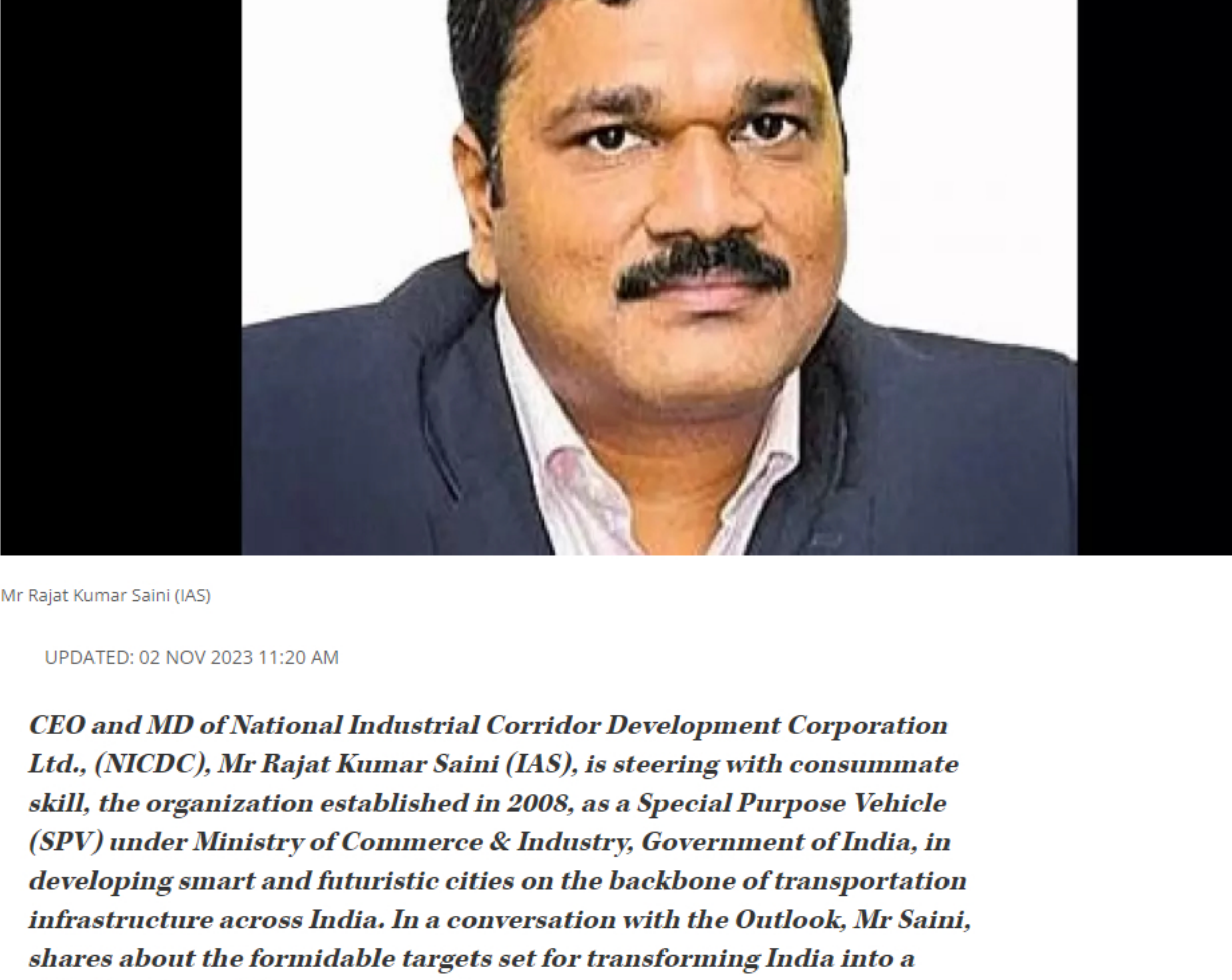
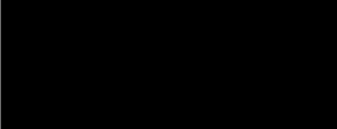


Industrial Corridors Are Spurring India’s Global Economic Vision

In a conversation with the Outlook, Mr Saini, shares about the formidable targets set for transforming India a global industrial destination, and its vast gamut.



Mr Rajat Kumar Saini (IAS)

UPDATED: 02 NOV 2023 11:20 AM

CEO and MD of National Industrial Corridor Development Corporation Ltd., (NICDC), Mr Rajat Kumar Saini (IAS), is steering with consummate skill, the organization established in 2008, as a Special Purpose Vehicle (SPV) under Ministry of Commerce & Industry, Government of India, in developing smart and futuristic cities on the backbone of transportation infrastructure across India. In a conversation with the Outlook, Mr Saini, shares about the formidable targets set for transforming India into a global industrial destination, and its vast gamut.

1. Since the launch of the first Delhi-Mumbai Industrial Corridor in 2006, NICDC has come a long way. How are the previous benchmarks inspiring you as the new CEO & MD of the organization?

When I look at the vision of our Hon'ble Prime Minister, Shri Narendra Modi; Hon'ble Minister for Commerce and Industry, Hon'ble Mr Piyush Goyal, my predecessors, who have set the vision into implementation mode, I am amazed by the enormity of its scale. I am aware of the huge responsibility that I have and feel privileged to take forward this vision with my team at NICDC. Our mandate is to develop new greenfield industrial townships for transforming India into a global manufacturing and industrial hub for accelerating socio-economic progress.

2. For the readers, could you elaborate on NICDC’s purpose?

When you look at NICDC’s role in its entirety, from crust to core, the outer layer is seen as the brand of work done by us, which involves building mammoth infrastructure. Going further inward, our role is about conceptualizing and constructing cities on the backbone of existing national connectivity to address rapid urbanization. At the core of our business is the task of setting dreams and narratives that touch people’s lives.

We utilize the existing highways, expressways, dedicated freight corridors and railway lines, leveraging such infrastructure to develop Greenfield Industrial Smart Cities right from their foundation. Cities are about its people and for creating new experiential human habitat, we are given a free hand to conceptualize and visualize cities of the future. We collaborate with global consultants and experts in this field, who bring fresh and innovative ideas that align with our vision.

Having said this, even these industrial townships will not be sufficient to meet the growing demand for industrial cities, considering our huge geography and population, but they will showcase to the world, India’s capability, and the opportunities that it possesses, which is both- ‘Plug-and-Play’ and ‘Walk-to-Work’. These modern cities can be advantageous for the largest investors looking to expand their manufacturing hubs closer to the world’s foreign markets, including India.

Back home, we can demonstrate to our partners and state governments the kind of infrastructure we can and should create to become a global manufacturing hub. This collective effort is essential to attract global companies and achieve the goals of initiatives like ‘Make in India’, ‘Atmanirbhar Bharat’, and ‘Local for Global’.

3. Land procurement is a cumbersome process, how did you overcome this challenge?

Our approach has been slow but steady, characterized by caution and sure-footedness at every level to eliminate any chances of future hiccups that could jeopardize the smooth completion of industrial nodes. Each project is initiated after thorough deliberation, ensuring that the land on which we plan and build the city comes with all the necessary clearances obtained with the help of respective state governments. Sensitive issues such as rehabilitation and resettlement, integral to such projects, are also addressed in accordance with government policies. In essence, we work closely with the respective state governments, starting from conceptualization to the development of these unique townships, where the administration sets in motion procurement of land parcels, while we make the master plan with city planners.

4. How are you bracing to raise investment to meet the targets expected of you?

Being an integral part of the government’s strategic infrastructure initiative, we benefit from comprehensive government funding for the initial infrastructure development in our cities. This robust support ensures that funding is not a concern for us.

It’s worth highlighting that the government is actively exploring a multitude of future proposals. This flexible approach empowers us to adjust as needed, ensuring that we maintain agility and responsiveness without becoming unduly constrained by rigid commitments. We also benefit from cost savings due to our extensive experience in creating ideal business cities, leveraging existing connectivity. For instance, in Dholera, we are constructing a new airport and an expressway to alleviate congestion and reduce the time required for the movement of freight, where time is a critical risk factor.

Time saved translates to cost savings, and these savings can be judiciously allocated to other expenses. The invaluable support from the government and our leadership is evident in our ability to work at a realistic pace. This leaves no room for errors, which again represents wise financial management. What began a decade ago has now culminated in the magnificent development of these industrial nodes.

5. Which are the cities that are complete and fully functional or soon to be operational?

As of now, NICDC has completed four cities that are fully operational. Dholera in Gujarat was visualized and conceptualized by Hon'ble PM, when he was serving as the Chief Minister of the State. Dholera represents an incredible achievement, with the capacity to envision and create an entire city well ahead of its time. Dholera, the most ambitious of all the industrial nodes, has emerged as a magnificent global destination that is attracting substantial investments from various countries. The plan for this investment region encompasses approx. 2,20,000 acres with approx. 1,00,000 acres allocated for development out of which 5,560 acres has already been developed.

Out of this area, 531 acres has already been allotted. 991 acres of land for industrial use and 1,082 acre land for mixed use is available for allotment. As per plans, this functional industrial city would be powered by 4,000 megawatts of renewable energy, out of which 300 MW of Solar Park project has already been commissioned by TATA Power.

In Maharashtra, NICDC’s Shendra township in Aurangabad district, spans about 2,073 acres and Bidkin covers about 7,850 acres. As part of phase 1 of the project, 4,584 acres have been developed. 600 acres of developed land has already been allotted and only 907 acres of land for industrial use & 1,021 acre land for non-industrial use is available for allotment. Except for 45 acres in Vikram Udyogpuri near Ujjain, the remaining land has been allotted to the investors. In Greater Noida, only 155 acres of industrial land remains to be sold.

6. Generally, which are the countries that have shown interest in NICDC’s industrial townships?

In Greater Noida and Shendra Bidkin, investors from countries such as South Korea, US, UK, Japan, Russia, and the Netherlands have shown interest and either have a presence or are eager to invest in our industrial townships. We maintain ongoing communication with them, and the respective states are also engaged since these cities are developed under Special Purpose Vehicles (SPVs).

On the contrary, Vikram Udyogpuri is largely dominated by domestic investors. Even most of the homegrown companies have foreign collaborators in terms of technology, FDI etc. so the vision is for global inclusivity to power India’s growth in a symbiotic spirit.

Japan Bank for International Cooperation (JBIC) holds a 26 percent stake in NICDC, Government of India has 49 percent, and the balance is owned by other public financial institutions. This structure classifies us as a private company. The presence of JBIC in NICDC projects ensures unquestionable quality standards, making Japanese companies comfortable when approaching us.

7. In developing industrial nodes, how is NICDC working in tandem with partnering states?

There is an agreement between us and the participating States that outlines all the modalities, including respective roles and responsibilities. Once an industrial township is developed, a Special Purpose Vehicle (SPV) with a dedicated CEO and staff is established for its maintenance and operations, which falls under the purview of the State Government. The companies created for the upkeep of the town will have to work as per the agreement between the State and NICDC, with NICDC serving as the overarching authority.

We also obtain environmental clearance and facilitate SPVs in obtaining licenses for power distribution, which often results in lower costs due to cross-subsidies, making it an attractive option for power-intensive industries. For example, in Dholera we are trying to attract tech intensive industries such as semiconductor, companies in the space and aviation sector, and electronic manufacturing companies, to name a few.

8. What difference is NICDC making towards increasing India’s exports?

India’s exports are already on an upswing. The Centre has achieved a revenue of \$400 billion in merchandise exports in 2022 and has set an ambitious target of achieving a revenue of \$1 trillion by 2030. In fact, India’s rising exports are creating an exhilarating ecosystem for all stakeholders. NICDC will leverage this advantage, and exports will surge on the strength of the Industrial corridors.

I can, however, convincingly say that India is amongst the biggest markets and the market sentiments are upbeat. Investors to India are of two kinds- those eyeing India as a viable, cost-effective manufacturing hub and those viewing India as a major consumer market, the largest in Asia, for selling their products. Also, India is a developing country with a large youth population and is the fastest-growing economy. NICDC’s industrial townships could offer substantial employment opportunities to the burgeoning job-seeking population within our sustainable ecosystem and offer a safe work environment.

9. What is the duration for rest on the industrial nodes to develop?

11 industrial corridors have been approved. 4 industrial nodes have already been completed and 4 others are being implemented. Work is progressing in another 10-15 industrial nodes of global standards with the objective of showcasing them to investors and attracting investment and industrial development to the country. We have already approved corridors of such immense magnitude, and they require a considerable gestation period to reach full maturity. Our mandate is to build new industrial townships with multi-modal transport systems, as islands of excellence, at par with global standards.

Industrial Corridors
1. Delhi Mumbai Industrial Corridor (DMIC)
2. Chennai Bengaluru Industrial Corridor (CBIC)
3. Amritsar Kolkata Industrial Corridor (AKIC)
4. East Coast Economic Corridor (ECEC) with Vizag Chennai Industrial Corridor (VCIC)
5. Bengaluru Mumbai Industrial Corridor (BMIC)
6. Extension of CBIC to Kochi via Coimbatore
7. Hyderabad Nagpur Industrial Corridor (HNIC)
8. Hyderabad Warangal Industrial Corridor (HWIC)
9. Hyderabad Bengaluru Industrial Corridor (HBIC)
10. Odisha Economic Corridor (OEC)
11. Delhi Nagpur Industrial Corridor (DNIC)

10. The Centre has a youth-centric focus in its developmental goals. How is NICDC supporting this objective when it comes to encouraging start-up ecosystems and generating employment?

When the youth proactively participates in the developmental processes, we can become a global manufacturing powerhouse. Personally, I have observed an amazing trend among the young team of NICDC, who believe in playing on the front foot. Today’s youth are breaking conventional mindsets; monotonous jobs are now a thing of the past, as they courageously take risks and remain resilient in the face of setbacks, always ready to start afresh. I would be delighted to see the youth establish small manufacturing plants in our industrial townships or launch their startups.

NICDC is doing its part to support a conducive startup ecosystem by providing exceptional infrastructure for our aspirational youth. For instance, the Administrative Building at AURIC Hall, Shendra offers vast premises where 4-5 floors are dedicated for start-ups to work from until they become self-sufficient and eventually move to other locations. It was inaugurated by the Hon'ble Prime Minister on September 19, 2019.

Recognizing that not everyone has the capacity to rent a workplace in their early days, this is our way of offering initial support to startups. The hand-holding provided to investors irrespective of their size of business, in terms of infrastructure, administrative and operational facilities, all under one roof, with a one-window approach at these townships, is unparalleled. No company that has come to our industrial hubs has taken more than 2 years to start production. In some cases, all procedures, from land selection and allotment to starting production, have been completed within just 11 months for the investors!

11. What are the employment generation projections in these industrial nodes?

When it comes to generating employment, the projections shown by consultants run into lakhs. For example, in Dholera the employment generation potential is 8 lakhs+ jobs. In Vikram Udyogpuri it is 26,000+ jobs, Greater Noida is 57,000+ jobs, and so on. These numbers vary for each industrial node based on factors such as project size, site geography and demography, state government partnership, and mutual agreements. These figures are expected to increase as more corridors develop and become operational in due course.

12. As you are well-informed about such game-changers launched by the Centre, could you share about any such initiative that would redefine the way India would function?

Another fascinating initiative of incredible scale, yet again, envisioned by the Hon'ble Prime Minister, is the Unified Logistics Interface Platform (ULIP) managed by NICDC Ltd., which I head as Chairman, in an additional capacity. ULIP involves all logistics aspects of government companies and gateways, aiming to create an integrated and comprehensive live data platform. Its objective is to integrate various systems of all ports, airports, posts, customs, Vaahan, Saarthi (meant for all vehicles and driving licenses), and more. We also monitor the movement of EXIM containers, and so on. ULIP has the potential of becoming the next UPI or WhatsApp, and we are diligently working on it. ULIP is set to cover everything and everybody, including location information, motor insurance, and share information about trouble spots such as traffic congestion, poor road conditions, which then can be immediately looked into and rectified/solved for creating a seamless and safe ‘India on the Move’!