

*Gujarat Infrastructure Development Board*

## **Study of Saurashtra Coastal Corridor of Gujarat**

*Introduction*

**Final Report – February 2006**

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## 1 INTRODUCTION

### Background

- 1.1 Government of Gujarat through Gujarat Infrastructure Development Board (GIDB) wishes to study the Coastal Corridor of Saurashtra to ensure optimal utilization of the available resources to give boost to regional economy.
- 1.2 Saurashtra Coastal Corridor broadly comprises Bhavnagar – Rajula – Veraval – Porbandar – Dwarka – Okha – Bedi – Jamnagar – Navlakhi. Considering the interdependence of coastal regions and the interior regions of Saurashtra, PwC has undertaken a study of the development prospects in the Saurashtra region. However, at all times, the focus has been on the development of the coastal region.
- 1.3 PwC submitted its Inception Report of December 2004 that contained the following :
  - (a) PwC's Scope of work
  - (b) Outline of approach and methodology
  - (c) Current assessment of the Saurashtra Coastal Corridor
  - (d) Engagement deliverables
  - (e) Team structure
  - (f) Identification of data requirement to carry out the study
  - (g) Indicative list of persons/organizations for consultation/discussions
- 1.4 Following the submission of the Inception Report, PwC carried out extensive secondary analysis, stakeholder discussions and research.
- 1.5 Description of the stakeholder discussions carried out till date, over 100 in number of meetings, field visits to all the districts, presentations at industry chambers and associations etc.
- 1.6 The Interim Report of April 2005 contained the analysis and findings of the above efforts carried out by PwC. The Interim Report contained PwC's analysis & findings of the thrust industries, analysis of infrastructure stock of the region including any specific gaps and the socio economic assessment of the region to identify specific interventions by the state government.
- 1.7 Further to the submission of the Interim Report, PwC made a detailed presentation to GIDB and senior state government officials on the report in May 2005.

- 1.8 Based on the feedback received from this presentation, PwC carried out extensive follow-up field visits to the region and held further stakeholder discussions.
- 1.9 Subsequent to undertaking these discussions and analysing their outcomes, PwC submitted the Draft Final Report in September 2005 and thereon also made a detailed presentation to GIDB on the 13<sup>th</sup> December, 2005. Subsequent to this presentation, the Steering Committee had made the following observations and requested PwC to analyse the same and incorporate their analysis in the Final Report:
- a. Upgradation of ITI's on PPP basis
  - b. Possibility of offering Marine Engineering and Mining Engineering courses in ITI's of Saurashtra
  - c. Suggestion of additional cement plants at Porbandar and Amreli after examining the availability of limestone leases at these places
  - d. Prioratisation of development of Gems and Jewellery clusters at Rajkot, Bhavnagar and Amreli
  - e. Review the GOG scheme for development of infrastructure in mining areas
  - f. Gas grid status and potential in the region
- 1.10 With the objective of addressing the above points, PwC has undertaken further stakeholder discussions and presented the analysis of the same in this Final report. The specific sections of the report which provide details in relation to the above points are as follows:

<b>Point (a to f above)</b>	<b>Section in the Final Report</b>	<b>Para No.</b>
a	Section 4 – Social Infrastructure	Para 1.111 to 1.113  Para 1.123 to 1.151
b	Section 4 – Social Infrastructure	Annexure 5: Courses in ITI requiring change
	Section 1 – Industry Analysis	Para 1.393 to 1.394
c	Section 1- Industry Analysis	Para 1.365 to 1.369 and Para 1.379
d	Section 1 – Industry Analysis	Para 1.444

e	Section 1 – Industry Analysis	Para 1.388 to 1.390
f	Section 2 – Infrastructure Analysis	Para 1.242 to 1.248

1.11 Accordingly this Final Report is a culmination of the analysis and findings of PwC till date and incorporates:

- Analysis and recommendations in thrust sectors in Saurashtra, namely – agriculture, marine resource based industries, fisheries, mineral based industries, chemicals and tourism
- Analysis and recommendations on infrastructure sector interventions across roads, ports, railways, airports, water, industrial parks and power
- Benchmarking of the policies of Gujarat in the above thrust sectors vis-à-vis those in select comparable states to draw meaningful inferences on changes required, if any.
- Analysis and recommendations on social sector interventions in the region across health care and technical education. As per the scope of work discussed subsequently, we have also presented analysis of the Purchasing Power and disposable income of this region based on various principles.

#### **PwC's Scope of work**

1.12 Government of Gujarat intends to attract higher investments for tapping the state's full economic potential. It wishes to formulate a regional development strategy for Saurashtra Coastal Corridor. PwC's scope of work includes the following:

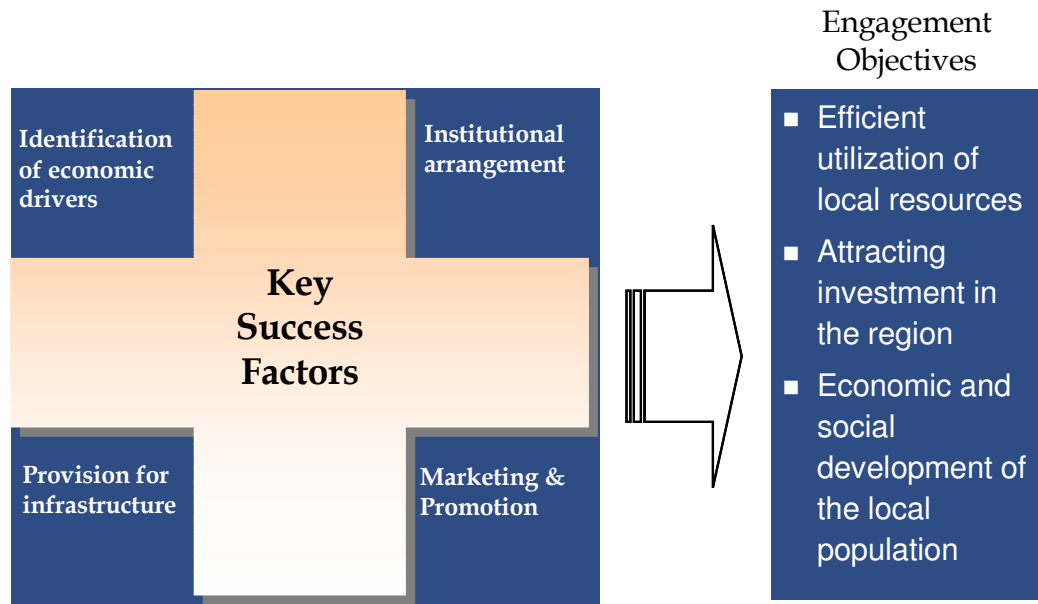
- (a) Assessment of the natural resources occurring in the region
- (b) Study the exploitation of marine resources and issues relating to globalisation
- (c) Identify issues related to fisheries and address the economics of fish trade
- (d) Assessment of existing infrastructure facilities available
- (e) Review of the extent of industrialization in the region
- (f) Estimation of income level and purchasing power of the local population
- (g) Formulation of an action plan to attract further investment in the existing industrial sectors

- (h) Assessment of infrastructure facilities required for attracting additional investment
- (i) Identification of the new sectors for investment

**Methodology adopted**

- 1.13 Our approach and methodology follows from the engagement objectives as stated in the RFP document and further detailed during PwC’s interactions with GIDB. This has also been presented in the Inception Report of December 2004.
- 1.14 Exhibit 1 clearly highlights the key success factors that would be responsible for delivering the engagement objectives.

**Exhibit 1: Key Success Factors to deliver engagement objectives**



- 1.15 Based on the above, the engagement modules have been developed as shown in Exhibit 2.

**Exhibit 2: Engagement Modules**

Economic Assessment	Infrastructure Assessment	Policy Review	Coastal Development Plan
<ul style="list-style-type: none"> <li>■ Industry assessment</li> <li>■ Natural resources assessment</li> <li>■ Social development</li> <li>■ SWOT analysis of the region</li> </ul>	<ul style="list-style-type: none"> <li>■ Existing physical infrastructure</li> <li>■ Existing social infrastructure</li> <li>■ Infrastructure gap analysis</li> </ul>	<ul style="list-style-type: none"> <li>■ Current policy paradigm</li> <li>■ Institutional arrangements</li> <li>■ Sectoral profiling</li> <li>■ Identification of policy gaps</li> </ul>	<ul style="list-style-type: none"> <li>■ Stakeholder consultation</li> <li>■ Action plan</li> <li>■ New sectors for investment</li> <li>■ Marketing and promotion</li> <li>■ Role identification for various entities</li> </ul>

## Structure of the report

1.16 As indicated above, this Report is a culmination of the analysis and findings of PwC till date and is structured as follows:

### Section 1: Industry Analysis

- Agriculture,
- Marine resource based industries,
- Fisheries,
- Mineral based industries,
- Chemicals and
- Tourism

### Section 2: Infrastructure Assessment

- Roads,
- Ports,
- Railways,
- Airports,
- Water,
- Industrial parks
- Power and
- Gas

### Section 3: Policy Benchmarking

- Mining Policy
- Tourism Policy
- Industrial Policy

### Section 4: Social Infrastructure

- Demographic Characteristics
- Per Capita Income and Purchasing power
- Technical Education
- Health Sector

### Section 5: Recommendations

- Proposed interventions and related approximate investment requirements
- Policy level interventions

### Section 6: List of Stakeholders Consulted