

MAHARASHTRA

The Gateway of India



2ND LARGEST STATE, LITERATE, URBANIZED

- 308,000 sq kms, west coast to central India
- 110 m people, more than most countries
 - 42% Urban, against India's 28%
 - Young, 67% below 34 years
- Literacy 77% (India: 65%), sharp increase in female literacy in last decade



INDIA'S PACE SETTER

- Led economic and social change in India
- From 1970s: employment guarantee
- Bringing people together in production cooperatives
- Heavy investment in infrastructure, HRD
- Promoted private enterprise, partnerships



INDIA'S ECONOMIC POWERHOUSE

- **1/5th in value of industrial output value and net value added**
- **India's largest employment provider (total, and non-farm)**
- **Over 40% of India's fiscal receipts...**
- **Few natural advantages, but industries based on coal, iron ore, manganese, bauxite and limestone expanding**



INDUSTRIAL DIVERSITY, DEPTH

- Leads in value of output in 15 out of 25 Industry segments
- Major industries: auto and components, machinery, food products/processing, basic metals, pharma, gems & jewellery, IT
- *“A factory in Maharashtra employs 16% more capital and 2% more labour, but produces 37% more output and adds 51% more value” (ASI)*



PACKAGE SCHEME OF INCENTIVES

- **Since 1964, incentives to new industry, higher in less developed areas**
- **Subsidy linked to VAT payments, capital investment, employment (in low HDI areas)**
- **Electricity Duty, Stamp Duty exemptions**
- **Customised package for Mega Projects, with large investment or employment**



INDUSTRIAL MEGA PROJECTS

- **169 industrial Mega Projects approved since June '05, Rs. 1,40,826 cr inv (\$ 30 bn) proposed, 213,000 employment**
- **Spread across State: 109 in newly developing areas**
- **Inspite of slowdown, 35 in 08-09**
- **38 in 09-10 so far, commitments in first 9 months equal to last FY**

INDUSTRIAL MEGA PROJECTS

- **High implementation rate: 41 already in production, including GM, VW, Hyundai, LG, CanPack, Rieter**
- **39 under construction, 50 now have land**
- **Recently, global leaders like POSCO, Bridgestone, addl inv by VW, GM, LG Electronics**



LEADS IN PROJECT INVESTMENT

- **\$ 118 bn investment planned or under execution, 6,743 infra, industrial, other projects, including public (*Projects Today, Nov 09*)**
- **Followed by AP, Orissa, Gujarat and TN**
- **1/5 of India's fresh investment (Apr–June 09)**
- **Implementation rate 51%, 2-12 %age points above leading States, rising trend**

MOST GLOBALLY CONNECTED STATE

- **Competitive business, enabling environment**
- **Since 1991, 23% of FDI approvals, highest share: 4,133 approvals, US \$18 bn**
- **53% share of actual FDI inflows in 08-09**
- **17% of foreign technical collaborations**



MOST GLOBALLY CONNECTED STATE

- **27% share of India's exports**
- **146 approved SEZs, highest in India**
- **58 SEZs notified, 14 operational**
- **Partnership agreements with Ontario, Quebec, Veneto, Geonggi, Okayama provinces**
- **Mumbai: relationship with Stuttgart, Yokohama cities since last 40 years**



PEOPLE POWER

- **250,000 skilled people each year from professional, technical and related institutions**
- **Innovative industry partnerships, 164 ITIs 'adopted' by industry in last 2 years**
- **700 Vocational Training Providers for school dropouts, workers with low formal education**

MORE PEOPLE POWER NEEDED



- **Apprenticeship training, curriculum upgradation, skill assessment, placements...**
- **...partnerships with US, Australian, Swiss institutions in technical education**

STRONG, IMPROVING INFRASTRUCTURE

- **First State to build highways on PPP basis**
- **720 kms coastline, 2 major ports (JNPT handles 56% of India's container traffic)**
- **6 smaller ports being developed on PPP basis**
- **Private jetties, major Shipyard project**



STRONG, IMPROVING INFRASTRUCTURE

- **2nd highest tourist arrivals; 4 international airports, 1/3 of India's international traffic**
- **Regular air services to 8 places across State**
- **Greenfield airports planned at Pune, Navi Mumbai, 15 smaller airports being expanded**
- **Nagpur: International Passenger & Cargo Hub linked with airport and SEZ**



STRONG, IMPROVING INFRASTRUCTURE

- **India's highest thermal, 2nd highest renewable power generation, supply overtaken by rapid economic growth**
- **No power cuts for large industry, 24x7 electricity supply in Mumbai and other major cities**
- **New power projects, State support to private generation, sharp reduction in T&D losses:**
- **Power self-sufficiency by 2012**



MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION (MIDC)

Largest Industrial Infrastructure Provider In India

Set up under separate law, land acquisition powers, 230 Industrial Estates, over 55,000 ha

- **Doubling of land bank underway**
- **Water supply, own dams, supplies water to several cities and towns also**
- **One-stop shop for industry**



MIDC

- **12 Airports / Airstrips, developing 6 with private players**
- **Specialized Parks, including JVs: IT, BT, Floriculture, Food Processing, Textiles, Wine, Gems & Jewellery, Chemicals, SEZs**
- **Partnerships for natural gas provision in industrial estates**



MUMBAI: INDIA'S BUSINESS CAPITAL

- **World's 6th largest metropolitan region, India's most cosmopolitan city, 5% of India's GDP**
- **BSE & NSE: over 70% of stock volumes**
- **90% of merchant bank activities, commodities transactions from NCDEX & MCX**
- **HQs of RBI, SEBI, most FIIs, banks**
- **Bollywood: more films than Hollywood!**



MUMBAI METROPOLITAN REGION

- \$ 60 bn 'Mumbai Makeover' plan: PPP in project planning, investment, execution

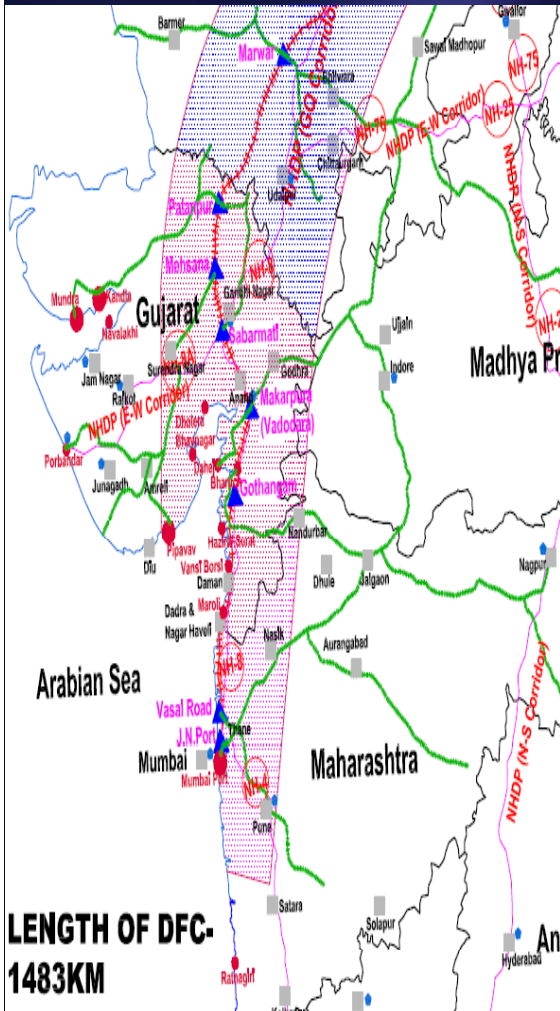
- urban transport
- roads, railways
- water supply
- sanitation
- power

- rental housing, urban regeneration

- Work on Sea Link, Metro, Mono-Rail started, Innovation Park planned



DFC & DELHI-MUMBAI INDUSTRIAL CORRIDOR



- **Dedicated Delhi-Mumbai rail Freight Corridor**
- **Around DFC, Delhi-Mumbai Industrial Corridor region: Mumbai to Nashik, Pune, Aurangabad**
- **Detailed project planning for PPP logistics, economic clusters, connectivity, physical & social infrastructure projects**

POLICIES

- **Grape Processing Policy 2001**
 - 10 x increase in wine production, 90% share
 - National Grape Processing Board at Pune
- **Bio-Technology Policy 2001**
 - “Maharashtra now has 33% share of BT industry, followed by Karnataka” (‘09)
 - New incentives for private BT Parks
 - BT Virtual Resource Centre launched with CII, Pune University (‘09)



POLICIES

- **IT & ITES Policy 2003, 2009**
 - 8 x export increase, now 2nd to Karnataka
 - 72 private, 36 public IT Parks
 - 90% of IT/BPO business in 7 centres in India, incl Mumbai, Pune
 - Largest market for IT products and internet, highest pool of IT professionals
 - Emerging Maharashtra centres: Nagpur, Nashik, Aurangabad



POLICIES IN MAKING

- **SEZ & Designated Areas law, following SEZ Policy 2001**
- **Agro Industries, Food Processing Policy**
 - India's largest horticulture producer
 - Leading food processing State
- **Textile Policy**
- **Policy framework for Infrastructure PPP**



IMPROVING EASE OF DOING BUSINESS

- **Among 5 States in 'E-Biz' Project**
- **VAT: 100% e-registration, filing of returns and payments**
- **Property registration computerised, 'anywhere-anytime' registration next**
- **Integrated E-Governance project**

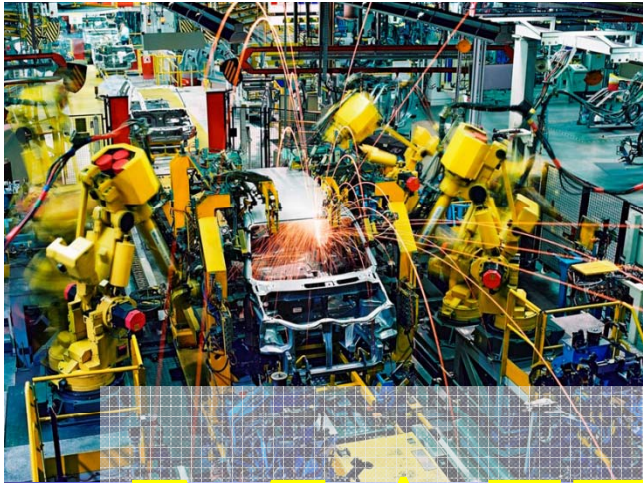


WHAT OTHERS SAY

- **“India’s most competitive State”** (*BusinessWorld, Institute of Competitiveness, Feb 09*)
- **“Maharashtra tops Indian States, best industrial climate for investment”** (followed by **Gujarat, TN and AP**) (*‘New Media’, with Indicus Analytics, July 2009*)

WHAT OTHERS SAY

- **Reserve Bank of India: “Most favoured destination in 08-09: 20.6% of institution-financed corporate capex (followed by Gujarat, Orissa and AP)” (August, 09)**
- **“3 x increase in investment over 07-08”**



MAHARASHTRA

The Gateway of India

