

Delhi-Mumbai corridor will create new best-in-class cities

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It could be the most challenging job any executive could have taken up in recent times. As CEO and managing director of the Delhi Mumbai Industrial Corridor Development Corporation (DMICDC), Amitabh Kant heads a project that could transform India altogether. It is daunting in its vision, mind boggling in the amount of money that would be required to see this project through.

The project involves developing industrial areas on either side of the Dedicated Freight Corridor (DFC) which is meant to travel from Rewari in Haryana through Delhi, Rajasthan, Madhya Pradesh and Gujarat to end in Mumbai. The Delhi Mumbai Industrial Corridor (DMIC) could involve a fund outlay of not less than \$120 billion, and could soar even beyond. It is being developed by the Government of India in partnership with the Government of Japan as a global manufacturing and investment destination supported by world class infrastructure and enabling policy framework.

Kant is a member of the Indian Administrative Service (Kerala Cadre: 1980 batch). He is also the author of Branding India — An Incredible Story and has been the key driver of the "Incredible India" and "God's Own Country" campaigns that positioned and branded India and Kerala as leading tourism destinations. He was then joint secretary, ministry of tourism, Government of India. He had also served as secretary, tourism, Government of Kerala, managing director, Kerala State Industrial Development Corporation, district collector, Kozhikode and managing director, Matsyafed.

Kant was also the National Project Director of the Rural Tourism Project of UNDP which made a paradigm shift in spreading tourism to Indian villages which had core-competency in handicrafts, handloom and culture.

R N Bhaskar of DNA met him at his Delhi office and Kant spoke about the underlying philosophy behind this ambitious project.

How do you view the DMIC project which you are in charge of?

The basic objective of the DMIC is to drive manufacturing. This is because only then can India hope to keep growing at 9-10% year-on-year. That is the only way India can hope to wipe out poverty. If this growth rate slows down, poverty alleviation will become that much more difficult. **Are there any models that you have been looking at?**

Historically, this has happened in Japan, Korea, Singapore and China. They, too, focused on manufacturing and pulled their respective economies out of backwardness to become some of the most vi-

quest for excellence must begin with the very planning of the DMIC.

Is that why you have been looking at the best master-planners for the cities proposed in the DMIC region?

True. And the list is impressive. We have Scott Williams looking at the perspective plan for the overall DMIC corridor. Then we have two consortia led by Halcrow. One is focused on the Ahmedabad-Dholera Investment Region in Gujarat, and the other on the Dadri-Noida-Ghaziabad region in UP. We have another consortium led by LEA Associates which

If you don't plan big cities well in advance, people will move to existing cities which will expand in an unplanned way, leading to a proliferation of slums. You need magnet cities that can take the influx of people looking for jobs. You need to wean them away to the new cities, so that the temptation of going to old cities will diminish.

brant economies in the world.

This is because manufacturing creates jobs. And manufacturing alone can help India triple employment and double exports over a period of time.

But hasn't India's service sector been the prime mover of its economic growth during the past 15 years?

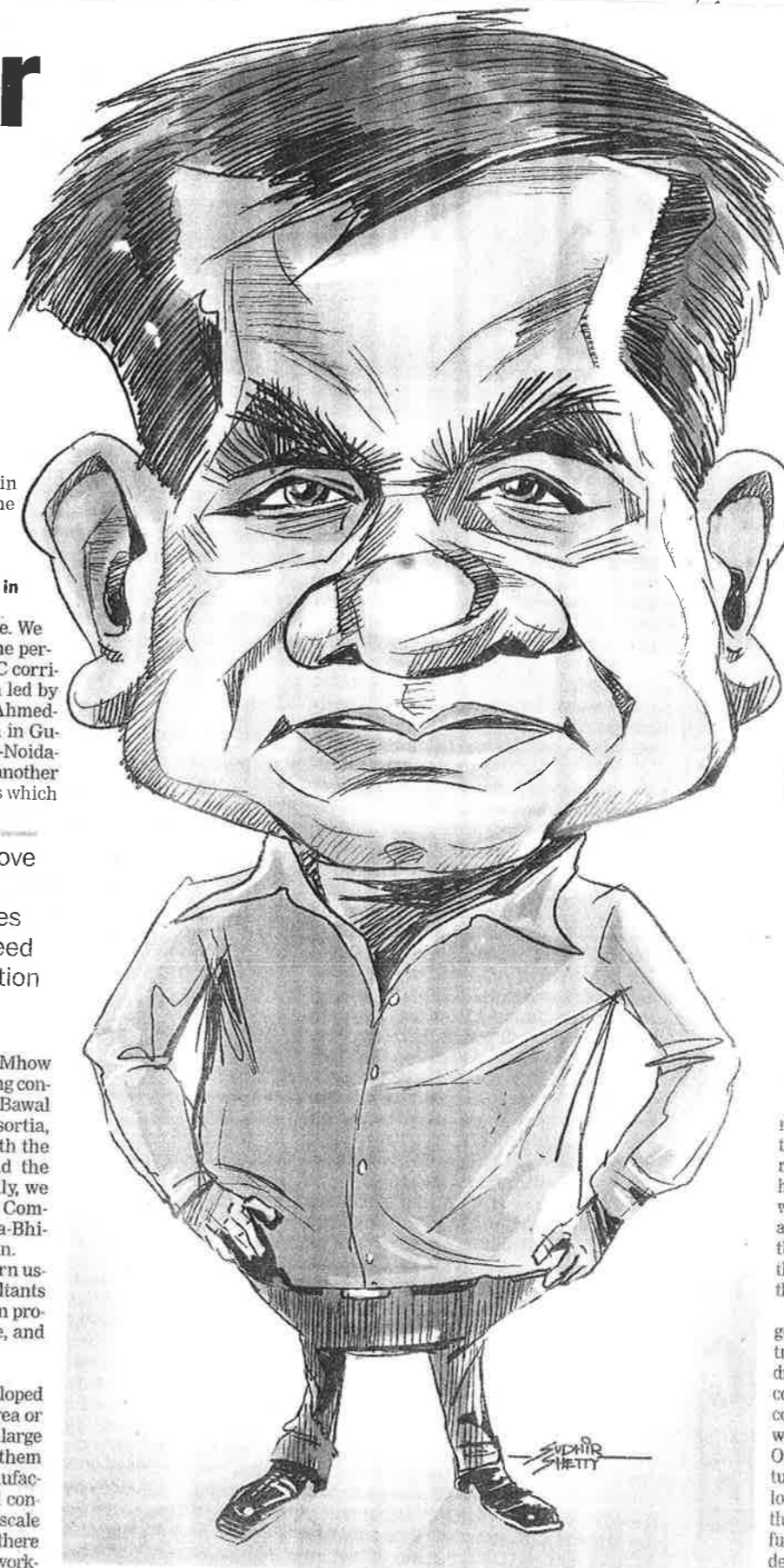
True, India's growth has been driven by the service sector so far, but this sector is not as great a creator of jobs as the manufacturing sector is. Today, agriculture has 45% of India's employment, which grows at just 2-3%. Nowhere in the world has agriculture grown at 10% year-on-year for a very long period of time. India has to get into value-added manufacturing. Moreover, disguised employment must shift from agriculture to manufacturing. And in doing so, we have to change India's work culture as well. To succeed, the industrial units in the DMIC area will have to be those which benchmark their production to the world's best. Nothing must be second rate. And to do that, this

is looking at the Pithampur-Dhar-Mhow investment region in MP. The Jurong consortium is looking at the Manesar-Bawal region in Haryana. Two other consortia, led by AECCOM, are looking at both the Igatpuri-Nashik-Sinnar node and the Dighi Port industrial area. Finally, we have the consortia led by Kulper Compagnons working on the Khuskera-Bhiwadi-Neemrana region in Rajasthan.

Each of these consortia are in turn using the skills of many other consultants who can ensure that the master plan produced is extremely comprehensive, and benchmark to the best in the world.

What are the processes involved?

Look at all the countries that developed at a rapid pace, be it Singapore, Korea or China. They all created well-planned large manufacturing cities. They built them so that the largest and the best manufacturers from around the world could congregate there. And they create large-scale employment. For instance, in China, there is a factory which has almost 750,000 work-



You can converge them horizontally. And since one has technology, the time taken to build a city will also have to be crunched. There will have to be less wet processes — like the use of mortar for laying bricks for walls. Instead you will have more and more use of steel and glass. This will allow structures to come up speedily and look more majestic as well. And you will have to stop looking at power, water, transportation and sewage management separately. With technology and foresight, you can create a central command room to manage all.

This would mean excellent management for managing the cities, isn't it?

True. But then if you look at any new city in the world — Shanghai, Seoul, Singapore — which is both a city and a country — even Tokyo or Osaka, you will find them governed by very powerful CEOs or mayors. You need to make one person responsible for the maintenance and growth of the city, and see that its planning does not go awry, and its growth does not falter.

Will all these be easy?

We have two challenges before us. The first is to ensure that these cities are well financed. Earlier, all the cities — whether in the US or in China — were entirely state-funded. The challenge will be to get these funded as public private partnerships (PPPs), with part of the funding coming from the private sector.

If all goes according to what we and the government of Gujarat have planned, Dholera could be India's biggest industrial and residential hub. In fact, it could be the world's largest as well.

In this, the government has a major role. It needs to clear the financial structuring of the city. These new cities cost money. The first seven cities that we plan help develop (see the box) will cost anywhere between ₹35,000 crore and as much as ₹75,000 crore — which is what Dholera, the largest development plan among all the cities, is likely to cost. And mind you, these are present day costings.

To get these cities off the ground, the government has to create good quality trunk infrastructure. This includes drainage, sewerage, roads and other non-commercial parts. All these must be in accordance with the master plans for which we have hired the best of the consultants. Once this is done, it allows you to structure, balance and co-operate on PPP. It allows you, in turn, to monetise the land that has been allocated for the city, and the funds from which could then fund other development.

The second challenge is to get India to create a business model of urbanisation. These cities must be able to constantly generate revenues and put them back to finance further growth and also meet

ers in one place. You cannot get workers to come to a place and work there for a reasonably long period of time, unless they can come with their families. Young managers have young wives, and they will have children. Children need to

Q&A
Amitabh Kant

The Central Excise Duty you pay on