

INFRASTRUCTURE

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What we can learn from China

China established chemical industry park for attracting foreign investment since 1984. The concept have been inspired by European and American Sites.

They created autonomous [administration committee and development committee model](#).

The [administration committee](#) was responsible for (a) project approval, (b) License with city government (c) development and construction of infrastructure, utility services, waste disposal, (d) Land acquisition and allotment.

The [development company](#) established joint ventures to construct and operate utility, waste disposal services and warehouse facility.

They provided tax incentives.

They also ensure investment for large commodity chemicals to ensure feedstock availability and fine chemicals investment for proper utilization of commodity chemicals.

There are currently 12 chemical industrial parks in China.

With Investment in Chemical Industry park, China was able to Accelerate Consolidated Growth of Chemical Industry

The Gains of investment are enumerated below :

It increased production of all kinds of chemicals (Commodity and specialty) in China. Shanghai Chemical industrial park which was one of the first such park attracted investment of USD 100 billion and it is home to major multinational companies including Bayer, BP, AMOCO, Mitsui, Huntsman and BASF.

Jiagsu Taxing Chemical park is located in Taixing economical development zone. It was started in 1991. It has attracted investment by 142 companies out of which 32 are either J/V or foreign companies

There are other 7 to 8 such Industrial parks and they have been center of chemical hubs with excellent growth opportunities. They have been able to attract investment worth billion of dollar and has made china the 2nd largest producer of chemicals in the world. All the who's who of chemicals have their presence in chemical industrial park.

Government of India – To establish Petroleum & Petrochemical investment region

Government of India has decided to establish “Petroleum chemical and Petrochemicals Investment Region “ (PCPIR) to promote and accelerate growth of chemical industry and attract foreign investment.

PCPIR has been a major government initiative to feel the gaps that exists in infrastructure and has been hurdle in systematic growth of chemical industry.

PCPIR will be a chemical hub with cluster of chemical industries. There would be five PCPIR, in Vishakhapatnam (AP), Dahej (GJ), Haldia (WB), Cudalore (TN), Paradip (Orissa).

PCPIR are expected to create infrastructure worth Rs. 40,000 Cr. Covering roads, Rails, air links, ports, telecom, power, water treatment, sewage effluent treatment and green buffers. The total industrial investment in all PCPIR would be around 500,000 Cr. And would create huge possibilities of downward industrial and employment opportunities.

Each PCPIR will have management board and anchor tenant. This will be mostly mother unit which will form basic unit to supply basic building block for investment by downstream units. The pattern of development.

Government of India – PCPIR – Progress so Far

The progress of implementation has been very very slow.

There has been sluggish growth in projected investment inflow into the various projects of PCPRI zones approved across India. The ministry officials meet state government represents and have asked for inputs to modify so as to attract investment in PCPIR region.

Various state governments have extended infrastructure support but very few have offered tangible funding help with exception of Gujarat.

Gujarat has notified the PCPIR under rules for special investment zone and thus extending several tax related advantages to incoming investors. Till date Bharuch PCPIR in Gujarat has received Rs. 70,000 cr. Of investment and state government has completed 60-70% of land development. Petronet CNG is setting up 1200 MW power plant, ONGC petro addition Ltd a J/V between ONGC and Gujarat state Petroleum corporation. They have committed investment of Rs. 16400 Cr. It has attracted total investment worth Rs. 70,000 Cr.

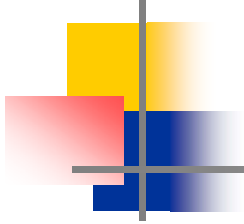
There has been slow but steady progress in other PCPIR. However there has been lack of co-ordination.

Adequate availability of basic buildings could be a major hurdle for attracting investment.

The supporting infrastructure in the form of residential township, educational institutes is not in place. It would be a dampener for attracting proper talent.

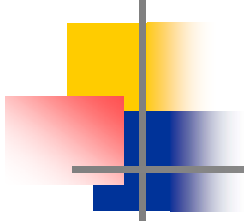
Areas of Concern

1. LAND
2. CETP – Central Effluent Treatment plant
3. WATER
4. POWER & STEAM.
5. WATERWAYS & RAILWAYS
6. PIPELINE CORNDOR
7. ANCHOR INDUSTRIES.
8. SINGLE WINDOW CLEARANCE
9. SOCIAL INFRASTRUCTURE



RECOMMENDATION

There should be a task force consist of officials from Ministry of department of Chemicals / petrochemicals & state government with co-opted members from Indian Chemical council to study progress and give suitable recommendations.



Thank YOU