

CHAPTER 5

OVERVIEW OF GUJARAT STATE AND SELECTED CITIES

5.1 SOCIO ECONOMIC REVIEW OF GUJARAT STATE¹

Gujarat, which was carved out as a separate state from the then Bombay State on May 1, 1960, is celebrating the Golden Jubilee year of its existence. Gujarat began a new era - an era of self confidence, of trend setting, of proving to the world, what Gujarat and Gujaratis have been known for ages. Since the state hood, Gujarat has achieved many milestones and has led the way for other states to emulate. The successes have come in many fields and through innovations - be it through two rounds of green revolutions to improve productivity in agriculture sector and make farmers and villages prosperous, through co-operatives and white revolution to empower women and provide a strong backbone to rural Gujarat, through inter linking of rivers and by taking waters of Narmada to every nook and corner of Gujarat and making every village self sufficient in their drinking water needs or by ensuring that every house hold in Gujarat gets 24 hour electricity supply.

The results of economic liberalization could be seen most clearly in Gujarat in the first decade of the new century, beginning 2001. The State emerged stronger and a beacon of hope for the rest of the country in terms of economic and industrial development. The investment climate and industry friendly policies of Gujarat have made it industrially Vibrant State. Gujarat is among the top few States in India to attract investments and create jobs. In particular, the State Government began organizing the now-famous, biennial Vibrant Gujarat Global Investment Summit (VGGIS) from 2003 onwards to showcase the State as a major investment destination. In the five such events held so far, investments worth rupees lakhs of crores have been promised and many projects are at various stages of implementation across the State. On the industrial infrastructure front, the state has moved from

traditional industrial clusters to industrial estates and advanced further to establish 60 SEZs. The State is further moving to set up truly world-class huge-sized Special Investment Regions which we call the SIRs. They will be supported by world-class infrastructure, premium civic amenities and an exemplary policy environment. Setting up of these SIRs is in line with the upcoming Dedicated Freight Corridor between Delhi and Mumbai (DFC) and the Delhi-Mumbai Industrial Corridor (DMIC). Similarly, these SIRs will have a great synergy with our upcoming International Finance Tech-City popularly known as Gujarat International Finance Tech-City (GIFT).

Gujarat accounts for about 30 per cent of India's stock market capitalization, 22 per cent of exports and 9.5 per cent of the workforce. The State is the world's largest producer of castor and cumin, has the largest gas-based single location sponge iron plant, the largest producer of processed diamonds and the third largest denim producer. Besides, it also has Asia's largest grassroots petroleum refinery at Jamnagar and the country's only LNG import terminals at Hazira and Dahej.

In terms of its presence across sectors, Gujarat contributes significantly to the country's soda ash production (98 per cent), salt production (78 per cent), diamond processing (80 per cent), plastic industry (65 per cent), Petrochemical production (62 per cent), Onshore Crude oil (53 per cent), Onshore natural gas (31 per cent), Mineral production (10 per cent), chemicals (51 per cent), groundnut (37 per cent), pharmaceuticals (35 per cent), cotton (31 per cent) and Textiles (31 per cent).

5.1.1 Brief about Gujarat States' Economy²

Gujarat located on the western most part of India, has one third of coastline of the country. Since inception of the state, the structure of its economy has changed significantly. Not only the State's GSDP and Per Capita GSDP have increased but it has shown all signs of a developed and urbanized economy.

As per the quick estimates, Gross State Domestic Product (GSDP) at factor cost at current prices in 2009-10 has been estimated at Rs. 429356 crore as against Rs. 367745 crore in 2008-09, showing a growth of 16.8 percent during 2009-10. The share of Gujarat state for the year 2009-10 at current prices in Gross Domestic Product at all India level works out to 7.00 percent. The per capita income at current prices is estimated at Rs. 63961 in 2009-10 (which is higher than the national average of Rs. 46492), as against Rs. 55140 in 2008-09, registering an increase of 16.0 percent over the previous year.

Gujarat has continued to witness impressive industrial development. The state has received acknowledgments of 9737 Industrial Entrepreneurs Memorandum (IEM) filed by entrepreneurs till September- 2010 with an estimated investment of Rs. 800219 crore. The cumulative number of registered Small Scale Industries units crossed the figure of 3.12 lakh at the end of September-2006. SSI act is revised as Micro, Small and Medium Enterprises act (MSMED Act, 2006) from 2nd October, 2006. In the state during the October, 2006 to November, 2010, the total 69129 Micro, Small & Medium units have been registered having an investment of Rs.35366 crore and employment generation of 929006. Board of Approval (BOA) in Ministry of Commerce and Industries (MoCI), New Delhi has accorded approvals to 60 SEZs (Special Economic Zone) in Gujarat at the end of November-2010. The total proposed investment by SEZs developers is around Rs. 267374 crore.³

The percentage share of Gujarat State in All-India aggregates for ASI 2008-09 such as number of factories, number of employees, value of output and net value added, accounted for 9.57 percent, 9.93 percent, 15.54 percent and 11.77 percent respectively.⁴

Gujarat stands first in providing jobs to the candidates through Employment Exchanges for the last seven years in the country as per report published by the Directorate General of Employment & Training, New Delhi. The number of placements in year 2008 was 225714, which is maximum among all the states. In the

state, during the year 2009-10, 4.08 lakh persons have been registered in the employment exchanges and 1.78 lakh have been placed in employment. The total employment in public sector and private sector has increased from 19.04 lakh at the end of March, 2009 to 19.82 lakh at the end of March, 2010.⁵

Infrastructure is the backbone of progress and the state has a fairly well developed infrastructural facilities. The generation of electricity in the state, including the generation of private sector and central share was 69883 MUs in 2009-10. The per capita consumption of electricity during the year 2009-10 was 1491 units (as per CEA's revised formula).⁶

As per the provisional accounts, the total receipts during the year 2009-10 was Rs.56204.02 crore which is higher by Rs.7020.50 crore than the previous year 2008-09. Revenue receipt was higher by Rs.2996.66 crore and capital receipt was higher by Rs.4023.84 crore than the previous year. The expenditure during the year 2009-10 was Rs.60357.68 crore, which was higher by Rs.8437.80 crore than the year 2008-09.

The revenue expenditure was higher by Rs.9896.81 crore while capital expenditure was lower by Rs.1459.01 crore compared to the previous year i.e. 2008-09.

As per the provisional accounts of 2009-10, the receipts on revenue account was about Rs.41672.37 crore, while the total outgoings on revenue account was about Rs.48638.27 crore, leaving a deficit of Rs.6965.90 crore under revenue account. Under the capital account, total expenditure was Rs.11719.41 crore, against the capital receipts of Rs.14531.65 crore, showing a surplus of Rs.2812.24 crore. During the year 2009-10 on the capital account, expenditure on discharge of internal debt was Rs.2681.26 crore against the final accounts for the year 2008-09 of Rs.2045.86 crore. The total deficit on revenue and capital account together for the year 2009-10 works out to Rs.4153.65 crore, while the contingency fund and public account (Net) recorded deficit of Rs. 13.15 crore and surplus of Rs. 3941.71 crore respectively.⁷

Thus, the Government account for the year 2009-10, shows net deficit of Rs. 225.10 crore. Government of India has been implementing the revised Twenty Point Programme-2006 since 1-4- 2007. The Gujarat State has achieved 96 percent and got 1st rank in the year 2008-09. The State has achieved 94 percent in the year 2009-10. The Ministry of Statistics and Program Implementation of the Government of India has recently published Progress Report ending July-2010 for the year 2010-11, Gujarat State has achieved 1st rank with 100 percent achievement in the country.⁸

5.1.2 Overview of Population in Gujarat State⁹

According to Population Census 2001, the population of Gujarat was reported at 5.07 crore. The decadal growth rate has increased from 21.19 percent (1981-91) to 22.66 percent (1991-2001). Gujarat accounts 6.19 percent of the area and 4.93 percent of population of the country.

The literacy rate in the State (excluding children in the age group 0-6 years) has increased from 61.29 percent in 1991 to 69.14 percent in 2001. The density of population in Gujarat has been 258 persons per sq.km. Nearly 37.36 percent population of Gujarat was residing in urban areas and the sex ratio was worked out to 920 in 2001.

Classification of population by economic activity according to Population Census 2001 reveals that out of the total population of 506.71 lakh in the state, 170.25 lakh were main workers, 42.31 lakh were marginal workers and 294.15 lakh were non-workers. Thus main workers constitute about 33.60 percent of the total population and marginal workers constitute about 8.35 percent of the total population of the state.

5.1.3 Overview of Gujarat State Domestic Product¹⁰

Gross State Domestic Product (GSDP) at factor cost at constant (2004-05) prices in 2009-10 has been estimated at Rs. 331633 crore as against Rs. 300847 crore in 2008-

09, registering a growth of 10.2 percent during the year. As per quick estimates, Gross State Domestic Product at factor cost at current prices in 2009-10 has been estimated at Rs. 429356 crore as against Rs. 367745 crore in 2008-09, registering a growth of 16.8 percent during the year. The higher growth in the economy during the year 2009-10 can be mainly attributed to manufacturing, electricity, construction and communication sectors, which have contributed to the tune of 11.0 to 34.6 percent growth during the year 2009-10 at constant (2004-05) prices.

The share of primary, secondary and tertiary sectors has been reported at 14.2 percent, 38.6 percent and 47.2 percent respectively to the total GSDP (Rs. 331633 crore) in 2009-10 at constant (2004- 05) prices. The share of primary, secondary and tertiary sectors has been reported at 18.2 percent, 36.9 percent and 44.9 percent respectively to the total GSDP (Rs. 429356 crore) in 2009-10 at current prices. The share of primary, secondary and tertiary sectors in the base year 2004-05 was reported at 19.5 percent, 36.5 percent and 44.0 percent respectively.

5.1.4 Overview of Net State (Gujarat) Domestic Product¹¹

The State Income i.e. Net State Domestic Product (NSDP) at factor cost at constant (2004-05) prices in 2009-10 is estimated at Rs. 283930 crore as against Rs. 256197 crore in 2008-09, showing a growth of 10.8 percent during the year. At current prices, the NSDP in 2009-10 is estimated at Rs. 370400 crore as against Rs. 314899 crore in 2008-09, showing a growth of 17.6 percent during the year.

5.1.5 Overview on Per Capita Income in Gujarat¹²

The Per Capita Income (i.e. Per Capita NSDP) at factor cost at constant (2004-05) prices has been estimated at Rs. 49030 in 2009-10 as against Rs. 44861 in 2008-09, registering a growth of 9.3 percent during the year. The Per Capita Income at current prices has been estimated at Rs. 63961 in 2009-10 as against Rs. 55140 in 2008-09, showing an increase of 16.0 percent during the year.

5.1.6 Overview of Five Year Planning in Gujarat State¹³

- **Tenth Five Year Plan (2002-07)**

The outlay for the Tenth Five Year plan for the state was fixed at Rs.47000.00 crore against that an expenditure of Rs.49415.54 crore was incurred during the plan period.

- **Eleventh Five Year Plan (2007-12)**

The proposed outlay for the Eleventh Five Year plan of the state has been fixed at Rs.111111.00 crore which is 136.40 percent more than Tenth Five Year Plan (Rs. 47000.00 crore outlays). The Eleventh Five Year plan, aims to achieve the annual growth of Gross State Domestic Product (GSDP), Agriculture, Industries and Service sector at 11.2 percent, 5.5 percent, 14.0 percent and 10.5 percent respectively.

- **Annual Plans**

The annual plan for the year 2007-08 was fixed at Rs.16000.00 crore, which was 14.40 percent of the total outlay (Rs.111111.00 crore) fixed for Eleventh Five Year Plan (2007-2012). An amount of Rs.15680.47 crore was spent during year 2007-08 which was 98.00 percent of the outlay of Rs.16000.00 crore.

The annual plan for the year 2008-09 was fixed at Rs. 21000.00 crore which was 18.90 percent of the total outlay (Rs. 111111.00 crore) fixed for the Eleventh Five Year Plan (2007-2012). An amount of Rs. 21763.68 (P) crore was spent during the year 2008-09 which was 103.64 percent of the outlay of Rs. 21000 crore.

The annual plan for the year 2009-10 has been fixed at Rs. 23500.00 crore which is 21.15 percent of the total outlay (Rs. 111111.00 crore) fixed for the Eleventh Five Year Plan (2007-12). An amount of Rs. 23161.46 crore was spent during the year 2009-10 which is 98.56 percent of the outlay of Rs.23500.00 crore fixed for the year 2009-10.

The annual plan for the year 2010-11 has been fixed at Rs. 30000.00 crore which is 21.15 percent more than previous year's plan.

5.1.7 Overview of Financial Status of Gujarat State¹⁴

As per the final accounts, the total receipts during the year 2009-10 was Rs.56204.02 crore which is higher by Rs.7020.51 crore than the previous year 2008-09. Revenue receipt was higher by Rs.2996.66 crore and capital receipt was higher by Rs.4023.85 crore than the previous year. The expenditure during the year 2009-10 was Rs.60357.68 crore, which was higher by Rs.8437.80 crore than the year 2008-09. The revenue expenditure was higher by Rs.9896.81 crore while capital expenditure was lower by Rs.1459.01 crore compared to the previous year i.e. 2008-09.

As per the final accounts of 2009-10, the receipts on revenue account was about Rs.41672.37 crore, while the total outgoings on revenue account was about Rs.48638.27 crore, leaving a deficit of Rs.6965.90 crore under revenue account. Under the capital account, total expenditure was Rs.11719.41 crore, against the capital receipts of Rs.14531.66 crore, showing a surplus of Rs.2812.25 crore. During the year 2009-10 on the capital account, expenditure on discharge of internal debt was Rs.2681.26 crore against the final accounts for the year 2008-09 of Rs.2045.86 crore. The total deficit on revenue and capital account together for the year 2009-10 works out to Rs.4153.65 crore, while the contingency fund and public account (Net) recorded deficit of Rs. 13.15 crore and surplus of Rs. 3941.71 crore respectively. Thus, the Government account for the year 2009-10, shows net deficit of Rs. 225.09 crore.

5.1.8 Overview of Industries, Infrastructure & Investments in Gujarat State¹⁵

The state of Gujarat is one of the highly industrialized states in India. With its reputation of being a highly investor-friendly state, the state has a proven track record of attracting high volumes of investment becoming the most favoured investment

destination in India. In the backdrop of these developments, the Government of Gujarat has declared Industrial Policy - 2009.

The Blueprint for Infrastructure in Gujarat 2020 (BIG 2020) is an integrated plan for the state's infrastructure development, to make Gujarat a globally preferred place to live in and to do business through accelerated, balanced, inclusive and sustainable growth driven by robust social, industrial and physical infrastructure. It envisages an investment of Rs11,80,912 crore across 19 infrastructure sectors, is an integrated plan for the state's infrastructure development. This integrated infrastructure investment plan will ensure high investments in infrastructure, increase productivity, expand the industries and services sector and hence propel Gujarat's per capita income into the league of top fifty countries of the world while making it globally preferred place to live in and do business.

Under the liberalized procedure introduced by Government of India, Gujarat has continued to witness impressive industrial development. Since January-1983, the State has received acknowledgments of 9737 Industrial Entrepreneurs Memorandum (IEM) filed by entrepreneurs till September-2010 with an estimated investment of Rs.800219 crore.

The State has also received 1415 Letters of Intent (LoI) having proposed investment of Rs.64508 crore and 1577 Letters of Permission (LoP) for setting up 100 percent Export Oriented Units (EOUs) having proposed investment of Rs. 7946 crore till September-2010.

The state has implemented Micro, Small and Medium Enterprises (MSMED) Act 2006 from 2nd October, 2006. Upto November, 2010, the total number of 69129 units have been registered having an investment of Rs. 35366 crore and employment generation of 929006. Gujarat has set up a mechanism to monitor implementation of all investment proposals. As on 30th September-2010, 5439 projects were implemented aggregating total investment of Rs.178077 crore.

In addition, 2682 projects are under implementation aggregating total investment of Rs. 553757 crore. These include 1555 projects each having less than Rs.10 crore of investment, 633 projects having investment between Rs.10 crore to Rs.50 crore, 154 projects each having investment between Rs.50 crore to Rs.100 crore and 340 projects each having investment of over Rs.100 crore.

The value of output at current prices of all registered factories covered under the survey in State has increased from Rs. 448243 crore in 2007-08 to 508071 crore in 2008-09, showing an increase of 13.35 percent over the previous year.

The fixed capital employed by the factory sector in State has increased from Rs. 145400 crore in 2007- 08 to Rs. 172301 crore in 2008-09, showing an increase of 18.50 percent over the previous year.

The employment in all factories covered under the survey, inclusive of managerial, supervisory and clerical personnel has increased from 10.45 lakh in 2007-08 to 11.26 lakh in 2008-09. It shows that about 80282 additional net employments have been generated in the State during the year 2008-09.

The number of working registered factories in the State has increased from 23942 at the end of the year 2008(P) to 24453 at the end of the year 2009(P). The average daily employment in the working factories has also increased from 11.75 lakh at the end of the year 2008(P) to 12.58 lakh at the end of the year 2009(P). Chemical and Chemical products (except products of petroleum and coal) group was the leading industry group accounting for about 15.97 percent of the working factories at the end of the year 2009(P) followed by manufacturing of Textile Products (11.35 percent),

Manufacturing of other Non-Metallic Mineral Products (9.07 percent), Manufacturing of Food Products and Beverages (9.03 percent), Manufacturing of Fabricated Metal Products & Equipments (8.83 percent), Manufacturing of Machinery and Equipments N.E.C. (8.77 percent), Manufacturing of Basic Metal Products (7.14 percent), Manufacturing of Rubber and Plastic Products (5.10 percent), Manufacturing of

Wood Products & Cork (3.84 percent) and Agriculture, Hunting and related service activities (2.92 percent).

During the year 2009-10 (Up to October, 2009), 2091 new Joint Stock Companies with an authorized capital of Rs.608 crore were registered in the State. Thus, up to October, 2009, 57104 Joint Stock Companies were registered in the State.

During the calendar year 2010 (up to September-2010), incidence of 18 strikes and lockouts have reported which have affected 3440 workers and the total 41128 man-days were lost as against incidents of 31 strikes and lockouts having affected 4977 workers and total 32282 man-days were lost during the year 2009.

The Centre has signed an agreement with the Government of Gujarat for setting up a Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) at Dahej in the state. The PCPIR policy is a window to ensure the adoption of a holistic approach to the development of global scale industrial clusters in the petroleum, chemical and petrochemical sectors in an integrated and environment friendly manner. The idea is to ensure the setting up of industrial estates in a planned manner to achieve synergies and for value added manufacturing, research and development.

The Gujarat Government proposes to set up a PCPIR at Dahej in South Gujarat spread over the blocks of Vagra and Bharuch in Bharuch district. It will cover an area of 453 sq km, with a processing area of 186 sq kms, approximately 41.05 per cent of the total area.

5.1.9 Development of Railway in Gujarat State¹⁶

The total length of railway lines in the State as on 31st March-2009 was 5328 route kms. comprising that of 3193 kms. of Broad Gauge (BG), 1364 kms. of Meter Gauge (MG) and 771 kms. of Narrow Gauge (NG) lines.

5.1.10 Development of Roads in Gujarat State¹⁷

The total length of roads (except Non-plan, Community, Urban and Project roads) in the State has increased to 74112 KMs. at the end of 2007-08 from 74064 KMs. at the end of 2006-07. Out of the total road length of 74112 KMs. The length of surfaced roads was 71507 KMs. (96.49 percent), where as un-surfaced roads was 2605 KMs., (3.51 percent) by the end of 2007-08. Out of the total road length of 74112 KMs. at the end of the year 2007-08, the length of National Highways, State Highways, Major District Roads, Other District Roads and Village Roads was 3244 KMs. 18447 KMs., 20564 KMs., 10352 KMs. and 21505 KMs. respectively.

The State Government's Roads and Buildings Department has approved Rs 181 crore projects for widening of nine-port roads that are gateway to eight ports. The roads that are presently 3.5 to 7 meter wide will be expanded up to 10 meter in view of heavy load of traffic.

On the lines of Ahmedabad-Vadodara expressway, constructed by Central government undertaking National Highways Authority of India (NHAI), Gujarat government has chalked out plans to build its own expressway between Ahmedabad and Bhavnagar. The Gujarat government would construct its own expressway of 110 kms between Ahmedabad and Bhavnagar via Sarkhej-Pipali-Dholera. It would be the first expressway to be built by the state government. The state expressway was envisaged as Dholera Special Investment Region (SIR) would also get air connectivity through international airport.

5.1.11 Development of Ports in Gujarat State¹⁸

The State of Gujarat, located on the West Coast of India, has about 1600 Km. long coastline, representing a third of the nation's water front. Gujarat is strategically positioned to serve the vast north and central Indian hinterland. The State has 41 minor and intermediate ports, geographically dispersed across South Gujarat (14 ports), Saurashtra (23 ports) and Kachchh region (4 ports). Besides, in the State of

Gujarat there is a major port of Kandla, under the administrative control of the Central Government. The total cargo handled by the Kandla Port in quantitative terms has increased from 722.25 lakh tonnes in the year 2008-09 to 795.00 lakh tonnes in the year 2009-10, showing an increase of 10.06 percent over the previous year (including transshipment). The imports from Kandla port have increased by 15.98 percent while exports have decreased by 2.32 percent respectively during the year 2009-10 as compared to the previous year. During the year 2010-11 (April-october-2010) the total cargo handled by major port Kandla has been recorded to 476.43 lakh tonnes (including transshipment).

For the third year in a row, the major port of Kandla port retained the tag of India's biggest cargo handler by volume. During the year 2009-10, the port located in Gujarat, handled 79.50 million tonnes of cargo, up from 72.22 million tonnes in the previous year. The Intermediate and Minor ports of Gujarat handled a total cargo of 2055.40 lakh tonnes during the year 2009-10 as against 1528.14 lakh tonnes handled during the preceding year, showing an increase of about 34.50 percent. During the year 2010-11 (April-October, 2010), intermediate and minor ports have handled the total cargo of 1319.37 lakh tonnes.

Gujarat Maritime Board is planning to double the capacity through public-private partnership (PPP) in next few years. At present, Gujarat handles 205 million tonnes of cargo, which will increase to over 500 million tonnes in two to three years. With the doubling of cargo handling capacity, the state will be handling more than 40% of the country's cargo traffic. Gujarat Maritime Board will construct a jetty and allied infrastructure near Bagsara, Rajkot, in the Gulf of Kutch for salt export through sea route at an investment of over Rs 80 crore. The salt jetty at Bagsra in Maliya taluka is strategically located as it is amongst the few leading salt producing belts with about 10 lakh MT of production in Gujarat. The objective behind developing an exclusive salt jetty is to keep the white commodity away from dirty cargo at ports. As per

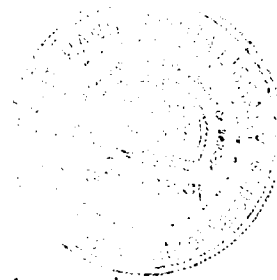
industry estimate, nearly 18 lakh MT of salt is exported annually from the two state ports-Kandla and Mundra.

The Gujarat Maritime Board (GMB) is working to interlink 45 ports of the state using the Integrated Port Management System, wherein the data regarding cargo handled, arrival and departure of the ships will be updated daily. GMB intend to interlink 41 ports of GMB, private ports of Mundra, Pipavav, Dahej and Hajira through information technology (IT) network. As a result, all critical information like revenue collection, port traffic, inventory, HR will be available online. The Gujarat government has decided to develop five clusters as marine shipbuilding parks (MSPs) to give fillip to shipbuilding industry. The locations identified are - along the north bank of Narmada river in Dahej, old Bhavnagar port, near Mahuva in the Bhavnagar, coastline between Navlakhi and Jodiya in northern Saurashtra, and near Mandvi in the Gulf of Kachchh. Japan and the Gujarat Maritime Board (GMB) have signed an MoU for Rs 100 crore to upgrade the Alang ship breaking yard to international requirements by way of technology transfer and financial assistance under a Private-Public Partnership (PPP). The modernised Alang yard will be ready by 2012-13.

5.1.12 Development of Aviation in Gujarat State¹⁹

Government of Gujarat (GoG) announced setting up the Gujarat State Aviation Company (GUJSAC) as a public sector enterprise, with a view to building infrastructure and providing trained human resources for the fast growing civil aviation sector. This initiative is a part of a farsighted policy to set up an autonomous enterprise to meet the growing demand in the public as well as private sector.

A budgetary provision has also been made on this head. It will explore private sector participation through Build-Operate-Transfer (BOT) model. Gujarat will get 11 new airports to provide easy connectivity to major pilgrimage sites in the state. The Gujarat government is working on 11 new airports which would come up at pilgrim places like Palitana (Bhavnagar), Dwarka (Jamnagar) and Ambaji (Banaskantha).



Gujarat has some 20 small and big airports, and to promote tourism better air connectivity is needed.

5.1.13 Banking²⁰

The total number of all Scheduled Commercial Banks including private sector, RRBs, DCCBs, GSCARDB branches have increased from 5748 branches (as on 31st March, 2009) to 6091 branches (as on 31st March, 2010) in the state of Gujarat comprising 2759 rural, 1533 semi-urban, 981 urban and 818 metro branches respectively. The aggregating deposits of these banks increased from Rs. 191871 crore (as on 31st March, 2009) to Rs. 225299 crore (as on 31st March, 2010), registering the growth of 17.42 percent. The advances had also increased from Rs.131842 crore to Rs. 155575 crore during the same period and registered the growth of 18.00 percent. The Credit Deposit Ratio of the State stood at 69.05 percent at the end of 31st March, 2010.

The National Bank for Agriculture and Rural Development (NABARD) presented a credit plan for 2010-11 for Gujarat with a credit potential of Rs 31,607 crore. Gujarat which is now celebrating golden jubilee year of its formation (1960-2010), will also be able to get banking facilities in all villages including 3538 non-banking facility villages consisting of population of over one crore by March 2011. The banks will extend banking facilities to the villages where the population exceeds 2000 as per the 2001 census. The residents of these villages will get banking facilities by the end of March 2011.

5.1.14 e-Governance²¹ & Awards Received²²

Gujarat has received the United Nations Public Service Award (UNPSA), 2010, for its State Wide Attention on Grievances with Application of Technology (SWAGAT), in the category 'Improving

The award was given for "improving transparency, accountability and responsiveness in the public service". Appreciating the CMO initiative, the UN Department of

Economic and Social Affairs, which instituted the award, said SWAGAT allows citizens to “air their grievances regarding government’s provision of public services” after having “direct access to meet the chief minister personally to present their cases”.

In 2009, the UN Public Service Award went to Water and Sanitation Management Organization (WASMO) for “fostering participation in policy-making decisions through innovative mechanisms”.

Official portal of Hon. Gujarat CM got the prestigious e Gov 2.0 award: The official portal of Honorable CM of Gujarat (www.narendramodi.in) got the prestigious e Gov 2.0 award for the ‘Most innovative use of social Media’. There were more than 400 entries for this prestigious award. The other two recipients in this category were Ministry of External Affairs’ Public Diplomacy Division and Delhi Traffic Police. The awards were conferred at the gala event held at New Delhi on 28th October, Thursday evening. Moreover <http://www.narendramodi.in/> has been recognized for the most innovative use of social media and web 2.2 technologies.

It’s a matter of pride for Gujarat that it’s State Portal (www.gujaratindia.com) too won an award in the same event for the ‘Most user friendly portal’. It has been recognized as the most user friendly portal. It provides a unified interface to all Gujarat Government websites and acts as a logical frontend of the Government. The exclusive feature of the portal allows citizens to partake in Government by picking up various activities and hence enabling a huge participation.

Instituted by e Gov magazine, the India e Gov 2.0 Awards aim to felicitate and acknowledge unique and innovative initiatives in the use of social media tools for creating interactive platforms for improving citizen service delivery. It is also awarded for sharing and garnering information to meet the larger social development goals by the government and private sector bodies including citizens, citizen groups,

NGOs and political parties. The e Gov magazine is the Asia's first and only print cum- online magazine on e-Governance, focusing on the use of ICTs in governance.

UN Sasakawa Award for disaster reduction, CAPAM award for innovation in governance, UNESCO award for e-eco development, CSI award for e-governance. VG could be one of the best futuristic system.

5.2 OVERVIEW OF AHMEDABAD CITY²³

Ahmedabad was founded on February 26, 1411 by Sultan Ahmed Shah to serve as the capital of the Gujarat Sultanate, and was named after him. The city is the administrative centre of Ahmedabad district and was the capital of Gujarat till 1960. Under British rule, a military cantonment was established and the city infrastructure was modernized and expanded. Though incorporated into the Bombay Presidency during British rule, Ahmedabad remained the most important city in the Gujarat region. Ahmedabad district is located in the central Gujarat near the banks of the River Sabarmati, 32 km from the state capital Gandhinagar. List of cities in the world by GDP (2008) PWC Ranks Ahmedabad 5th largest city. The district headquarter, Ahmedabad is the largest city in Gujarat and seventh largest urban agglomeration in India. In 2010, *Forbes* magazine rated Ahmedabad as the fastest-growing city in India, and third in the world after two Chinese cities — Chengdu and Chongqing —, and ahead of the Brazilian city of Manaus, the fourth in this list. In December 2011 a leading market research firm IMRB declared Ahmedabad as the best mega-city to live in (compared to India's other mega-cities). The gross domestic product of Ahmedabad metro was estimated at \$59 billion in 2010.²⁴

5.2.1 Overview of Population in Ahmedabad City

Total Population of Ahmedabad city is 5,816,519 as per census 2001. With respect to gender it is segregated as 3,074,556 Males amongst 2,741,963 Females; while with

respect to region they are divided as 1,152,986 are in rural area and 4,663,533 in urban area.

5.2.2 Brief Overview of Economy, Industry, Infrastructure & Investments in Ahmedabad City

Ahmedabad is an industrial base for sectors such as chemicals, textiles, drugs and pharmaceuticals and agro and food processing industries. Textile and Chemicals have been the major sectors of investment and employment in the district, since 1980. It accounts for 21.5% of factories and employs 18% of workers in the state. Over 14% of the total investments in all stock exchanges in India and 60% of the total industrial productivity is contributed by the district.

Several business conglomerates such as Adani Group, Reliance Industries, Nirma Group of Industries, Arvind Mills, Claris Life Sciences, Cadilla Pharmaceuticals, Shell, Vadilal Industries Ltd., Rasna, Bosch Rexroth (Germany), Stork and Rollepaal (Netherland) are present in the district. Presence of Ahmedabad Textile Industry's Research Association (ATIRA), the largest association for textile research and allied industries in India, has helped the district in becoming a thriving textile centre. Most of the medium and large scale industries are concentrated in talukas such as Ahmedabad city, Sanand, Viramgam, Daskroi and Dholka

There are around 422 medium and large scale industries based in Ahmedabad district with total investment of INR 5,45,988 crore (US\$ 1,33,167 million) providing employment around 79,904 people.

The district has over 23,734 small scale industries generating over 95,591 jobs with total investment of INR 89,356.5 lakhs (US\$ 21,794 million). Engineering, textiles, chemical, and paper and paper products are the major small scale industry sectors present in the district, with an investment to the tune of INR 68,220 lakhs (US\$ 16,639 million).

According to Industrial Entrepreneurial Memorandum (IEM) filed from 1988 to 2007, Ahmedabad has attracted an investment of INR 15,399 Crore (USD 3,755.8 million) in industries such as petrochemicals & refinery, engineering, chemicals and drugs and pharmaceuticals. From 1988 to 1997, investments by industries in the district amounted to INR 8,430 Crore (USD 2,056 million). Some of the major investments were in chemicals, drugs and pharmaceuticals, textiles and metallurgical Industries.

Emergence of investments in new sectors such as infrastructure and tourism were observed during the decade 1998-07. A total of 113 MoUs amounting to investment of INR 56,904 Crore (USD 13,879 million) were signed for locations in Ahmedabad during Vibrant Gujarat : Global Investors Summit (VGGIS) hosted in the year 2003, 05 and 07. *70 MoUs were signed* during VGGIS 2007, involving an investment of INR 50,605 Crore (USD 12,342.6 million), in different sectors. The sectors such as chemicals, textiles, tourism, industrial parks/SEZ, agro and food processing, engineering and auto, and urban development attracted major investments. With an investment of INR 14,260 Crore (USD 3,478 million), Oil & Natural Gas Corporation (ONGC), signed a MoU in 2007 Summit in oil and gas sector.

For setting up a Pharma SEZ, Dishman Infrastructure Ltd. signed an MoU, with an investment to the tune of INR 8100 Crore (USD 1975.61 million). During the three summits, 18 MoUs were signed in Textile and Tourism sectors followed by Agro and Food processing, engineering and Auto with 13 and 12 MoUs signed in each sector respectively.

5.2.3 Economic Drivers

An increase in the investments in sectors such as textiles, chemicals and agro & food processing over the last 20 years has made Ahmedabad has emerged as a thriving industrial centre in the State.

By leveraging the existing textile, chemical and pharmaceutical base, Ahmedabad is attracting several large multinational giants.

Due to various prominent educational institutes such as Indian Institute of Management (IIM), Center for Environmental Planning and Technology (CEPT) and Mudra Institute of Communication, Ahmedabad (MICA), there is a presence of a large qualified pool of manpower for various industries.

The proposed Delhi Mumbai Industrial Corridor (DMIC), Dholera (Special Investment Region) and Gujarat International Finance Tech-City (GIFT) are expected to fuel the industrial growth of Ahmedabad.

A newly emerged corridor between Ahmedabad and Pune which connects the district to other metropolitan cities including Vadodara, Surat and Mumbai has led to the axial growth of the region.

5.3 OVERVIEW OF VADODARA CITY²⁵

Vadodara, formerly known as Baroda, is the fourth most populated city in the Indian State of Gujarat. Vadodara, one of India's most cosmopolitan cities, is located to the south east of Ahmedabad, on the banks of river Vishwamitri. Known as the 'Gateway to the Golden Corridor', as all the rail and road arteries that link Delhi, Mumbai and Ahmedabad also connect Vadodara, including the Delhi Mumbai Industrial Corridor (DMIC). Vadodara is the third most-populated city in the Indian state of Gujarat after Ahmedabad and Surat. It is one of four cities in the state with a population of over 1 million, the other being Rajkot.

5.3.1 Overview of Population in Vadodara City

Total Population of Vadodara city is 3,641,802 as per census 2001. With respect to gender it is segregated as 1,897,368 Males amongst 1,744,434 Females; while with

respect to region they are divided as 1,995,580 are in rural area and 1,646,222 in urban area.²⁶

5.3.2 Brief Overview of Economy, Industry, Infrastructure & Investments in Vadodara City

The industrial clusters include Chemicals and Fertilizers, Pharmaceuticals, Biotechnology, Cotton textiles, Machine tools, Glass, Engineering, Tobacco, Fisheries and Dairy. Major crops cultivated are Rice, Wheat, Sorghum (Jowar), Yellow Peas, Grams, Oilseeds, Groundnut, Tobacco, Cotton and Sugarcane. The district has huge reserves of Dolomite and Fluorspar. Manufacturing plants of several private industry players, as well as Public Sector Units (PSUs) such as Gujarat Alkalis and Chemicals Limited (GACL) and Gujarat State Fertilizers & Chemicals Ltd. (GSFC) are located here. There are over 18,000 SSI units in Vadodara, the maximum being in the repairing and servicing industry (5,713 units). Other key small scale industries include textiles, metal works, chemicals, equipments, rubber products and food products.

Famous companies such as ABB, Reliance Industries, Larsen and Toubro, DuPont, Bombardier, ERDA, General Motors Chevrolet, IPCL, ONGC, Sun Pharmaceuticals, GSFC, Alembic, Apollo Tyres, CEAT Limited, Suzlon, Kemrock, Vasu Healthcare, CG Glass, JCT Electronics and Allscripts(Eclipsys)all have a strong presence in this city, also it has presence of IT multi-national companies.

As per the Industrial Entrepreneur Memoranda (IEM) filed, several sectors showed major increase in investments over a period of last two decades (1990 – 2010).

Investments in key industry segments such as Chemicals, Boilers & Steam generating equipments and glass showed a major increase in the past decade. The growth in investments in Chemicals excluding fertilizers is almost 98 % over last decade. Other industry segments showing growth in investments include sugar, vegetable oils, fermentation industries & transportation.

In the last decade maximum investments were observed in the sectors such as Petrochemicals, Chemicals, Textiles, Plastics and Pharmaceuticals. Of these, Pharmaceuticals and Chemicals were highly labor intensive and created maximum employment opportunities. At present Chemicals and Pharmaceuticals are among the top five investment generating sectors in Vadodara. New sectors with high investments during this period include Infrastructure, Glass and Transportation.

Around 38 MoUs have been signed during Vibrant Gujarat: Global Investors' Summits (VGGIS) held during 2003, 2005 and 2007, with a total investment to the tune of INR 14,414 crore (USD 3.43 billion). The major sectors that have witnessed maximum investments include Biotechnology and Chemicals & Petrochemicals. Other key sectors where investments have been made include Engineering, Food & Agro, Tourism and Textiles and Apparels. Chemicals & Petrochemicals continued to witness investments during each Summit, leading to signing of a total of 8 MoUs, while all 9 Biotechnology MoUs were signed during VGGIS 2007.

5.3.3 Economic Drivers

The Delhi-Mumbai Industrial Corridor passes through Vadodara, making it a key destination for attracting industrial investments.

Vadodara is the exclusive producer of Dolomite and Fluorspar in Gujarat, offering scope for tremendous growth in the processing industries. Several Government companies such as GSFC and GACL have their manufacturing plants in the district.

Gujarat's leading educational institutions are located in Vadodara, offering skilled and intellectual manpower in abundance for various industries and R&D activities.

Proximity of Vadodara to key industrial centers of Gujarat such as Ahmedabad (via India's first Expressway), Bharuch and Surat, along NH8 could be considered a major driver for growth of the economy.

An investment of INR 19 billion (USD 452 million) is proposed under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for infrastructure projects in the city.

Ring Road development is envisaged to be completed by 2015.

A Bus Rapid Transit System (BRTS) is proposed to enhance existing public transport system.

The Vadodara-Surat National Highway is expected to be completed by 2012. Vadodara airport is proposed to be developed as an “Aircraft Maintenance Hub” for the western part of India.

5.4 OVERVIEW OF SURAT CITY²⁷

Surat is India's eighth most populated and fastest growing cities in India. Its rank is fourth in a global study of fastest developing cities conducted by The City Mayors Foundation, an international think tank on urban affairs. Surat is located in the Southern part of Gujarat and is the second largest commercial hub in the State. Recently, the district of Surat was bifurcated into two new districts, viz. Surat district with headquarters at Surat and Tapi district with its headquarter at Vyara. Surat is mainly known for its textiles & diamond processing industries. □ The district is emerging as a potential hub for IT/ITeS sector in Gujarat. Hazira and Magdalla Ports in the district provide logistic support to industrial operations in the state. Vyara and Songadh in Tapi district are known for dense forests with a major production of bamboos. The unit of Central Pulp Mills is located in Songadh. The estimated gross domestic product of Surat is at \$10 billion in 2010. Surat contributed a maximum of 11.5% of Gross Domestic Product (GDP) to the State, as compared to any other district of India.

5.4.1 Overview of Population in Surat City

Total Population of Surat city is 4,995,174 as per census 2001. With respect to gender it is segregated as 2,722,539 Males amongst 2,272,635 Females; while with respect to region they are divided as 1,999,357 are in rural area and 2,995,817 in urban area.²⁸

5.4.2 Brief Overview of Economy, Industry, Infrastructure & Investments in Surat City

Industrial development in Surat district could be attributed to the presence of a large number of diamond processing, textiles and chemical & petrochemical industries. The processes 10 out of 12 varieties of diamonds in the world contributing to INR 45,000 crore (USD 10.71 billion), which is approximately 65% of total diamond exports from India. Surat – The synthetic capital of India hosts over 45,000 power looms and provides over 7 lakh jobs. It contributes 18% to the total manmade fiber exports and 40% of manmade fabric production in India.

Surat has been very successful in attracting a sizeable amount of Foreign Direct Investment (FDI) in various sectors like energy, oil, and petroleum. A significant investment of INR 3,000 crore (USD 726 million) in Hazira LNG terminal project is one of the largest greenfield FDIs in India.

There are 605 medium and large scale industries based in Surat district. Most of the medium and large scale industries are concentrated in Choryasi taluka (West Surat) with 230 units followed by Mangrol (North Surat) and Mandvi taluka (Central Surat) with 131 and 116 units respectively.

There are over 41,300 small scale industries (SSI) functioning in Surat district. Some of the main industries under SSIs in Surat are textiles, chemicals dying & printing, diamond processing, jhari (Silver) making, and engineering and related activities (manufacturing machineries & equipments). Maximum number of SSI units (24,000 Units) is related to textile industry in the district followed by repairing & service

industry with more than 11,000 units. Most of the small scale industries are located at talukas such as Choryasi (Western Surat), Mangrol (Northern Surat), Olpad (Northern Surat), Mandvi (Central Surat) and Palsana (Southern Surat).

As per the Industrial Entrepreneur Memoranda (IEMs) filed, the total investments during 1988-97 were INR 33,251 Crore (USD 7.92 billion) and INR 35,975 Crore (USD 8.57 billion) between 1998-2007.

Around 70% of the investments during 1998-07 have been contributed by engineering, electrical equipment, textiles, chemicals & petrochemicals sectors. However, major investments during 1988-97 were contributed by industries such as petrochemicals & refinery, rubber goods, textiles, metallurgical industry and infrastructure projects.

Total 866 units were introduced during 1988-97; however during 1998-07 1215 new units were introduced with textile sector units having taken a lion's share of 51% in terms of new units established in last one decade.

During 1988-97 petrochemical and refinery sector attracted maximum investments to the tune of INR 11,886 crore (USD 2.83 billion) contributing 36% to the total investments.

Investments in textile industry were witnessed by 604 units accounting for INR 3,295 crore (USD 0.78 billion). Textile sector generated 88,612 jobs during 1988-97 contributing a share of 62% to the total jobs created.

Infrastructure sector received a sizeable investment of INR 3,277 crore (USD 780 million). Machinery and engineering sectors attracted maximum investments of INR 12,567 crore (USD 2.99 billion), contributing 35% of the total investments. Electrical equipments, textiles, and chemical sectors experienced an investment of INR 4,991 crore (USD 1.19 billion), INR 3,823 crore (USD 0.91 billion) and INR 3,683 crore (USD 0.88 billion) respectively. Textiles, engineering and chemicals were the sectors

generating highest employment contributing 31%, 11% and 7% of the total new jobs respectively Engineering, chemicals and textile sectors contributed to 61% of the new units established. Of them, textile sector has shown tremendous growth with emergence of 618 units.

A total of 78 MoUs amounting to INR 84,421 crore (USD 20 billion) of investments were signed for locations in Surat during Vibrant Gujarat Global Investors Summit (VGGIS) hosted in the year 2003, '05 and '07.

The sectors such as agro, ports, power, textiles, engineering and oil & gas attracted major investments. With an investment of INR 3,187 crore (USD 759 million) Gujarat State Electricity Corporation Ltd signed two MoUs in 2007 summit for establishing 360 MW gas based power project at Utran and 500 MW coal based power project in Ukai regions. In addition, 38 MoUs were signed and 2 announcements were made during VGGIS 2007, involving an investment of INR 31,349 crore (USD 7.46 billion). During last three summits, 23 MoUs were signed in agro sector followed by engineering and power with 8 MoUs in each sector respectively.

5.4.3 Economic Drivers

The upgraded Surat airport is envisaged to offer direct air connectivity with important destinations in India and abroad. This is expected to boost commercial activities in the city as well as in the district, leading to an upsurge in the demand in hospitality sector, which is primarily driven by corporate tourism.

Emergence of a petrochemical complex, gems and jewelry Park and the centrally promoted Surat SEZ are expected to further fuel the industrial and economic growth of the city.

Hazira is known as the 'gateway port' to serve the hinterlands of north, west and central India as it is situated in the midst of one of the most industrialized areas in the country. It is a deepwater, all weather and direct berthing port.

Magdalla is a lighterage port. The port is situated on the western coast of India in southern Gujarat. It is on the southern bank of river Tapti about 16 Km upstream the river.

In a recent development, Hazira Port Pvt. Ltd and PSA Ltd, Singapore have signed an Heads of Agreement for development of a Container Terminal at Hazira Port. A steel plant established by Essar Steel Ltd. in Hazira port is the largest steel manufacturing facility on the western coast of India.

The expansion plans of Hazira port is envisaged in two phases. The first phase envisions the development of port infrastructure to handle Liquefied Natural Gas (LNG) imports, and the second phase would offer port facilities for handling dry bulk and containerized cargo. The port facility would help in attracting sizeable investments in the times ahead.

GMB is planning to develop a common user berth towards south of Essar jetty at Hazira. The location is falling under the administrative control of Magdalla Port. Fertilisers, soybean, groundnut, coal, general cargo, etc. can be handled at this proposed location.

The Government has proposed a Bus Rapid Transit System (BRTS), to enhance the connectivity in the city. Further, a canal corridor has been proposed to be built which will provide the much needed east – west connectivity in Surat city.

The proposed Outer Ring Road in Surat is envisaged to decongest the urban core traffic. A multi layer flyover is being developed with an investment of INR 290 million.

Development of feeder road links is ongoing, connecting the industrial area with NHDP, DFC corridor and Hinterland.

5.5 OVERVIEW OF RAJKOT CITY²⁹

Rajkot is located in the south-west region of Gujarat. The district headquarter is Rajkot city – Largest city in Saurashtra and fourth largest in Gujarat state.

The district has 14 talukas of which the major talukas are Rajkot, Morbi, Jetpur, Wankaner, Upleta and Dhoraji. Rajkot city is considered the economic, industrial and educational hub of the region. Rajkot is ranked 22nd in The world's fastest growing cities and urban areas.

The district boasts of a stock exchange, which is linked with exchanges in Mumbai, Kolkata & New Delhi.

Engineering and Auto ancillary industry is viewed as the growth engine of the district. Textiles and Apparels is also an emerging sector. Ajanta, world's largest clock manufacturer is present in the district.

5.5.1 Overview of Population in Rajkot City

Total Population of Rajkot city is 3,169,881 as per census 2001. With respect to gender it is segregated as 1,642,018 Males amongst 1,527,863 Females; while with respect to region they are divided as 1,544,019 are in rural area and 1,625,862 in urban area.³⁰

5.5.2 Brief Overview of Economy, Industry, Infrastructure & Investments in Rajkot City

The occupational pattern in Rajkot is primarily based on manufacturing and service sector. About 42% of workers are engaged in service activities and 34% in manufacturing activities.



Manufacturing activities are concentrated in two main industrial estates – Aji and Bhaktinagar. In the past, Rajkot concentrated around the establishment of cloth mills. The current trend of industrial growth is towards the Engineering and Autoancillary sector. In this sector, diesel engine is the leading business with around 105 manufacturing units operational in the district.

The district also has various manufacturing units for machine tools, industrial equipments, lathe machines, metallurgical industries, electronics, engineering and auto ancillary sector.

Small and medium industries are dominated by foundries, engineering & automobile works, textile related units gold & silver jewellery, handicrafts, spices, medicines, and wall clocks. Jetpur taluka of the district is famous for dyeing and printing business and Paddhari taluka for ginning and pressing business in the entire State.

There are around 73 medium scale / large scale industrial units in Rajkot. Majority of the industries are concentrated in Rajkot, Morbi and Kotda Sanghani talukas of the district. The industrial units are present across engineering, forging, casting, solvent plants, paper, milk products, ceramics, electronics & pharmaceuticals sectors.

There are over 30,463 small scale industries operating in Rajkot district in the areas such as Some of the main industries include machinery, textiles, food products, glass and ceramics, and metal products. Maximum number of SSI units (5,283 Units) belongs to machineries followed by textiles (4,389 Units). Most of the small scale industries are located at talukas such as Rajkot, Jetpur, Morbi, and Gondal

As per the Industrial Entrepreneur Memoranda (IEMs) filed, the total investments during 1988-97 was INR 1,495 Crore (USD 356 million) and during 1998 -2007 investments were to the tune of INR 1,657 Crore (USD 395 million).

Around 50% of the growth in investments during 1998-2007 has been in the industry sector such as Ceramics, Textiles, Machines and Engineering. Total number of

industrial units has grown from 156 to 207 with ceramics sector contributing 35% of new units established during 1998-2007. The number of jobs created during 1998-2007 has doubled as compared to previous decade (1988-1998) was 22,529.

During 1988-97, infrastructure sector attracted highest investment worth INR 566 crore (USD 134.76 million) contributing 38% to total investments.

In Food processing industry, Vegetable oils sector attracted investments of INR 129 crore (USD 31.4 million) generating highest number of jobs during 1988-1997.

Within the Engineering sector, Industrial machinery attracted major investments of INR 118 crore (USD 28.78 million) while Metallurgical industries investments were to the tune of INR 85 crore (20.7 million) and stood second highest to generate jobs (1879) in the district. Ceramics and Chemicals sector attracted investments of INR 115 crore (USD 28 million) and INR 100 crore (USD 24 million) respectively.

Ceramics sector witnessed highest investment worth INR 456 crore (USD 108.57 million) with growth over 200 times than previous decade. Miscellaneous machinery and Engineering industries attracted next highest investment of INR 308 crore (USD 73.30 million) contributing 23% to total investments.

Highest employment was generated by Electronics sector (7,205 jobs) followed by miscellaneous industries sector. Textiles sector also witnessed an upward trend in investments growing over 100 times with investments to the tune of INR 125 crore (USD 30 million).

A total of 11 MoUs were signed investments worth INR 1,873 crore (USD 446 million) for the projects related to Rajkot district during Vibrant Gujarat Global Investors Summit (VGGIS) 2003, 2005 & 2007.

Sectors such as ports, engineering and automobile, tourism and food & agro industries witnessed major investments. Three MoUs with total investment of INR

1,150 crore (USD 274 million) were signed in engineering and automobile sector, which was highest proposed investment by Rajkot Engineering Association for setting up SEZ. Maximum number of MoUs was signed in food and agro sector followed by ports sector and engineering & automobile sector.

5.5.3 Economic Drivers

Rajkot is one of the biggest centers for engineering industry. Special Economic Zone (SEZ) for engineering sector is proposed in the district, which will further boost the growth of engineering sector as well as increase the industrial output and exports of the district.

Growth in real estate in Rajkot is quite rapid due to the large investments made by top realty players in projects such as development of townships, group housing, commercial complexes, and IT Parks. This will increase the investments and employment opportunities in the infrastructure sector as well.

The State Government has identified various industrial clusters to fuel the industrial growth in the district. Major industries identified are engineering (diesel engine, machine tools, electric motors, casting and forging), ceramics/floor tiles, textiles, gems and jewellery, ginning and oxidized metals. Development of these clusters will lead to industrial growth in the district.

The district has huge reserves of minerals, especially fireclay which has led to the growth of specific industries such as fire bricks and ceramics (crocker manufacturing).

The Gujarat State Road Development Corporation (GSRDC) has proposed a four lane highway connecting Rajkot – Jamnagar – Vadinar with estimated cost of INR 775 crore (185 million) for which in-principle approval is granted.

It is proposed to provide port linkage through railway line between Dahisara to Maliya – Samakhali – Palanpur. The distance is about 37 km and cost of the rail project is estimated to be INR 148 crore (USD 35 million).

The National Highways Authority of India (NHAI) along with a private developer West Gujarat Expressway Ltd. has proposed to construct Rajkot Bypass and Gondal-Jetpur Road Development of container handling facilities at Navlakhi port on Sui Creek for feeder container vessel Development of liquid terminal at Navlakhi port to import LPG to fulfill the demand of north Indian market.

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