



NAGPUR

OPPORTUNITIES FOR UK
PLC IN EMERGING CIT-
IES OF INDIA

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NAGPUR

Nagpur remains a city with tremendous economic potential.¹³⁸ Many regard the political neglect of the Vidarbha region by successive State and Central governments as being responsible for the relatively modest economic development of Nagpur.¹³⁹

Today, due to a combination of changed political will and innovative private enterprise, Nagpur is on the brink of rapid economic development. The early signs are already present – rapid urbanisation;¹⁴⁰ a growing 'mall culture'¹⁴¹; encouragement of entrepreneurship¹⁴² and interest from foreign and domestic investors¹⁴³.

As a city which boasts a cosmopolitan culture, wide open roads, clean air, some of the best educational institutions in the country and a general sense of bonhomie, Nagpur offers its citizens a very high quality of life. This, together with the impending economic development means that Nagpur is a city whose time has now come¹⁴⁴. According to the Nagpur Municipal Corporation Commissioner (NMC), Aseem Gupta, "this is a city that can plan for the future; most other cities are too busy grappling with the present."

CITY OVERVIEW

Nagpur is quite literally the geographic heart of India. Popularly known as the 'Orange City', because of its abundant production of the fruit, Nagpur is equidistant from all four major metros of the country – Chennai, Delhi, Kolkata and Mumbai, giving it a uniquely advantageous position. It is also very well connected to the rest of the country by air, road and railway networks.

In addition to being the 'second capital' of the state of Maharashtra, Nagpur is also the commercial and political centre of the state's Vidarbha region. In fact, it is the largest city in a 500km radius and acts as an educational, health and trading hub not just for smaller cities and towns in Maharashtra, but also for those in the neighbouring states of Andhra Pradesh, Chattisgarh and Madhya Pradesh¹⁴⁵.

An energetic and entrepreneurial culture is beginning to pervade the city. One of the catalysts of this change is the ambitious Multimodal Integrated Hub Airport of Nagpur (MIHAN) project coming up just outside the city limits¹⁴⁶, which, taking advantage of Nagpur's unique geographical location, places the city as the logistics nucleus of India.

NAGPUR IN NUMBERS

- 3rd largest city in the state of Maharashtra after Mumbai and Pune
- Almost 47 per cent of Maharashtra state power is generated in and around Nagpur
- Home to one of Asia's largest industrial Estates, Butibori (approx 6000 ha)
- Largest city in a 500 km radius
- 13th largest urban agglomeration in India in 2001 (Census of India, 2001)

¹³⁸ Sampath, (2009); Rao (2009)

¹³⁹ Joshi (2009); Dubey (2009)

¹⁴⁰ Nagpur Municipal Corporation

¹⁴¹ Dubey (2009)

¹⁴² Sampath (2009)

¹⁴³ Rao (2009)

¹⁴⁴ Chopde (2009)

¹⁴⁵ Sampath (2009); Dubey (2009)

¹⁴⁶ See Case Study N2: MIHAN - Realising Nagpur's Economic Potential

PHYSICAL INFRASTRUCTURE

CONNECTIVITY

Nagpur lies at the centre of India and is a major junction for the road network in the country. India's two major national highways North-South (Varanasi-Kanyakumari; NH-7) and East-West (Kolkata-Hajira; NH-6) pass through the city. It is connected to fifty-five important cities through an extensive rail network.

In 2005, the city's Sonagaon Airport was declared an international airport and was renamed Dr. Babasaheb Ambedkar International Airport. India's first ever international cargo hub, MIHAN, is being developed on the outskirts of the city. The roads within the city are wide, well paved and relatively pothole free. While city buses are available, auto rickshaws seem to be the most effective way to get around.

Nagpur has a great urban and industrial infrastructure. It offers a quality of life. There are adequate natural resources. Nagpur's inter and intra city connectivity, which is essential for industrial growth, is very good.

Pravin Tapadia, President, Vidarbha Industries Association

POWER

The Koradi Thermal Power Station and Khaparkheda Thermal Power Station are the two major thermal power stations located near Nagpur and operated by Maharashtra Power Generation Co. Ltd. (MSPGCL). However, despite producing almost 47 per cent of the state's electricity, Vidarbha itself has been prone to power cuts. This however will soon change with a Vidarbha Industries Association (VIA) proposal for "zero load shedding" set to receive approval from the Maharashtra Electricity Regulatory Commission (MERC).¹⁴⁷

INDUSTRY

Nagpur has historically been an industrial town. Some of the earliest industries were in Textiles, Chemicals and Steel. The industrial legacy of Nagpur continues to this day under the aegis of the Maharashtra Industrial Development Corporation (MIDC). Nagpur is home to Butibori Industrial Area, which, at 1,500 hectares, is one of the largest industrial estates in Asia. The other prominent industrial estate of Hingna, is located to the west of the city.

Besides Butibori and Hingna, the other industrial areas of Nagpur are

¹⁴⁷Sanghi (2009)

Bhivapur, Kalmeshwar, Katol, Kuhi, Narkhed, Parshioni, Saoner and Umred).¹⁴⁸ All the industrial areas in and around Nagpur fall in areas that have been classified as either D or D+, which indicates the lesser-developed regions of the State. The fiscal incentives available for units in these areas are much higher than those available for units in areas categorised as A (which include Mumbai Metropolitan Region and Pune Metropolitan Region).

Two well known national brands based in Nagpur are Ayurvedic product company Vicco and Haldiram's a nationwide retail chain of Indian confectionaries.

INVESTMENT CLIMATE

Between 1991 and 2007 Maharashtra attracted 3,982 Foreign Direct Investment (FDI) projects with investment of GBP 10.3 billion, making it one of the top destinations for FDI flows into the country.¹⁴⁹ However, very little of this investment has made its way into the Vidarbha region generally and Nagpur in particular. But with projects such as MIHAN underway and concerted efforts by organisations such as Vidarbha Economic Development Council (VED Council) – which organised a two-day conference in January 2009 aimed exclusively at attracting investments into the region – the success of both the city and the region in attracting FDI is likely to increase.

The factors that make Nagpur an ideal investment and business destination are: availability of affordable land, availability of qualified manpower at competitive prices, connectivity to the rest of the country, the upcoming international airport, the history of cordial industrial relations, the easily available abundant natural resources like forest and minerals and the fact that the city has wonderful weather.

Vivek Deshpande, Director, Spacewood Furnishers

¹⁴⁸MIDC (2009)

¹⁴⁹ Government of Maharashtra (2008)

SOCIAL INFRASTRUCTURE

UNIVERSITIES AND EDUCATIONAL INSTITUTES

Nagpur has a total of 244 NMC run schools, 666 private primary and middle schools, 146 private colleges and eight Government-run colleges. Of these, twenty-seven are engineering colleges and thirteen are medical colleges, which produce 8,500 engineers and 3,000 doctors every year.¹⁵⁰

Nagpur University, which was founded in 1923, is one of the oldest and most prestigious universities in the country. The Visvesvaraya National Institute of Technology (VNIT) is rated as one of the best engineering colleges in India. Also, Nagpur has India's only National Fire Service College that provides a course in Fire Engineering. A number of nationally regarded scientific institutes such as the National Environmental Engineering and Research Institute (NEERI) and the Central Institute of Cotton Research (CICR) are also based in Nagpur.

HEALTHCARE

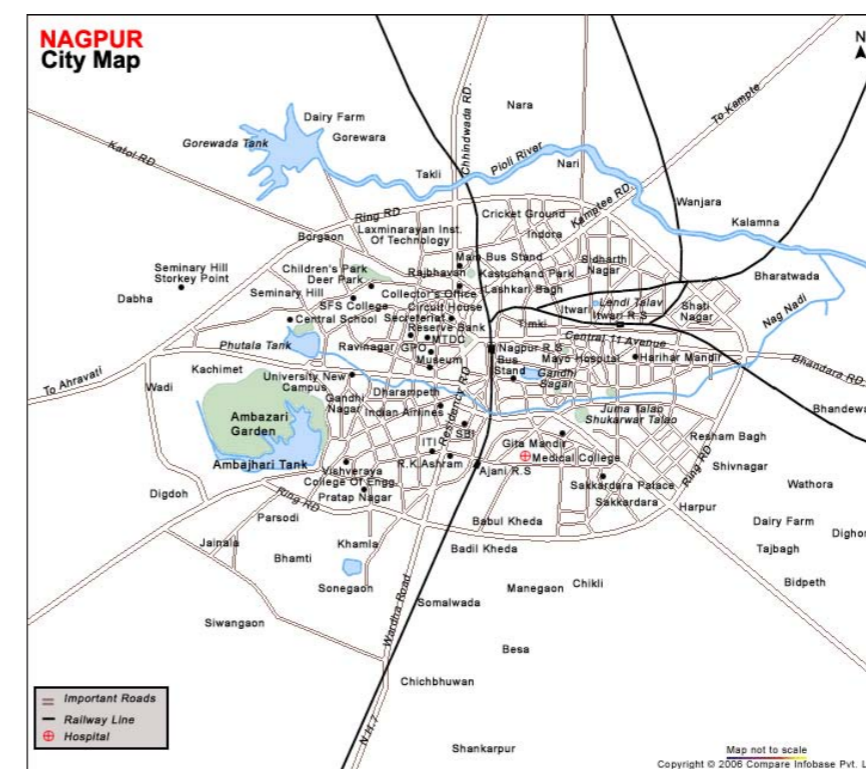
There are five large government-run hospitals and two NMC-run smaller hospitals with twenty and forty beds respectively. The number of private hospitals is substantially higher at 746 and total number of beds is 5563.¹⁵¹

SOCIAL AND PROFESSIONAL NETWORKS

Nagpur does not have too many opportunities for social and professional networking outside of business and trade organisations. However, given the relatively modest size of their respective communities in the city, entrepreneurs and traders operating in Nagpur appear to have very strong informal networks.

However, taking into account the need for a more formalised professional network, a group of entrepreneurs have set up the Nagpur chapter of the global organisation The Indus Entrepreneurs (TiE), which was launched in February 2009 by management guru, C.K. Prahlad. Says Srikant Sampath, Vice-President TiE-Nagpur, "We felt that there was a need for a flow of intellectual capital into the city and a sharper focus on entrepreneurial activities, hence the Nagpur chapter of TiE".

CITY ECOSYSTEM



LOCAL MEDIA

The local media is vibrant. There are almost an equal number of publications and TV channels in the three dominant languages of the city - Hindi, English and Marathi. Local TV stations include, Nagpur Varta, BCN, UCN, InTime, Sarathi News Channel, Mahanagar Samachar Channel, Doordarshan Sahyadri Channel and InCable. National and regional dailies include Dainik Bhaskar (the largest selling paper in Nagpur with over a 1,00,000 circulation¹⁵², The Times of India, Navbharat, Lokmat Samachar, and The Economic Times. The Hitavada is Nagpur's oldest English daily and has been published since 1911.

¹⁵⁰Nagpur Municipal Corporation

¹⁵¹Nagpur Municipal Corporation

¹⁵²Dubey (2009)

LANGUAGE AND CULTURE

Nagpur enjoys a cosmopolitan culture for two reasons. This is primarily due to two reasons. First is Nagpur's geographical and cultural proximity to the neighbouring states of Madhya Pradesh and Andhra Pradesh. Second is the presence of several central government offices and institutes in the city, because of which people from all parts of the country make Nagpur their home for extended periods. Together this has meant that English and Hindi enjoy a status that is at par with that of the city's native language, Marathi.

STATE AND STATE AGENCIES

The two main institutions involved in the planning and development of Nagpur are the Nagpur Municipal Corporation (NMC) and the Nagpur Improvement Trust (NIT). While the NMC is the elected civic governing body, the NIT is the sole authority for land planning and land acquisition in the city. It carries out works like development of civic infrastructure and new urban areas on behalf of NMC.

Nagpur is also the state's second capital, and the winter session of the Maharashtra Legislative Assembly is held here every year. The city is also the headquarters for the respective administrations of Nagpur District and Nagpur Division.

BUSINESS SUPPORT

The three main business support organisations active in Nagpur are region-based rather than city-oriented. However, they all consider the growth of Nagpur to be crucial to the economic development of the entire Vidarbha region.¹⁵³

The Vidarbha Industries Association (VIA) was established in 1964 to promote and develop industries in the region. The association has been undertaking various activities such as encouraging female entrepreneurs, young entrepreneurs and creating links between universities/colleges and industry.

The Vidarbha Economic Development Council (VEDC) is a not-for-profit organisation comprising business-leaders as well as professionals. The focus of the organization is on the all round economic development of Vidarbha through generating information and creating forums for dialogue and lobbying.

The Confederation of Indian Industry (CII) Vidarbha Zonal Council is a division of the CII-Western Region and was set up seven years ago. In alignment with the overall organisational goals, the three main objectives of the Zonal council are: affirmative action, cluster development, and improving the work culture¹⁵⁴.



ENTREPRENEURIAL ACTIVITY

"There was almost a 100% lack of entrepreneurship in Nagpur," says Kirit Joshi, Director, Spacewood Furnishers, Pvt. Ltd. Entrepreneurs in Nagpur find that the overall laidback attitude of the city's residents and lack of government policies and incentives have together mitigated the growth of entrepreneurship in the city.¹⁵⁵ This is, however, changing. The impetus for this is coming from organisations and voluntary associations, such as TiE-Nagpur, VIA and VED council.

CASE STUDY N1: HOME TURF - EXPLOITING NAGPUR'S POTENTIAL

They are Nagpur's true success story. Vivek Deshpande and Kirit Joshi, the 38 year-old Founder-Directors of Spacewood Furnishers Pvt. Ltd. started out with a capital investment of GBP 950 and a rented space of 1500 sq ft in 1994. Today, with an expected turnover of GBP 19.65 million for 2008-09 and a total covered manufacturing area of 250,000 sq ft, they own what is, perhaps, the largest manufacturing capacity for modular furniture in India. Sitting in their head office in Nagpur's Hingna Industrial Estate, Deshpande and Joshi share why they chose to maintain Nagpur as their headquarters. "Nagpur offers a much better quality of life for us and our families," says Deshpande.

Both Deshpande and Joshi are examples of Nagpur's home-grown talent. Born and raised in the city, they both attended the premier Visvesvaraya National Institute of Technology and graduated as engineers. Expected to join the teeming ranks of the engineering cadre by their respective non-entrepreneurial families, they decided to stick it out as "employees" for a year and half before setting out on their own. Together, this unassuming duo typifies the kind of entrepreneurial spirit that is beginning to emerge in Nagpur.

Given that Nagpur has such a rich crop of oranges, pulses and cotton, Joshi feels that with the right kind of government support (in the form of incentives and policy statements) the city could quite easily become a hub for entrepreneurship in sectors as varied as Food and Textiles. According to him, today many international furniture makers are looking to move operations to India and China, and because Nagpur already has a number of furniture manufacturing facilities, it has the potential to attract FDI in this sector. Nagpur offers cheaper land and manpower than most other places in India. Being equidistant to all the four metropolitan cities, it also has a logistical advantage, points out Deshpande.

At Spacewood, in particular, Deshpande and Joshi are looking for more strategic partnerships with UK firms. Having already established a successful B2B practice (they supply to Reliance, Godrej, Pantaloon etc) they are now looking to diversify into B2C, or direct retail and are scouting outside of India for expertise. Spacewood already has global linkages, with a manufacturing facility in Malaysia and exports to Muscat, Dubai and Bahrain. They feel attracting the right kind of partnerships will be not be too difficult, given not just Spacewood's credentials, but also the economic promise that Nagpur now offers.

ECONOMIC GEOGRAPHY

Nagpur is not just the foremost city of the Vidarbha region, it is also the administrative centre of Nagpur Division (the other division of Vidarbha is Amravati) as well as that of Nagpur District. The other districts which together form the Nagpur Division include: Bhandara, Chandrapur, Gadchiroli, Gondia, and Wardha.

The industrial estates located in all the above districts together form an integrated economic map of Nagpur. The MIHAN project, which is located just off the Nagpur-Wardha highway, is expected to further

¹⁵³Rao (2009)

¹⁵⁴Rao (2009)

¹⁵⁵Chopde (2009)

strengthen this particular economic corridor.

In 1999, the Maharashtra Government expanded the city limits of Nagpur to create the Nagpur Metropolitan Area, along the lines of the Mumbai Metropolitan Area and the Pune Metropolitan Area. The Nagpur Metropolitan Area includes Nagpur City, Nagpur Gramin, Hingna, Parshivni, Mauda and Kamptee Taluka and parts of the Savner, Kalmeshwar, Umred and Kuhi.¹⁵⁶

CASE STUDY N2: MIHAN - REALISING NAGPUR'S ECONOMIC POTENTIAL

"Multimodal International Hub Airport at Nagpur (MIHAN) has become the buzzword for development and growth, which has forced multinational companies and national companies to look seriously at Nagpur which is now using its geographical situation, mineral wealth and pool of human talents to put [itself] in the centre as the country's fastest developing city. This is the time for all entrepreneurs, financial institutions, consultants and developers to be part of the development."

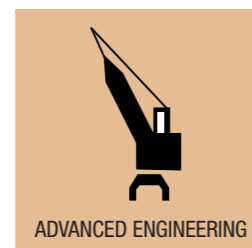
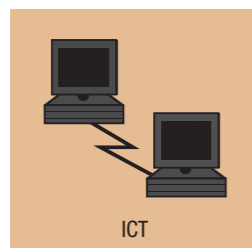
- R.C. Sinha, Vice Chairman and Managing Director, Maharashtra Airport Development Co. Ltd.

Today, it is difficult to set foot in Nagpur and not hear about the MIHAN project, which is already underway just outside the city-limits on the Nagpur-Wardha Highway. Spread over 4,345 hectares it comprises three parts – an International Airport with Passenger and Cargo Hub (1,364 hectares), a Special Economic Zone (2,086 hectares) and Infrastructure, Entertainment, Utilities, IAF and Rehabilitation (904 hectares). The main implementing agency for the project is Maharashtra Airport Development Company Ltd. (MADC) according to which MIHAN, "is an ambitious project that promises to put India firmly on the fast track to economic superstardom".¹⁵⁷

To date, 1700 acres have been leased out in the SEZ with fifty-two companies taking plots. MADC expects MIHAN to raise approximately GBP 7.3 billion of investment. The MIHAN SEZ project has already started whereas the Air Cargo project will start by 2010. "Nagpur's biggest benefit from MIHAN project, besides an appreciation of land value, is potential employment opportunities."¹⁵⁸ According to the MADC, the project will create 400,000 job opportunities. The economic slowdown has of course affected the pace of the project., but as Jay Chopde, CEO of Infospectrum puts it, "The wheels of MIHAN have turned, it may get a bit delayed, but it will not be scrapped".

BUSINESS OPPORTUNITY ANALYSIS

Four key sectors have emerged in Nagpur. Each of these sectors is likely to offer several opportunities for UK SMEs:



BUILT ENVIRONMENT

Transport and Logistics:

- Logistics and development of urban infrastructure have emerged as the two key sectors for economic growth.¹⁵⁹
- The demands for housing and other amenities from a rapidly growing population make urban infrastructure an attractive investment opportunity in Nagpur.¹⁶⁰
- The decision to replace Central Sales Tax (CST) in 2010 with Value Added Tax (VAT) will redefine the logistics network of India. There will be a need to set up large-scale infrastructure at a few strategic locations across the country. Nagpur's connectivity and unique location advantage make it an ideal candidate for such a logistics hub.
- Over 17 per cent of the working population in the city is already engaged in transport services.¹⁶¹

Sustainable Building Technology:

- A lot of the new construction taking place in Nagpur is happening in the flood plains of the city and there is a need to manage those developments.¹⁶²
- A growing population also demands an increase in real estate development, water supply and sewerage, a Mass Rapid Transit System (MRTS).



ADVANCED ENGINEERING

- Nagpur has tremendous potential for food processing, chemicals and engineering industries.
- The MIHAN Airport and the setting up of various Maintenance-Repair-Overhaul (MRO) bases in the SEZ open up opportunities in the Aerospace sector.

¹⁵⁶Mukherjee (2009)

¹⁵⁷MADC

¹⁵⁸Dubey(2009)

¹⁵⁹Gupta (2009); Rao (2009); IBEF (2004)

¹⁶⁰Gupta (2009)

¹⁶¹IBEF (2004)

¹⁶²Nagpur Municipal Corporation

ICT

- The Maharashtra State Government is aggressively focused on building IT related infrastructure and offering fiscal benefits to IT players. According to M. N. Srinivasan¹⁶³, Secretary, Urban Development, Government of Maharashtra, IT/ITES sector is one of the key growth sectors in Nagpur and the surrounding areas.

With support from both Central and State governments Nagpur has set up two Software Technology Parks (STPIs) which house companies such as Infospectrum, Globalogic and Persistent Technologies.¹⁶⁴

- Indian IT giants such as TCS, HCL and WIPRO have upcoming projects at the MIHAN SEZ.

There are a number of well-respected technical institutes in Nagpur that produce highly skilled engineering graduates to serve the ICT sector.

ENVIRONMENTAL SCIENCES

- Most of the energy produced in Nagpur comes from coal. There is a growing consensus that a shift towards more renewable sources of power such as solar and wind is required. There are a few early moves, but the field is wide open at the moment.
- An SEZ specifically for Wind Mills and Solar Energy Plants is being considered for the state of Maharashtra as a whole.

CASE STUDY N3: OPPORTUNITIES FOR TOURISM SECTOR

Tourism is one of the important sectors for future growth in the Nagpur region. 'Tiger' is a unique tourist attraction of the Vidarbha region surrounding Nagpur. Apart from being a prime location for exploring wildlife in India, the region also has a good mix of temples, ashrams, water bodies, and heritage sites.

The Government of Maharashtra, assisted by the Ministry of Tourism (Government of India), is implementing a plan to promote the tourism sector and attain sustainable growth in the Vidarbha region. An integrated tourism park has been proposed to boost tourism in the area whilst preserving the national heritage of the region.

In this context the following opportunities are available:

- Creation of tourism villages around the tiger reserves; these villages could display tribal lifestyle, culture and local handicrafts;
- Creation of accommodation facilities including hotels, resorts and entertainment facilities
- Setting up of food and beverage outlets
- Setting up of shops that offer mementos and handicrafts
- Transport infrastructure development to enhance connectivity to tourist destinations
- Environmental services for nature conservation and biodiversity protection

¹⁶³Speaking at the Nagpur: Growth Nucleus Of India, 2-day Conference Organised by VED Council, (15-16 January 2009).

¹⁶⁴Advantage Nagpur

POTENTIAL BUSINESS OPPORTUNITIES

BUSINESS OPPORTUNITY OWNER

LINKAGE WITH UK INDUSTRY CAPACITY

N1 is a software product development and technology services enterprise that specialises in serving the complex manufacturing, aerospace, defence, maritime logistics, asset management, communications, and geographical information system industries as well as the independent software vendors (ISVs) that serve them.

Established in 2000, the company is headquartered in Los Angeles, USA, with its main Centre of Excellence located in Nagpur, India, and branch offices in Canada, Norway and South Africa. The company is currently valued at GBP 17.64 million. It has 360 employees in Nagpur and 400 worldwide. The company has been growing at 70 per cent pa since 2005.

It is also an independent software vendor and owns IP for three web tools. The company's primary Centre of Excellence in Nagpur includes a facility of 60,000 sq. ft. and hosts a fully integrated application and networking infrastructure. Two satellite facilities at Chennai (India) and San Diego (California), supplement its work. Microsoft, CMMI, and SAP have certified the Centre of Excellence.

The company's 5-year target is to increase its valuation to GBP 88.2 million, and its employee force to about 1100. Its expansion plans include the establishment of three independent business divisions: Aerospace and maintenance repair and overhaul MRO (in the USA), Wi-max (in Europe) and Outsourced Product Development (in Ukraine or Armenia). The company is looking to collaborate or acquire foreign companies.

The opportunity could help create potential linkages with UK industry capacity in the **ICT**, **Built Environment**, and **Creative and Media** sectors.

Within these the sub sectors mapped back to are **IT**, **Transport and Logistics**, **BPO**, and **Software**.

The opportunity owner is looking to engage with IT firms with experience in high-end project management, software design and quality management, and firms with expertise in marketing IT products. IT firms/Investors looking for strategic investments in India are also welcome.

The opportunity owner is also looking for collaborating or acquiring foreign companies especially on-ground IT marketing and sales firms in order to extend its activities internationally.

The opportunity owner requires knowledge inputs for high-end project management, content development for software design and virtual architecture drawings.

BUSINESS OPPORTUNITY OWNER

LINKAGE WITH UK INDUSTRY CAPACITY

N2 is a special purpose company floated to build, operate and manage an integrated textile park in the Butibori Industrial Area of Nagpur. Fifty acres of land has been allocated, with a proposed investment of GBP 43.67 million.

The Park is being promoted by a former Minister, and India's leading manufacturers of man-made fibres have been appointed as coordinators for the project. The Group company's annual turnover for 2007-08 was GBP 292 million.

The park will house integrated units including spinning, weaving, processing, manufacturing units, and packaging of readymade garments. Under the Scheme for Integrated Textile Parks, the proposed park is to house forty units with the potential to generate employment for 10,000 people. The park will have a spinning unit, twenty weaving (airjet) units, four sizing/warping machines, two yarn dyeing units, one cloth processing house, and two garment and knitting units.

The government has recently approved seventeen acres of land for the textile park. The commencement and completion of the project will be decided only with consultations with the new government, which will come into power this year.

Tenders for development of the park (designing, planning, construction etc) will be floated, and both foreign as well as domestic companies will be invited to apply. Over forty local companies have already showed interest in setting up facilities in the park. The park is an ideal space for companies with expertise in 3D weaving, electro spinning or plasma technology.

The opportunity could help create potential linkages with UK industry capacity in the **Built Environment** sector.

Within these, the sub-sectors maps back to are **Manufacturing and Engineering, Transport and Logistics, and Sustainable Building Technologies.**

The opportunity owner is looking partners to promote and co-develop the park.

The opportunity owner is looking for partners project consultants Developers and Architects with expertise in developing integrated textile parks.

The opportunity owner is also looking for technological input for spinning and manufacturing of textiles both traditional and technical textile (medical, vehicular, Geo textiles used for road construction, agricultural textile like sacks, nets, etc.).

BUSINESS OPPORTUNITY OWNER

LINKAGE WITH UK INDUSTRY CAPACITY

N3 is a local authority body that is responsible for civic governance and providing urban infrastructure in the city. It has procured funding for extensive regeneration and development of Nagpur under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

The civic body has undertaken a slum upgradation plan to make Nagpur a slum-free city. The civic body is looking to build low cost housing for a significant proportion of the city's population. The civic body proposes building low-cost housing projects on a PPP model as part of this initiative. This initiative is estimated to supply 175,000 houses. GBP 43.6 million have been cleared for this project, with another input of GBP 72.79million pending for clearance.

The civic body in December 2008, engaged with private infrastructure services companies to find innovative solutions for the city's urban problems. They have already released tenders for major projects in water supply.

The opportunity could help create potential linkages with UK industry capacity in the **Built Environment, and Creative and Media, Environmental Sciences** sectors.

Within these, the sub-sectors maps back to are **Green Buildings, Architecture, Waste Management, Waste Water Management, Sustainable Land Use Technology, and Sustainable Building Technologies.**

The opportunity owner is looking to engage architectural firms, real estate developers, companies with expertise in waste and sewage treatment, companies with expertise in water treatment, companies with expertise in sustainable land use technology.

There are also opportunities available in the development of other urban infrastructure including roads, over bridges, and railway bridges.

BUSINESS OPPORTUNITY OWNER

LINKAGE WITH UK INDUSTRY CAPACITY

N4 is a company formed by the Government of Maharashtra in 2002, to plan and implement the development of an integrated airport and SEZ with an expected investment of GBP 5.8 billion.

The project, spread over 4354 hectares, will consist of the following:

a) International Airport: The existing airport in Nagpur is to be developed to meet international standards. The planned work is to turn the airport into a unique Multi-modal International Passenger and Cargo Hub Airport. The airport and existing runway of 3200 x 45 meters, which is being extended to 4000 x 60 to meet

The opportunity could help create potential linkages with UK industry capacity in the **Advanced Engineering, Life Sciences, Environmental Sciences, Financial Services, Food and Drink, Built Environment and ICT** sectors.

Within these, the sub-sectors it maps back to are **Aerospace and Engineering, Pharmaceuticals, Clean Technologies and Practice, Waste Management, Waste Water Management, General Corporate Financial Services, Primary and Secondary Food Processing, Product Design, manufacturing and Engineering, Transport and Logistics, and BPO.**

international aviation standards. Parking space for over 100 aircrafts is also being developed, along with MRO facilities over 100 hectares. The airport is expected to cater to annual passenger traffic of 14 million and annual cargo traffic of 870,000 tonnes.

b) Special Economic Zone (SEZ): Spread over an area of 2086 hectares, is one of the largest multi-product SEZs in the country. In the SEZ, about 1472 Hectares land has been demarked for processing activities and 614 Hectare of land has been set aside for non-processing activities. The SEZ is to house a 500-hectare IT Park, a 40-hectare Health City, and a 60-hectare Power Plant, along with product-specific manufacturing zones. The manufacturing zones within the SEZ are focused on developing industrial clusters in select sectors like Textiles and Garments, Gems and Jewellery, Food Processing, Engineering and Electronic Goods, Pharmaceuticals, Printing and Packaging, Financial Services, MRO facilities and IT.

Land for building of the IT Park has been allotted to L&T Infrastructure Development Projects Ltd., DLF Ltd., Shapoorji Pallonji & Co. Ltd., Ascendas, Ambuja Realty Development Ltd., RMZ Corp. and Karamchand Realtech Pvt. Ltd. Of the planned 4354 hectares for the project, till date 2468 Hectares of land has been acquired. The project would also be facilitated with a Rail and Road Terminal (being developed on a BOT basis), with warehousing facilities and other ancillaries to meet the logistic needs of the project.

Nagpur Airport has been declared an International Airport for Passenger and Cargo Operation by Government of India. The SEZ has been notified by the Department of Commerce, Govt. of India. The acquisition for the remaining land is being done on fast track basis.

Leading IT Companies such as TATA Consultancy Services Ltd, HCL Technologies Ltd., Wipro Technologies Ltd., have taken land to set up their IT operations in the SEZ. The Boeing Company has set up its Maintenance, Repair and Overhaul (MRO) Facilities. The first township project has also been started. Environmental clearance for the project has been obtained from the Ministry of Environment and Forest,

Work on internal roads is in progress. The total length of internal roads would be 51 km, with the main highway

Opportunities in the International Airport

- Operation and management of the cargo terminals
- Operation and management of passenger terminals
- Operation and management of MRO facilities

Opportunities in the SEZ

- Setting up of IT units and back-office operations
- Setting up manufacturing units falling within the targeted sectors
- Setting up specialised Health Units

Opportunities in Ancillary/Support Services

- Providing airport based ancillary services
- Setting up Logistics Parks
- Knowledge and inputs for logistics training from the UK
- Collaborations for treatment of effluents and waste
- Setting up support services in the project like lighting, roads, water supply systems, sewage systems, power distribution distribution networks and telecommunication distribution networks.

being a six lane carrier. A dual water supply system is also being developed to ensure that the requirement of industries is met. The opportunity owner has stated that it would be adopting waste-water management systems and waste management systems to reduce consumption of fresh water.

TATA Teleservices (Maharashtra) Ltd., is designing the telecommunication network for the project, with DURA-LINE India Pvt. Ltd., installing three 96-core optical fibre cables covering an area of 51 km. Lighting within the project area is being installed by Bajaj Electricals Ltd. Reatox Builders & Developers along with Mahindra Bebanco Developers Ltd., have been allotted 56 acres of land in the project and to develop an integrated township.

All the above are live business opportunities in Nagpur-based organisations. If you are interested in finding out more about any of these opportunities, please contact UKIBC who will be able to facilitate an introduction.





KEY OBSERVATIONS

The three traditional economic drivers of the city—trading, presence of large-scale industrial units (chemicals, textile and steel) and state and central government employment¹⁶⁵, have hitherto defined the character and feel of the city. This is changing as entrepreneurs begin to evaluate new sectors.

- Although Nagpur is the largest grower of oranges in the country there are not enough food processing units for it to maximize its potential.¹⁶⁶ The Government and various trade bodies are looking for ways to overcome this.
- The other sector being promoted heavily is Tourism, especially Eco-tourism.
- The textile industry has been identified by the State Government as being of strategic importance to Vidarbha. The Maharashtra Industrial Development Corporation (MIDC) has a textile park at Butibori, which it is trying to develop aggressively.
- Education and Training emerged as crosscutting sectors. With MIHAN likely to need more highly qualified and skilled manpower, there is a need to set up local institutes to fulfil this potential demand. Additionally, the need for soft-skills training has been identified as urgent by many entrepreneurs.
- Nagpur's economic development goals are closely aligned with those of Vidarbha region as a whole.

Locally based SMEs, by themselves, may not be equipped to capitalise on the business and investment opportunities opening up in Nagpur. So we as entrepreneurs have no option but to work with strategic partners, both national and international to strengthen our capabilities.

Sushil Sanghi, CEO, Sanghi Engineers

¹⁶⁵Nagpur has the highest number of central government offices after the national capital of Delhi. This includes the National Academy of Direct Taxes, the Indian Bureau of Mines, The Geological Survey of India, National Bureau of Soil Survey and Land Use Planning, India's Intellectual Property Training Institute, the Chief Controller of Explosives of the Petroleum and Explosives Safety Organisation, and Mineral Exploration Corporation of India among others.

¹⁶⁶Sampath (2009); Dubey (2009)

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