

**India's Gujarat state aims to be investment draw.**By **Chaitanya Kalbag**

570 words

8 December 1997

21:23

Reuters News

English

(c) 1997 Reuters Limited

NEW DELHI, Dec 8 (Reuters) - India's Gujarat state aims to be a primary focus for foreign investors, particularly in infrastructure like ports, power and roads, the leader of the west coast province said on Monday.

"The word industrialisation is humming in Gujarat's air. Above all the government is investor-friendly," Chief Minister Dilip Parikh told a luncheon meeting at the World Economic Forum's India Economic Summit.

Parikh said Gujarat, which was created 13 years after India won independence from Britain in 1947, was already the second most industrialised of the country's 25 states and had unveiled an aggressive five-year industrialisation policy in 1995.

"Gujarat accounts for one-fifth of total investment in India and for 16 percent of the country's exports," he said.

"Petrochemicals, chemicals, textiles and engineering units are coming up, but most important is infrastructure like power, ports, roads, and urban development," Parikh said.

"We need foreign investment for these infrastructure projects; it is a stupendous task." He said since India's liberalisation programme began in 1991 Gujarat had drawn foreign direct investments worth about \$1.3 billion for 281 projects.

Ashok Chawla, Gujarat's industries commissioner, told the same meeting that the western state estimated it needed \$29 billion in infrastructure investment, \$15 billion of it for ports.

In October trading house Adani Exports said it and the Gujarat government had taken equal stakes in developing a port at Mundra, west of the major port of Kandla.

"I have for you a number of investment opportunities in the areas of port development, LNG (liquefied natural gas) terminals, mega power plants located near the LNG terminals or on the coast based on imported coal," Parikh said.

Earlier this month the Royal Dutch/Shell group said it had acquired Indian government permission to build a \$540 million, 2.7 million tonne LNG import and regassification terminal at Hazira, on Gujarat's coast.

Shell and India's Essar group hope to complete the terminal by end-2001 to supply natural gas to Essar's power and steel plants at Hazira.

Also earlier this month Anglo-Norwegian engineering and construction group Kvaerner said it had won a 600 million crown contract to build a jetty for handling liquid chemicals at the port of Dahej that will handle up to 1.8 million tonnes of liquid cargo per year.

Chawla said Gujarat, which had 6,500 megawatts of electricity generation capacity at end-March 1997, aimed to grow this to 15,000 megawatts by the year 2000.

"The state is currently marginally deficit in power but we will be in surplus in 18 months," Chawla said.

Parikh said Gujarat had also opened a software technology park near the city of Ahmedabad, and was keen to build the corridor between Ahmedabad the Vadodara as a "Silicon Corridor".

"For those with strength in IT (information technology) industry, let me mention that the software industry is going to witness a boom in Gujarat in the near future," he said.

Parikh took power on November 13 after the Congress party withdrew support to his predecessor, and noted that he was Gujarat's fourth chief minister in 30 months.





"Whichever party is in power, whosoever is chief minister, industrialisation will go ahead, march ahead," he said. "Entrepreneurship will not be affected by change of leadership."

(c) Reuters Limited 1997

Document lba0000020011003dtc8018m6

(c) 1997 Reuters Limited

NEW DELHI, Dec 7 (Reuters) - The speaker of India's parliament said on Sunday democracy had taken deep root in his country a half-century after independence, and all parties would speak the language of economic reform with an aim.

Prime Minister P. V. Narasimha Rao, speaker of the Lok Sabha or lower house of parliament, told the World Economic Forum's India Economic Summit.

"We have had over a long parliament elected in mid-1975 and saw three prime ministers come. There are no coalition governments in the world with coalition governments," he said.

"We may have to live with coalition governments. But as a nation what is important is the system works, and we have that," Sangma said.

He spoke as India's main political parties began casting about for partners and broader-based groups to fight the mid-term poll which analysts said would probably again produce a fractured result.

"It is not because any party or group of parties getting a clear majority," Rajesh Ranjan, an analyst with the Centre for Contemporary Studies told Reuters. "We are into an era of coalition and alliances."

He said members of India's parliament could speak in 21 official languages in a country where 530 parties jostled for support from 650 million voters. About five million election officials would man voting stations in the biggest such operation in the world. "All smoothly done," Sangma said.

"Can you believe that 1,600 languages are taught in India's schools? We have 50,000 registered trade unions. We have conducted 11 national elections and 300 provincial elections. The transfer of power has been very smooth," Sangma said.

Both the Congress Party and its arch-foe the right-wing Bharatiya Janata Party (BJP) held out the lure of a stable government as they began looking for allies during the weekend to cobble together a winning majority at the polls.

Congress cut off vital support to Prime Minister Indira Kumar Gaur's 13-party United Front and left Pawan with little choice but to order a snap poll.

None of the three major formations -- the Congress, United Front and the BJP -- was able to muster a majority in India's patchworked lower house of parliament, which has 545 seats.

Congress leaders said the party would not have any truck with the United Front but said talks were continuing to forge a broad secular front to the elections.

Congress has been criticised for pulling down the Gaur government after it refused to drop the DMK, a regional organisation rebuffed by an investigation into former premier Rajiv Gandhi's assassination six years ago.

In a damage-control exercise, the Congress party in a document released at the weekend said it did its best to avoid general elections in quick succession but complained that the United Front's "short-sighted policy" had created an unstable situation leading it to withdraw its support.

The United Front is meeting on Monday to discuss out a common strategy to fight the polls, and the BJP's national executive is scheduled to meet in the southern city of Chandigarh for three days from December 12.

"The United Front is a beginning group for the first time," said Ranjan.

Leaders of the front have said it would stick together for the elections, and Sangma said any pre-election alliance stood a better chance of lasting a full five-year term.