



GOVERNMENT OF GUJARAT

Chief Minister's Office, Gujarat



CMO Gujarat Briefing Paper
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Gujarat, India

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Briefing Paper

Vibrant Gujarat
Leading in Project
Investment in
India

July 2009

Vibrant Gujarat

Leading in Project Investment in India

Summary

Vibrant Gujarat

Gujarat has concretely secured its position as the **Topmost Investment Destination of India** as demonstrated by the success of the last four **Vibrant Gujarat** Investment Summits. The first Vibrant Gujarat Summit was held in 2003, followed by summits in 2005 and 2007 and recently in January 2009. The Government of Gujarat has established a long-term institution of dynamic systems that function all year round to successfully attract investors to select Gujarat to locate their industry. According to a study by **Deutsche Bank: "Gujarat offers the most favourable outlook for growth of demand for infrastructure projects"**. This long-term vision has been realised and is paying continuous returns contributing to Gujarat's robust economic growth.

Out of India's states **Gujarat has had the highest amount of project investment announced**. In the quarter January-March 2009 the state with the highest amount of investment in projects announced was Gujarat, with Rs.698135 crore. In the quarter January-March 2009 **Gujarat had the second highest amount of investment in projects under-implementation**, Rs.351430 crore.

Not all projects that are announced are completed, and many have been abandoned or shelved. From April 1998 to March 2009 Gujarat was the state with the second highest investment in projects that have been abandoned or shelved (Rs.26852 crore), following West Bengal (Rs.43841 crore). Despite the large amount of project investment that has been abandoned or shelved, **Gujarat is the state with the greatest amount of project investment completed across the last 14 years and in the last year**. Across a 14-year period (April 1995 to March 2009) project investment of Rs. 220455 crore were completed, and across the last year (April 2008 to March 2009) project investments of Rs.60869 crore were completed.

This information on investment activities in India has been drawn from the **Capex database maintained by the Centre of Monitoring Indian Economy (CMIE)**. CapEx monitors investment projects: a project becomes a part of the CapEx database from the time it is announced and through to its completion or abandonment. Project information is collected from diverse sources including company annual reports, newspapers, business magazines and other printed media.

Information on project investments can have inaccuracies, however, long-term trends give a more reliable assessment of project investments in Indian states. CMIE provides quarterly data from June 1995 on project status in the following parameters: project announced, project under-implementation, project abandoned or shelved, and project completed.

Summary data

Gujarat Leading in Project Investment in India

Projects announced : Number 1	In the quarter January-March 2009 the states with the highest amounts of investment in projects announced were :	Gujarat	Rs. 698135 crore
		Orissa	Rs. 564715 crore
		Maharashtra	Rs. 502561 crore
		West Bengal	Rs. 330087 crore

Projects completed in last 14 years : Number 1	Across the previous 14 years (April 1995 to March 2009) the states with the highest amounts of investment in projects completed are :	Gujarat	Rs. 220455 crore
		Maharashtra	Rs. 166488 crore
		Andhra Pradesh	Rs. 109217 crore
		Tamil Nadu	Rs. 96471 crore

Projects completed in last 1 year : Number 1	Across the previous 1 year (April 2008 to March 2009) the states with the highest amounts of investment in projects completed are :	Gujarat	Rs. 60869 crore
		Andhra Pradesh	Rs. 35640 crore
		Maharashtra	Rs. 27772 crore
		Delhi	Rs. 23400 crore

Source : Capex data base, CMIE, updated July 2009

Projects announced

Gujarat attracts the largest amount of investments

Project announcement is the first stage of project implementation when the company may not be clear about the final scope of the project. Not all announced projects are completed and at this stage there is chance that the project can be stalled or abandoned. Gujarat is the leading state having attracted the largest amount of investment in projects announced for the quarter January-March 2009, this is an improved ranking position compared to January-March 1999 where Gujarat held the 4th position.

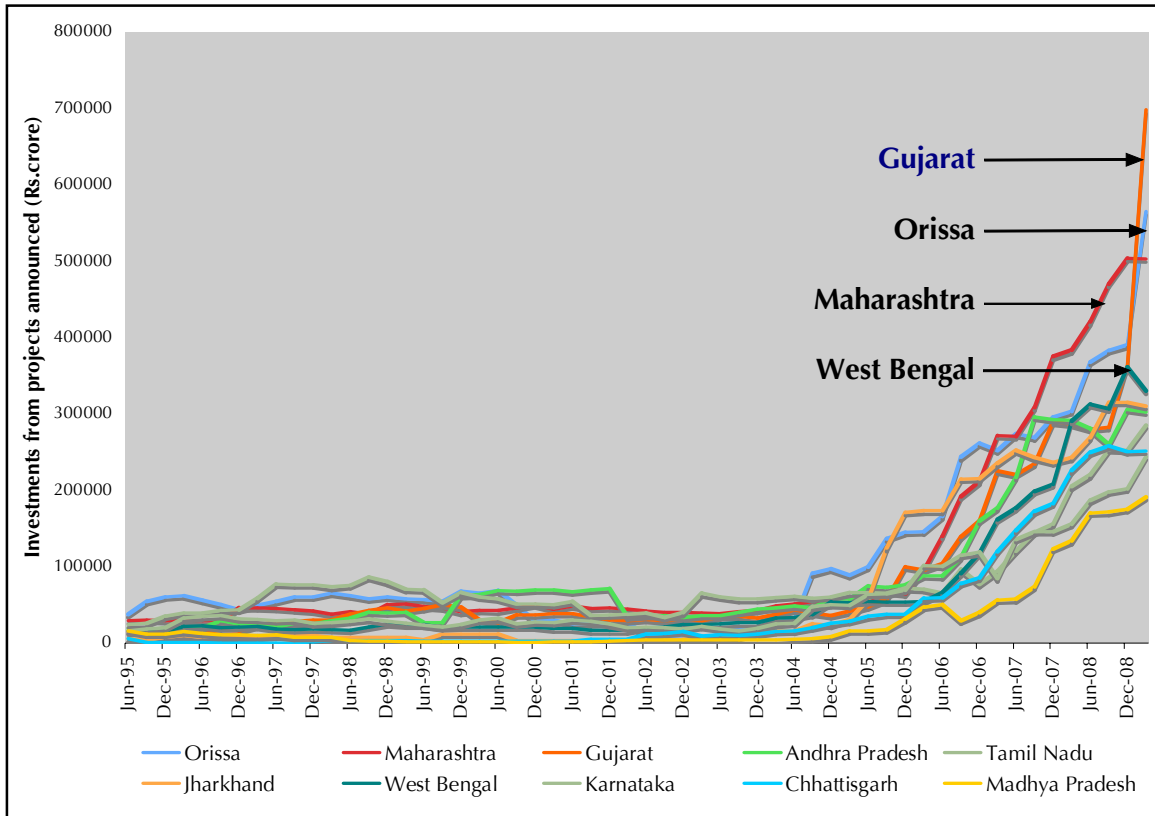
Table 1		Amount to be invested from projects announced (Rs. crore) for ten leading states of Jan-Mar 2009		
State name	Investments from projects announced (Rs. crore)			
	January-March 1999		January-March 2009	
	Rs. crore	Rank	Rs. crore	Rank
Gujarat	41649	4	698135	1
Orissa	57780	2	564715	2
Maharashtra	51023	3	502561	3
Multi States*	14328	-	428423	-
West Bengal	23496	7	330087	4
Jharkhand	7615	8	309788	5
Andhra Pradesh	39960	5	302511	6
Tamil Nadu	69963	1	285059	7
Chhattisgarh	3311	9	251393	8
Karnataka	25493	6	244056	9
Madhya Pradesh	1535	10	190878	10

Source : Capex data base, CMIE, updated July 2009

*Multi-states : projects established in more than one state

**Chart
1**

Amount to be invested from projects announced (Rs. crore) for ten leading States from April 1995 to March 2009



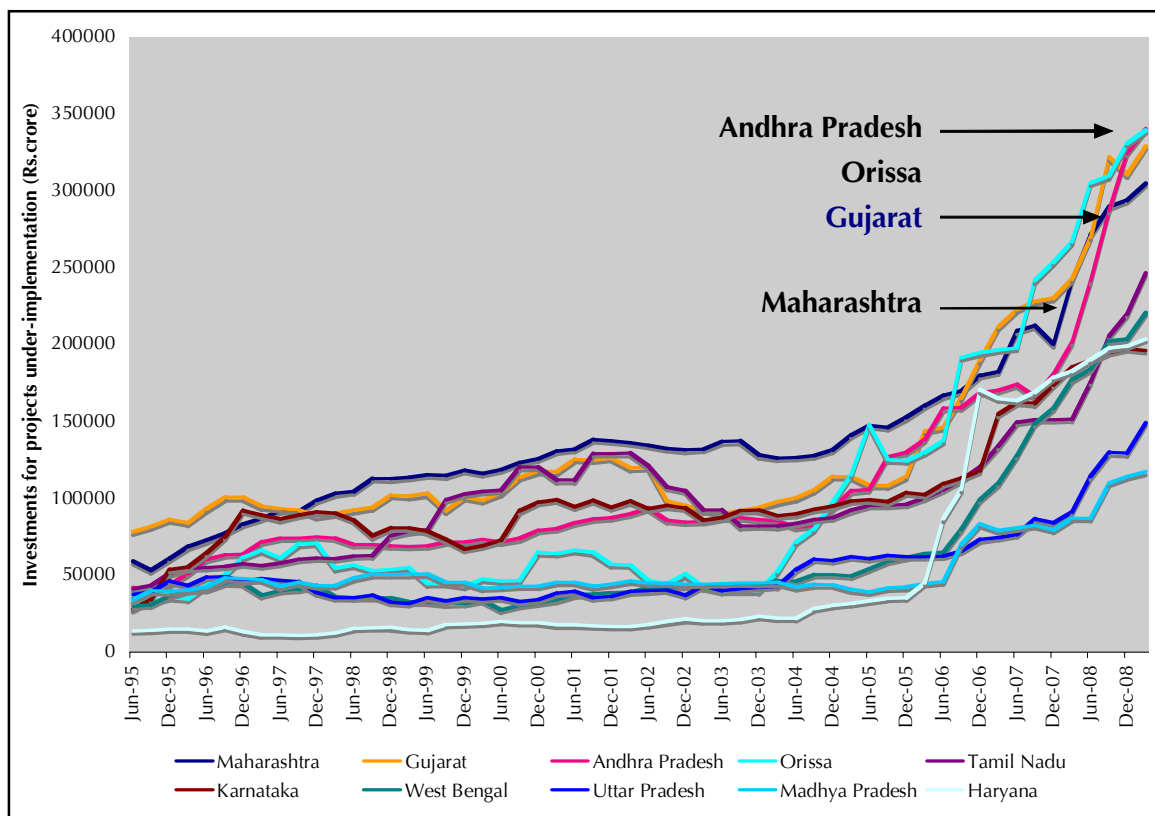
Source : Capex data base, CMIE, updated July 2009

Projects under-implementation

Gujarat has a large investment in projects under-implementation

A project is considered under-implementation when necessary permissions are received from various government bodies, memorandum of understanding is signed and land is acquired. This data provides a snap-shot at each quarter, of the amount of investment of projects that are under-implementation in each state at that time. In the quarter January to March 2009 Gujarat had the second highest amount of investments (Rs.328670 crore) in projects under-implementation. Andhra Pradesh had the highest amount of investments (Rs. 339880 crore) in projects under-implementation, followed by: Gujarat (Rs.328670 crore), Orissa (Rs.339226 crore), and Maharashtra (Rs.304645 crore).

Chart 2 Amount to be invested in projects under-implementation (Rs. crore) for ten leading States from April 1995 to March 2009



Source : Capex data base, CMIE, updated July 2009

Projects Abandoned or Shelved

Gujarat has a large investment in projects abandoned or shelved

Projects are abandoned or shelved when they become unviable following changes in socio-economic environment, political environment, land dispute over acquisition, environmental protests, rejection by the State and Central Government, problems with the company and other reasons. Shelved refers to projects that have been announced, whereas abandoned refers to projects that were under-implementation.

Across the previous 14 years (April 1995 to March 2009) the states with the highest amounts of investment in projects abandoned or shelved are: Orissa (Rs.156856 crore), Andhra Pradesh (Rs.143675 crore), Karnataka (Rs.120492 crore) and Gujarat (Rs.116902).

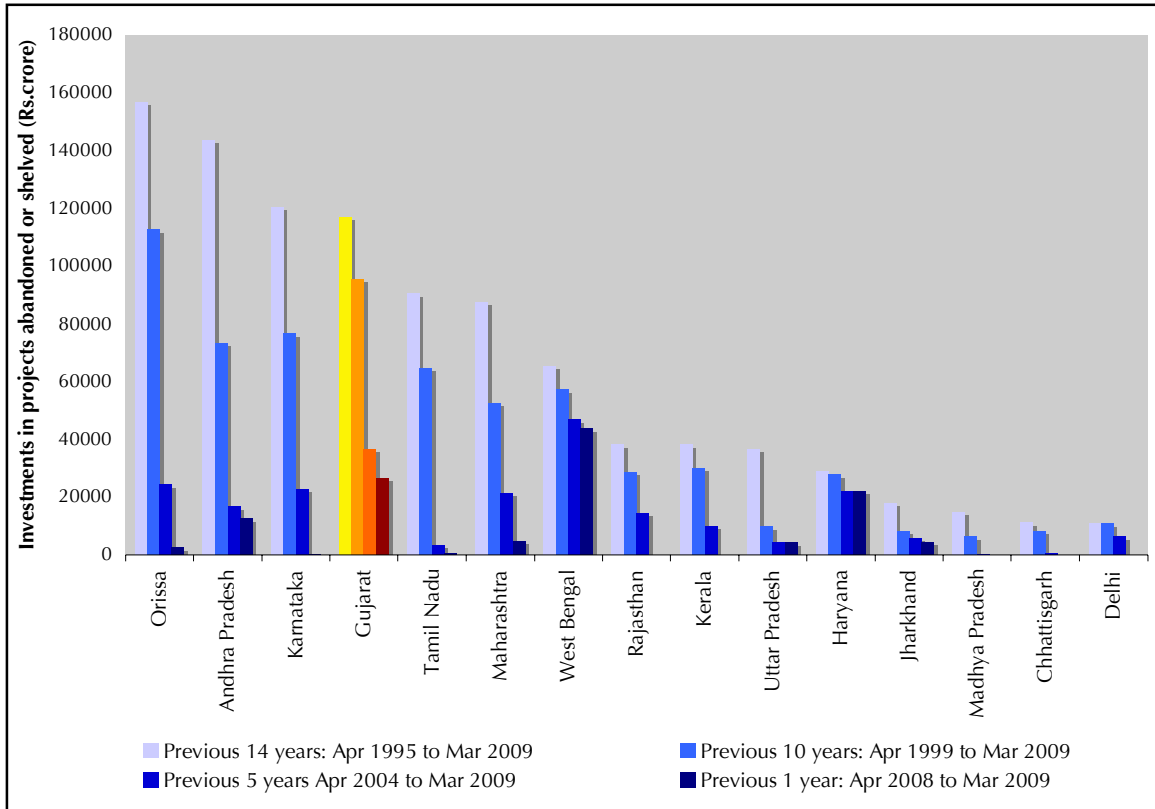
Across the previous 1 year (April 2008 to March 2009) the states with the highest amounts of investment in projects abandoned or shelved are: West Bengal (Rs.43841 crore), Gujarat (Rs.26852 crore), Haryana (Rs.22000 crore), and Andhra Pradesh (Rs.12669 crore).

Table 2	Amount invested from projects abandoned or shelved (Rs. crore) for fifteen leading states			
State Name	Investments of projects abandoned or shelved (Rs. crore)			
	Previous 14 years: Apr 1995 to Mar 2009	Previous 10 years: Apr 1999 to Mar 2009	Previous 5 years: Apr 2004 to Mar 2009	Previous 1 year: Apr 2008 to Mar 2009
Orissa	156856	112669	24385	2488
Andhra Pradesh	143675	73169	16809	12669
Karnataka	120492	76711	22887	315
Gujarat	116902	95621	36633	26852
Tamil Nadu	90514	64886	3347	697
Maharashtra	87692	52692	21439	4814
West Bengal	65495	57380	46950	43841
Kerala	38205	30083	10058	100
Rajasthan	38292	28754	14445	103
Uttar Pradesh	36739	10005	4458	4355
Haryana	29215	27706	22100	22000
Jharkhand	17959	8274	5840	4500
Madhya Pradesh	15048	6378	346	25
Chhattisgarh	11206	8424	704	120
Delhi	10973	10961	6394	14

Source : Capex data base, CMIE, updated July 2009

**Chart
3**

Amount to be invested from projects abandoned or shelved (Rs. Crore) for fifteen leading States for last 14, 10, 5 and 1 year(s)



Source : Capex data base, CMIE, updated July 2009

Projects completed

Gujarat has the greatest amount of investment in projects completed

A project is completed when it is fully implemented and the plant starts commercial production.

Across the previous 14 years (April 1995 to March 2009) Gujarat has had the greatest amount of investment (Rs. 220455) in projects completed, followed by : Maharashtra (Rs. 166488 crore), Andhra Pradesh (Rs. 109217 crore) and Tamil Nadu (Rs. 96471 crore).

Across the previous 1 year (April 1998 to March 2009) Gujarat has had the greatest amount of investment (Rs. 608691) in projects completed, followed by : Andhra Pradesh (Rs. 35640 crore), Maharashtra (Rs. 27772 crore) and Delhi (Rs. 23400 crore).

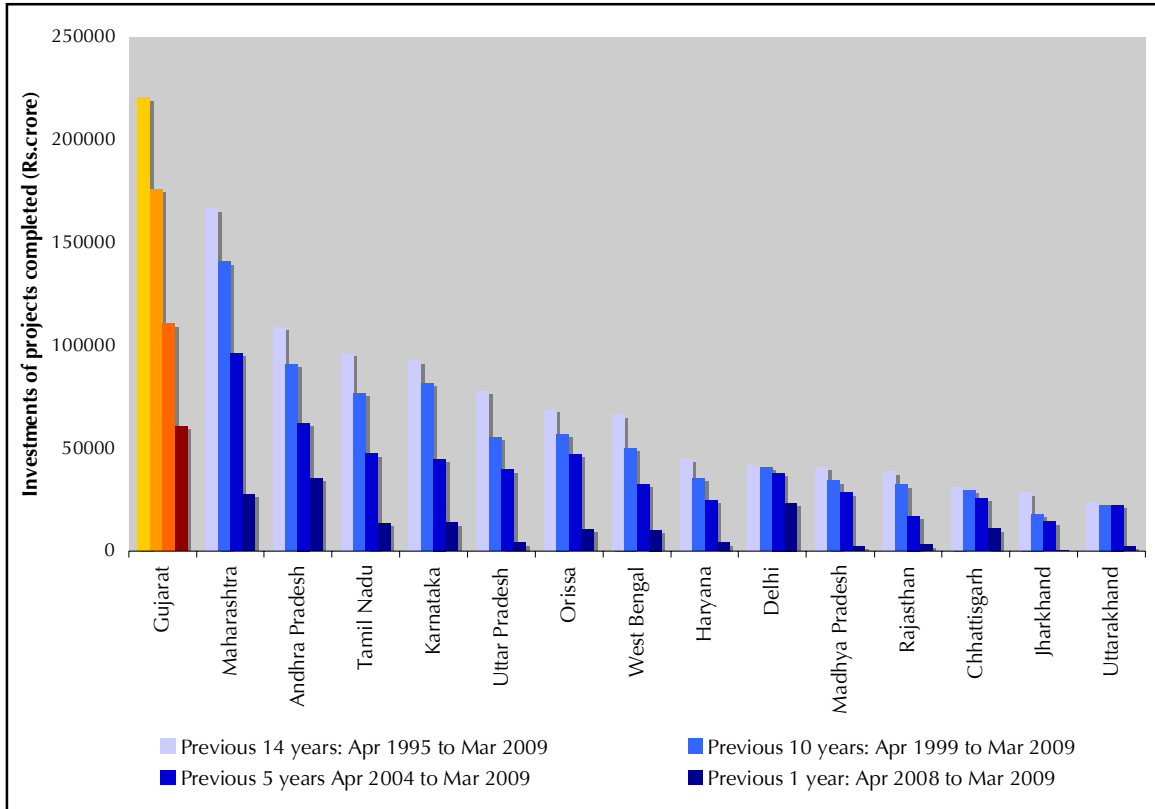
Table 3	Amount invested from projects completed (Rs. crore) for fifteen leading states			
State Name	Investments of projects that are completed (Rs. crore)			
	Previous 14 years: Apr 1995 to Mar 2009	Previous 10 years: Apr 1999 to Mar 2009	Previous 5 years Apr 2004 to Mar 2009	Previous 1 year: Apr 2008 to Mar 2009
Gujarat	220455	176089	110526	60869
Multi States*	207420	182542	130058	46931
Maharashtra	166488	140867	96227	27772
Andhra Pradesh	109217	90853	62269	35640
Tamil Nadu	96471	76633	47461	13561
Karnataka	92701	81859	45074	13912
Uttar Pradesh	77994	55592	39604	4280
Orissa	68971	57066	47064	10652
West Bengal	66385	50299	32516	10362
Haryana	44822	35802	24739	4467
Delhi	41782	41096	37922	23400
Madhya Pradesh	41076	34436	28314	2424
Rajasthan	38712	32410	17207	3077
Chhattisgarh	30954	29594	25593	11092
Jharkhand	28662	18271	14289	520
Uttarakhand	23880	22493	22415	2368

Source : Capex data base, CMIE, updated July 2009

*Multi-states: projects established in more than one state

**Chart
4**

Amount invested in projects completed (Rs. crore) for fifteen leading States



Source : Capex data base, CMIE, updated July 2009