

PM's infra development vision to spur economic growth, says Assocham

PIONEER NEWS SERVICE ■ LUCKNOW

Lauding PM Modi for launching landmark projects in Varanasi, industry body Assocham said expanding investment in infrastructure will generate jobs, promote tourism and play catalytic role in overall growth and development of Indian economy. Assocham secretary general Uday Kumar Varma said on Wednesday that the government's vision for new and improved infrastructure that can serve the nation for a long time.

Varma was referring to the inauguration of a sewage treatment plant, two major national highways and an inland waterways project by the prime minister in his Lok Sabha constituency, Varanasi, on Monday. The Prime Minister launched projects worth Rs 2,413 crore, which includes a multi-modal terminal on the Ganga river. "Infrastructure development will boost the confidence of domestic and global investors/stakeholders as it will reduce the cost of doing business, stimulate economic growth, spur job-creation and improve living standards of the people, not just in Uttar Pradesh but countrywide," Verma said.

"Our country needs reliable infrastructure to connect supply chains and efficiently move goods and services seamlessly, thus a multi-modal terminal on the Ganges offers an unprecedented opportunity for local businesses to export more

goods and services and create high-quality jobs at home," he added. Considering that infrastructure is vital to economic growth, he said: "India's ability to realise its competitive potential depends on making smart infrastructure choices, thereby responding to economic, demographic, fiscal, and environmental changes in order to help people, places and businesses thrive and prosper."

Varma also said that availability of infrastructure support would give fillip to the growth and development of micro, small and medium enterprises (MSMEs) which is critical to the overall growth of industrial sector in both UP and across India. "Lack of proper infrastructural facilities causes a very serious damage to an enterprise's valuable chain process including production, consumption and distribution of products," he said, adding that this constraint is apart from scarcity of finances, inadequate marketing facilities and technological obsolescence that are being already faced by MSMEs. "So, there is utmost requirement of infrastructure development for growth of industries in general, and MSMEs in particular, which should include all types of infrastructural facilities like railways, waterways, roadways and airways, proper channels of telecommunication, adequate supply of power and other supporting facilities like tool rooms, testing labs, design centers and others," the Assocham secretary general added.

Infra development vision as catalyst for growth

Lucknow, Nov 14 (PTI):

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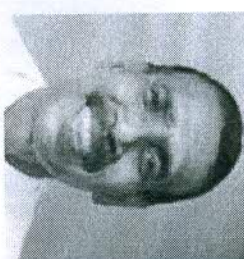


Uday Kumar Varma

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WHATEVER CRITICS MAY SAY

Odisha quite high on 'Ease of Doing Business'



BISWARAJ PATNAIK

Narendra Modi is becoming much more popular than he was at the beginning for talking too much. When his own generals and lieutenants revealed that the BJP had purposefully made tall promises by resorting to believable bluffs, particularly the 'black money scooping from foreign holes and dis-

tributing 15 lakh rupees to every Indian, all Indians felt deceived. The latest surveys indicate a big downfall for the ruling party unless miracles happen. The vulgar display of power of money by some of the younger BJP leaders had caused the most unexpected defeat of the Vajpayee regime. The 'India Shining' campaign was just a plain mad technique they used to cause suicidal outcomes despite historic nation-building efforts and successes. The pre-

sent Modi-Shah duo is causing great national distress by defacing and recreating heritage and history and branding every non-BJP State nonperformer. It is forecast that Rajasthan and Chhattisgarh and more are going to be lost like a needle in a haystack for the saffron party. Modi is singularly popular only because he appears persuasive to the gullible communities. But overall, Modi has no steam left to keep the saffron flag fluttering across the nation. Shah causes pain and ache among the sensible masses for his crude approach to every electioneering initiative.

Interestingly, Naveen Patnaik is a perfect antithesis of Modi. His popularity is on the rise, and magically so. He keeps cool and quiet, no matter how bitter, noisy or caustic the critics are. The Make in Odisha Conclave causes considerable excitement among the corporates looking for business opportunities. The 2018 'Make in Odisha' Conclave has done too well. A whopping ₹4.20 lakh crore investment has been promised by leading corporates to generate employment for nearly five hundred thousand young people. Potential investors have shown up because they feel extremely

safe and reassured due to a robustly stable regime making available a truly investor-friendly environment with extremely supportive policies for ease of running business. An Asian Development Bank study says no other State of India can match with the affordable labour cost in Odisha, where people lead a content, happy life. They do not feel exploited despite being fully aware of the higher labour charges in the other similarly-developed States.

HITTING THE BULLS'EYE

The study establishes that Odisha has the lowest wage rate of skilled labour among the surveyed industrialised States. 'A low wage rate is a positive factor for the setting up of businesses from the perspective of industry' since it drastically reduces the operating expenditure of any business,' the study says. The wage rate of skilled labour in Odisha is ₹6,240 per month whereas for Maharashtra it is ₹8,739 and West Bengal ₹8,888. Andhra Pradesh with a wage rate of ₹9,818, boasts of the highest cost of labour. The other two industrially leading states, Gujarat and Tamil Nadu, have wage rates of ₹9,414 and ₹9,115 rupees, respectively. Power-supply Odisha also boasts of the lowest industrial power tariff among the six chosen States at ₹4.20 per unit. In Maharashtra, it is ₹7.20 and West Bengal ₹6.60.

'Ease of doing business' might be the buzzword for attracting investors as States scramble to improve their rankings. But Odisha is quietly securing the show with its competitive advantage in the cost of doing business. An Asian Development Bank study has rated Odisha as the most cost-competitive State judged by the criteria of cost of setting up and running a business. The report has dwelt on key parameters — wage rate of skilled labour, industrial power tariff and land costs. In all the selected parameters, Odisha wins its hands down on cost compared with States like Andhra Pradesh, Maharashtra, Gujarat, Tamil Nadu and West Bengal.

Vadodara, Surat and Bharuch is more than double — eight to ten million rupees per acre. In Maharashtra, the cost is even higher as land rates hover between eight and 16 million rupees.

Using Odisha's cost in labour, tariff and power, the ADB study goes on to say that an industry in the casting and forging sector can generate billion dollars in revenue and save half a million dollars in power costs if it chooses Odisha over Andhra Pradesh. The savings for the industry are twice at ₹52.2 million if Odisha is preferred over Maharashtra. For an apparel maker in Odisha, the savings in power costs could range between 3.5 million and 10.6 million rupees over other States. A report by industry body ASSOCHAM says by the end of March 31, 2017, Odisha had attracted 17 investments worth 13.2 trillion rupees, the third highest in the country with a share of 7.2 per cent. Odisha has the fastest implementation rate of projects as projects valued at 6.4 trillion rupees are in various stages of implementation.

Odisha has positioned itself as an investment hub after staging road shows in Mumbai

and Bengaluru, eventually culminating in the first-of-its-kind summit 'Make in Odisha' in 2016. From the three events, the State bagged 124 investment intents, 76 of which have already translated into firm commitments. The State Government has identified six focus sectors, which include agriculture and food processing, chemicals and petrochemicals, textiles, downstream and ancillary, ESDM-IT and ITES and auto and auto components.

As per Vision 2025 of CM Naveen Patnaik, his Government is working with an aim of attracting two and a half lakh crore rupees of fresh investments and generate three million jobs. Odisha offers several advantages to investors such as rich mineral reserves, strategic coastal location with over 10,000 km of highway network, and the State is part of the East Coast Economic Corridor. The Government has set up a single-window portal in the country for speedier facilitation and tracking of investment proposals and approvals. It has identified dedicated sector-specific clusters and estates with 10,000 acres of developed industrial land. It also has over 300 'ready

to invest' projects across key sectors. Odisha has established four Investment Regions in the focus sectors, viz., National Investment & Manufacturing Zone (NIMZ) at Kalinganagar, Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) at Paradip, Port Based Manufacturing Zone at Dhamra and Information Technology Investment Region at Bhubaneswar. This will transform Odisha into the industrial gateway to eastern India.

To attract investors, the Government is offering specific incentives that include 100 per cent exemption from stamp duty on loan agreements, credit deeds, mortgages and hypothecation deeds executed by the industrial units in favour of banks. It is also offering capital grant to support quality infrastructure wherein 50 per cent of the infrastructure cost with a ceiling of ₹10 crore per greenfield industrial park and capital subsidy of 10 per cent up to maximum as indicated based on employment and investment in auto and auto components, agro and food processing, textile among others.

Over the last three years, the State Government has embarked upon the implementation of a 'Business Program' for companies to operate in Odisha, which Odisha missed as a result of the reforms implemented in the Business Reform score in the Business Reform (Assoccham) Information Technology Investment Region at Bhubaneswar. This will transform Odisha into the industrial gateway to eastern India.

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