

INDUSTRIAL RESURGENCE OF WEST BENGAL OPPORTUNITIES AND CHALLENGES

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*Platinum Jubilee Lecture delivered at the
Institution of Engineers (India)
West Bengal State Centre
Calcutta*

3 February 1996



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KOLKATA

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Dr M.N. Dastur*

It is indeed a great honour to have been invited by the Institution of Engineers (India), West Bengal State Centre, to deliver the Platinum Jubilee Lecture, as part of its Platinum Jubilee celebration. The West Bengal State Centre of the Institution has, over the years, contributed a great deal to the development of the engineering profession, technical education and training, and to the technological and industrial progress of the State. West Bengal has always been the hub of engineering activities, with its large concentration of engineers of various disciplines.

Starting in 1921 under the name of Bengal Association with the specific objective of furthering the cause of engineering, this Chapter of the Institution was finally renamed as the West Bengal State Centre. It has since become a forum for addressing various issues of science and technology in the State and has given its expert advice on various occasions to the State government and the Calcutta Municipal Corporation to arrive at pragmatic engineering solutions to some of their problems.

The theme chosen for the Platinum Jubilee Celebration - Industrial Progress of West Bengal: Problems and Prospects, - is both apt and timely, especially in the context of the far-reaching changes taking place in the country's industrial and economic structure, in the wake of the on-going liberalisation of the economy and its increasing global exposure.

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Platinum Jubilee Lecture, The Institution of Engineers (India), West Bengal State Centre, Calcutta, 3rd February 1996

INDUSTRIAL DEVELOPMENT OF WEST BENGAL

West Bengal owed its pre-eminent position as the most industrialised State in the country, primarily to the existence of a well-established and highly developed engineering industry, rich mineral resources, well developed infrastructure facilities and a large skilled work-force. Till the installation of the Bokaro Steel Plant in Bihar in the 70s, West Bengal was the only State in the Union which had the distinction of having two large integrated steel plants in operation, namely the Durgapur Steel Plant and the Burnpur plant of Indian Iron and Steel Company Limited. The Alloy Steels Plant, one of the largest of its kind, is also located at Durgapur.

Steel and engineering industries

Steel and engineering industries constituted the hard core of the industrial structure of West Bengal. The earliest engineering units to be established in the State were the structural engineering units which sprang up in the wake of the development of railways in India. Most of these units were concentrated in the Calcutta-Hooghly industrial belt and in the Raniganj-Asansol region. Mechanical engineering units received a spurt during the Second World War and with better availability of steel, a number of general engineering industries came to be established. This concentration of a wide variety of heavy, medium and light engineering industries in this region at that point of time led to its being called the "Ruhr of India".

Durgapur-Asansol industrial belt

Among the new industrial centres in the State, the Durgapur-Asansol area has rapidly developed in the post-independence years, because of its location in the heart of the coal, steel and mineral belt, its well-developed infrastructure and other locational advantages. The two steel plants, namely the Durgapur Steel Plant and Alloy Steels Plant, are both located in Durgapur.

The two large State government undertakings, the Durgapur Projects Limited and the Durgapur Chemicals Ltd are also located there. Besides these, the Mining and Allied Machinery Corporation, large engineering units like ACC-Vickers-Babcock also have their plants in Durgapur. In fact, the growth of Durgapur-Asansol industrial belt has been so rapid that it is successfully vying with the older Calcutta-Hooghly belt in importance.

Beginnings of steel industry

It is not generally known or recalled that the foundation of India's steel industry was laid in West Bengal as early as 1875, when a blast furnace was built at Kulti, near Asansol, by the Bengal Iron Works. Shortly after the first World War, the Indian Iron and Steel Company (IISCO) was set up in 1918 at Burnpur near Asansol. In 1936, IISCO acquired also the Bengal Iron and Steel Company. Thus, IISCO became the first integrated steel plant in West Bengal, and the second in the country, after Tata Steel in Jamshedpur.

IISCO's Burnpur plant

For various reasons, the modernisation of IISCO has been inordinately delayed. In compliance with the directives of the Board of Industrial and Financial Reconstruction (BIFR), SAIL had submitted a proposal for modernisation of IISCO which involved a budgetary support by the Centre to the tune of Rs 1,100 crores. A high-level committee composed of a group of cabinet ministers of the Government of India considered this proposal and in view of the financial crunch facing the Central government also, suggested instead that SAIL "consider joint sector participation" as a viable alternative to expedite the implementation of IISCO modernisation programme. It is reported that the State government is not averse to joint sector participation and the decision of the Central government is awaited. It is unfortunate that the inordinate delay is ruining an ideally located, viable plant.

Durgapur Steel Plant

The Durgapur Steel Plant is at present implementing a Rs 4,500 crore modernisation and expansion programme which is nearing completion. It has drawn up a second modernisation plan, with an investment of Rs 1,500 crores. It is also learnt that plans are under way to raise the capacity of the plant to 3 million tons, for which SAIL has prepared a perspective plan.

Alloy Steels Plant, Durgapur

The Alloy Steels Plant (ASP), Durgapur, one of the largest plants of its kind which was designed for an initial capacity of 100,000 tons, has now been successfully modernised and expanded to produce 260,000 tons per year of alloy and special steels. ASP is working on a further Rs 650 crore modernisation-cum-expansion programme including the installation of a new rod mill of 20,000 tons capacity to manufacture stainless steel and special steel wire rods. Other additional facilities envisaged include an argon-oxygen decarburisation unit, ladle furnace and a billet caster.

Secondary steelmakers and steel re-rollers

There are also a number of mini-steel plants and secondary producers, billet re-rolling mills, scrap re-rollers, wire drawing units, foundries etc. According to available statistics, West Bengal has 23 mini-steel plants, next only to Maharashtra with 31 and UP with 25 units. There is only one unit producing hot rolled strip, out of the six units operating in the country. Out of the 76 wire drawing units in India, 16 are operating in West Bengal.

Refractories and electrodes

Simultaneously with the development of the steel industry, a sizeable refractory industry has also developed in West Bengal, producing various kinds of refractories for iron and steel plants and

other industrial uses. A number of refractory plants are in operation, located mostly in the Durgapur-Asansol industrial belt. With new steel capacity being set up in the State as well as the development of chemical and other process industries, the demand for various kinds of refractories is bound to rise substantially. There are thus opportunities for the existing units to modernise and expand their capacity; also for entrepreneurs to set up new units. India's first graphite electrodes plant in Durgapur produces graphite electrodes for electric arc furnace use. It also provides electrode paste and carbon products for ferroalloy and aluminium plants.

New steel and pig iron projects

According to WBIDC, a number of projects pertaining to steel and allied industries are in the offing in various parts of the State. The current status of the iron and steel projects which are in various stages of implementation is mentioned below:

NEW IRON AND STEEL PROJECTS IN WEST BENGAL

Sl. No.	Company	Project	Status
1.	Tata Metalics Ltd	Pig iron plant, Kharagpur. Capacity: 90,000 tons/year Estimated cost: Rs 55 crores	Implemented
2.	Kajaria Iron Castings Limited	Pig iron plant, Waria near Durgapur Capacity: 90,000 tons/year Estimated cost: Rs 58 crores	Under construction
3.	Birla Eastern Limited	Integrated steel plant, Haldia. Capacity: 0.5 MT/year. Estimated cost: Rs 55 crores	Planning stage. The land has been earmarked for the project

<u>Sl. No.</u>	<u>Company</u>	<u>Project</u>	<u>Status</u>
4.	Titagarh Steels Ltd	Integrated steel plant, Haldia. Capacity: 3 million tons/year	Feasibility report under preparation
5.	Apeejay Limited	Integrated steel plant, Haldia. Capacity: 0.5 MT/year. Estimated cost: Rs 600 crores	Feasibility report prepared
6.	Century Textiles Ltd	Integrated steel plant, Kharagpur. Capacity: 0.5 MT/year. Estimated cost: Rs 1,000 crores	LOI placed for 550 cu m blast furnace
7.	Refine Industries Ltd	Integrated steel plant, Madhukunda. Capacity: 0.25 MT/year. Estimated cost: Rs 250 crores	MoU signed with CISRI, China and Government of West Bengal
8.	Modern India Concast Ltd	Mini-steel plant for billet making, Haldia. Capacity: 0.25 MT/year. Estimated cost: Rs 200 crores	MoU signed with CISRI, China and WBIDC
9.	Stiefel Und Schus (I) Ltd	Integrated steel plant, Andal. Capacity: 0.5 MT/year. Estimated cost: Rs 1,200 crores	MoU signed with CISRI, China

Industrial diversity of West Bengal

The rich industrial diversity of West Bengal best illustrates the high level of industrialisation of the State. Besides steel, major industries include engineering, electronics, automobiles, chemicals, pharmaceuticals, aluminium, ceramics, leather, footwear, bonemeal, bicycle, jute, cotton, textiles, tea, paper, glass, timber processing and wagon building. Central public sector units in West Bengal include

coal, locomotives, cable, fertiliser, ship building, and ordnance factories. In addition, the State government has its own undertakings like tea, sugar, dairy and poultry; chemicals and photochemicals, agro-textile, sugarbeet, fruit and vegetable processing, silicate and glass, plywood; electro-chemical, electro-medical and allied industries; and electronics. Also, there are a large number of units, big and small, in the joint sector as well as the private sector. According to the latest figures (1992) available from the Bureau of Applied Economics and Statistics, Government of West Bengal, there were as many as 9600 registered working factories (excluding Defence factories) in West Bengal.

Mineral resources of West Bengal

West Bengal is one of the major mineral producing States of India and is endowed with a number of metallic and non-metallic minerals. The coal reserves of the State are about 30 billion tons. The Raniganj coalfield alone accounts for 27 billion tons. Other important minerals are dolomite, limestone, apatite, china clay, tungsten and lead-zinc ore.

Raniganj coal is mostly high volatile, non-coking and of superior grade quite suitable for coal chemicals and gas making. The vast coal resources can meet not only the fuel requirements of various industries, but also of power plants and coal-based chemical industries. In view of the general energy crisis, West Bengal can with advantage investigate the techno-economics of producing coal gas or synthetic natural gas (SNG) as it is known, in a big way and supply it to industrial consumers through a distribution network. West Bengal has the distinction of being the only State at present having coal gasification plants - Durgapur Projects Limited and the Dankuni Coal Complex. These can be further expanded or new coal gasification units set up at suitable locations, for the production of this pollution-free fuel.

It is reported that the State government is finding it difficult to attract industrial consumers to use SNG, as the industries are reluctant to incur the capital expenditure involved in the conversion of their existing system based on the use of conventional fuels to the use of SNG. Despite the incentives announced, there have been few takers. As SNG is pollution-free, it should be attractive for industries to utilise it for their operations. This may also require some aggressive marketing efforts by the State government.

Rock phosphate (apatite) has been located in the Beldih area of Purulia with an estimated reserves of about 10 million tons. The West Bengal Mineral Development and Trading Corporation Limited which operates the Beldih mine, produces annually about 15,000 tons. The apatite is marketed for direct application as fertiliser. The feasibility of installing a food-grade phosphoric acid plant based on apatite is worth considering.

Besides apatite, the other important mineral is china clay which occurs in abundance in Birbhum, Bankura and Bishnupur districts. The possibilities of utilising the china clay after beneficiation for the production of high tension (HT) insulators and ceramic glazed tiles need to be investigated.

High-grade low silica dolomite occurs in Jainti hills of North Bengal. North Bengal Dolomite Corporation is now exploiting the deposit, jointly with SAIL. The limestone deposits of Purulia with about 35 million tons of reserves may be adequate to support a new cement plant in that area.

Tungsten is found to occur in the Chendapathar area near Bankura district. As this is a strategic mineral, detailed prospecting and systematic mining needs to be taken up. At present, the deposits are being operated by Gouripur Industries and Usha Hard Metals.

WEST BENGAL'S NEW INDUSTRIAL DEVELOPMENT POLICY

India's new industrial policy and the liberalisation of the economy which has done away with the industrial licensing system and simplified procedures for setting up industries as well as for direct foreign investment and import of technology, has ushered in a new era of industrial opportunities and challenges also for the rapid industrial development of West Bengal.

In this context, the new industrial policy statement of the government of West Bengal may be considered as the harbinger of industrial and economic resurgence of the State. The State government has been pragmatic and has decided to take full advantage of the withdrawal of the freight equalisation policy on steel and the delicensing in respect of various industries, without abandoning the goal of self-reliance but welcoming new technology and foreign investment in specific areas. As the Chief Minister, Mr Jyoti Basu had stated in his address to the Bengal Chamber of Commerce and Industry in 1994:

"We are for new technology and investment in selective areas where they help our economy and which are of mutual interest. The goal of self-reliance, however, is as needed today as earlier. We have the state, the private sector and also the joint sector. All these have a role to play".

Salient features

The salient features of the State government's policy towards industrial promotion and economic development are briefly discussed below:

- i) The New Economic Policy (NEP) welcomes foreign technology and investment in appropriate areas, on mutually advantageous terms. This is a bold and drastic change in the State government's thinking.
- ii) NEP recognises the importance and key role of the private sector in accelerating the growth of the economy and it welcomes private sector investment in power generation and other sectors in view of the

constraints on the State's budgetary resources. However, the State government considers the public sector as an important agency for ensuring social justice and balanced growth.

- iii) The State government looks forward to the development of joint and assisted sectors as effective instruments for mobilising the requisite resources and expertise in important areas of economic activity.
- iv) NEP envisages the improvement and upgradation of industrial infrastructure which is indispensable for accelerated growth of industries. The major thrust areas are provision of an additional capacity of 5,000 MW of power, improvement of roads and communications, and development of growth centres.
- v) The State government has already taken the initiative in substantially improving the social infrastructure facilities - the development of satellite townships, housing, health, education, water supply, hotels etc. A major thrust has been given to technical education and training through the polytechnics and the ITIs. In the sphere of health, establishment of specialised hospitals in the private/joint sector is being encouraged; and improvement and expansion of existing health facilities through private/joint sector are being explored.
- vi) The State government has identified certain industrial segments as thrust areas for special attention.
- vii) The State government will assist the management and unions of sick Central public sector undertakings located in the State to evolve viable rehabilitation packages for consideration by BIFR. The State government is also evolving appropriate strategies for the revival of the State's sick public sector units.

Policy initiatives and instruments of change

In pursuance of its new industrial development policy, the State government has taken certain initiatives and established appropriate policy instruments to expedite the change. These include

- i) The incentive Scheme (1993) for industrial investment
- ii) Simplification and streamlining of the sales tax

- iii) **Formation of an Empowered Committee under the chairmanship of the Chief Secretary to ensure prompt and time-bound decision-making on investment proposals**
- iv) **A single-window agency, Shilpa Bandhu, in order to provide escort service to new projects designed to avoid delays in the start and implementation of the projects**
- v) **District-level committees under the chairmanship of the district magistrate to ensure quick decisions regarding acquisition and allotment of land, employment and other related matters.**

Incentive scheme, 1993

The incentive scheme for industrial investment applicable to all large- and medium-scale projects in the State as well as expansion projects of existing units came into operation in April 1993 and will remain in force for a period of five years. The scheme offers an attractive package of assistance for establishing new units, expansion of existing units and rehabilitating sick units. The type and quantum of incentive offered are dependent on the location of the project. A high-powered committee constituted under the scheme looks after the special problems of individual units. The incentives offered include

- i) **Contribution in the form of unsecured, interest-free loan, by the West Bengal Industrial Development Corporation towards the cost of preparation of a feasibility study, revival/rehabilitation packages and energy audits.**
- ii) **Subsidy on purchase and installation of captive power generation units to the extent of 25% of the capital investments or Rs 7.5 lakhs for projects in greater Calcutta and Rs 12.5 lakhs in the case of projects located in the districts.**
- iii) **Waiver of electricity duty on electricity consumed for 5 years from the date of start of operations.**

- iv) Capital investment subsidy ranging from 15% to 30% of the fixed capital investment on the project or Rs 15 lakhs to Rs 30 lakhs, depending on the location of the projects; and an additional investment subsidy of 5% of the fixed capital or Rs 5 lakhs to the first five industrial units coming up in any industrial growth centre.
- v) Development subsidy to meet the expenditure on a) stamp duty on purchase/lease of land, documents etc, b) cost of drawing HT/LT power line up to the plant substation and installation of transformer for power supply to the units, c) charges to be paid to the Greater Calcutta Gas Supply Corporation Ltd for piped coal gas lines up to the plant supply point, d) fees paid for conversion of land use, e) 50% of the fees to be paid for procurement of know-how.
- vi) Deferment/remission of sales tax on the sale of finished goods for varying periods depending on the location of the project.
- vii) Exemption of sales tax on purchase of raw materials for varying periods depending on the location of the plant.
- viii) Additional sales tax incentive in lieu of the State government capital subsidy.
- ix) Creation of loan liability for deferment of sales tax.
- x) Exemption from payment of entry tax/octroi duty.
- xi) Subsidy for conversion of piped coal gas.
- xii) Allotment of land at growth centres on soft terms of payment.

Single-window agency - Shilpa Bandhu

To facilitate speedy decisions and to obviate procedural delays in processing industrial investment proposals, the State government has established a single-window facility under the West Bengal Industrial Development Corporation (WBIDC). This has been further upgraded and geared to provide multifaceted assistance to investors. In the case of small-scale investors too, a similar one-window facility is

available from the Small Industry Development Agency. It is reported that during 1993-94, the Shilpa Bandhu handled 377 cases and cleared as many as 370 with only 7 cases pending. During 1994-95, it is stated that over 560 entrepreneurs approached Shilpa Bandhu with investment proposals and inquiries. This would indicate the useful service rendered by Shilpa Bandhu to prospective investors and also the increased interest of the entrepreneurs to invest in the industrial sector of the State.

Empowered Committee and District Committees

The Empowered Committee, set up by the State government under the Chairmanship of the Chief Secretary and Departmental Secretaries concerned, is yet another policy instrument to facilitate prompt procedural clearance of investment proposals within a time-frame. Similarly, the State government has constituted committees at the district-level with the District Magistrate as the Chairman and with the Superintendent of Police, Assistant Labour Commissioner, General Manager of the District Industries Centre etc as members to expedite decisions regarding acquisition and allocation of land, employment, infrastructure and other related matters pertaining to investment proposals. Sabhadhipatis and district magistrates have been instructed to assist entrepreneurs in the timely implementation of the project.

Recently, a State-level monitoring committee with the participation of representatives of various Chambers of Commerce, industrialists and State government officials has been formed to facilitate the flow of investment and to provide all support to WBIDC.

The picture of the State government's efforts to implement its new industrial policy will not be complete without mentioning the activities of the West Bengal Industrial Development Corporation, the

State Directorate of Industries and West Bengal Electronics Industry Development Corporation Ltd with its Webel group of companies, which are doing yeoman service in expediting the industrial revival of the State.

West Bengal Industrial Development Corporation

The nodal agency which is spearheading the industrial revival of Bengal is the West Bengal Industrial Development Corporation Limited (WBIDC). The Corporation has been specifically set up to promote and assist the expeditious establishment and development of industries in the State and is responsible for the development of large- and medium-scale industries. The major activities of the Corporation are

- i) identification of projects and their promotion
- ii) guidance and assistance in infrastructural aspects and escort services for expeditious clearance and implementation of the project
- iii) sanction and disbursement of financial assistance
- iv) monitoring and follow-up and
- v) promotion of joint/assisted sector projects

The Corporation has implemented a number of joint sector projects in different districts for the manufacture of a wide variety of products including GLS bulbs and lamps, multiplexer, microprocessor-based system, communication equipment, slurry explosives, telecommunication cables, granulated slag and cement, acrylic fibre, biaxially-oriented polypropylene (BOPP) film, mild steel ingots, refined edible oil, aluminium-based laminates etc. According to the Annual Report 1994-95 of the Commerce and Industries Department of the Government of West Bengal, the projects implemented with the assistance of WBIDC from 1979-80 to 1994-95 number over 140, spread over various parts of the State and the total disbursement from 1988 to 1994 was about Rs 220 crores.

Directorate of Industries, West Bengal

Another agency of the Government which plays a pivotal role in planning, development and promotion of industries in the State is the Directorate of Industries. To meet the specific requirements of industrial promotion in the light of the new industrial policy of the State government, the Directorate has geared itself to render assistance in the formation of policy, technical guidance to entrepreneurs, development of new project concepts, identification and promotion of infrastructure schemes, monitoring of investment proposals, identification of growth zones and preparation of project profiles for integrated zonal development plans etc.

The Directorate has focussed its attention and efforts on the growth of industrial investment in the following priority industrial segments:

- i) Iron and steel, metallurgical and engineering industries. Due to the concerted efforts of the Directorate, a number of projects have been initiated relating to iron and steel, pig iron, ferroalloys, castings, industrial furnaces, DC arc furnaces etc. It is reported that the Directorate assisted in the finalisation of six iron and steel projects with a total investment of over Rs 2,600 crores, in collaboration with the People's Republic of China.
- ii) Petrochemical downstream units in Haldia as well as infrastructure requirements.
- iii) Textiles segment involving the promoting units for the manufacture of yarn, polyester staple fibre, knitting, dyeing, weaving and silk yarn making.
- iv) Telecommunication sector - industrial units for the manufacture of optical fibre and jelly filled cables; and
- v) Marine products processing plants.

West Bengal Electronics Industry Development Corporation Ltd (WBEIDC) and the WEBEL group

This nodal agency for the growth of electronics industry in West Bengal is primarily concerned with the promotion of electronics-based industries in the State, setting up of subsidiary and joint sector units; infrastructure development; research and development; and assistance to entrepreneurs in the electronics sector. The Corporation has established a number of subsidiary and joint sector companies. The two subsidiary companies, Webel Business Machines Ltd and Webel Power Electronics Ltd have since merged into one company. The number of companies set up under the aegis of Webel is sixteen at present, of which six are subsidiary companies; eight are in the joint sector; and two are under implementation - one for the manufacture of fibre-optic medical instruments for medical and industrial application; and the other for the production of precision tools dies and moulds for electronics and allied industries. These between them cover a broad spectrum of the electronics and information technology industries, namely:

Automatic Message Accounting System, Communication Crystals, black and white picture tubes, computer monitors etc, microprocessor-based data acquisition system, personal computers and professional grade studio equipment; professional grade soft ferrites, audio products, black and white and colour TV sets and audio products; aluminium electrolytic capacitors; carbon and metal resistors; portable electronically controlled power tools; electronic push button telephone instruments; solar PV cells, modules and systems; SMD-based trans-receiver equipment, VHF sets and pagers.

Software Technology Park and the Saltec Electronics Complex

One of the most forward-looking and high-tech projects taken up by the West Bengal government is the Software Technology Park (STP) in Salt Lake City, Calcutta. This project for the promotion of 100% export-oriented software units, is bound to play a leading role in the development of exports in this high-tech area in the years to come. The STP is at present accommodated in the Standard Design Factory

building and already six of the 15 software units which have been allotted space have started their operation. Software engineers from West Bengal have already made a name in the USA, Europe and Japan, and the facilities provided in the STP would provide immense opportunities for the development and export of software.

Saltec Electronics Complex

The Saltec Electronics Complex has been specifically set up for the development of electronics and electronics-based products. It is reported that over 80 plots of land have been allotted to 68 entrepreneurs in this complex and some 15 have already started pre-production activities, while construction is in progress in a number of other units. The main organisations set up by the State government in this complex are: the Electronics Research and Development Centre and the Centre for Electronic Test Engineering (set up with German collaboration). The Standard Design Factory houses various entrepreneur units. The State government can rightly claim the creation of this Electronics Complex with the STP as one of its major achievements in the ongoing efforts for the State's industrial resurgence.

Other State Development Corporations

Besides WBIDC and WBECD, there are number of development corporations established in the State for the development of specific sectors, namely

- i) West Bengal Industrial Infrastructure Development Corporation (WBIIDC) to develop industrial infrastructure and industries.
- ii) West Bengal Pharmaceutical and Phytochemical Development Corporation (WBPPDCL) for developing pharmaceutical and phytochemical industries and production of drugs and drug intermediaries.

- iii) **West Bengal Mineral Development and Trading Corporation (WBMDTC)** which is concerned with the development of mineral resources; promotion of mining and minerals trade; and establishment of mineral-based industries.
- iv) **West Bengal Sugar Industries Development Corporation (WBSIDC)** for the promotion and development of sugar industry.
- v) **West Bengal Tea Development Corporation (WBTDC)** to promote, develop and rejuvenate the tea industry in the State.

Infrastructure development: Committee's recommendations

It is noteworthy that the government of West Bengal has realised early the need for substantial improvement in infrastructure facilities for the speedy industrial development of the State. To identify in detail the infrastructure requirements and other related aspects, the State government appointed in 1993 a Committee on Infrastructural Development composed of prominent industrialists, senior officials of the State departments concerned and the West Bengal State Electricity Board. The major recommendations of the Committee for immediate, short-term, medium- and long-term action by government included the following points, among others:

- i) Immediate action points for improvement of roads in and around Calcutta; better flow of traffic; improvement and beautification of the city; improvement of air services, linking Calcutta to industrial areas and growth centres wherever possible; improvement of inland water transport and improvement of social infrastructure facilities.
- ii) Pre-feasibility study on the North-South Corridor (Falta-Calcutta-Siliguri) project; immediate studies and action plans for development of major roads and communication network, development of appropriate townships around Calcutta etc; improvement and extension of the railway system, simplification of procedures for obtaining power connection to industry; simplification of land conversion procedures; removal of constraints on the development of infrastructure in specific areas of the State such as Haldia, Asansol-Durgapur-Raniganj region, North Bengal area, Kalyani and the Falta Export Processing Zone etc.

The report of the Committee was submitted in July 1995. The recommendations have been accepted by the State government and it has since initiated action for implementation by the development agencies concerned. The State government, it is stated, has agreed to take action on the construction of a super express highway project connecting Siliguri in the north to Diamond Harbour in the south, and as a first step, to have a pre-feasibility report prepared for the scheme. The State government has expressed its willingness to render all assistance in acquiring land for industrial projects and to provide expeditious clearances to enable entrepreneurs to set up projects in various parts of the State. It is also encouraging the setting up of new medical facilities and hospitals, technical training and educational institutions, hotels etc in the State.

In respect of new townships and urban facilities, the State government's Urban Development Department has initiated the Mega City Scheme for Calcutta, involving an expenditure of around Rs 1,600 crores, spread over 8 years. A number of schemes, it is learnt, have been initiated, and the project is expected to be in full swing during the current year. A major satellite township scheme for Calcutta, initiated by the State Housing Department, is on the anvil. The project is estimated to cost around Rs 6,000 crores and is planned to be implemented by the government as well as joint sector. A special programme, which is estimated to cost Rs 1,100 crores, has been taken up for the improvement of municipalities outside the Calcutta urban area.

Three-pronged approach

Keeping in view the urgent need for improving the infrastructure for accelerated industrial development, the State government has identified certain areas for immediate attention. It adopted a three-pronged approach for systematic development of infrastructure and services, namely

- i) development of physical infrastructure facilities such as ports, railways, road networks, air cargo terminals etc as well as promotion and maintenance of industrial growth centres and opening up of new areas for industrial development
- ii) co-ordinated functioning of various developmental and regulatory agencies to facilitate the development process; and gearing up the State machinery to act with speed and direction; removal of bottlenecks - to make the entire process entrepreneur-friendly
- iii) Simultaneous development of supporting services such as telephone services and social infrastructure like schools, housing, hotels etc not only in the cities and the industrial belts, but also in the new growth centres.

New growth centres

The State government has over the years paid special attention to the development of backward areas with a view to ensure a balanced development of the various regions of the State by setting up growth centres in the districts. Due to the spurt in industrial activities, the demand for land for setting up new industrial units in the growth centres near Calcutta/Howrah region has picked up. With the Calcutta-Howrah industrial belt reaching near saturation and the cost of industrial land as well as infrastructure rising fast, it is only logical that new industrial units should be located as far as possible in other areas of the State. According to Government sources, industrial land at Kalyani, Haldia and Kharagpur growth centres as well as at Falta have been more or less fully allotted. So far, some 12 growth centres have been established in the various districts, five in 'no industry' districts and the rest in other districts which have already some industries in operation.

Special efforts are being made to attract industries to 'no industry' districts such as Dabgram and Raninagar growth centres in the Jalpaiguri district; Bishnupur growth centre in Bankura district; Cooch Behar growth centre in Cooch Behar district; and Malda growth centre in the district of Malda. In other districts, where

some industries are already in existence, the new growth centres are Uluberia in the Howrah district; Falta in the South 24 Parganas and Kalyani in Nadia district. The total cost of setting up these centres is around Rs 4,400 lakhs.

Need for more electric power

Though the power supply situation appears to be rosy at the moment, serious shortage of power may develop in the near future, once the new industries, growth centres and townships come up all over the State. As the construction of power plants is time-consuming and costly, one cannot afford to be complacent in the matter, especially in view of the concerted efforts now going on for the rapid industrial resurgence of the State. The present capacity for electric power generation in West Bengal, including Damodar Valley Corporation (DVC) and National Thermal Power Corporation (NTPC) plants is about 4,966 MW (1994-95). Compared to the overall power deficit in India of about 7.3%, West Bengal with its power surplus enjoys an advantage over other States in terms of power availability. However, the per capita consumption of power in the State is still very low, slightly over half, at 164.5 KW, compared to the national figure of 330.6 KW.

The State government has offered a lucrative package of incentives to attract investment in power projects in the State. By agreeing to buy all the power produced at an agreed pre-fixed rate, the State government assures the investing power company a good rate of return on the investment. At the same time, the Company can earn higher returns, if its efficiency level is better than the normative level. Power projects also get a five-year tax holiday; and then there are concessional rates of duty for imported equipment as well concessional excise duty on indigenous equipment.

In view of these concessions and incentives, it is not surprising that the power sector in the State has attracted investment, both national and international. West Bengal is in the heart of the coal-belt and is ideally located for setting up thermal power plants. Along with other States in the Eastern Region, West Bengal may well become a source of power supply to the whole country in the years to come, when the national grid becomes fully operational.

New power projects

The new power projects in the State, now in various stages of planning or implementation, namely

- i) Purulia Pumped Storage Scheme
- ii) Sagardighi Thermal Power Plant - Phase-I
- iii) Gauripore Thermal Power Project
- iv) West Bengal Power Development Corporation Ltd (WBPDC), Development Consultants Ltd

are expected to add some 2,035 MW to the existing capacity over the next few years. The Purulia Project, estimated to cost Rs 2,961 crores, is expected to be financed by the Overseas Economic Co-operative Fund (OECF), Japan, while the Sagardighi project will be set up in the joint sector with the participation of WBPDC, DCL, CMS, Thermo-Energy System (USA) according to the present plans, once the clearance is obtained from the Central Electricity Authority (CEA). As regards the Gauripore Thermal Power Project, it is learnt that the techno-economic clearance has been granted in principle by the CEA, but the environment clearance is awaited. This power project will also be set up as a joint venture of West Bengal State Electricity Board, Birla Technical Services, Bharat Heavy Electricals Ltd (BHEL) and Thermo-Energy System of USA. It is also reported that CESC is planning to build a new thermal power plant at Balargarh, which will have 2 X 500 MW capacity. Though the clearance in principle has been obtained from the CEA and captive coal mines have been identified, railway linkages have yet to be approved. Schemes for financing the project are being finalised.

In addition, a number of hydel projects and mini/micro hydel projects are under various stages of planning and approval. These may add yet another 380 MW to West Bengal's power generation capacity, when they go on stream.

Bakreswar Thermal Power Project

The Bakreswar thermal power project - Unit III has, however, run into trouble, due to differences amongst the parties concerned - West Bengal Power Development Corporation Ltd, Central Electricity and the main funding agency, OECF of Japan. The difference has risen mainly due to the decision of the State government to award the plant equipment supply contract, on technical grounds, to BHEL-Itochu instead of ABL-Marubeni combine, although the revised offer of ABL-Marubeni combine was lower. The West Bengal government has proposed, it is learnt, that the parties concerned meet and arrive at an amicable settlement.

The power sector, so far as the West Bengal State government is concerned, is a growth sector. Very likely, it may attract substantial foreign investment, once the full potential and West Bengal's special advantages in this sector are more widely known.

INCREASED INTERNATIONAL INTEREST

The policy initiative taken by the State government has served to generate a good deal of interest in entrepreneurs, both at the international and the national levels. It was no accident that the Confederation of Indian Industry (CII) held its birth centenary meet in Calcutta early in January last year. (Incidentally, Calcutta is the birth place of CII and it was functioning from Calcutta, before shifting its headquarters to New Delhi, to be near the seat of power where India's industrial and economic policies are fashioned.) This was the

occasion for the 'Partnership Summit' hosted by CII in collaboration with the West Bengal government, which brought to the city a large number of eminent personalities and industrialists from across the world. The highlight of the summit was the meeting of the two prime ministers, Mr P.V. Narasimha Rao of India and Mr Goh Chock Tong of Singapore, amid a gathering of industry captains.

New strategy and vision for rapid industrial growth

For West Bengal, the partnership summit was the grand occasion for unveiling the new strategy and vision of the rapid industrial and economic growth of West Bengal. Arthur D. Little, the internationally renowned management consultancy firm from USA, presented its now famous report — A Vision of West Bengal Industrial Future: A Strategic Perspective — which has since become a bible for the State government in its efforts to woo international investors to participate in the rapid industrialisation of the State.

The Arthur D. Little report, sponsored by the Confederation of Indian Industry (CII) and the Industrial Credit and Investment Corporation of India (ICICI), has for the first time, done a lot to present a positive image of West Bengal to the world; about its enormous industrial and economic potential, and investment opportunities. It has also, in a large measure, boosted the confidence and optimism of the State government and the people of West Bengal about the bright future of the State. The categorical observation in the report that West Bengal is "India's most favourable State for domestic and foreign investment" has come as a shot in the arm for the State government, to spur it to take action for the speedy industrial and economic revival of the State. The report also drew pointed attention to the competitive advantages of West Bengal and

visualised an exceedingly bright industrial and economic future for the State. It also added a note of caution that to achieve this objective, government, business and labour should come together and enter into an “industrial development compact”.

“Doing business in West Bengal”

Following this epoch-making report, another report commissioned jointly by the State government and the Indian Chamber of Commerce, Calcutta has been prepared by the internationally reputed business consultants, Price Waterhouse World Firm (PWWF). This study, entitled “Doing Business in West Bengal”, has also pointed out more specifically the State’s competitive advantages in certain sectors which are suitable and attractive for international investors. This study has identified Calcutta as a potential centre for the emerging South-East Asia and the Asia-Pacific markets, because of its unique locational advantages. According to this study, the sectors which have competitive advantages for global investment and high growth potential are

- i) **Engineering:** The State’s enviable track record in this fast growing sector and the availability of abundant raw materials and engineering skills provide new opportunities for further development.
- ii) **Electronics:** The State has a booming market for industrial electronics in the hinterland. The availability of industry-specific modern infrastructure at the Salt Lake Electronics Complex, port and international airport for global sourcing of components and technology, and availability of skilled manpower, make the electronics sector ideal for global investment.
- iii) **Petrochemicals:** In view of the growing demand which is fast outstripping the supply, the establishment of the Haldia Petrochemicals Complex will help sourcing raw materials for downstream industries.
- iv) **Knowledge-based industries and software:** The State has enormous potential for the rapid growth of knowledge-based software and information technology,

because of the ready availability of technically qualified manpower, access to latest technologies, good telecommunication infrastructure, and large export and domestic market.

- v) **Infrastructure:** In the infrastructure sector such as power, roads, telecommunications, housing and urban development, there are ample investment opportunities in the State.
- vi) **Aqua culture:** There is tremendous scope for cultivation of Tiger and Rosenburger shrimps which fetch highest price in international markets, taking full advantage of the State's brackish water resources and the congenial aqua climate.
- vii) **Floriculture:** Because of ideal agro-climatic conditions in the State and the availability of quick transport facility for the huge export market, this sector provides excellent opportunities for investment and development.
- viii) **Food processing:** Apart from the five agro-climatic zones in the State suitable for growing all kinds of fruits and vegetables, adequate infrastructure is also being sponsored by the State, in the form of a "Food Park" for processing fruits and vegetables.
- ix) **Leather:** Calcutta, which is the pioneer in leather industry in India, has already the basic requirements for a thriving leather industry. It is the right centre for expansion of the leather industry and offers opportunities for setting up new tanneries and modernisation of the existing units.
- x) **Tourism.**

A second report prepared by Price Waterhouse, which was commissioned by the Bengal Initiative, a voluntary organisation of Calcutta-based captains of industry, specifically discusses the problems and prospects of the industrialisation of the State. Another firm of management consultants, the Tokyo-based Partha Ghosh Associates, has been commissioned by the State government to make a district-wise study of the industrial potential. It is learnt that the

reports have already been prepared for some of the districts. The data thrown up by these in-depth reports are expected to assist the State government in evolving appropriate development strategy for each district.

FOREIGN DIRECT INVESTMENT PROPOSALS

The high-level campaign to attract foreign investment to West Bengal has had a measure of success. According to Mr Bidyut Ganguly, the State Minister for Commerce and Industry, the State has been able to attract direct investment proposals amounting to Rs 8,000 crores from 12 foreign countries in the recent past. Of this, proposals worth Rs 4,000 crores have been cleared by the Central Government. It is noteworthy that during 1994-95, the State has received industrial approvals involving a total investment of Rs 22,311 crores. A number of delegations from the UK, Australia, South Korea, Bangladesh, Singapore, Germany, USA, China, Japan and Ireland have visited West Bengal, which speaks for the new and increased foreign interest in investing in the State. Some of the more recent visits of foreign delegations are briefly discussed below:

Japan's interest in West Bengal

Recently, Japan has evinced its interest in large-scale investment in West Bengal. A top-level Japanese study team from the Ministry of International Trade and Industry (MITI) visited Calcutta early in December 1995 and had fruitful discussions with the State government and industry leaders. It is reported that the Japanese team was impressed with what West Bengal has to offer in terms of natural resources, skilled workers and the large number of processing and other units. The Japanese team has found West Bengal a favourable State for investment by Japanese industrial majors. However, it was too early to identify areas for Japanese co-operation and investment, as this can only be done after the Japanese team submits its study report and makes its recommendations to the Ministry.

The delegation asked some searching questions about the industrial climate in West Bengal. The delegation also wanted to be assured about Centre-State relations and the labour situation. Both Mr Bidyut Ganguly and Mr Somnath Chatterjee who participated in the discussions, assured the delegation that the State's relations with the Central government were very cordial and that the Government at the Centre was very co-operative. As regards industrial relations, Mr Somnath Chatterjee drew the attention of the delegation to the improved labour situation in the State and the marked reduction in the number of industrial strikes and man-days lost. He underscored the fact that labour in West Bengal is very disciplined and responsible. Both Mr Ganguly and Mr Chatterjee informed the delegation that West Bengal welcomed Japan's investment and technology in those sectors "where we do not have them and they should be on mutually beneficial terms". Some of the areas, where Japanese technology and investment would be welcome, were infrastructure, power and electronics. Universities and technological institutions of the two countries can also co-operate, particularly in the fields of research and development. The results of the findings of the team will be crucial for any large-scale Japanese investment in the State.

US Business Delegations

The US business delegation representing some 68 US corporations which visited Calcutta on 11th December 1995, on a fact-finding mission, has generally welcomed the pace of industrialisation achieved by West Bengal. The business delegation has expressed the opinion that this momentum, if maintained, will throw open the possibility of increased foreign investment in the State. This visit was a follow-up of Chief Minister Jyoti Basu's visit to Washington earlier in 1995. The delegation wanted a first-hand feel of the investment needs of the State and plans for addressing these needs.

The US delegation had earlier, during its talks in Delhi, identified several areas for investment by the US business community in India. These include infrastructure development, power, telecommunications, information technology, airports, ports and harbours, agro-based industries, financial services and food processing industries. However, it would appear that, given the US reservations about leftist ideology, fears of political interference in economic decisions could have a detrimental effect on US investment in West Bengal.

The Chinese delegation

A high-powered delegation from the Communist Party of China also came to West Bengal towards end-December 1995 for studying the technological growth of West Bengal, which would enable the Chinese industry to have a clear picture of the investment possibilities in the State. The delegation is reported to be identifying the areas where joint ventures could be entered into with the State government.

The West Bengal government has also signed a number of Memoranda of Understanding (MOUs) with the Chinese. The fate of these MOUs will only be known after the Chinese study team submits its report. It may be mentioned here that China is in the process of setting up an integrated steel plant in Orissa, jointly with the Mesco Group.

Australian interest in West Bengal

Australia, recently (10 January 1996), opened a permanent office of its Trade Commission (Austrade) in Calcutta in evidence of its growing interest in West Bengal and the potential of Calcutta to emerge as an important centre for business co-operation. Australian engineering majors are keen to invest in West Bengal. Australian multinationals like Telstra and Burn Philips have already established their presence in the city. Three engineering majors -

Futuris, Oka and Email are negotiating with top industrial groups in West Bengal. Austrade Managing Director Mr Ralph Evans, who inaugurated the Calcutta office of the Commission, stated that there is vast scope for co-operation in mining equipment and services, automatic components, telecom equipment, insurance and food processing. Australian mining companies would be interested in investing in the mining sector but they will be looking for controlling stake in joint ventures with Indian partners. There is also room for joint ventures in the manufacture of sophisticated telecom equipment such as cellular handsets, microwave equipment, cellular switch gears and paging services. Also, once India's insurance sector opens up, a number of Australian insurance companies are keen to come to India. There are also good opportunities for joint ventures and technology transfers between Australia and India. Mr Evans has also expressed the hope that Australia would give due respect to West Bengal's expectations while deciding on its strategies of co-operation with India.

STRENGTHS, OPPORTUNITIES AND CHALLENGES

As mentioned earlier, West Bengal enjoys several strategic advantages and strengths over other States in India. It has a long industrial tradition and is one of the most industrialised States in the country. It is the home of some of the most reputed industrial houses and a wide variety of rapidly growing, competitive industries in several sectors. It has a well-established iron and steel industry and a strong engineering and technological base; rich mineral resources, especially coal; well-established infrastructural facilities; and burgeoning electronics and software industry.

The State has also a vast reservoir of technically skilled labour force as well as technically qualified and experienced persons to man and manage all levels of an enterprise. The State has adequate education and training infrastructure to turn out technically trained and skilled personnel to meet the requirements of its expanding industries and services.

West Bengal also enjoys certain natural locational advantages. It is strategically located on the eastern sea-board of India; and with its two ports at Calcutta and Haldia, it is the natural gateway to the fast growing South-east Asia and Asia Pacific regions. It also forms part of one of India's most rapidly growing industrial regions in the country, with its vast mineral-rich hinterland and a large expanding market of the eastern region.

In all this, Calcutta, because of its strategic location and well-developed business, finance, banking, insurance and services infrastructure, will emerge as the leading industrial trade and services centre of India.

The comparative political stability of the State and the changed perspectives of the State government in economic matters has also created a climate of confidence for the rapid resurgence of industry in the State.

Consultancy services, engineering institutions and industrial organisations

West Bengal can also rightly claim that it has made the greatest contribution to the development of independent consultancy services in India. Because of its highly developed engineering and industrial background, West Bengal provides great scope and the natural environment for the growth of consultancy services. It was in Calcutta that the first Indian consultancy organisations were set up in

the early 50s, which have pioneered the development of indigenous engineering design and consultancy services in India, specially in the steel, power and cement sectors. They have also pioneered the export of consultancy services and established internationally the credibility of Indian engineering in this highly competitive field. A number of consultancy organisations providing engineering and management services in diverse fields have sprung up in the State (mostly based in Calcutta) in the last decade.

The location of two of the largest and well-known national professional engineering organisations, namely the Institution of Engineers (India) and the Indian Institute of Metals in the State, both of which have their headquarters in Calcutta, bear eloquent testimony to the importance of West Bengal in the engineering world.

Slow Infrastructure development

The study team sponsored by the voluntary organisation of Calcutta-based captains of industry, Bengal Initiative, seems to have been disappointed with the slow progress on the infrastructure front in various parts of the State. The team headed by the Chairman of the Bengal Initiative, Mr Amiya Gooptu, and consisting of a number of industry leaders, has already visited Burdwan, Asansol, Dishergarh, Malda, West Dinajpur and had discussions with district magistrates, jilla sabhadhipatis, Chambers of Commerce, lawyers, principals of colleges and other citizens in these districts.

Development of internal waterways

While on the subject of infrastructure development, mention should be made of the large potential of West Bengal's river system or internal waterways, as an alternative and cheaper mode of transport. Though this has been talked about off and on, there has been no

concerted efforts to develop and utilise internal waterways and canals. The river front, especially on the Hooghly, is in a disgraceful condition and deserves some beautification and the construction of river ports, safe and sturdy jetties at suitable locations. Silting may be a problem, but some engineering solution, other than conventional dredging, can certainly be found to reduce silting and to train the river. As West Bengal has rivers with perennial flow, they can be exploited all round the year to carry industrial and agricultural products as well as passenger traffic.

Railway extension and linkages

West Bengal is served by two railway systems, the Eastern and the South Eastern Railways which have their headquarters in West Bengal. Due to the heavy traffic in materials and men, the existing railway lines are heavily congested all along the line. However, it would appear that not much thought has been given to the expansion of the railway system by additional trunk lines and links to the hinterland as well as the new growth centres in the State. The provision of an adequate railway system for the quick movement of materials and goods is one of the first essentials of any worthwhile industrial resurgence programme. Let us hope that this aspect will be accorded a top priority in the State government's action plan and the Railways will be requested to take up necessary development work to meet the requirements.

Roadways

The roads in West Bengal, generally speaking, are in bad condition, not only in the cities, but also in the districts. Along with the construction of new roads, widening and strengthening of the existing road network as well as its proper maintenance will have to be taken up in right earnest. The roads should also be designed for carrying heavily loaded, rapidly moving truck traffic. If the State government

feels the dearth of resources and the organisation to build and maintain the roads, it may entrust the work to private entrepreneurs on time-bound "build-operate-transfer" basis. This would perhaps be the best solution in view of the resource crunch and the immediacy of the road programme.

The need for urban renewal

The State government deserves congratulations for its efforts to revitalise the economy of the State. Yet, one of the major reasons for slow growth in the past has been its inability to improve the quality of life of the people, especially in the urban areas. Take the case of this great city, Calcutta, the seat of the State Government. The city is bursting at its seams. Calcutta being the gateway to West Bengal and Eastern India, the first impression created on a visitor, foreign or Indian, to this part of the world, is one of sordid neglect and urban decay, with its narrow congested roads, snarling traffic and processions, buildings in a state of total disrepair, squalor, filth and pollution including noise. The current piece-meal efforts at urban renewal of Calcutta are totally inadequate to solve the ills, to improve the quality of life of the people and to give a new look to Calcutta. The State government is aware of the dimensions of the problem, but lacks the means and machinery to implement any worthwhile scheme of face-lifting. Here is an opportunity for the State government to involve industry and business houses in urban renewal and above all, revitalise the city's dormant Municipal Corporation.

Environmental protection and control

It is gratifying to note that the State Pollution Control Board is taking action against erring industries in the furtherance of the State's efforts to contain industrial pollution. Yet, there is a lot to be done in this respect, to make up for years of neglect and lack of concern for the environment. In the anxiety for rapid industrialisation and concern for increased employment, there cannot be any compromise or

lowering of the national environmental standards. In fact, there are already a large number of industrial units in the State such as tanneries, foundries, coal-based industries, chemical and other process industries, power generation units and the like, that are tend to go slow with the statutory pollution control requirements, mainly because of the heavy costs involved in installing pollution control devices and measures. In view of the global concern about the deteriorating environment for a sustainable development of the society, environment protection is a must. The government of India's Environment Ministry now demands the installation of appropriate environment pollution prevention and control devices and measures at the conceptual stage of the project itself. This is a great step forward. Retrofitting the environment protection devices in an operating plant is both costly and difficult.

Challenges of industrial revival

The major challenges before the State for the successful implementation of the new industrial policy are

- i) The administrative apparatus and policy implementation machinery need to be strengthened. Also, an attitudinal change is required.
- ii) The development of infrastructure needs to be expedited. This may otherwise become a bottleneck and frustrate the investor. The findings of the study team of Bengal Initiative strongly supports this view.
- iii) The new industrial policy has not received full endorsement at all levels in the party in power. There seems to be some reservations in party circles on the greater role given to the private sector in the industrial resurgence programme.
- iv) There seems to be not much follow-up of the investment proposals. These need to be vigorously pursued and the genuine apprehensions, if any, of the prospective investor removed.

- v) Human resources development should be taken up on a continuing basis. Also, the constant drain of technically qualified personnel who leave the country in search of better pastures need to be constantly kept in view. Education and training will have to be reviewed and reoriented to the realities of the situation and requirements. Whether we like it or not, education today is mass-oriented and leisurely. In view of the increasing demand for technically trained people at all levels, there may be a need to compress technical and professional education into a shorter time-frame, with more intensive teaching and on-the-job training. The course content, especially in the engineering and technology sectors need to be constantly updated, taking into account the technological advances and emerging operating practices. Special attention will also have to be paid to the development of communication skills of the engineering personnel as well as to the art and techniques of managing people.
- vi) Generally speaking, labour is becoming better organised and more responsible in the State. The prospective investor, whether foreign or Indian, expects to be assured of peaceful industrial relations, before investing in West Bengal. Recently, the Japanese delegation has also drawn the attention of the State government to this very point.

Industrial environment

To ensure a congenial industrial environment, the new equation should be one of co-operation and partnership between labour and management in a common venture, with the objective of increasing productivity. It is gratifying to note that under the State government's advice and leadership, the labour force is now acting with great restraint, as a mature and responsible partner having a stake in the prosperity of the industry it is working with.

Towards a bright future

West Bengal has in the past given the lead to the rest of the country in respect of both industrial and social development. Along with steel and engineering industries, it pioneered the development of

chemical, pharmaceutical, paper and other industries in the country. Its contribution to the freedom movement, literature, education, art and culture is well known. West Bengal has always been in the vanguard of economic and industrial progress. It was, therefore, unfortunate that its progress was slowed down since the late-sixties for various reasons. Fortunately, some of the perceived obstacles and irritances to the rapid industrialisation of the State have been removed by the ongoing economic reforms in the country. With a stable and progressive government dedicated to the economic regeneration and development of West Bengal at the helm, the confidence has returned and a congenial climate for rapid industrial resurgence of the State has been created.

The State government is certainly strong and mature enough to stand on its own legs and find practicable solutions to the problems confronting the State's rapid development. The State may have different perceptions about economic and industrial policy objectives, but the repeated criticism and accusation of the Central government for every economic ill of the State, have lost their sting and have become counter-productive. While this may serve to assuage the local aspirations, it sends wrong signals to intending investors and India watchers; and also generates speculation about Centre-State relations and the stability of the State and the country. Instead of strengthening the hands of the State government, it tends to weaken the delicate economic and political fabric of India.

The economic reforms have been generally welcomed by West Bengal. The State government has promptly responded to the situation and set in motion a number of policy measures to derive the maximum benefits of liberalisation, without abandoning its cherished ideas. The industrial revival programme worked out by the State is on the whole sound and the good intention of the State government never

in doubt. Yet, the administrative machinery and the resources required to implement it systematically within a time-frame seems to be lacking, barring some pockets of excellence. One of the foremost tasks before the State government, therefore, is to revitalise and strengthen the administrative machinery and make it more dynamic and responsive to the changed scenario and requirements. West Bengal will, thus once again, lead the rest of the country with the further progress of its steel and engineering industries where it has a competitive advantage, by harnessing the full potential of rich resources - both material and human - to the speedy industrial resurgence and development of the State.

DASTURCO