

## Key Industries

West Bengal has several inherent natural advantages because of the existence of raw material sources like diverse agricultural output and existence of coal and iron ore belts. This has given an impetus to industries like food processing and metals. Policy initiatives have been taken to provide a thrust to industries like IT and IT enable services (ITES).

### **Petroleum and Petrochemicals**

West Bengal accounts for almost four per cent of India's production of petroleum products and 13 per cent of polymer production. The petroleum, petrochemicals and chemicals investment region is clustered around Haldia. Crude throughput at Haldia refinery increased to 5,502 million tones and its capacity utilization increased to 91.7 per cent during 2005-06. After the refinery, the next large investment in Haldia came when Mitsubishi Chemicals Corporation selected it as the site to set up its manufacturing facility in India. Other plants that are present in the region are those of Hindustan Lever (now taken over by Tata Chemicals), Exide, South Asia Petrochem, Indian Oil Petronas, Electro Steel, Ural India and Ruchi Soya. Indian Oil Corporation (IOC) signed a memorandum of agreement (MoA) with WBIDC for setting up a petrochemical hub in Haldia at an investment of around \$3.2 billion.

### **Reliance Industries Limited (RIL)**

RIL has a wide range of products from petroleum products, petrochemicals, to garments (under the brand name of Vimal). The company plans to invest in two projects in West Bengal –developing agri-hubs and setting up a grocery retail chain, and supply of piped natural gas from the Krishna-Godavari Coast and the Orissa coast. Reliance may invest up to \$1.7 billion in the proposed 1,100-km gas pipeline from Kakinada in Andhra Pradesh to Howrah in West Bengal.

### **Indian Oil Corporation (IOC)**

IOC is India's largest company by sales with a turnover of \$41 billion and profits of \$1.1 billion in fiscal 2005. For the year 2005-06, IOC sold 54.6 million tonnes of petroleum products, including 2.09 million tonnes through exports. The company owns and operates 10 of India's 18 refineries with a combined refining capacity of 60.2 million tonnes per annum (1.2 million barrels per day). Haldia refinery had an original crude oil processing capacity of 2.5 MMTPA. Petroleum products from this refinery are supplied mainly to eastern India through two product pipelines. IOC has signed a MoA with the WBIDC for setting up a chemical hub in Haldia at an investment of \$3.3 billion. IOC would be the role anchor investor for the hub. The chemical hub would include a 15 million tonne greenfield refinery and a downstream petrochemical facility to produce paraxylene, polyester, polymer and benzene. The hub would come in the Petrochemical and Petroleum Investment Region (PCPIR) and would be a part of the SEZ being set up by Indonesia based Salim Group, Unitech and Universal Success.

### **Haldia Petrochemicals**

Haldia Petrochemicals has a 1,025-acre naphtha based petrochemical complex, 125 km from Kolkata. It is jointly promoted by the WBIDC, The Chatterjee Petrochem (Mauritius) Company Ltd and the Tata Group with an investment of \$1.2 billion. The complex consists of a naphtha cracker unit and associated plants,

### **Mitsubishi Chemicals Corporation**

Mitsubishi Chemicals Corporation, one of the world's top 10 chemical companies, set up its 350,000tonne Purified Terephthalic Acid (PTA) plant at Haldia in 2000. The company is now planning to expand the capacity to 800,000 tons with an investment of \$370 million.

## **South Asian Petrochem Ltd (SAPL)**

SAPL promoted by the Dhunseri Group of Kolkata and an export-oriented unit, has set up a Bottle Grade PET Resin continuous process plant at Haldia, The PET resin, ASPET, produced by it is used for packaging of drinking water, carbonated soft drinks, edible oil and pharmaceuticals. The 140,000 tonnes per annum plant is amongst the largest and the most modern in the region and has been set up in collaboration with Zimmer AG, Germany.

## **Iron and Steel Industries**

The growth of the iron and steel industry in the state has been due to its proximity to raw materials, skilled manpower, port facilities, sufficient availability of power and a huge market for steel products in the country. From 1991 to 2004, 243 new iron and steel units were set up in the state with a capital investment of \$1.86 billion.

The products include steel ingots, sponge iron, pig iron, billets, bars and plates. Though most of the iron and steel factories are located in the Asansol-Durgapur region due to its proximity to the coal and iron ore belts, many new units have come up in the districts of Hooghly, Howrah, Bankura and Purulia. In the past four years, 108 projects have been implemented. Some of the major players are Steel Authority of India Ltd., Electro Steel Casting, Gontermann Peipers, Bhushan Ltd., Vesuvius India and JSW Steel.

## **Steel Authority of India Ltd (SAIL)**

SAIL, government of India owned company, is the leading steel maker in India. It had a turnover of \$8.7 billion in financial year 2006-07, with a production of 12.6 million tonnes of steel. In West Bengal it has an integrated steel plant in Durgapur. The erstwhile Indian Iron & Steel Company (IISCO), which was a 100 per cent subsidiary of SAIL, has been amalgamated with the parent company and an investment of \$2.2 billion has been made for the modernisation of its Burnpur unit. It has a capacity to produce 426,000 tonnes of saleable steel and 254,000 tonnes of pig iron annually. The plant is set to undergo capacity expansion. The company is also upgrading its blast furnace.

## **JSW Steel**

JSW Steel plans to set up a 10 million tonne steel plant at Guptamuni near Kharagpur over an area of 5,000 acres with an investment of \$2.2 billion. In the first phase, it would install a 4 million tonne plant along with a 1,000 MW thermal power unit. The capacity of the steel plant would be raised to 10 million tonnes in the second phase.

JSW Steel Ltd is planning a special purpose vehicle (SPV) for coal mining with the West Bengal Mineral Development and Trading Corporation (WBMDTC) for its steel plant in the state.

The automotive industry in West Bengal predominantly consists of original equipment manufacturers (OEM) like Hindustan Motors. West Bengal has realized the huge potential in this sector and has geared up with appropriate plans and policies. It has also got certain inherent competitive advantages since the state is home to India's steel manufacturing cluster.

## **Hindustan Motors Ltd (HML)**

HML, India's pioneering automobile manufacturing company and flagship of the C.K. Birla Group has its automobile division at Uttarpara, near Kolkata. It is engaged in the manufacture of passenger cars (Ambassador, Contessa) and multi utility vehicles (Trekker, Porter and Pushpak).

Its vehicles are sold through a network of over 130 dealers and are supported by a nationwide service network and 55 exclusive spare part dealers. The company has entered into an arrangement with Shriram Properties Ltd of Bangalore for the development of 314 acres of land near its Uttarpara plant to set up a township comprising

residential, IT Parks and auto-ancillary parks.

## **Food Processing**

Agriculture plays a pivotal role in the state's income, and nearly three out of four persons are directly or indirectly involved in agriculture. West Bengal is the largest producer of rice and the second largest producer of potato in the country. It also produces around 0.25 million tonnes of fruits and over 10 million tonnes of vegetables annually. The state accounts for 10 per cent of the country's edible oil production and is the largest producer of fish. The state government has taken up crop-diversification programme to encourage horticulture and floriculture. This gives a strong raw material base to the food processing industry.

Some of the key investors in this industry are Dabur, Frito-Lay and Arambagh Hatcheries. Unilever and Nestle have also expressed interest in setting up food processing units in the state.

## **Frito Lay India**

Frito-Lay, the foods division of PepsiCo was in 2006 working with 4,000 farmers in West Bengal, including 1,700 under 10 cooperatives for potato cultivation, with its area of influence spread across 2,100 acres. The state recorded the highest potato yield in India of 23 tonnes per hectare under the Frito-Lay assisted potato cultivation projects. The company has a processing plant at the Sankrail Food Park in Howrah district. The plant has a capacity to handle 30,000 tonnes of potatoes, and based on its recent successes, Frito-Lay has already announced expansion plans.

## **Dabur Foods**

Dabur Foods Ltd, a wholly owned subsidiary of Dabur India, has a product portfolio consisting mainly of packaged fruit juices, cooking pastes, sauces and items for institutional food purchases. Dabur has strong brands like Real, Real Active, Coolers and Homemade (cooking pastes) in its portfolio. Its Siliguri multi fruit processing facility is spread over 11 acres and is geared to process 150 tonnes of

## **Tea**

West Bengal is the second largest tea growing state in India, accounting for 21 per cent of the total production. Darjeeling and Jalpaiguri are two northern districts of West Bengal where most of the tea gardens are located. There are three tea-growing zones – Darjeeling, Terai and Dooars. There are 343 tea gardens in West Bengal covering 103,950 hectares of planted area. The Kolkata port is the biggest tea-handling port in India. Kolkata is also the biggest tea auction market in India. Many new small tea gardens have been set-up in Cooch Bihar and North Dinajpur.

## **Tata Tea**

Tata Tea, part of the Tata Group, represents the world's second largest global branded tea operations with product and brand presence in 40 countries. The company is headquartered in Kolkata and has 51 tea estates in the states of Assam, West Bengal, Tamil Nadu and Kerala and one coffee estate in Tamil Nadu. It has five major brands in the Indian market - Tata Tea, Tetley, Kanan Devan, Chakra Gold and Gemini.

## **Goodricke Group Ltd**

Goodricke Group Ltd, a part of Camellia Plc. UK, cultivates, manufactures and sells tea in India. The company sells

bulk tea and instant tea. It has 30 gardens, including eight in Darjeeling, 10 in Assam, and 12 in Dooars. The company is based in Kolkata. Goodricke Group reported a turnover of \$49.2 million for 2006 on a total crop production of 19.3 million kg of tea.

## **Leather**

West Bengal is one of the leading states in the export of finished leather goods, accounting for almost 25 per cent of the country's leather exports. It is next only to Tamil Nadu in the leather industry. The Calcutta Leather Complex spread over 1,100 acres at Bantala and the adjacent leather goods park have given a boost to the leather industry. The major players in this sector are Bata and Khadim.

## **Bata India Ltd**

Bata India, incorporated at Kolkata, is an affiliate of the Toronto based Bata Shoes. It is the largest shoe manufacturer in India and manufactures and markets all types of footwear, footwear components and leather products allied to footwear trade. It sells over 60 million pairs of shoes every year and has an annual turnover of more than \$178 million. A township construction has begun to modernize the Batanagar factory complex (near Kolkata) and is expected to be completed by 2011, with 2,500 housing units for employees, a hospital, a school, an IT park, a hotel and residential flats along the riverside.

## **Khadim Group**

Khadim has a significant presence in the footwear segment. The company has more than 250 exclusive retail outlets in 38 cities. It is among the top three national players in terms of organized footwear retailing. It has a production base in Kolkata that contributes 25 per cent to its total produce. The company

## **IT and IT Enabled Services**

West Bengal is among the fastest growing states in the IT sector. Currently, over 180 IT companies and 55 ITES firms are operating in the state, together employing more than 35,000 professionals.

The IT sector is expected to generate employment for about 250,000 people by 2011. By 2010, the projected contribution of IT and ITES sectors to the state's economy is expected to be 15-20 per cent, compared to the current three per cent. The state will soon have an advanced IT Park specially dedicated for VLSI and chip related design firms.

## **Genpact**

Genpact is a world-class remote processing operation that services its clients from around the world through its IT-enabled services. Its revenue is projected to grow from about \$500 million in 2005 to \$1.1 billion revenue in 2008. It employs more than 13,000 people delivering over 450 processes to 30 different businesses. It has an 80,000 square feet facility in Kolkata. The company has approached the West Bengal government to set up an IT SEZ in Kolkata and has set aside over \$22.2 million for the facility.

## **Cognizant Technology Solutions**

Cognizant Technology Solutions is global e-business and application development company. It became the first company in the world to be certified for CMMI-Level 5 as per latest model and also the first IT offshore firm to be included in the NASDAQ-100 Index. At its Kolkata facility, the company services several large clients in banking, restaurant, healthcare, financial, airline and information-driven sectors of the global market. The unit's core

competencies include mainframe and client server systems, web-centric applications, CRM, data warehousing and component based development. Kolkata is the company's second-largest establishment after Chennai.

### **HSBC Electronic Data Processing (India) Pvt Ltd**

The HSBC Group is one of the world's largest banking and financial services institutions, which has an international network of about 10,000 offices located in 82 countries and territories spread across Asia Pacific, Europe, the Americas, Middle East and Africa. Global Resourcing is an important component of its business strategy, playing a key role in delivering shareholder value and helping HSBC remain competitive in the global financial services market. HSBC Electronic Data Processing (India) Pvt Ltd, a subsidiary of HSBC, provides data processing / customer service facilities for the HSBC Group's overseas operations. It has established Group Service Centres in 10 locations across five countries. In India, it is present in Hyderabad, Bangalore, Vizag and Kolkata with over 13,000 employees.

### **Wipro**

With a team of over 42,000 people, Wipro has operations in 35 countries and caters to 421 clients spread across USA, Europe and Japan. Its clients operate in diverse verticals that include Financial Services, Government, Insurance, Media & Entertainment, Utilities, Manufacturing, Telecom & Internet and Embedded Technologies. It set up its Kolkata Development Centre in 2004 over a 16-acre campus at Salt

### **Tourism**

West Bengal's share in domestic and international tourists in India stands at 2.9 per cent and 11 per cent respectively. In 2004 the state attracted 12.38 million domestic tourists (up from 8.8 million in 2002) and more than 775,000 foreign tourists (up from 530,000 in 2002). West Bengal, with its heritage and geographical diversity, offers significant potential for the tourism industry.

### **Tourists arriving in West Bengal**

Year	No. of Tourist	
	Domestic	Foreign
2002	8,844,232	529,366
2003	11,300,763	705,457
2004	12,380,389	775,674

Source: State government website

### **Retail and Real Estate**

Real Estate is a booming sector in West Bengal with several companies investing heavily. The retail business is also in an expansion phase. The state is likely to have at least 20 malls over the next 18-20 months, according to Retailers Association of India (RAI). Of the proposed 20 malls, nearly 10 would be developed in Kolkata and in the new town Rajarhat.

Malls are expected to cover nearly six million square feet of space in several cities. Currently, West Bengal has about eight operational malls, including five in Kolkata. Besides Kolkata, malls are also planned in Siliguri,

Durgapur, Howrah and Bardhaman. According to experts, the proposed malls are likely to attract an investment of around \$1,111 million.

The RPG group is planning to set up a shopping mall in Park Circus, Kolkata, in collaboration with Adi Godrej group. The RPG group will have 60 per cent stake in the joint venture, while the Godrej group will hold the balance equity. RPG will spend \$44 million on the 400,000 sq ft mal. Haute Street, a first-of-itskind shopping mall with an investment of \$11 million, will have all the high-end brands - both national and international.

### **Ambuja Realty**

Ambuja Realty Development Ltd (ARDL) is a joint venture between West Bengal Housing Development Board (WBHB) and Ambuja Housing & Urban Infrastructure Company Ltd. It plans to invest \$222 million to develop four “high-end luxury” hotels with a combined capacity of 1,000 rooms in West Bengal over the next three years. ARDL, which has partnered the Radisson Group for its existing hotel property in Raichak, Kolkata, is scouting for partners for its proposed ventures. Kolkata is likely to have 12-15 star hotels in the next three to four years with international majors including the Intercontinental Group, Hilton Hotels and Marriott Hotels and Resorts planning to set foot in the region.

Godrej Properties, a real estate arm of the \$1.4 billion Godrej Group, has lined up real estate projects worth \$66 to \$88 million in and around Kolkata. This includes two IT parks comprising 3.5 million sq ft and a 400,000 sq ft retail mall. The company is in talks with private equity investors to raise \$44 million for its two realty projects in Hyderabad and Kolkata. Godrej Properties began construction of its \$38 million shopping mall in Kolkata, in a joint venture with CESC, a RPG Group company.

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As of year 2011 A.D.