

Interview

'We Aim to Achieve Sustained Development and Multidimensional Growth'



The state of West Bengal has been home to chemical industry for more than a century. From pre independence era to the era of globalization the industrial growth of chemical industry has been much below the potential available in the state. In 2009 the state government received the approval to set up the PCPIR to promote the growth of chemical and petrochemical industry. **Nirupam Sen, Hon'ble Minister In Charge for West Bengal** contradicts the negative perception about the state and the state getting back on to a high growth track in an exclusive interview with **Mittravinda Ranjan**.

Walk us through the chemical industry in West Bengal.

Chemical industry in Bengal has a glorious past. The initiators in this type of industry included stalwarts like Acharya P C Ray, Prof Raj Sekhar Bose, Prof P R Pay and Prof Gnan Ghosh among others. The formation of Bengal Chemicals inspired a number of scholars and businessmen and organizations like Calcutta Chemicals, Shalimar. Sur Industries, G D Pharmaceuticals, East India Pharmaceuticals, Bengal Salt, etc came into being. However, all

these were individual efforts, during the pre-Independence times. Foreign companies like ICI also had production unit(s) in Bengal.

However, post Independence, there was a change in scenario and by 90s, with the introduction and implementation of NEP, the situation became topsy-turvy. At the same time, ever since the Left Front was voted to power in 1977, we steadily sought to have a Petrochemical Unit in the state and ultimately got the permission in 1988. In fact, we had identified petrochemicals as one of the key areas of industrial

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growth in our policy approach to industrialization.

Presently, HPL downstream units have more than one lakh employees and with the recent expansion (Super Max), more employment opportunities will be created. Emboldened by HPL experience, many chemical players like Mitsubishi Chemicals Corporation, Tata Chemicals and others have invested in the state. In fact the investment in the expansion project of Mitsubishi in 2008 has been the largest FDI in the country.

It will be pertinent to mention that in the field of chemicals and petrochemicals, our state has maintained a steady position for the past few years and produces 12- 13 percent of country's total production after Gujarat and Maharashtra which contribute 62 percent and 15 percent respectively to the petrochemical production. The expansion of HPL and Mitsubishi and setting up of fertilizer plant in Panagarh by Matix Group is likely to take us to the second slot in the coming years.

What is the policy of West Bengal State Government for industrial development?

The West Bengal Government has been steadily following a policy to bring about fast industrial growth coupled with employment generation and creation of employment opportunities by maintaining an inter-sectoral balance through creation of resources in both rural and urban areas and facilitating smooth transition from primary to secondary sector. We aim to achieve sustained development in the state, the concept highlighted in the Policy Statement of Industrial

Development, 1994.

How did the shift of Nano project to Gujarat impact investments into the state?

Initially, shifting of project did come as a jolt and created tremors; however the state has already overcome this shock and moved ahead. In fact there has been an increase in

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industrial investments in the state and they have increased from Rs 4434 crores in 2008 to around Rs 7100

crores in 2009. This bears testimony to the fact that we are firmly back on the track.

How do you plan to promote the brand West Bengal as there is a general perception of state being non industry friendly?

I think by now we have been able to shed that image. In fact, these days we are criticized for pro-industrialization policy. There may be few stray incidents that may sound discouraging, however on the whole we have been able to break out of that mold and the perception is changing for better. In the recent past during the overseas visits, state level delegations have received very good response.

I have been handling the responsibility of leading the Indian Government delegations to various countries in the recent past. We received warm welcome during our visit to Germany in April 2008,



Nayachar Island, site for PCPIR

Japan and Singapore in April 2009, Doha and Qatar in January 2010 and to USA in March 2010 and these countries evinced keen interest to invest in West Bengal. So you see, there is a change in the perception.

What steps is the government taking to promote industrial development in the state?

In a bid to promote growth of public and private sectors, the state government is concentrating on promoting Public Private Partnership (PPP) model in few sectors. We have already updated the incentive scheme and also constituted one interdepartmental scrutiny committee to examine the projects who have applied to avail incentives offered under this plan. This will help the industry players save time and provide entrepreneurs have a better insight into the working of machinery.

State government is emphasizing on development of adequate infrastructure facilities, availability of power and improvement of existing road linkages. We have already accomplished work on two important national highways linking Mumbai, Delhi and Chennai and the construction of highway to connect with Assam is in progress. This would enable us establish better links with North Eastern provinces of India. Modernization work at Kolkata airport is already in progress which is expected to be completed by next year and an aerotropolis with all modern infrastructure facilities is under construction in Durgapur. One deepwater and few minor ports are expected to be set up in the

state and we are in touch with the developers of these facilities. Telecommunication facilities have witnessed phenomenal growth and underground cable connectivity in Haldia will further augment the progress.

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response, which has encouraged us to modernize the growth centers. As stated earlier, we are devoting much of our energy and efforts towards industrial development in the state.

Please throw some light on the proposed PCPIR project in the state and what were the initial hurdles?

As you know, the Central Government has framed this entire set of policies regarding Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) and we have followed it in letter and spirits. In keeping with the Government of India guidelines and norms, our proposal to host a PCPIR in Haldia, including Nayachar Island or Agnimarichar, was approved by the Government of India in February, 2009. Government has allocated 250 sq km land, comprised of 200 sq km

in Haldia and 50 sq km in Nayachar Island or Agnimarichar. Currently, Haldia hosts the country's largest brownfield site in this sector, with 110 sq km. The PCPIR guideline stipulates 40 percent area for processing zone and 60 percent area for infrastructure. In October, 2009 Government of India and Government of West Bengal signed an agreement towards development of PCPIR infrastructure.

We did come across various hurdles along the way but we have taken all of them in our stride and moved well ahead. However, the main challenge is to see the PCPIR shape up in the manner it has been envisaged; a nest of our aspiration to generate growth and employment, a launching station of welfare and all round development that includes all sections of society.

What are the main challenges you see in realization of this project?

You see, every step is a hurdle and as you move up the challenges get harder, but at the same time one also gets enriched with the experience and one needs to handle the challenges as they come. As far as realization of the projects is concerned, completing the project within the timelines is a stiff one, roping in adequate number of investors and having them abide by the stipulators, especially the environmental norms are the main issues that we will have to address and deal with. Apart from these there may be challenges from hitherto unknown or unanticipated corners.

How do you plan to raise equity for the proposed project?

We have targeted investments of

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around Rs. 93,000 crores (USD 18.6 billion) and Government of India (GoI) has already and the West Bengal government have signed the agreement towards allocation of Rs 2108 crores under the current five-year plan.

It is difficult to realize such huge project without adequate support and assistance from the Central Government. We have already urged Indian Oil Corporation Ltd (IOCL) as one of the anchor investors in our PCPIR, since this would signify a sizeable presence of GoI in this endeavor.

What kind of industrial development would the state see in the years to come through this project?

Multidimensional- is the word. The impact of realization of this project will not be restricted to the industrial development but this will greatly have a positive influence on the social-economic arena. As I have already stated that this is one of the key areas of the process of industrialization in the state apart from Iron and Steel, Food Processing and Information Technology and Information Technology Enabled Services (IT/ITES). Implementation of PCPIR will catalyze a series of activities that may position us on the top of industrial chart of our country and also bring international focus to our state.

How would the investors and

industries benefit from investing in West Bengal?

We work in a federal structure and within our limited capacity, try to extend as much facilitative measures as possible and feasible. We are offering a basket of facilities that the individual industries can avail of, provided they have the wherewithal and will to implement. There are concessional steps in the levies like value added tax (VAT), surcharges and other taxes. Those who set up industries in backward areas would receive special benefits and additional incentives along with waivers like power tariff and cess in certain cases. In the Government of West Bengal they will find a friend in need and in deed as well. ■