

Interview -'Vibrant Gujarat promotion in Korea'

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The Asia-Pacific Business and Technology Report had the opportunity to meet Ravi S. Saxena, additional chief secretary of the Department of Science and Technology of the government of Gujarat, one of the fastest-growing states in India. With over 30 years in service in government, Mr. Saxena, has served in many roles, both in state government and in the central government. He was in Seoul in August leading an official delegation promoting Vibrant Gujrat - an investment summit that will be held in January of next year. Following are excerpts from his meeting with Dr. Lakhvinder Singh and Matthew Weigand -- Ed.

Can you tell us a little bit about the Gujarat Vibrant Project? What are the main incentives being offered under the program?

Mr. SaxenVibrant Gujarat is institutionalized as a global investors' summit, which is being held on a biannual basis. The fifth edition of this summit is being held on the 12th and 13th of January 2011. Over a period of time, this has now become a well-established global summit. Delegations, both political and corporate, participate from more than 50 countries. In the year 2009 the summit ended up producing MOU s worth \$240 billion, which are now on the way to implementation. There is a mechanism installed to essentially monitor the progress of the MOU s. We have been monitoring the implementation of the percentage of the MOU s signed from the year 2003, because the MOU s take some time to be crystallized into actual investment projects. But, the realization of the projects has been the highest in Gujarat among the fast-moving states in the country. Gujarat is the fastest-moving state in India. In the next Gujarat Summit we expect about \$250 billionin MOU s, even though there is an economic downturn.

Korean companies have already invested in Gujarat. What are the main sectors where Korean companies have invested? And which companies have invested?

The companies are on the smaller scale. Most of them are there as part of some kind of contract. The largest one is Samsung Engineering, which has a \$1.1 billion contract for setting up OBAL Engineering Petroleum Limited which is the largest petrochemical project in that part of the world. Major consumer goods companies, Samsung and LG, are not located in Gujarat but are looking seriously at Gujarat, particularly for mobile and display manufacturing.

What is the experience that they have had?

Most of the companies presented here have had interaction with India and Gujarat in particular. There were companies that have told us that they want to come to Gujarat. At least three companies were represented at the COO or CEO level, have a presence in other parts of the country, and are seriously looking at Gujarat. They have obviously looked at India, have been in India, and are now concluding that Gujarat is a more appropriate location for their projects. Mr. Rattan Tata a famous Indian industrialist has said in the first year he came to the Gujarat Summit, he understood that you are stupid if you are not in Gujarat. He said, "I am here to say that I am no longer stupid. I am very deeply in Gujarat and I am very happy about the Nano rolling out ahead of expectations." Many people up to the prime minister level have participated in this event from Africa, Latin America, and from Europe.

Another important area in where your team is looking for investment is port development. What are the port development projects and what is the significance to Korean companies?

Gujarat has the longest coastline of 1,600 kilometers. This has been a traditional coastline for ports for 2,000 years. In fact the glory of India, which wrongly sent Columbus to America, was based on the legends of the port that existed at the places called Okha and Baruch. It was known as Barukacha in mythological times, in the first century AD, when India's wealth was the talk of the world. They all thought that it was a very very rich area. That's how all these Spanish and Portuguese explorers set out to find India. My point is that most of the trade that brought fame to India in the 1st century AD were ports from this area. And what I'm very fond of telling people is that when you have such famous ports, what is the society that you grow in that? Like Bombay. The best traders, exporters, shipping agents, they all come and stay there. So today's Gujarat is the progeny of thousands of years of commercial excellence.

Today, Gujarat has 42 ports on its coastline, and out of that is one major port, which is Kandla. Kandla is the major port, and amongst India's ports, Kandla can handle the maximum cargo. Amongst the other 41 ports, there is a private port, Mundara port. Mundara is the only private state-of-the-art port for containers and other cargo in India. It's increasing its handling of both types of cargo at a very fast pace. There are other ports at Azira and Madala, which are all handling different kinds of commodities. In addition we have the only liquid chemical port terminal of India, which is located at Dahej.

Additionally, Gujarat's coastline caters to 40 percent of India's population and 40 percent of the geographical area on a logistical basis. With the Delhi-Mumbai industrial corridor, of which 40 percent falls in Gujarat, and the special investment regions based on that becoming operational, the utility of the ports in Gujarat's coastline will become even more significant.

Gujarat has a very flourishing education system. What opportunities exist for cooperation in the education sector?

That is a very interesting question. Academic collaboration is among our highest goals. Today's society is a knowledge-based society and innovation alone can reap benefits in the future. In fact, innovation cities which will have academic institutions, research laboratories, incubators and industry together are being planned. There are three proposals which are already in our hands for such academic cooperation that has already been proposed, but university to university collaboration was intended in my delegation only. I requested three vice chancellors to join our delegation, but they were unable to come at this time. We have Gujarat Technical University, and we are going to request their vice chancellor to look at Korean universities and we would welcome Korean universities to take steps in this direction.

What are the possibilities of cooperation in IT sector?

The IT delegate was not here today, so the IT presentation was not given today, although we planned it. But we are more interested in electronics. IT in the far east has not really caught our attention, but in the electronics industry we are interested in developments from Samsung, LG, and other electronics companies. We have talked to them about setting up manufacturing facilities in Gujarat directly. It's a more focused and directed kind of effort that Gujarat is making for electronics.

When foreign companies invest in India in general there are concerns about power generation and land acquisition issues. How are they being taken care of in Gujrat?

Gujarat is self-sufficient in power, and as most investors are looking at SEZ s, we are comfortable in powering SEZ s because we have one SEZ which is dedicated to only generating power. So this power can be given to other SEZ s through the infrastructure of Gujarat. So on the power front we are comfortable in terms of reliability as well as quality. In the land issues, also, we have almost sixty SEZ s which have been notified. That means that they have been legally approved by the government of India. Many of those have yet to be fully occupied. Because of the downturn, the pace of occupancy became a little slowed. So many investors of SEZ s did slow down their pace of full development waiting for export markets to turn around. But the results of 2009 and 2010 have been very positive and promising. So the entire industry has been moving very fast again, and I hope these SEZ s will come into full operations soon.