

# 'It's planning for 2040'

Spread over a stretch of 1,483 km, India's most ambitious infrastructure project Delhi-Mumbai Industrial Corridor (DMIC) promises to revolutionise the country's urban landscape like never before. Starting from Dadri in Uttar Pradesh, the DMIC will wind its way through six states to the Jawaharlal Nehru Port in Mumbai, Maharashtra, with seven ultra-modern 'smart cities' dotting its course. To get a 360 degree perspective of the project and the issues involved, Urban Update talked to Mr Amitabh Kant, CEO & MD of the Delhi-Mumbai Industrial Corridor Development Corporation (DMICDC), the nodal body entrusted with the task of developing the project. Excerpts:



## Why the need for DMIC?

The DMIC supported by world-class infrastructure will optimise the potential, enhance investment climate and promote economic development of the region. It is an ambitious project aimed at developing an industrial zone spanning across six states in India. The project will ensure a major expansion of infrastructure and industry - including industrial clusters, and rail, road, port and air connectivity - in the states along the route of the corridor.

The DMIC planning aims to achieve certain concrete economic end-results, like doubling employment potential, trebling industrial output and quadrupling exports from the region over a period of five years.

## What's the rationale behind the selection of route?

The envisaged alignment of the western Dedicated Freight Corridor (DFC) passes through six states - UP, NCR of Delhi, Haryana, Rajasthan, Gujarat and Maharashtra - and is mostly aligned parallel to the existing railway tracks. The DFC proposes high-speed connectivity for high axle load wagons (25 tonnes) of double stacked container trains supported by high power locomotives. Then, the Delhi-Mumbai leg of the Golden Quadrilateral National Highway also runs almost parallel to the freight corridor. These states also had the required stretch of green fields along their existing industrial belts where several 'smart cities' are proposed.

## How many 'smart cities' have been planned?

A total of 24 such new generation cities are being planned for phased development; in the first phase, we propose to develop seven smart cities...the rest may follow. These seven cities, to be developed as world-class manufacturing hubs, are to have individual master plans. Each of these requires a different size of land. The DMICDC is mostly through with the legal formalities for the process of land acquisition in the states concerned.

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## Please share the features of these smart cities.

The smart cities will have compact, vertical developments, an efficient public transportation system, use of digital technology to create smart grids for better management of civic infrastructure, recycling of sewage water for industrial use, green spaces, cycle tracks and easy accessibility to goods, services and activities. Plans are also in place to integrate these cities through new airports, new rail links and arteries of 10-lane highways. Each city will have underground utility corridors for parking, sewage disposal and communication lines to give it a neat look and leave enough space for facilities that are missing in most existing cities, like pavements, parks and cycle tracks. Public transport will

be available within a 10-minute walk from home or office.

The DMIC's master plans for the cities are unique in the sense that an effort has been made to look at the future by putting infrastructure in place ahead of the demand. In fact, we are planning for 2040.

## Your experience with regard to land acquisition issues in various states?

It has been an interesting experience... state governments have used extremely innovative processes for land pooling and procurement. They have put in a lot of hard work at the grass-root level interacting with the local communities. The new Land Acquisition Act lays down a number of processes for social impact, including clearances by several committees. Acquisition will be through a process of negotiation and deliberations with the land owners, making them an integral component of the developmental process and skilling them for manufacturing, so that they can move to new jobs.

## How will the DMICDC-developed project be executed?

These new industrial cities of the size and scale of Singapore would be constructed by special purpose vehicles (SPVs) to be formed in the next two-three months. Envisaged to be formed on the public-private partnership model, those SPVs would operate on build-operate-trade basis. As there is no legal framework for development of new cities in India, the DMIC had to finalise the Share Holders' Agreement and the State

## VISION FOR DMIC

- ◆ To create strong economic base with globally competitive environment and state-of-the-art infrastructure to activate local commerce, enhance foreign investments and attain sustainable development
- ◆ To raise a model industrial corridor of international standards with emphasis on expanding manufacturing and services base
- ◆ To develop a 'Global Manufacturing and Trading Hub', infusing worldwide technological advancements to the grass-root level of local production sources and upgrading human skills of influence regions and the country



Support Agreement, and get the states' acts amended, so that the city SPVs get the powers to levy external and internal development fee and user's fee.

#### Any concerns about funds?

No, none. The ambitious project received a major boost with India and Japan entering into an agreement to set up a project development fund. As on today, India and Japan hold 49 percent and 26 percent equities, respectively, in the DMIC project, while the rest lies with the Life Insurance Corporation of India (LIC) and the Housing and Urban Development Corporation Limited (HUDCO).

The government has already approved an outlay of Rs 18,500 crore for creation of trunk infrastructure. Lands are being provided by the state governments. The Japanese government has approved \$4.5 billion for non-commercial projects through the Japan International Cooperation Agency (JICA) and commercial lending through the Japan Bank for International Cooperation (JBIC). So, funds are just not an issue.

#### Execution of the project hasn't begun yet. Can we meet the deadline?

Most certainly. Across the world, new cities have taken two to three decades to develop, grow and evolve. But it's

going to be different this time round. The timeline laid down by the Cabinet for development of the first phase is 2019. In fact, we are ahead of schedule in Gujarat and Maharashtra. ■

#### WHAT 'SMART CITIES' WILL OFFER

- ◆ Compact, vertical developments
- ◆ Efficient public transportation system available within a 10-minute walk from home or office
- ◆ Use of digital technology to create smart grids for better management of civic infrastructure, recycling of sewage water for industrial use
- ◆ Green spaces, cycle tracks and easy accessibility to goods, services and activities designed to foster a sense of community
- ◆ Integrated cities with new airports, new rail links and arteries of 10-lane highways
- ◆ Underground utility corridors for parking, sewage disposal and communication lines to give it a neat look
- ◆ Leave enough space for facilities missing in most existing cities, like pavements, parks and cycle tracks

#### DMIC PROJECT GOALS

- ◆ The DMIC developmental planning aims to achieve certain end results so as to boost economic development. The project goals in terms of Compound Annual Growth Rate (CAGR) are:
- ◆ Double employment potential in five years (14.87% CAGR)
- ◆ Triple industrial output in five years (24.57% CAGR)
- ◆ Quadruple exports from the region in five years (31.95% CAGR)