

India: State Profile of West Bengal 2010





WEST BENGAL- A STATE PROFILE





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1. Overview of the State

West Bengal - often referred to as 'the Gateway to East Asia', is the third largest economy in the country after Maharashtra and Uttar Pradesh.

1.1 Geography

West Bengal was created as a constituent state of the Indian union on 15 August 1947 as the result of partition of the undivided British Indian province of Bengal into West Bengal. West Bengal covers the bottle neck of India in the east, stretching from Himalayas in the north to the Bay of Bengal in the south. It is bounded on the north by Sikkim and Bhutan, on the east by Assam and Bangladesh. On the south, by the Bay of Bengal and on the west by Orissa, Bihar and Nepal. It has therefore, three international frontiers-to the north, east and west. The state lies between 27°13'15" and 21°25'24" north latitudes and 85°48'20" and 89°53'04" east longitudes.

1.2 History

During the period of the Vedic age Bengal was called Banga and is said to have been inhabited by several groups of people belonging to various races. The Aryans inhabited Bengal during the post Vedic period. Many dynasties exercised their control over Bengal. The Palas, Pundras, the Sen etc were a few whose rule was noteworthy. The Palas ruled for more than four hundred years. Owing to its favourable location this region had trade with Cambodia, Burma, Sri Lanka, the Deccan and the Persian Gulf. The Navigable parts of Ganga made it favourable for internal trade and communication. In about the 3rd century the Mauryan and the Guptas established their rule. The Palas established their strong rule from about 800 A.D. till the 11th century after which the Senas ruled. The economy, arts and culture of this region developed under the rule of the Hindu dynasties. In the beginning of the 13th century Bengal became a part of the Delhi Sultanate and later the Mughals. The influence of the Muslims led to conversions besides development of art and culture and cottage industries that produced items such as Muslin which were in great demand around the world.

The proximity to the sea also resulted in the influence of the foreigners -- the Portuguese in the early 16th century, the Dutch in about 1632, the French influence between 1673 -1676, the Danish in 1676 and British in 1690. The British first started their colonization here, in the name of the East India



Company. The increased influence of the British resulted in conflicts with the Nawab. The diplomatic efforts with a series of conspiracies resulted in the ultimate capture of power in Bengal by the British. The battle of Plassey (1757) and the battle of Buxar (1764) sealed the fate of the Mughal rule. The British later brought forth the Dual system of administration. In 1905 the English partitioned Bengal on the basis of religion. Calcutta (now Kolkata) remained the Capital of the British empire in India till 1911. After that the capital was shifted from Kolkata to Delhi.

In 1947 when India became independent, Bengal was partitioned between India and Pakistan. India's share came to be known as West Bengal and Pakistan's share was called East Pakistan and now Bangladesh.

Bengal represents the land that possesses a distinct culture with its indigenous art and crafts being an important part of the Indian Union. West Bengal occupies only 3% of the total land area covered by India. It is a highly populated region of India and one of the fastest growing states of the country. The state comprises 19 districts and Kolkata serves as its capital.

The land is mostly plain except the northern region, which comes under the Himalayan mountain range. On the basis of landforms, the state can be divided into the following regions:

- Darjeeling Himalayan hill region
- Terai region
- North Bengal plains
- Rarh region
- Coastal plain
- Sunderbans
- Western plateau and high lands
- Ganges delta



2. Kolkata

Kolkata - this pulsating second largest Indian city and capital of West Bengal with its distinct imperial flavor offers an eclectic combination of historical, cultural, and spiritual attractions where people, technology and ideas have blended together with the socio-political culture to give the city a new shape. The city is full of historical monuments and palaces and is therefore also called the “City of Palaces’. Kolkata provides enormous opportunities in economy, industry, education, culture and tourism.

2.1 Geography

Kolkata with total geographical area of 1480 sq. kms is located in the eastern part of India at 22°82'N latitude and 88°20'E longitude. It has stretched linearly along the banks of the river Hooghly and has an elevation ranging between 1.5 to 9 metres. The city originally, was a vast wetland and now one of the most populated cities of the world.

The Sundarbans delta which is located at a distance of 154 km to the south of Kolkata separates the city from the Bay of Bengal. The city has been divided into different topographical regions. There are mainly five geographical units including east, west, north, south and central Kolkata. The adjoining regions include Howrah, Hooghly, North 24 Parganas, South 24 Parganas and Nadia.

The city’s soil type is mainly alluvial similar to the soil of Indo-Gangetic plains. Kolkata falls under the seismic zone-III with moderate damage risk in case of an earthquake. However, the city comes under the “Cyclonic Zone” creating very high damage risk from a Cyclone.

2.2 History

The history of the city dates back to 300 years ago when Job Charnock came to the banks of the river Hooghly and took the lease of three large villages - Sutanuti, Govindapur and Kolikata (Calcutta) to establish British East India Company in the Bengal region in the 17th century,



Prior to the British rule, Calcutta (now Kolkata) was a small village and the capital of Bengal was Murshidabad which is situated at a distance of 60 miles from the present city. Calcutta (now Kolkata) was captured in the year 1757 by Robert Clive by defeating Siraj-Ud-daullah in the battle of Plassey. Since then, Calcutta (now Kolkata) which was well known as 'Jewel of the East' – the nerve centre of Trade and Industry, during British Rule continued to be the seat of power till 1911 after which the city remained only as the capital of West Bengal.

2.3 Features

Holding a charisma of its own, Kolkata has always been acknowledged as the culminating centre of cultural activities. It has been home to many firsts in the country : First Railways in India (in 1854), First Indian Industry, First Nobel Prize Winner (in 1913) and First Metro (in 1984) .

Kolkata is well connected by rail, road and air with major parts of the country and abroad. The city has become an important industrial hub of the country providing enormous opportunities for the investors and job seekers. Kolkata provides sufficient key facilities like power, water, road network and communication. The city's growth in industrial sectors like Jute, Textile, Leather, IT, Electronics and medicines has drawn international attention. Various plans and projects are being carried out to revamp the industrial scenario of the city.

West Bengal is gearing up to formulate and implement a strategy for overall up gradation of infrastructure by putting into action an integrated development plan for greater Kolkata and Howrah envisaged in a vision document prepared by the industry . Ten urban centers will be upgraded to current standards. Present road transport system will be given a re-look to make it more effective taking into account the present city conditions. Special attention will be given to infrastructure, agricultural development, energy requirement, healthcare, business augmentation initiative, education, environment, sports and cultural development activities, government policy frameworks and good governance.¹

¹ IT Newsletter – www.itwb.org

3. West Bengal - Facts and Figures

| Items | Variables | Statistics |
|---------------------|---|---|
| Geographical Data | Latitude | 21 ⁰ 31' and 27 ⁰ 14' North |
| | Longitude | 86 ⁰ 35' and 89 ⁰ 53' East |
| | Area (sq.km) | 88752 (2.7% of the country's geographical area) |
| Meteorological Data | Climate | Tropical |
| | Summer | March-May |
| | Monsoon | June-September |
| | Winter | October-February |
| | Average Rainfall (mm) | 1605 |
| | TEMPERATURE (IN ⁰ C) | |
| | Summer | 24-40 |
| | Winter | 7-26 |
| Demographic Data | Total Population 2001 census (million) | 80.22 (7.81% of the total population of the country) |
| | Urban Population 2001 census- (million) | 22.48 |
| | Religious Population | 72.5% Hindus, 25% Muslims and the rest 2.5% is comprised of Christians, Buddhist, Sikhs and Jains |
| | Population Density (Sq.Kms) | 904 persons |
| | Decennial Growth rate (1991-2001) % | 17.84 |
| | Female Sex Ratio (per 1000 males) | 934 |
| | Birth Rate in 2007 (per 1000 persons) | 17.9 |

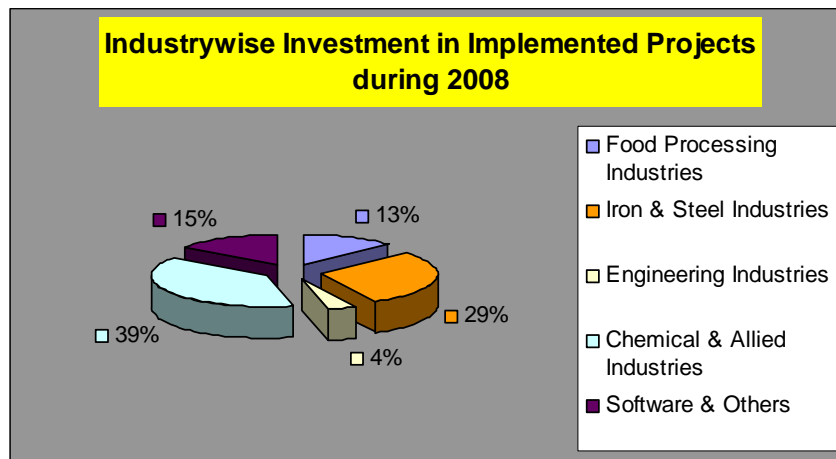


| | | |
|--------------|---|--|
| | Death Rate in 2007 (per 1000 persons) | 6.3 |
| | Infant Mortality Rate (per 1000 live births) | 37 |
| Other Data | Capital | Kolkata |
| | Literacy Rate | 69.22% |
| | Legislature | Unicameral Legislative Assembly-295 seats |
| | Executive | The Chief Minister with the Cabinet of Ministers |
| Thrust Areas | 'Petro-chemicals & Downstream Industries', 'Electronics & Information Technology', 'Iron & Steel, Metallurgical and Engineering', 'Textiles', 'Leather and Leather Products', 'Food Processing, Edible Oil, Vegetable Processing and Aquaculture', 'Development of Medicinal Plants, Rubber, Palm Oil', 'Pharmaceuticals', 'Gems & Jewellery' and 'Tourism' | |

Source : West Bengal Economic Review 2008-2009, WBIDC (West Bengal Industrial Development Corporation) Report - 2007

4. State of the Economy and Investment Scenario

West Bengal - has seen amazing turnaround in recent years topping the league of the Indian states, attracting maximum investment plans worth Euro 19.095 Billion (Rs.1273.02 Billion) in Q3 2007-08² with third largest economy with NSDP (Net State Domestic Product) of Euro 30.19³ Billion (Rs. 2012.98 Billion) growing at a phenomenal rate of (7-8)% over the years and with a projected growth of 9% during Eleventh Plan ⁴.The investment intentions as proposed by the entrepreneurs both domestic and foreign along with the implemented projects during the last 5 years manifest a buoyant investment climate in the State . During 2008 the State witnessed a meteoric rise of 48.5% in investment proposals through IEMS⁵ amounting to Euro 14.25 Billion (Rs.950 Billion) with a decent annual investment of Euro 665.1 Million (Rs.44.34 Billion)⁶. 'Chemical and Allied Industries' with - Euro 261.75 Million (Rs 17.45 Billion) received highest investment followed by 'Iron & Steel Industries'- Euro 195.6 Million (Rs.13.04 Billion), 'Food Processing Industries'- Euro 88.6 Million (Rs. 5.91 Billion) , 'Engineering Industries' – Euro 28.2 Million (Rs. 1.88 Billion), 'Software & Others' – Euro 90.15 Million (Rs. 6.01)



Source: Annual Report – Commerce & Industries Dept- Govt of West Bengal 2008-09

² According to the findings of ASSOCHAM (The Associated Chambers of Commerce and Industry of India) Investment Meter (AIM) where 1 INR= .015 Euro and USD =0.72 Euro as on July 28,09

³ West Bengal Economic Review 2008-2009

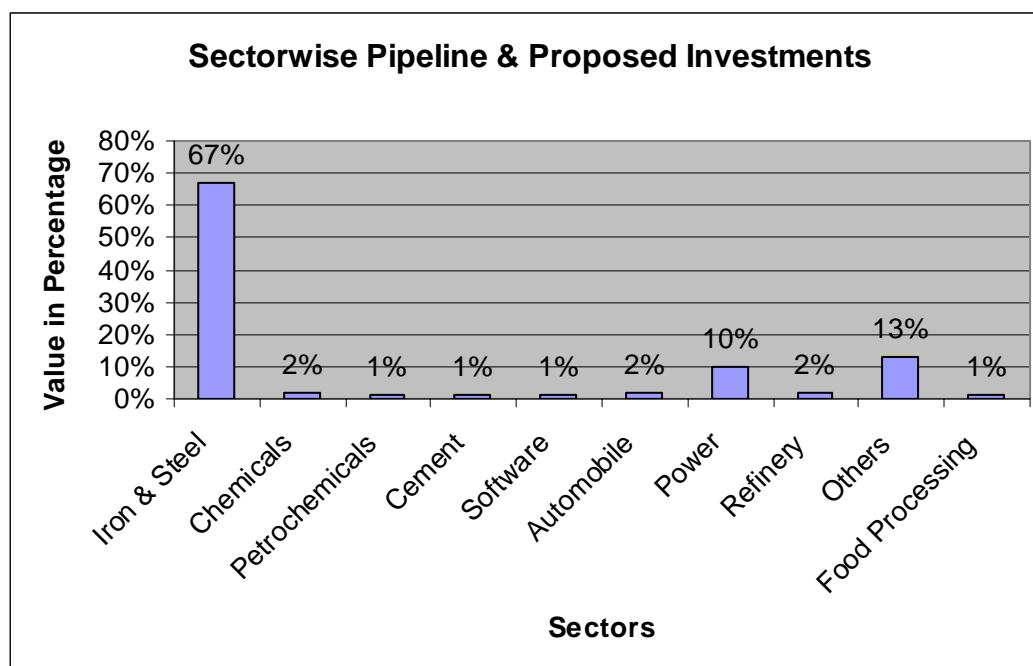
⁴ Same as 2 & Eleventh Plan – 2007-2012

⁵ Industrial Entrepreneurs Memorandum

⁶ Annual Report – Commerce & Industries Dept- Govt of West Bengal 2008-09



However in the proposed investments Iron & Steel Industry enjoys the lion share among the proposed investment of 164 projects of worth Euro 29.01 Billion (Rs 1933.96 Billion) as depicted in the second diagram below⁷



Source: Dept. of Commerce & Industries, Govt of West Bengal, Annual Report 2007-08 & 2008-09

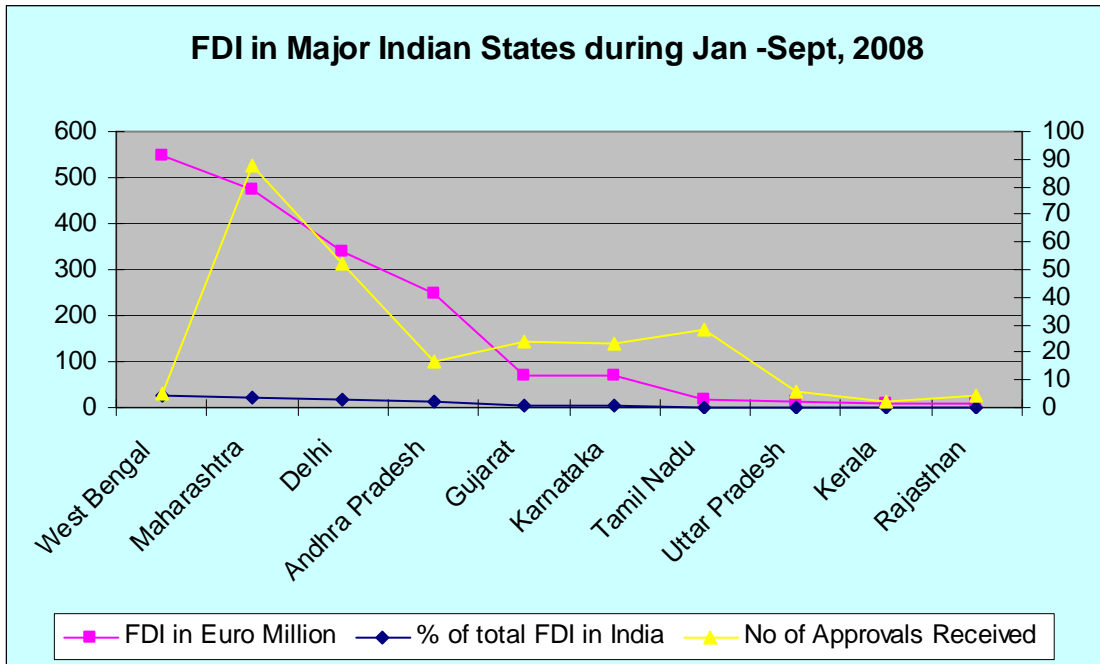
4.1 Foreign Direct Investment (FDI)

West Bengal with a 27.19% share in the FDI pie in the country has received FDI approvals of amount Euro 549 Million (Rs.36.60 Billion) which is the largest among Indian states during January-September, 2008⁸. The Key FDI attractive sectors in the State include 'Power & Petroleum', 'Telecommunications', 'Chemicals', 'Fertilizers', 'Service' and 'Metallurgy'. The Government is currently inviting FDI in 'Key Infrastructure sectors'.

The state wise FDI inflow into the country is manifested in the diagram below

⁷ West Bengal Economic Review 2008-2009

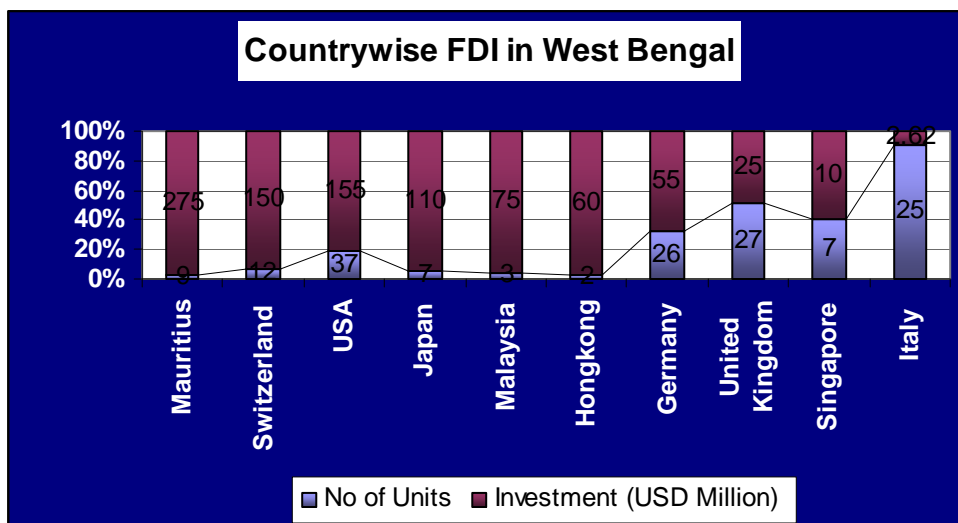
⁸ Same as 6



Source: West Bengal Economic Review 2008-2009

U.S.A, U.K., Germany, Netherlands, Japan and Italy are among the top contributors with 100 percent FDI as equity in several Industries in the State. Italy ranks 4th among the leading FDI contributors in terms of number of units operational in the State.

FDI Contribution including the approved ones in the State have been represented in the chart below –



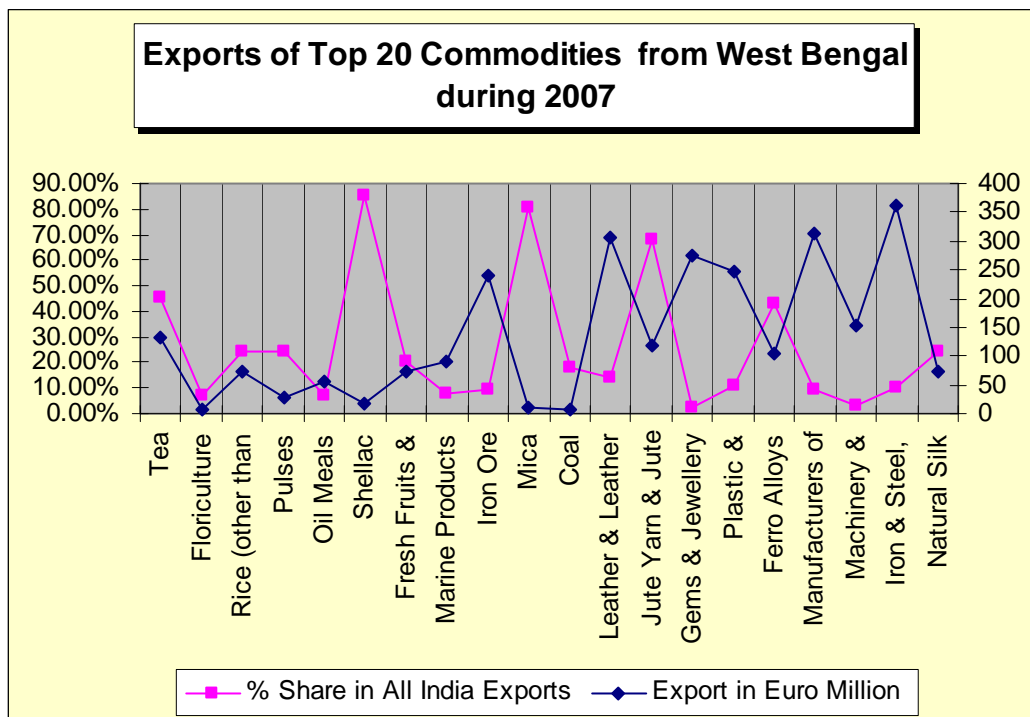


Source: WBIDC Report- 2007 and Dept. of Commerce & Industries, Govt of West Bengal, Annual Report 2005-06

4.2 Export Performance

The State featuring in the list of top nine Export performers in India registered a 9.4 % rise in its exports to Euro 355.65 Million (Rs.23.71 Billion) during 2006-07⁹.

The 20 principal commodities exported from West Bengal which has considerable share in all India Exports include Tea, Floriculture Products, Rice (other than Basmati), Pulses, Oil Meals, Shellac, Fresh Fruits & Vegetables, Marine Products, Iron Ore, Mica, Coal, Leather & Leather Products, Jute Yarn & Jute Goods, Gems & Jewellery, Plastic & Linoleum Products, Ferro Alloys, Manufacturers of Metals, Machinery & Instruments, Iron & Steel, Natural Silk yarn/fabrics/made ups. The volume of exports vis-à-vis the percentage share of these commodities in all India Exports is depicted below

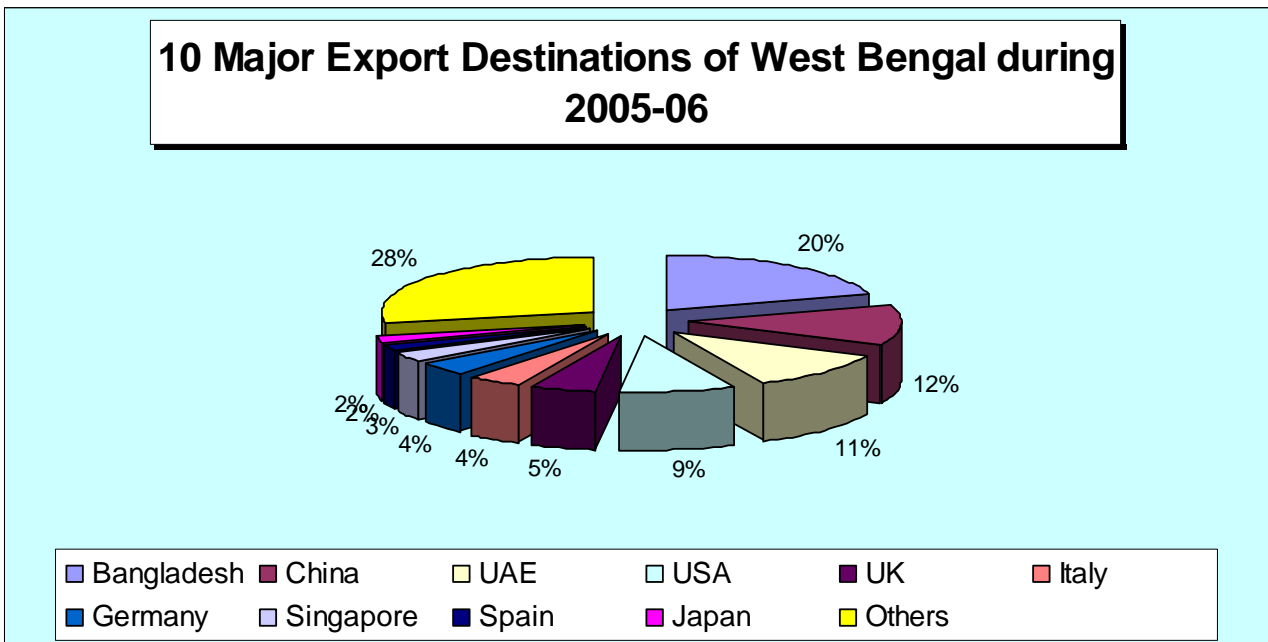


Source Dept. of Commerce & Industries, Govt of West Bengal, Annual Report 2007-08

⁹ Annual Report – Commerce & Industries Dept- Govt of West Bengal 2007-08



Italy is the 6th largest destination of Exports from West Bengal accounting for 4% of total exports from this State. Other leading countries which together with Italy comprise 77.53% of total exports from West Bengal include Bangladesh, China, UAE, USA, UK, Germany, Singapore, Spain and Japan. The graphic depiction of the export share during 2005-06 is given below:



Source Dept. of Commerce & Industries, Govt of West Bengal, Annual Report 2007-08

5. West Bengal- The preferred Indian Investment Destination

West Bengal is endowed with three pronged advantages in the form of ‘**Natural Resource Advantage which has generated Investment Potential Sectors**’, ‘**Conducive Government Policy**’ and ‘**Market Advantage**’

5.1 Investment Potential Sectors generated by Natural Resource Advantage – Its Performance and Government Initiatives

5.1.1 Agro Industries



West Bengal is one of the three front running States in India in the Agro and Food processing which despite of possessing only 2.7 per cent of the country’s total cultivable land has a cropping intensity of 184% against the national average of 135% contributing Euro 6 Billion (Rs. 400 Billion), almost 20% of the NSDP on annual basis¹⁰ incurring an overall agricultural growth rate of 3.6%.¹¹ .The Vision of the State Government is to make West Bengal as India’s leader in Agri Business by 2011. In the next 10 years, the food processing industry will attract investment amounting to Euro 2.32 Billion (Rs.154 Billion)¹² if the processing level rises from existing 2%-10% within this period with a longer term projected investment potential of Euro 22.32 Billion¹³.

¹⁰ Presentation to Ministry of Agriculture, Govt of India, by Dept of Agriculture, Govt of West Bengal

¹¹ Annual Plan 2009-10- Govt of West Bengal

¹² WBIDC (West Bengal Industrial Development Corporation) – Doing Business in West Bengal 2007

¹³ Government of India Study



It is **'number one'** in 'Rice', 'Meat', 'Fresh Water Fish', 'Vegetables' **'second'** in 'Potato' 'Tea' , 'Shrimp Aquaculture', 'Cattle and 'Poultry Population', **'third'** in 'Flower Production' and **'seventh'** in 'Fruits'.

The State Government is inviting investments in the following areas :

Pre Harvest Sector: 'Hybrid Seeds and Planting Materials Production', 'Culture of High Tech Horticulture Tissues', Development of Export Oriented Horticulture Estates in Organic Farming,'Green House Production' and 'Medicinal and Aromatic Plants'.

Processing Sector : 'Fruit and Vegetable Processing', 'Processed Food (which includes snack, pasta, noodles)', 'Meat, Fish & Poultry processing', 'Dairies', 'Rice Bran Oil, Spice Oils, Oleoresins', 'Support Services and Infrastructure (like Cold Chain/Marketing Centre','Modern Slaughter Houses', 'Efficient Post-Harvest Handling Systems from Farm to Retail Outlets, 'Modern Infrastructure for Fishery Sector')', 'Setting up of Food Parks' and ' Providing Packaging Material and Machinery'.

5.1.1.1 Inherent Strengths

- Rich endowment of resources.
- Distinctly Different Six Agro Climatic Zones.
- Adequate rainfall ,Fertile Alluvial Soil and other abundant supply of water for irrigation.
- Large pool of low cost farm labour.
- High Growth rate of 3.6% for Agriculture, 4.33 % for Horticulture, 4.77% for Fruits, 3.87% for Vegetables and 10% for Flower¹⁴.
- Diversity of Crops : Tropical, Subtropical and Temperate .
- Large domestic market and easy access to markets of Bangladesh, Asia Pacific, South Asia and South East Asia .

5.1.1.2 Government Initiatives and thrust areas

- 5 AEZs (Agri Export Zones) have been developed for 'Pineapples', 'Lychees', 'Potatoes', 'Mangoes' and 'Vegetables' There are proposals for setting up two more AEZs – on cashew nut and floriculture in the State. Investments in the AEZ would come in Cold Storage, Refrigerated Vans, Transport Services, Grading Centres, laboratories as well as other support services.

¹⁴ Annual Plan 2009-10- Govt of West Bengal



- Revitalizing Government seed farms, research stations, meteorological observatories, seed laboratories, fertiliser laboratories and soil testing laboratories.
- Improving the level of productivity for bringing about targeted food security and enhancing income generation in the sector.
- Increasing investment in Agribusiness.
- Encouraging Mechanization through use of modern agricultural equipments & machines for reducing the cost and time of production. The aim of the Government is doubling of Farm Power to 2.5 Kw / hour from 1.25 Kw / hour by 2011; the market would require small implements of low Horse Power like Power Tiller, Rice Harvester, Rotary Tiller .
- Introducing the National Horticultural Mission with the objective of providing 100% assistance in promoting the Horticulture sector.

- Providing holistic growth of the horticulture and food processing industries sectors based on strategies which include research and development, technology promotion, extension, pre and post harvest management, processing and marketing through an effective blend of traditional wisdom, effective planning, modern management and technology.
- Promoting Joint Ventures in P-P-P mode.
- Developing Industrial Parks-10 Food Parks including 3 Fishery Parks . Floriculture Parks have also been set up along with the plans to set up 5 Mega Flower Markets. These Parks would be a partnership between the Private and the Government Sector and would have common facilities such as cold storage units, packaging units etc. These Parks would help convert horticultural products and agro raw materials into processed products.

- Doubling agricultural production.
- Constructing 2 Centres of Perishable Cargo Complexes at the International Airport in Kolkata and one in the Bagdogra Airport (Northern part of West Bengal). Similar infrastructure is being planned for 2 sea ports in the state.
- Launching scheme for modernizing abattoirs and facilitating development of packaging centres.

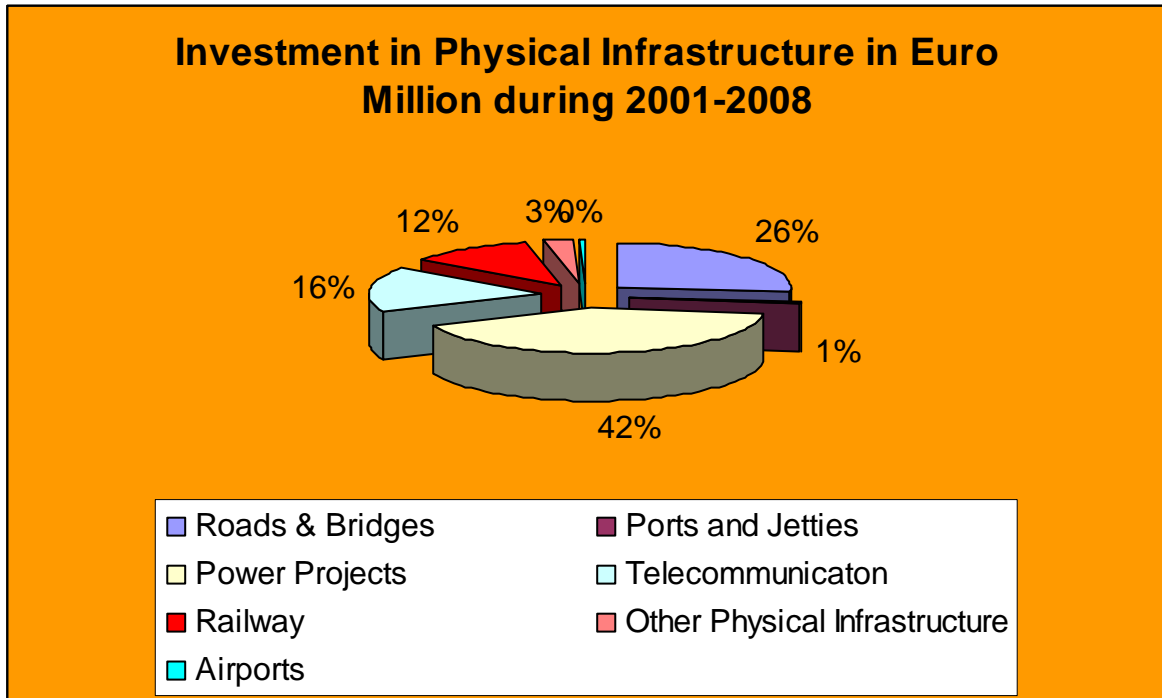
5.1.2 Physical Infrastructure



The State Government has taken ambitious infrastructure renewal and expansion programmes by ‘Developing Growth centers’ and ‘Welcoming private investments both domestic and international through Public Private Partnerships’.

The State received Euro 5.78 Billion (Rs. 385.22 Billion) investment in Physical Infrastructure during 2001- 2008, including ‘Roads & Bridges’ (Euro 1522.275 Million), ‘Ports and Jetties’ (Euro 54.6105 Million) ,’Power Projects’ (Euro 2390.765 Million), ‘Telecommunication’ (Euro 939.762 Million) ,’Railway’ (Euro 675.903 Million), ‘Other Physical Infrastructure (Euro 165.789 Million) and ‘Airport’(Euro 26.1195)¹⁵ as given in the diagram below:

¹⁵ WEBCON (West Bengal Consultancy Organisation Ltd – www.webcononline.org) Report on ‘Physical Infrastructure December 2008’- C& I Annual Report 2008-09



Source: Dept. of Commerce & Industries, Govt of West Bengal, Annual Report 2008-09

5.1.2.1 Roads



The State has a total road length of 92,023 km and a road density of 1.04 km per 100 sq. km- vis a vis the National Average-0.75 with an annual road connectivity growth of 11%.

The State is the proud host of India's largest BOT (Build –Operate –Transfer) and the world's first ever single-plane cable supported 6 lane bridge ' **Nivedita Setu**' – an 880 metre Technological wonder in steel and concrete under the aegis of SVB (Second Vivekananda Bridge) Tollway Project. The bridge is the 1st Indian Bridge to win the coveted Bridge Award of Excellence from American Segmental Bridge Institute in the international category.



During the 10th and first two years of 11th plan period 118 bridges and flyovers and improvement of 5,552 Kms of road have been accomplished by the State Government¹⁶. During 2006-07 alone, Euro 186.6 Million (Rs 12.44 Billion) worth of Road Transport project were completed.¹⁷

5.1.2.1.1 Government Initiatives

- 764 Kms of National Highways are being upgraded to 4/6 lane highways under the NHDP (National Highway Development Programme). The North-South Economic Corridor being developed with support from ADB at a cost of Euro 151.2 Million (Rs. 10.24 Billion) connecting the southern ports of Kolkata & Haldia to the northern hinterland in the State.
- Euro 405 Million (Rs 27 Billion) action plan under JNNURM (Jawaharlal Nehru National Urban Renewal Mission)¹⁸ including improving roadways, pedestrian underpasses, construction of bridges, elevated roads, modern passenger dispersal systems. Several foreign companies have evinced interest to partner the State Government in this endeavour.
- The State aims to construct 47 over bridges and complete overhauling of 965 Kms of road during the 1st two years of 11th Plan.
- Plans to construct 10/12 world class roads in Kolkata where the quality of the roads is maintained at least for 5 years.
- Transport Operation Improvement Programme (TOIP), Road Safety Scheme and Calcutta Transport Infrastructure Development Project (CTIDP) are the few 'traffic **management**' ventures undertaken by the Government which are worth mentioning. CTIDP which included construction of 3 Flyovers received a Euro 52.65 (Rs. 3.51 Billion) loan assistance from the Japan Bank for International Assistance (JBIC)¹⁹.

¹⁶ Budget Speech 2009-10- Govt of West Bengal, 10th 5yr Plan- 2002-2007 and 11th 5 Yr Plan – 2007-2012.

¹⁷ Annual Report – Commerce & Industries Dept- Govt of West Bengal 2007-08

¹⁸ JNNURM – is a 7 year Govt of India initiative launched in 2005-06 to ensure fast track planned development of identified cities (max 60) in India in a phased out manner through increased efficiency in urban infrastructure and service delivery mechanisms, community participation and accountability of Urban Local Bodies/Parastatal Agencies towards citizens.

¹⁹ 11th 5 Yr Plan (2007-2012)-West Bengal –Chapter VIII

5.1.2.2 Ports



Two modern ports – Kolkata & Haldia Docks are the only two riverine ports together handling over 41.0 Million tonnes of cargo every year under Kolkata Port Trust (KoPT).

5.1.2.2.1 Government Initiatives

- KoPT has set an stately investment programme for the upgradation and modernization of the State level port structure involving an outlay of Euro 149.4 Million (Rs 9.96 Billion) during 11th Plan period with Euro 30.3 Million (Rs 2.02 Billion) for KDS (Kolkata Dock System), Euro 55.8 Million (Rs 3.72 Billion) for HDC (Haldia Dock Complex) and the rest for River Related Works²⁰.
- Euro 16.2 Million (Rs 1.08 Billion) construction activity is in progress for improvement of infrastructural facilities at Kolkata Port including development of roads , improvement of back up area with railway connectivity inside the dock at Kolkata Port.
- An all weather Port cum Industrial Park will be built at Kulpi with Dubai Port World being one of the stakeholders .
- A deep sea Port off the coast of West Bengal with a capacity to handle 50 Million Tonnes of cargo and a draught of 16.5 Metres like Shanghai Port has received expression of interest from seven domestic and overseas companies.
- Euro 1.2 Million (Rs 80 Million) investment for IT Infrastructure development, Euro 3 Million (Rs 200 Million) for 2 lay up berths at HDC and Euro 0.92 Million (Rs. 61 Million) for up gradation of navigational facilities at KDS are few other remarkable initiatives under State plan.
- Promoting Water Traffic and River Tourism by setting up of new Inland Water Transport Terminal (IWT) along with the construction of Gangway-cum-pontoon type floating jetties and RCC slipway jetties on NW-1 (National Waterway) between Tribeni & Farakka are also underway.

²⁰ Quarterly Bulletin, Directorate of Industries, Govt of West Bengal, Dec'07 –Mar '08

5.1.2.3 Airports



West Bengal is well connected to the rest of India and the prime Asian hubs of Bangkok & Singapore as well as to Europe & America by 'NSCBIA (Netaji Subhas Chandra Bose International Airport) in Kolkata and Bagdogra airport in North Bengal.

5.1.2.3.1 Government Initiatives

- An Integrated Cargo Complex with an investment of Euro 7.35 Million (Rs. 490 Million) has been completed in the Kolkata airport which would provide impetus to the cargo traffic from the airport which is growing annually at the rate of 12.1%²¹
- 4 Projects involving investment of Euro 189.6 Million (Rs.12.64 Billion) are being implemented in Kolkata Airport which include: Euro 183 Million (Rs 12.20 Billion) investment for building an integrated terminal building, Euro 1.8 Million (Rs120 Million) investment for extension of 440 metres long second runway, Euro 3 Million (Rs.200 Million) for construction of cargo apron and Euro 1.8 Million (Rs 120 Million) for manufacturing domestic parking bays.
- Under the mega 'Euro 6 Million (Rs.400 Million) - Euro 15 Million (Rs. 1 Billion)' ²² investment project for building low cost airports , 4 Greenfield / Unutilized Airports in West Bengal have been identified, viz - Behala, Durgapur, Coochbehar and Malda which are likely to come up by 2010 -11. The objective is to encourage regional airlines and provide air links to small cities.
- Euro 1.5 Billion (Rs 100 Billion) 'Airport city project- Aerotropolis' – **one of the first ones in India** - is proposed between Durgapur and Asansol spread over 2182 acres of land. The 650 acres Airport in Andal in Durgapur as a part of the project which would be operational during 2011-12 has bagged an investment of Euro 20.16 Million (Rs 980 Million) from Changi Airports

²¹ Same as 17 and Annual Report – Commerce & Industries Dept- Govt of West Bengal 2007-08

²² It is the investment to build one such airport – Quarterly Bulletin , Directorate of Industries, Govt. of West Bengal Dec'07- Mar'08

International (CAI) of Singapore. The prime promoter of the project is BAPL (Bengal Aerotropolis Projects Ltd) ²³.

- Bagdogra Airport is being upgraded by Airport Authority of India to make it operational at night and a need for second airport in Kolkata is also being considered.
- Attempts are made to revitalize the Flying Training Institute at Behala under PPP model during the 11th 5 yr Plan. It is the oldest Institute in the country, spread over 180 acres land, with a capacity to operate 6000 flying hours in a span of 3 years and train 150 students²⁴.

5.1.2.4 Power



The sector which bagged the highest investment in physical infrastructure amounting to Euro 2390.765 Million boasts of the country's first Hydel power, Thermal power, Solar Power Stations and Energy Park . An installed capacity to generate 7979 MW (megawatt)²⁵ (and additional 5532 MW under implementation)²⁶ every year by 7 Power generation units , nation's lowest peak power deficit of 5.6%, lowest electricity tariff of Euro .043 per unit for industrial use and the whopping 239.99% ²⁷ rise in the revenue collection by the State power utilities during 2001-2009 truly justify the Nasscom-Gartner report which ranked the power infrastructure in West Bengal as the best in the country.

5.1.2.4.1 Government Initiatives

- 99.2%²⁸ (i.e. out of 37,910 households, 37,606 households) of the rural households have been provided with electricity with installed metres which is pegged at 100% by the end of 11th Plan Period, 2012 with a proposed investment of Euro 41.48 Milion²⁹ .

²³ BAPL (<http://www.bengalaero.com/index.html>) is a specialist company engaged in the development of 'aerotropolis' projects in India. It is a consortium of several Investors where WBIDC (West Bengal Industrial Development Corporation) is one of the partners

²⁴ Annual Plan 2009-10 (Govt of West Bengal) and 11th 5yr Plan – Govt of West Bengal

²⁵ West Bengal Economic Review 2008-09

²⁶ C & I Annual Report 2008-09

²⁷ Figures are estimated – Budget Speech 2009-10

²⁸ Same as 26

²⁹ 11th 5 Yr Plan (2007-2012) – Ch V Pg 79

- DFID (UK Department for International Development) and World Bank are providing aids for restructuring / expansion of brown field units. 26 Units with a capacity of 6582 MW including brown field and green field power projects are in the process of construction or expansion in the State.
- Encouraging Private participation - in 'Hydro Power Development through independent power producers (IPP)', 'Power Equipment Manufacturing' and 'Renewable Energy.'
- Euro 96.9 Million investment for 7 power projects with a capacity of 71 MW are being developed all using non renewable energy sources including, 'Hydel', 'Biomass', 'Wind' and 'Solar Photovoltaic' with an objective to avoid carbon emission. The State is also home to 'India's Highest user of Solar Energy -180,000 households' and 'India's first Future Tidal Power Plant' which reinstates the thrust of the State Government in renewable energy. The U.S., German, British and Australian Government have already stepped in. Italian companies have already supplied machineries in West Bengal.
- Euro 1.05 Million Solar Power Project is being developed with 2 MW Capacity which will generate Euro 0.72 Million annual revenue and save 700,000 tonnes of Carbon Emission per day **will be first of its kind in the World where a zero carbon emission Solar Unit is developed from a polluting thermal unit.** The project which is the brain child of The West Bengal Green Energy Development Corporation (WBGEDC)³⁰ which is inviting private investment from domestic and overseas investors.
- India's first green housing project, the '**Rabi Rashmi Abasan**' project, facilitated with built in - integrated solar power has been developed in a new district of Kolkata. This 58 KW eco-housing project was developed by Germany's Conergy in partnership with the WBREDA as an initiative in solar architecture and is a flagship project in India.
- Detailed list of Projects under Renewable Energy Development in West Bengal is in Annexure I

³⁰ WBGEDC is promoted by WBSEDCL (West Bengal State Electricity Distribution Company Ltd) ,WBPDC (West Bengal Power Development Corporation) and WBREDA (West Bengal Renewable Energy Development Agency).The objective is to facilitate private investments in renewable energy power projects.

All these initiatives will pave the way for a 0% power deficit State following the National Electricity Policy which envisages 'Power For All' by 2012 whereby all citizens would avail of minimum 30 units per month.

5.1.2.5 Real Estate and Urban Development (Including Environment)



West Bengal is currently witnessing a boom in the real estate market with its total housing stocks amounting to 2 million units against the national figure of 200 Million. New Townships, Modern Residential and Commercial Complexes, Shopping Malls and Multiplexes, Hospitals, Retail Centres, Amusement Parks, Resorts, IT parks and Clubs are being constructed at an unbelievable rate. The State is also encouraging foreign direct investment into Housing, Infrastructure Development and Construction. It is estimated that 5 Million Apartments³¹ would be required annually for the next decade.

5.1.2.5.1 Government Initiatives

5.1.2.5.1.1 Real Estate

- The New Town Housing project in Rajarhat a 3075 acre township which is being developed by West Bengal Housing Infrastructure Development Corporation will be a major business and residential hub.
- Kolkata West International City – a Euro 390 Million (Rs 25 Billion) project – supposedly **the Largest FDI in integrated modern township project in India** –spread over 390.20 acres of land in West Howrah for accommodating 0.1 Million people is being built through a collaboration of KMDA³² with Indonesian Groups Salim & Ciputra .
- 9429 Dwelling units involving investment of Euro 130 Million (Rs.8.34 Billion) have been completed and 8050 more units with total investment of Euro 208.884 (Rs 13.39 Billion) are

³¹ HDFC (Housing Development Finance Corporation) Survey

³² Kolkata Metropolitan Development Authority

being developed by the Joint Venture Companies formed by West Bengal Housing Board with Private Partners³³.

5.1.2.5.1.2 Urban Development



The State Government has taken a bold move to invite Foreign participation for providing the requisite financial and technical assistance for the **Urban Development and Improvement of environment** of the State - known for having the lowest land: man ratio in the country.

5.1.2.5.1.2.1 Projects under JNNURM (Jawaharlal Nehru National Urban Renewal Mission)³⁴ where KMC (Kolkata Municipal Corporation) is the implementing agency³⁵

- Euro 62.4 Million (Rs 4000 Million) '**Surface Water Supply Project**' along the eastern part of Kolkata including construction of 30 MGD (Million Gallons Per day) Water Treatment Plant with the objective to avoid dependence on Ground Water. The project is due to be completed by 2012.
- Euro 46.8 Million (Rs. 3000 Million) '**Augmentation of Water Supply project**' to increase supply of treated water in the city. The project is being implemented by a Thai Company. The project is due to be completed by 2012.
- Euro 62.854 Million (Euro 4029.1) '**Rehabilitation/Up gradation of Man entry Brick Sewer System**' for the city of Kolkata which is being implemented by several overseas firms including

³³ 18 Joint Venture and Assisted Sector Companies (9 Joint Venture and 9 Assisted Sector Companies) have been formed by West Bengal Housing Board with Private Companies to mitigate the housing problems of the citizens- West Bengal Economic Review 2008-09

³⁴ JNNURM – is a 7 year Govt of India initiative launched in 2005-06 to ensure fast track planned development of identified cities (max 60) in India in a phased out manner through increased efficiency in urban infrastructure and service delivery mechanisms, community participation and accountability of Urban Local Bodies/Parastatal Agencies towards citizens.

³⁵ All figures were mentioned by Municipal Commissioner during a meeting on Aug 20,09

WERM Wink JV –(Indo- British), ‘Hang Liner (Austria), ‘Michael Pau’ (Germany), ‘APS Michigan (U.K.) .

5.1.2.5.1.2.2 Externally aided projects

- Euro 25.82 Million soft loan aid from Italian Government for the **Water Supply and Solid Waste Management Project** in sixteen towns in the State is due to be completed by 2010³⁶.
- Euro 281.76 Million **Kolkata Environmental Improvement Project (KEIP)** with Euro 180.96 Million loan from Asian Development Bank in Kolkata Municipal Corporation Area which is due to be completed by 2010, includes ‘Development of Underground Sewerage and Drainage Network’ & ‘Parks and Water Bodies’, ‘Slum Improvement’, ‘Solid Waste Management’, ‘Canal Rehabilitation’ and finally ‘Resettlement of affected Canal Bank families to the well designed KEIP flats’³⁷.
- Euro 119.46 Million project- **Kolkata Urban Services for the Poor** aided by DFID , due to be completed in 2011 is aimed towards up gradation of - ‘Slum Infrastructure’, ‘Intra-Municipal Infrastructure’, ‘Trans municipal Infrastructure’ & ‘Infrastructure relating to Municipal capacity Building’; ‘Local Economic Development’ and ‘strengthening Health system’ in 40 Urban Local Bodies of KMA (Kolkata Metropolitan Area)³⁸.
- Euro 26 Million (Rs. 1.7 Billion) **‘Integrated Solid Waste Management Scheme’**, with Euro 22 Million (Rs.1.45 Billion) JBIC (Japan Bank for International Cooperation) assistance, for Municipal Solid Waste disposal in six urban local bodies of Hooghly district in the Kolkata Metropolitan Area will be completed by 2010³⁹.
- WBPCB⁴⁰ has started eight projects related to environmental issues like ‘water resources’, ‘wetland biodiversity’ and ‘ecosystem’ with the technical and financial assistance of academic institutes/ organizations and foreign agencies.
- Euro 2.57 Million (Rs.164.9 Million) ‘India-Canada Environment Facility Project’ on **‘Pollution Prevention and Waste Minimisation of Small Scale Industries in Kolkata Metropolis Area’** . The 6 year project (2001-2007) was targeted to facilitate the industrial units – a.) operating

³⁶ Dept of Municipal Affairs , Govt of West Bengal Website:: http://wbdma.gov.in/htm/MUNI_ItalianAssistance.htm

³⁷KEIP Website: <http://www.keip.in/index.htm>-

³⁸ 1GBP = 1.17 Euro , Figure from KUSP Website- <http://www.changekolkata.org/whatiskusp.html> - Aug 13, 09

³⁹ Dept of Municipal Affairs , Govt of West Bengal Website: http://wbdma.gov.in/htm/MUNI_SWM.htm

⁴⁰ WBPCB- West Bengal Pollution Control Board - is a statutory authority entrusted to implement environmental laws and rules within the jurisdiction of the state of West Bengal, India

with small boilers and ceramic kilns in their changeover to combustion efficient cleaner fuel (oil or gas) from crude oil or coal and b) the galvanizing units in their installation of Common Effluent Treatment Plant (CETP)⁴¹.

- Euro 3.47 Million project (concluded in 2007) on **'Strengthening Environmental Management at the State Level'** received Euro 2.61 Million Technical Assistance from Asian Development Bank (ADB). In West Bengal, ADB and WBPCB had undertaken this Technical Assistance (TA) project to prepare policy-oriented documents. These included study papers on air quality management in Kolkata, management of hazardous waste in West Bengal, management of wetlands of the state and a partial assistance to the Board's "Environment Management Information System" Development Project.⁴²
- **Euro 50.4 Million state-level component** of the institutional strengthening and capacity building in special geographic areas of three states (Orissa, Gujarat and West Bengal) under the Euro 77.04 Million **India - Integrated Coastal Zone Management Project** funded by World Bank is being implemented . Plant construction and pilot investment have started at Digha Sankarpur and Sagar Island near Sunderban in 2009 ⁴³ .
- **Vulnerability Assessment of Capital Cities for Kolkata, Manila, Bangkok and Hochimin** which focused on the climatic changes and **Capacity Building and Industrial Pollution Management Project** which dealt with soil pollution, devising remedy for contaminated soil were the other The World Bank Funded projects.
- **GTZ (German Agency for Technical Cooperation) under Indo - German Environment Programme (ASEM)⁴⁴** is providing financial and technical assistance to WBPCB in implementing **four** Projects for **Technological Development for Abatement of Pollution for** – a)-Small Ceramic Kilns (earthen pottery), b) Small Galvanizing Units, c) Small Non Recovery

⁴¹ WBPCB Website: <http://www.wbpcb.gov.in/icef/index.html>

⁴² ADB Website: <http://www.adb.org/Projects/project.asp?id=32293> and WBPCB Website: <http://www.wbpcb.gov.in/html/activities.shtml#SP>

⁴³ World Bank website: http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000104615_20070228112930

⁴⁴ ASEM is a joint programme of the Ministry of Environment and Forests (MoEF) Government of India and the German Agency for Technical Cooperation (GTZ) on behalf of the Federal Ministry for Economic Cooperation and Development, Germany, focusing on urban and industrial environmental management in India.- Website- <http://www.asemindia.com>

Fuel Coke Units and d) Development of Common Effluent Treatment Plant for small textile processing units involved in dyeing and bleaching ⁴⁵.

5.1.2.6 IT& ITES



The State has identified Information technology to be the **priority focus** sector employing about 60,000 professionals with over Euro 5.616 Million (Rs. 36 Billion) of Software exports, registering 46% annual growth against the national average of 29%, being the 8th largest IT exporter in the Nation with a 15% share in the country's IT revenues, targeting to attain the 3rd position by 2010-11⁴⁶. More than 500 IT /ITeS companies operate from the State including IBM, Cognizant Technologies, PwC (Pricewaterhouse Coopers), TCS (TATA Consultancy Services), Wipro , HSBC., Skytech, Computer Associates, NUT, Lexmark, HCL, AIG, Atos Origin, e-Force, Interra, Genpact, Cap Gemini and Tech Mahindra. Danish company WIP (Wireless Innovation Platform) and DQE International, the world's largest Animation company have announced their facilities in the city. Besides, many other companies including the big names from India and abroad are looking at Kolkata as their next IT destination. The leading global consultant of US, NeoIT, has rightfully ranked Kolkata as the 3rd most attractive destination by 2010, which was again substantiated by another consultant from US Tholon fnc.

Key Enablers of the State in the IT sector

- huge pool of talent
- low cost of operations
- availability of high quality infrastructure
- operational support
- investor facilitation
- lowest attrition rate

5.1.2.6.1 Government Initiatives

⁴⁵ WBPCB Annual Report 2006-07 Pg 131 and HRDP (Human Resource Development) of ASEM website: <http://www.hrdp-net.in/e251/>

⁴⁶ Annual Plan 2009-10 Ch VIII and Budget Speech 2009-10 Part 2 Pg 21 and 11th 5yr Plan – Ch VIII



- **1ST State in the country to declare IT industry as the “Public Utility Service”.**
- Usage of WBSWAN (West Bengal State Wide Area Network)⁴⁷, ASP(Application Service Provider) model and government portals in collaboration with TCS to support ‘e-governance’, ‘e-commerce’, ‘telemedicine’ to provide an effective Government-Citizen interface in the form of G2C,G2B & G2G services. **It is all set to implement Country’s 1st ‘Rural e governance’ pilot project.**
- GIS (geographical information system) for municipalities, Computerization of government departments (including land records), and an aggressive IT literacy programme to bring IT culture in grass root levels and promote IT education in schools and colleges in collaboration with IBM, Wipro, NIIT ⁴⁸.
- Government is inviting Foreign / Domestic Investments in the development of the IT Parks and IT Townships, - 20 IT SEZ s (apart from the existing one) ,14 IT Parks (Details in Annexure II) and Expansion of existing companies are expected to create more than 40 million square feet of built up space with over 200,000 jobs .⁴⁹.
- Euro 62 Million (Rs. 4 Billion) ‘India Design Centre’ – **the first such facility in the country to house semiconductor players in one place is in the offing.** This is part of the Government initiative to attract foreign investment in high end technology like VLSI designing, hardware and chip manufacturing.
- ‘Incubation Centres’ are also being developed in selected areas in the State.

⁴⁷ Developed by WEBEL- (West Bengal Electronics Industry Development Corporation-State Govt agency promoting software and electronics industry in the state) and Tata Infotech

⁴⁸ NIIT –India’s Top IT Training Company

⁴⁹ West Bengal Economic Review -2008-09 Pg-142, 11th 5 yr Plan Ch VIII- Pg 135

5.1.3 Social Infrastructure

5.1.3.1 Health



The promising State Health Indicators namely 'Death Rate of 6.3 per thousand (National Average 7.4)', 'Infant Mortality Rate of 37 (National Average 57)', 'Birth Rate of 17.9 (National Average 23.1)', 'Total Fertility Rate of 1.9 (National Average 2.8)', 'Annual Rate of Growth of Population of 0.97 during 2008-09 (estimated figure against 1.37 during 2001-02)⁵⁰' are manifestations of the renewal of the health care system of the State which has been categorized as a 'Low Focus State' under NRHM of Government of India ⁵¹.

The state with a wide health care network of 13,919 Hospitals/ Health Care Units with a large pool of qualified doctors has set in motion all encompassing initiatives with financial and technical support from external development partners in addition to support from the State Budget and National Programmes during 10th Plan which have been further emphasized during 11th Plan with the focus "health for all people".

5.1.3.1.1 Government Initiatives

- Euro 15 Million (Rs. 1 Billion) has been allotted by the State Government for the development of the health infrastructure⁵².
- Euro 33 Million (Rs. 2.14 Billion) Basic Health Project at the districts being jointly funded by KfW (German Development Bank) and State Government in the ratio 80:20 is meant for qualitative and quantitative improvement of Basic Health Services. The project is due to be completed on December 31, 2009⁵³.

⁵⁰ Budget Speech 2009-10 Part 2 Pg 34-35.

⁵¹ NRHM- National Rural Health Mission (2005 -2012) launched by the Central Government to provide integrated primary health care services, specially the poor and vulnerable sections of the society where West Bengal was one among the 9 Indian States which were low focused due to better health indicators

⁵² Budget Speech 2009-10 Part 2 Pg 34-35.

⁵³ 11th 5yr Plan Ch X Pg 20 & West Bengal Economic Review 2008-09

- Euro 240 Million European Commission assisted Sector Investment Programme started in West Bengal in February 2002 as a part of the overall RCH (Reproductive & Child Health) Programme at the National level with the aim to address all the Childhood and women issues for enhancing the quality of reproductive life of the population and enabling the country to achieve population stabilization⁵⁴.
- Euro 117 Million, DFID (Department for International Development- UK) funded 5 year HSDI (Health System Development Initiatives) aimed at Primary Health Care is due to be completed in 2009-10⁵⁵.
- West Bengal was one of the three states covered by the Euro 300.024⁵⁶ Million World Bank aid for the State Health Systems Development project (SHSDP-II) which focused on the reforms and improvement of the health status of the people, especially the poor, by reducing mortality, morbidity and disability .The project was completed in the year 2003.
- The Government would look at proposals for investments in the Pharmaceutical sector / Pharmaceutical Special Economic Zones (SEZ) on a case by case basis and would offer incentives for filling the Euro 360 Million demand –supply gap of in this sector.

5.1.3.2 Retail



All leading Retailers have recorded their highest sales in the West Bengal with the State sharing 38 % of the annual consumption expenditure i.e. Euro 18.86 Billion. It is estimated that the turnover in organised retail in Eastern region will be Euro 1.72 Billion by 2010⁵⁷. Key Players in organized retail include Shoppers Stop, Future Group, RPG Group, Sony, Westside, Pizza Hut, KFC, Marks & Spencer, Benetton, Addidas, Reebok, Metro AG, and Wills Lifestyle.

⁵⁴ Ministry of Health and Family Welfare, Govt of India – Website - <http://www.mohfw.nic.in/dofw%20website/aided%20projects/rchp%20frame.htm>

⁵⁵ 11th 5yr Plan cha X Pg 20

⁵⁶ World Bank website:

<http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=40941&menuPK=228424&Projectid=P035825>

⁵⁷ WBIDC Presentation – Sunshine State - 2007

5.1.3.3 Education and Culture



The State Government policy of universalisation of education has made West Bengal the 2nd highest manpower resource in the country. The State boasts of 22 Universities, 8 Research Institutes, 751 Degree Colleges with the annual enrollment of 833,113 students in the colleges, 72 Engineering & Technology colleges, 1970 Technical Education Centres in the form of 50 Polytechnic Institutions, 20 Industrial Training Centres, 31 Industrial Training Institutes and 1869 Vocational Training Centres⁵⁸.

5.1.3.3.1 Government Initiatives / Foreign Collaborations both incumbent and prospective

- A composite MOU has been signed among 4 State Universities of Calcutta, Jadavpur, Burdwan and Rabindra Bharati and 11 Italian Universities of Turin, La Sapienza of Rome, L'Orientale of Naples, Ca' Foscari of Venice, Polytechnics of Milan & Turin, University of Bologna, LUISS of Rome and University of Milan. These MOUs are intended to deepen the cultural cooperation between the two countries through joint studies, training & academic exchange programmes including, teaching of Bengali literature, music, choreography and synchronization techniques in the Italian Universities and imparting Italian language, philosophy and political studies at their Indian counterparts. It also includes cooperation in the fields of science, technology, culture and heritage and Vocational Training Programmes in Leather technology, Automobiles and Jewellery⁵⁹.
- Euro 5.5 Million Italian Investment in the Indo-Italian Project 'Roopkala Kendra' - a centre for production and training in the area of social communication using video technology to reach out to the common and marginal people. IULM University of Milan is also partnering Roopkala Kendra in the fields of education and research.

⁵⁸ Same as 48, Annual Report, Dept of Higher Education -2008-09, West Bengal Economic Review 2008-09 Pg 245-248, Annual Plan 2009-10 Ch X, Pg 14

⁵⁹ Italian Consulate, Kolkata & West Bengal Economic Review 2008-09 Pg 246



- Euro 87,750 aid by EPSRC, Wiltshire, UK for a Collaborative Project with Chemistry Department, Kalyani University. Japan, Sweden, Germany and France are the other countries facilitating the University in its research⁶⁰.
- Bengal Engineering and Science University have initiated 'Collaborative research programmes' with University of Toronto, Italy; University of Cambridge, UK; Helsinki University of Technology & Abo Akademi University, Finland; University of Windsor, Canada and University of New South Wales & University of Ballart, Australia⁶¹.
- Euro 75 Million (Rs 5 Billion) 'Kolkata Museum of Modern Art' spread across 12 Acres in New Town Rajarhat is in the process of construction .The State Government has already received aid of Euro 20 Million (Rs 1.35 Billion) . The Government is inviting more private/ public sponsorship in the project and on completion intends to sponsor the visit of Foreign (specially Italian) Artists in the Museum for performing some artwork in collaboration with their Indian counterparts .
- Financial Assistance/Collaboration especially Italian Technological Guidance is sought by the Government in restoring the State Heritage Buildings, renovating 'Shores of the Ganges', building the 'Film City' and in further development of the only state based colour film processing laboratory- ' Rupayan'.

Many foreign Universities/ Research Institutes and Autonomous Voluntary Organisations have collaborated /in the process of collaborating with State Based Universities / Institutes for various projects/studies/training/workshops.

⁶⁰ Dept of Higher Education , Annual Report 2008-09, Pg 179

⁶¹ Dept of Higher Education , Annual Report 2008-09, Pg 207 & 208

5.1.4 Petrochemicals



West Bengal with a 13% market share is the 3rd highest Indian producer of basic petrochemical products being preceded by Gujarat and Maharashtra⁶². The sector has attracted over Euro 2.15 Billion of investments over the past decade.

5.1.4.1 Government Initiatives in the form of Investments / Proposals

- **Euro 479.7 Million (Rs 30.75 Billion) investment from MCPI (MCC PTA India Corp Pvt Ltd) – company formed by Japanese Company MCC (Mitsubishi Chemical Corporation)- world’s second largest producer of PTA (Purified Terephthalic Acid) and the State Government** , for two PTA units at Haldia.
- Euro 1.25 Billion (Rs 80 Billion) by Haldia Petrochemicals Ltd – India’s second largest integrated petrochemical complex.
- Agreement of Indian Oil Corporation with the State Government to invest Euro 2.34 Billion (Rs 150 Billion) in phases for the proposed Petroleum Chemical and Petrochemical Investment Region (PCPIR) covering an area of 62,458 acres in Haldia and Nayachar Island.
- Euro 124.8 Million (Rs 8 Billion) investment by South Asian Petrochem Ltd for its PET (Polyethylene Terephthalate) resin plant ⁶³.

⁶² C&I Annual Report – 2008-09

⁶³ WBIDC Presentation – Sunshine State – 2007, MCPI Website <http://mcpi.co.in/company-profile.html> & West Bengal Economic Review 2008-09

5.1.5 Micro and Small Scale Enterprises



West Bengal with 2.753 Million working units generating 5.493 Million employment is ranked first among Indian States in small scale units⁶⁴. More than 95% of the enterprises in the State are in this sector, which accounts for 50% of the State's total industrial production and 40% of the export from the State. The State has a well defined plan for advancement of this sector, through the active support of West Bengal Small Industries Development Corporation and other agencies under the Department of Cottage and Small Scale Industries, in the form of 'infrastructure development', 'creation of industrial estates' and 'marketing and raw material support'. The thrust areas under this sector include, 'Leather', 'Textiles', 'Gems and Jewellery', 'Handicrafts', 'Fashion and Ready-made Garments,' 'Computer-aided design development', 'Machinery' and 'Training'.

5.1.5.1 Leather



Why West Bengal

- A strong tradition and skills related to leather industry.
- Easy availability of cheap raw materials like hides and skins.
- Availability of water.
- Large Market Size- 14.24% share in all India exports⁶⁵.
- **Largest** Indian exporter of leather goods and leather gloves which comprise 8.57% (57.87% of all India leather Goods exports) and 4.04% respectively of all India exports (combining all leather products)⁶⁶.

⁶⁴ Budget Speech 2009-10 Part 2 pg 23

⁶⁵ CLE –Council for Leather Exports



- **Second** most important Tanning Centre in the country contributing about 22-25% of the nation's tanning.
- Availability of additional incentives and fiscal benefits by the West Bengal Government.

5.1.5.1.1 Government Initiatives

- Calcutta Leather Complex (CLC) – An Euro.09 Billion (Rs 6 Billion) project - The leather city named as the Calcutta Leather Complex, World's largest Integrated Leather Complex came into being in July 2004. The leather complex -- is all set to emerge as an ideal place for leather processing and finishing units.
- TTSC- Tanning Training and Service Centre- **Italian Government is investing Euro 1 Million for setting up the** 'Tanning Training and Service Centre' (TTSC). The objective of TTSC is to help and assist the tanneries in the Calcutta Leather Complex to upgrade their processes and products to meet the regulations of the EU in terms of safety, environment compliance and higher and consistent quality.
- Leather Goods Park- a 60 acre land adjacent to CLC has been proposed adding strength to the manufacturing capacity. The park would be first of its kind in country to house 100 manufacturer-exporters. Government of West Bengal has provided ILPA (Indian Leather products Association) a land of 2776 sq metres within the ILPA Leather Goods Park for opening a full fledged training centre for the grassroots level laborers. The training would be conducted on cutting, stitching, method of selecting the raw materials to be tanned, skiving of leather, splitting and other basic awareness necessary to produce leather products. The centre will be run by ILPA.
- Leather Footwear Park in the vicinity of CLC

⁶⁶ Leather Magazine Edition 2008- CLE

5.1.5.2 Textiles



West Bengal is the leader in Jute Production being home to 81%⁶⁷ of the Jute Mills in the country with an annual production of whopping 1.571 Million Tonnes⁶⁸. The significant quantity of Cotton Yarn production of 30.37 Million Kgs and 3.529 Million Metres⁶⁹ of Cloth also place the State among the top performers in the country.

The various products in Jute and Cotton include Jute Hessian, Sacking, Fibre, Bags and Accessories, Cotton Cloth, Apparels, Fibres, Woven Fabrics, Home & Industrial Textiles.

The State Government has initiated / developed two Industrial Parks in this sector viz Garment Park and Apparel Export Park for Garments and Accessories.

The Leading Market Players in the State

- 'Ballyfabs'- Ambica Jute Mills Ltd (Jute & Cotton Bags and Life Style Accessories)
- 'Karigar'- Deepali Holdings & Trading Pvt Ltd (Fashion Boutique with Hand Crafted Garments)
- Gloster Jute Mills (Hessian Cloth/ Bags, Sacking Cloth/Bags, Jute Yarn)
- Rupa & Co (Innerwear manufacturer and seller)
- AI Champdany Industries Ltd (Jute & Cotton Goods and Different Linen Yarns, Fabrics, Cotton)

⁶⁷ WBIDC (West Bengal Industrial Development Corporation) – Doing Business in West Bengal 2007

⁶⁸ West Bengal Economic Review 2008-09

⁶⁹ West Bengal Economic Review 2008-09

5.1.5.3 Gems and Jewellery



The region experiencing a 21% export growth in this sector surpassing the national average of 6%⁷⁰, is one of the leaders in the country having rich and continuing tradition of craftsmanship specially for handmade Gold Jewellery widely acclaimed as ‘Calcutta Jewellery’. ‘Setting up of Exclusive Gems & Jewellery SEZ- Manikanchan’, ‘Organizing Trade Fairs & Exhibitions and B2B Meetings to improve the financial and technical tie ups between Indian brands and their overseas counterparts’ are few of the State Initiatives in this sector.

5.1.5.4 Handicrafts



West Bengal, which is a leading state in the propagation of ‘Handicrafts’ , has taken several initiatives including - ‘organizing district level competitions’, conducting- ‘advanced training programmes and market studies in the U.S.A. and UK’, ‘setting up Bengal Handicraft Museum and West Bengal Handicraft Development Corporation – the Apex body for Marketing & Development of Handicrafts’.

Leading Handicraft Emporiums in the State

- Manjusha- (West Bengal Handicraft Development Corporation) – (All hand crafted articles)
- Bengal Home Industrial Association – (Different Types of Traditional Handcrafted articles)
- Central Cottage Industries Emporium (All hand crafted articles)

⁷⁰ WBIDC –Doing Business in West Bengal 2007

5.1.6 Tourism



The 6th largest foreign tourist destination and 8th in terms of domestic tourists, West Bengal tourism witnessed a galloping 4 fold growth (313% rise) during 1996-2007 against the 1.5 fold National tourism growth and 3.3 fold growth at the Global level⁷¹.

The distinct and widest variety of attractions in terms of tourist spots including natural attractions like snow-capped mountains, virgin forests, variety of wild life, verdant tea gardens, criss-crossing rivers, sandy beaches, the **world's largest mangrove forests**, the Sundarbans and a rich tradition of art, craft, culture and cuisine all attribute to making West Bengal a highly potential tourist destination.

5.1.6.1 Government Initiatives

- Devising a new Tourism Policy and Incentive Scheme with the objective of improvement and diversification of existing tourism products, opening up of new tourist destinations, perfecting delivery systems through human resource development and efficient marketing and publicity.
- Declaring tourism as an industry with incentives for establishment of hotels, motels, resorts, yatrikas, camp sites, tourist trains, amusement parks, etc.
- Euro 124.8 Million (Rs 8 Billion) projects⁷² are in the pipeline for developing tourism in the State in partnership with the private sector for construction of proper tourism infrastructures in the form of 'tourist accommodation', 'rest shelters', 'public conveniences', 'drinking water supply,' 'solid waste management', 'signages', 'development of green spaces', 'last mile connectivity for destination'.

⁷¹ State Annual Plan 2009-10 Ch IX

⁷²

<http://www.wbgov.com/portal/banglarMukh/Government/Departments/DepartmentListPortletWindow?action=e&windowstate=normal&mode=view>



- Promoting Cultural and Heritage Tourism through Preservation and promotion of local art, tradition, heritage, culture & environment as well as identification of heritage buildings & sites.
- Promoting Amusement & Sports Tourism, Adventure Tourism, River Tourism, Rural Tourism, Eco-Tourism, Hill Tourism, Railway Tourism, Convention Tourism, Beach Tourism, Highway Tourism, Forest & Wildlife Tourism.
- Notifying Special Tourism Areas in the State.

5.2 Conducive Government Policy

The State Government has formulated many policy instruments, incentives and strategies and formed agencies and bodies to complement the Central government and usher in a changed industrial climate conducive to growth.

5.2.1 Industrial Policy

The State Government is actively pursuing a policy of rapid industrialization in the State as a matter of state policy. This is essential in the interest of securing economic development and welfare of the citizens of the State and to provide for new employment opportunities for our younger generation. The State Government is also aware of the changing economic scenario in the world and its potential for securing new industrial basis in this particular region of the globe. The State Government also feels it is important to respond to substantial number of new industrial investment proposals to accelerate growth of industry in West Bengal and resultant employment opportunities. At the same time, the State Government is aware of the need to ensure proper dispersal of such proposal throughout the State so that the benefits of economic development can reach the common man across the State.

The Policy of the State Government in regard to rapid industrial development hinges upon perfect harmonization of the traditional sector and sunrise sector, fusion of indigenous knowledge with highly advanced modern technology, development of large scale industries and ancillary industries with focus on SME sector, rejuvenation of labour-intensive industries alongside development of knowledge-based industries.

5.2.1.1 Industrial Parks

The State has promoted/ facilitated development of sector specific industrial parks to support that all activities related to that sector may take place within the common infrastructure.

An overview of some of the Industrial Parks initiated and / or developed in the State are as follows:

| Name of Park | Products /Services | Area (acres)* |
|---|---|---------------|
| Manikanchan Special Economic Zone | Gems & Jewellery | 5 |
| Shilpangan | Light-Engineering Park | 2.28 |
| Garment Park | Garment | 8.75 |
| Food Park (Phase I & II) | Food Processing | 49.98 |
| Kandua Food Park | Food Processing | 52 |
| Poly Park | Polymer | 60 |
| Rubber Park | Rubber, Footwear, Hoses Tubes, Automotive Rubber | 92.11 |
| Plasto Steel Park | Iron & Steel, Plastic | 404.84 |
| Foundry Park | Castings, Forgings & Foundry items | 927 |
| Shilpangan (Siliguri) | Light Engineering | 6.38 |
| Shilpangan (Jessore Road) | Light Engineering | 1.45 |
| Panagarh Industrial Park | Iron & Steel | 4000 |
| Godapiasal Industrial Park | Cement | 166 |
| Alumunium & Non Ferrous Metals Park | Aluminum | 750 |
| Salboni Industrial Park | Iron & Steel | 4162.55 |
| Kharagpur Industrial Park | Heavy Earth Moving Equipments, Biotechnology, IT & Other Industries | 1251 |
| Salanpur Industrial Park | Iron & Steel | 2550 |
| Raghunathpur Steel & Allied Industrial Park | Iron & Steel | 7420.24 |
| Naihati Industrial Park | Freight Car | 97 |
| Jamuria Industrial Park I & II | Iron & Steel | 6700 |

*Subject to Availability of Land – Source- WBIDC –C & I Annual Report 2008-09

5.2.2 Land Acquisition Policy

Land Acquisition Policy has been formed to reach a initial consensus among all the concerned parties on the issues of land acquisition in tandem with industrialisation, The State Government has decided to



set up a land bank with 15, 000 acres with a corpus fund of Euro 78 Million (Rs 5 Billion)⁷³ primarily by purchasing relatively infertile land from the farmers at a fair price and thereafter by acquiring land in some remaining cases after consulting the farmers and obtaining opinion of experts and on payment of due compensation, with necessary balance being maintained in such cases with the interest of farmers and agricultural development.

5.2.3 West Bengal State Support for Industries Scheme, 2008

The currently offered incentive scheme which is valid till 2013 is meant for the entrepreneurs of new units, existing units for their expansion and closed units for their revival. . Under this scheme, support is provided for industries based on their fixed capital investment and employment generation.

Sector wise incentives include

- small scale sectors - capital investment-subsidy, interest-subsidy, waiver of electricity, additional employment and generation of employment, refund of stamp-duty and registration-fee, subsidy for conversion for use of piped gas, subsidy for quality-improvement.
- selected sectors - incentive for leather-units-both in tanning and manufacturing sectors, service related activities, units in special economic zone, mega-projects, special projects etc.

5.2.4 SEZ – (Special Economic Zone)

The State Government has initiated creation of industrial infrastructure in the form of SEZ to 'generate additional economic activity', 'promote exports of goods and services', 'promote investment from domestic and foreign sources' and 'create employment opportunities' .

At present West Bengal has 3 functional SEZs – Falta – (Multi Product SEZ) ; Manikanchan (Country's first Greenfield SEZ for Gems & Jewellery) and WIPRO (IT/ITES) which together accounted for Euro

⁷³ Pg 21 of Part 2 of the Budget Speech 2009-10



714.012 Million (Rs. 45.77 Billion) worth of exports during 2008-09⁷⁴ .The State has received approvals for 37 more SEZs (9 notified, 14 formal and 14 in principal approval) from the Centre.

5.2.5 Key Agencies for Business Facilitation

5.2.5.1 The West Bengal Industrial Development Corporation (WBIDC)

WBIDC (website- <http://www.wbidc.com/>), formed in 1967 is the premier agency of the State's Commerce and Industries Department responsible for the development, growth, facilitation and trouble shooting of industry, investment and infrastructure in West Bengal. The Prime functions of the Corporation include:

- Secure and assist in the expeditious and orderly establishment, growth and development of industries in the State of West Bengal
- Develop and manage industrial infrastructure in selected sectors / areas in West Bengal
- Provide financial assistance to interested companies
- Provide handholding support to medium and large scale industries

5.2.5.2 The West Bengal Industrial Infrastructure Development Corporation Ltd (WBIIDC)

WBIIDC (website- <http://www.wbiidc.org/>) was established to spearhead a unified effort for the industrial development in a well –planned basis. WBIIDC is responsible for

- Development of infrastructures for industry in economically less advanced areas
- Set up Industrial Growth Centres with all infrastructure facilities at various locations for industrial/ commercial enterprises
- Undertake construction of social infrastructures
- Act as Design and Construction agency on behalf of the Government

5.2.5.3 West Bengal Electronic Development Corporation Ltd (WEBEL)

⁷⁴ Business Telegraph , Kolkata Edition August 17,2009



WEBEL (website- <http://www.webel-india.com/>) is the Nodal agency of the State Government for developing IT and ITES industries and acting as the single window support centre for all services required by the IT & ITES investors in the state of West Bengal.

5.2.5.4 West Bengal Small Industries Development Corporation Ltd (WBSIDC)

WBSIDC was set up in 1961 (website - http://www.wbsidc.org/htm/index_1.htm) for extending support and promotion of SSI in the state under the Department of Cottage & Small Scale Industries, Govt. of West Bengal. It helps SSI Units with well diversified activities of industrial and commercial estates all over the state.

5.2.5.5 Development Authorities

Kolkata Metropolitan Development Authority (KMDA) (website- <http://www.kmdaonline.org/html/org-chart.html>) – is the statutory planning and development authority for the Kolkata Metropolitan Area (KMA). It is the prime agency for planning, promoting and developing the KMA.

Others:

- Haldia Development Authority (HDA) (website- <http://www.hdaindia.com/>)
- Siliguri-Jalpaiguri Development Authority (SJDA) (website- <http://www.sjda.org/>)
- Sriniketan –Santiniketan Development Authority (SSDA) (website- http://birbhum.gov.in/SSDA/SSDA_home1.htm)
- Asansol – Durgapur Development Authority (ADDA) (website- http://www.wbidc.com/about_wb/asansol_dev.htm)
- Digha Development Authority (DDA) (website- http://www.wbidc.com/about_wb/digha_dev.htm)

5.2.5.6 Premier Chambers of Commerce

- The Bengal Chamber of Commerce and Industry (BCCI) (website- <http://www.bengalchamber.com/>)
- Bengal National Chamber of Commerce & Industry (BNCCI) (website- <http://www.bncci.com/>)



- Confederation of Indian Industry (CII) (website- <http://www.cii.in/>)
- Federation of Indian Chambers of Commerce & Industries (FICCI) (website- <http://www.ficci.com/>)
- Indian Chamber of Commerce (ICC) (website- <http://www.indianchamber.org/>)

5.2.6 Route Map for Setting up Business in West Bengal – Annexure IV

5.3 Market Advantage

The capital city of Kolkata itself constitutes a market of over 8 million while the Eastern and North-Eastern region provide a market of approximately 100 million . West Bengal is ideally positioned with regard to exports to ASEAN and Far East. As the home of some of the country's most competitive and transforming industries, the state is the principal gateway not only to the economies encompassing the orient , but also that of the occident.

Annexure 1

Table 1.0 Achievement in Renewable Energy Development in West Bengal

| Sl . No | Name of the Scheme | Unit | Achievement during or up to 2008-2009 (Nov.,2008) |
|---------|--|---------|--|
| 1 | Biogas (Family Type) | Nos. | 5600 up to Nov.,2008 (Target for the year-11000) |
| 2 | Rice Husk Based Power Plant | KW / MW | 42 MW |
| 3 | Solar Home Lighting System | Nos. | 1,60,000 up-to-date |
| 4 | Solar Thermal (Water Heating System) | M2 | 15000 M2 |
| 5 | Solar Street Light | Nos. | 1516 |
| 6 | Solar Micro Power Plant | KW | About 1 MW electricity generated from SPV power plants. |
| 7 | Wind Diesel Hybrid Project | KW | 2.9 MW electricity generated from Wind Farm project |
| 8 | Mini & Micro Hydel | KW | 10 KW Baxaduar Mini Hydel Power Plant has been commissioned in March 2008 |
| 9 | Building Integrated P.V.Programme | KW | 25 houses with BIPV of capacity 2.1 KW in each house |
| 10 | Tidal Power Project | - | 3.75 MW of Tidal Power project to be set-up at Durgaduani with NHPC. |
| 11 | Energy park programme | - | 2 District level Energy Park being set up in: <ul style="list-style-type: none"> • Burdwan District • Nimpith, South 24-Parganas |
| 12 | Improved Chullah | Nos. | 3,69,787 installed up-to-date |
| 13 | Total Families served with power from Renewable Energy Sources | Nos. | - |

Source: West Bengal Economic Review 2008-09



Annexure II

Table 2.0 - The following table shows a list of places where IT Parks are to be developed in the State

| Sr | Name of Park | Area(acres) |
|-----------|----------------------------|--------------------|
| 1. | Kalyani IT Park | 100 |
| 2. | Durgapur IT Park | 25 |
| 3. | Siliguri IT Park | 25 |
| 4. | Kharagpur Advanced IT Park | 50 |
| 5. | Bata IT Park & Township | 25 |
| 6. | Noradanga IT Park | 10 |
| 7. | Rajarhat IT Park | 50 |
| 8. | DLF It Park | 50 |
| 9. | Unitech IT Park | 50 |
| 10. | Keppel Magus IT Park | 25 |
| 11. | Eco Space | 10 |
| 12. | TCS | 40 |
| 13. | Bantala It Park | 130 |
| 14. | Infinity Waterside | 50 |
| 15. | Total | 640 |

Source: Department of IT, Government of West Bengal

640 acre = 27878400 ft² SOURCE: <http://www.metric-conversions.org/area/acres-to-square-feet.htm>



Annexure III

Key website Addresses of West Bengal Including State Government Departments

- Governor's Department - <http://www.rajbhavankolkata.gov.in/>
- Directory of Official Web Sites of West Bengal – <http://goidirectory.nic.in/wb.htm>
- Government of West Bengal – www.wbgov.com
- Department of Finance- www.wbfin.nic.in
- Department of Information & Culture - <http://www.tathyabangla.org.in/>
- Department of Information Technology – <http://www.itwb.org/>
- Department of Agriculture– <http://www.banglarkrishi.gov.in/>
- Department of Panchayats & Rural Development - <http://www.wbprd.gov.in/>
- Department for Land & Land Reforms - <http://www.banglarbhumi.nic.in/>
- Department of Environment - <http://www.enviswb.gov.in/> / <http://www.wbenvironment.nic.in>
- Department of Commercial Taxes - <http://www.wbcomtax.nic.in/welcome.asp>
- Department of Health & Family Welfare- <http://www.wbhealth.gov.in/>
- Department of Irrigation & Waterways- <http://www.wbiwd.gov.in/index2.htm>
- Department of Public Health Engineering Directorate- <http://www.wbphed.gov.in/>
- Department of Tourism – www.westbengaltourism.com
- Department of Labour – www.dgfasli.nic.in
- Department of Power- www.wbpower.nic.in
- West Bengal State Electricity Board - <http://www.cescltd.com/>
- West Bengal Power Development Corporation - <http://www.wbpdcl.co.in/>
- Kolkata Municipality - <http://www.kolkatamycity.com/index.asp>
- Districts in West Bengal – http://www.districts.nic.in/disdetails.aspx?str_state=d2l=



**Annexure IV
Business Set Up Route Map**

