

## PART III

# GUJARAT, INDIA'S MOST ENTREPRENEURIAL STATE

Gujarat is the second leading industrial state in India, with a growth rate that has accelerated from 3.4% in the 1960's to 5.9% in the 70's and to 8% in the 1980's. The factors and forces which have provided the momentum to growth are a vibrant economy, business acumen, entrepreneurial ability and a peaceful and productive labour force. Also the per capita income in Gujarat is higher by 10% vis-a-vis the Indian national average. Gujarat ranks first among all Indian states in per capita investment in mining and manufacturing projects. In respect of project finance sanctioned during 1988-89 by all India Financial Institutions, Gujarat is leading. Gujarat now has 12% of the country's factories with 9.5% of the country's labour working in them to provide 10.5% of the output and 9.5% of the value added.

### 1. CITIES:

Gujarat can be divided into 4 regions, with a district historic and economic basis. The main region is the mainland corridor, comprising.

- Ahmedabad and Gandhinagar districts.
- Vadodara (known also as Baroda)
- Surat.
- Kheda, Bharuch and Valsad.

The region between Ahmedabad and Bombay has the strongest economic base in Gujarat and is fully developed. The capital of Gujarat is the modern city of Gandhinagar, a 45 minute drive from Ahmedabad. Baroda possesses the more high tech forward looking business community while Ahmedabad remains the centre of more established traditional industry like textiles.

### 2. KEY SECTORS AND PROJECTS

In Gujarat the industrial structure has witnessed substantial diversification and the textile dominated industrial base has been widened to produce the following items. Figures indicate the states share in the national income — Sugar (5.5%), Cement (6.6%), LPG (10%), Paper and paper board (10.7%), Caustic Soda (12.3%), Sulphuric acid (25.6%), Cotton cloth (27.8%), Viscose filament yarn (46.3%), VAT dyes (56.2%), Phosphate and fertilizers (56.6%), Nitrogenous fertilizers (62.6%), Salt (64.6%), Azo dyes (90%) and Soda ash (96.4%). Landmarks of Gujarat's progress on the industrial front are as follows:

Gujarat has emerged as a major producer of oil and gas in the country. Recent discoveries of the oil and gas fields of Gandhar and the increased activity in the oil fields in North Gujarat will further add to the availability of oil and gas in the state.

Gujarat today accounts for 15% of the productions of chemicals and allied items in the country. India's largest petrochemical complex of IPCL, and Gujarat refinery are located near Vadodara. A second major petro-chemical complex is under development at Hazira near Surat.

The first state sector fertilizer complex, Gujarat State Fertilizers Company Ltd., has become the largest fertilizer and petro-chemical complex in this region. Gujarat Narmada Valley Fertilizers Co. Ltd. is another state sector project. KRIBHCO a fertilizer project with an investment of \$6.7 billion (cdn) has come on stream at Hazira near Surat. Other important projects coming up at Hazira include the units of Larsen and Toubro, Essar Gujarat, Reliance Industries, GAIL and ONGC.

Hindustan Motors has to its credit the first major automobile project in Gujarat to produce commercial vehicles in collaboration with Isuzu of Japan at Halol near Baroda.

In the electronics sector, Gujarat offers a special package of incentives for units being set up anywhere in the state. A major estate for electronics has been established by the Gujarat Industrial Investment Corporation Limited (GIDC) at Gandhinagar. Five locations have been designated as "electronic estates"

The dairy industry with projects worth millions of dollars has its headquarters in Anand, Gujarat where the National Dairy Development Board operates. There are 13 processing plants in the state with a capacity of nearly 3 million litres of milk per day.