

# *Press Release*

## **STATE TO GIVE HIGH PRIORITY TO INDUSTRIALIZATION**

**- Chief Secretary**

Jaipur, 12 May: Rajasthan is giving high priority to industrialization with the objective of transforming a largely agrarian economy to a modern industrial economy, said Chief Secretary of Rajasthan, Mr. S. Ahmad at the inaugural session of the 'Automotive Conclave – Unfolding Investment Opportunities in Rajasthan', today in Jaipur. He was the chief guest of the inaugural session.

With this in focus the State Government has in past one year taken important steps such as approval and implementation of Rajasthan Industrial and Investment Promotion Policy – 2010, enactment of Rajasthan Enterprises Single Point Enabling and Clearance Act, Single Point Electronic Monitoring and Clearing System, simplification and rationalization of Regulatory Mechanisms and setting up of Udyogik Salahakar Samiti (Industrial Advisory Council), he said.

Mr. Ahmad further added that industry cannot flourish in vacuum and need supporting infrastructure. He said that the State is laying stress on creation of high quality infrastructure including industrial townships and urban infrastructure. Similarly, the enhancing skilled labour and employability has been given a suitable push. The Chief Secretary said that Rajasthan was emerging as a new destination in the automotive sector. He hoped that the conclave would throw up ample opportunities for investment in the State.

Principal Secretary Industries and Chairman RIICO, Mr. Sunil Arora said that with the growth of automobile sector there will be requirement for new infrastructure, new roads, autobahns and a road safety policy. Mr. Arora emphatically outlined that what the State required was one auto major in the State which would give a thrust to the automotive sector in form of a cascading effect. He hoped that the conclave would adequately highlight the potential of the State in the automotive sector.

In his theme address, Mr. R.R. Bhinghe, CEO, Tata Strategic Management Group, Mumbai said that Rajasthan meets and exceeds the requirements of national and transnational automobile companies. The plus factors of the State were its proximity to the northern and western markets of India, strife-free labour environment, vast mineral resources and investor-friendly attitude of the State Government.

Earlier, the Managing Director of RIICO, Mr. Rajendra Bhanawat introducing the conclave said it aims at outlining the investment opportunities in automotive sector in Rajasthan. It will address all issues, which are critical and important for making investment decision in automotive domain. Besides presenting overview of automotive

industry, emerging trends, prospects and opportunities will also be outlined.

In his welcome remarks the Chairman FICCI, Rajasthan State Council, Maharaj Jai Singh said that this is a unique initiative of RIICO and FICCI to highlight the potential of the sector. He said that the Indian auto component industry is poised for growth. The Indian automotive industry had taken a new start in 1991 with the delicensing of the sector, he said.

The programme was compered by Director, FICCI, Rajasthan State Council, Mr. Gyan Prakash.



Photo1: Chief Secretary of Rajasthan, Mr. S. Ahmad addressing the inaugural session of the ‘Automotive Conclave – Unfolding Investment Opportunities in Rajasthan’ today at Jaipur.



Photo2: The audience at the automotive conclave.

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# *Press Backgrounder*

## **AUTOMOTIVE CONCLAVE – UNFOLDING INVESTMENT OPPORTUNITIES IN RAJASTHAN**

Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) and Federation of Indian Chambers of Commerce and Industry (FICCI) have joined hands to organize a two-day 'Automotive Conclave – Unfolding Investment Opportunities in Rajasthan'. The conclave will be held on 12 May at the SMS Convention Centre in Jaipur. It will witness 5 technical sessions and one buyer-seller B2B meeting on 12 May, 2011.

The Chief Secretary, Mr. S. Ahmad will be the Chief Guest at the inaugural session at 9.30 am; while the Additional Chief Secretary, Mr. C.K. Mathew will preside over the valedictory session.

On 13 May, the interested participants will be taken to Neemrana and Bhiwadi industrial areas and upcoming sites for automotive industry. Arrangements have been made for their transportation and site visits.

### **Why Rajasthan and Why now:**

This Conclave, the first sector specific Conclave in Rajasthan by RIICO, aims at unfolding the investment opportunities in automotive sector in Rajasthan before investor community and disseminate information on two important issues – Why Rajasthan and Why now. The Conclave will address all issues, which are critical and important for making investment decision in automotive domain. Besides presenting overview of automotive industry, emerging trends, prospects & opportunities and also showcasing Rajasthan as destination for automotive industry; the Conclave will provide opportunity of direct dialogue between OEMs / Tier-I companies and the prospective vendors, and understand the nitty-gritty involved in vendor selection and development. The Conclave will also provide a platform to the investors for a direct interaction and dialogue with key decision / policy makers of the State Govt. on their specific investment proposals in automotive sector. The Conclave will also address issues requiring attention of the State to further promote Automotive Sector in Rajasthan.

A Buyer – Seller B2B meeting is also proposed in the Conclave.

On 13<sup>th</sup> May, 2011 interested investors will have opportunity to visit upcoming sites at Neemrana and Bhiwadi in NCR sub-section of Rajasthan, and to also see the automotive industry ecosystem at Neemrana – Bhiwadi belt.

Thus the Conclave provides the participants not only an opportunity to crystallize their investment plans in Rajasthan, but to enhance their businesses, too.

Key industry associations in automotive sector, policy / decision makers in the State Govt. of Rajasthan, industry experts and industry players are being invited to address the participants.

The technical sessions on 12 May will be:

- **Technical Session I** – Overview of Automotive Industry - Present & future global and Indian Scenario of automotive industry, prospects & opportunities, suggested strategies for Rajasthan (10.40 AM to 11.45 AM);
- **Technical Session II** – Industry perspective of Rajasthan as Auto Industry destination and

vendor development opportunities in Rajasthan (11.45 AM to 1.00 PM);

- **Technical Session III** – International perspective of Rajasthan as Auto Industry destination (1.00 PM to 1.30 PM);
- **Technical Session IV** – Rajasthan : An ideal destination for Automotive Industry (2.15 PM to 3.45 PM);
- **Technical Session V** – Investors open forum - dialogue with decision makers / policy makers : Panel discussions, and Investors' direct dialogue on specific queries for investment in Rajasthan (4.00 PM to 4.45 PM).

On 13 May interested participants of the conclave will be taken to Neemrana and Bhiwadi industrial areas and upcoming sites. They will also be visiting certain projects.

### **Bhiwadi-Neemrana-Alwar Emerge as a Auto Cluster:**

The NCR sub region of Rajasthan (Bhiwadi-Neemrana-Alwar) has emerged as a cluster for Automotive manufacturing activities in the country. Auto majors like Honda Sael Cars, Honda Motorcycle & Scooter, Ashok Leyland, Eicher (TAFE) have presence in this region. In fact, Bhiwadi-Neemrana Belt in particular has taken shape of an independent Auto Hub. Prominent Auto Component Units have also established / are establishing their shops in this belt. An exclusive Auto & Engineering Zone in Bhiwadi Area has been created. At Neemrana, RIICO has created an exclusive zone for Japanese investment, where majority of investment is from Japanese auto component companies. An ecosystem for Automotive Industry has developed in Rajasthan. Bhiwadi-Neemrana Belt, in fact, provides complimentary / supplementary support of operations among OEMs, Tier-I, Tier-II and Tier-III Industries in automotive domain. GoI has initiated actions for setting up of a Tool Room and Training Centre at Bhiwadi in PPP mode, which will be an important infrastructure facility for Automotive Industry. Rajasthan, continuously receiving attention of investors in automotive domain, has emerged as an ideal destination for Automotive Industry.

### **Rajasthan an Auto Investment Destination**

Rajasthan the largest Indian State enjoys a strategic location advantage, serving as a natural corridor connecting the northern and western consumers markets in the country. 39% of the Delhi-Mumbai Freight Corridor (DMFC) being established falls in Rajasthan. North-South & East-West Corridors and Golden Quadrilateral also pass through Rajasthan, which provides excellent road connectivity with rest of the country.

Rajasthan with excellent rail & road connectivity; comfortable power availability to industries and also additional electricity capacity planned; skilled manpower base - both for shop floor as well managerial cadre; peaceful and strife-free labour environment; good law & order position; availability of varieties of minerals; and conducive policy framework has emerged as a preferred investment destination in the country. Besides the recently launched Rajasthan Industrial and Investment Promotion Policy – 2010, Rajasthan Investment Promotion Scheme – 2010 that provides a package of fiscal incentives; the State has also introduced Single Window Clearance System with statutory backing to provide speedy and time bound clearances for establishing enterprises. Doing business with Rajasthan has become further attractive and exciting proposition for investors.

Low cost land option has never been an issue for Rajasthan. With planning of Delhi-Mumbai Industrial Corridor (DMIC) along DMFC, land options have increased manifold. In fact DMFC and DMIC have made Rajasthan the most viable destination for industrial activities, in particular the manufacturing sector. The Rajasthan Industrial and Investment Promotion Policy – 2010 lays

down that an Automotive Zone in DMIC region would be set up.

### **Robust Growth:**

The Indian Automotive Industry embarked on a new journey in 1991 with de-licensing of the sector and subsequent opening up for 100% FDI through automatic route. Riding on a robust economic growth, the Automobile Industry has grown at ~ 9.5 % in last 4 years, with the level of production of vehicles rising from 9.74 Million in 2005-06 to 14.05 Million in 2009-10. In-fact, the Indian Automobile Market is the second fastest growing in the world and has shown nearly 30% growth in 2010-11.

Backed by strong economic indicators, rapid urbanization, huge domestic market, growing middle class with increasing purchasing power, increasing working population, easy access to credit; Automotive Industry is set to attain new heights in coming years. Availability of trained manpower at competitive cost and high engineering skills have also contributed to the growth of this sector. Indian Auto Component Industry has developed capabilities to manufacture the entire range of Auto Components.

## **Press Release**

### **THE STATE TO CONSIDER A SPECIAL PACKAGE FOR AUTOMOTIVE INDUSTRY**

**- Additional Chief Secretary, C.K. Mathew**

Jaipur, 12 May: Additional Chief Secretary, Mr. C.K. Mathew today mooted a proposal for having a special package for automotive industries in the State. He was presiding over the valedictory session of 'Automotive Conclave – Unfolding Investment Opportunities in Rajasthan', today in Jaipur.

Mr. Mathew said that the automotive industry was not only a visible symbol of growth in any country but also reflected the deep substantial fundamentals of economic growth. Japan and the United States were prime examples of phenomenal automobile growth. The automotive sector growth led the way for growth of other sectors as well. He said that India's automotive sector is steadily growing and would reflect the general economic growth and robustness.

He said that the State must put in place a package of incentives, concessions and rebates which should be significant, different and better than other States. Furthermore, there has to be a basic attitudinal change in the response and behaviour of the Government agencies promoting industrialization. There were, he said, issues of trust and clarity and response which needed to be addressed by the State. The new single window system was a step in the right direction.

Earlier, in the open session Principal Secretary, Industries, Mr. Sunil Arora said that the State Government would consider any significant proposal received for setting up an auto

component hub. He said that projects worth over Rs. 30,000 crores were already in the pipeline since the single window system was initiated four months ago.

During the day five technical sessions took place in which a number of issues pertaining to the auto sector, setting up of OEMs, infrastructure development, infrastructure development act were also discussed.



Photo Caption: Additional Chief Secretary, Mr. C.K. Mathew addressing the valedictory session of ‘Automotive Conclave – Unfolding Investment Opportunities in Rajasthan’, today in Jaipur.