td>
<td>World’s first multi-developer, multi-technology, multi-facility and beneficiary Solar Park</td>
</tr>
<tr>
<td>3</td>
<td>World’s third largest Denim producer</td>
</tr>
<tr>
<td>4</td>
<td>World’s fourth largest steel plant</td>
</tr>
</tbody>
</table>
### Sector Strategy: Priorities based on sector opportunity

#### Current strengths
- **Pharmaceuticals**
- **Textiles**
- **Engineering**
- **Auto & Auto Components**
- **Chemicals & Petrochemicals**
- **Ports & Maritime**

#### Sectors of Strategic Importance
- Defence Equipment
- Aerospace
- Ship-building & Repair
- Capital Goods & Engineering

#### Sectors of Basic Inputs
- Steel
- Mineral Exploration and Development
- Fertilizer
- Cement

#### Sectors for Depth and Value Addition
- Automotive
- Electronics
- Drugs & Pharma
- Chemical
- Petrochemicals

#### Sectors for Employment Generation
- Textiles
- Food Processing
- Banking & Financial Services
- Retail
Electronic System Design & Manufacturing (ESDM)

- Ahmedabad, Gandhinagar and Vadodara district have been notified as Electronics Manufacturing Clusters under the Electronic System Design and Manufacturing (ESDM) and Modified Special Incentive Package Scheme (M-SIPS) by the Department of Electronics & Information Technology (DeitY), Government of India.

- GIDC has planned to establish major electronic parks in Khoraj village near Sanand under the Government of India’s new ESDM and M-SIPS scheme.

- Gujarat to have two semiconductor wafer fabrication manufacturing facilities by 2017 in Prantij.

- The facilities are being set up by Hindustan Semiconductor Manufacturing Corporation (HSMC), along with ST Microelectronics (France/Italy) and Silterra (Malaysia) with capacity of producing 20,000 wafers per facility per month.

- The units will create 30,000 new employment opportunities in the State.
To establish Gujarat as a globally-recognized hub for the ESDM industry with a turnover of USD 16 billion by 2021 and an investment of USD 6 billion to create employment opportunities for 5 lakh people by 2021, Government has established a holistic approach.
Japanese Industrial Estate in Gujarat

Area of the Estate: 123 ha
Location: Mandal-Mehsana District
Focus Sector: Engineering, Automobiles and ancillary units
Distance from the cities:
- 610 KM from Mumbai
- 75 KM from Ahmedabad
- 197 KM from Baroda
- 347 KM from Surat

Connectivity Element | Location | Distance |
--- | --- | --- |
Domestic Airport | Ahmedabad | 75 km |
International Airport | Ahmedabad | 75 km |
Nearest Major Port | Kandla | 200-300 km |
Nearest Major City | Ahmedabad | 75 km |
Nearest Auto component Hub | Sanand | 70-80 km |
Nearest Railway Junction | Viramgam | 30 km |
Nearest Railway Line | Meter Gauge line-Becharaji | 20 km |

Key Companies | Product/ Sector |
--- | --- |
M A Extrusion India Pvt. Ltd. | Auto Parts (Aluminium Extrusion Material) |
Roki Minda Company Private Limited | Auto Parts (Air Cleaner) |
TS Tech Co. Ltd. | Automobile interior products |
Toyota Tsusho India Pvt. Ltd. | Engineering Industrial Park |
SUCCESS STORIES: MARUTI SUZUKI INDIA LTD.

Phase 1
Anchor Company

Phase 2
Tier 1 Vendor
Land procured and transferred to JETRO

Phase 3
Tier 2, 3 Vendor
Land procurement underway

Industrial Cluster

- Maruti Suzuki India Ltd. signed an MoU with GoG during Vibrant Gujarat 2015 for the development of its car manufacturing plant. The initial
- The phase – I of plant is fully operational with an annual capacity of 0.25 million cars and estimated investment of USD ~0.6 billion
- Land for phase II (600 acres) has been acquired which will add 0.3 million annual car production capacity
- By 2025 MSIL envisages to increase its annual production to 1.5 million cars
Success Stories: Honda Motorcycle and Scooter India Pvt. Ltd. (HMSI)

• Honda arrived in India in the year 1999. It is a 100% subsidiary of Honda Motor Company Ltd., Japan

• The plant at Vithalapur, Gujarat is *World’s largest only scooter plant* with annual capacity of 1.2 million units