



CHHATTISGARH

October 2007



STATE ECONOMY & SOCIO-ECONOMIC PROFILE

Chhattisgarh – A Snapshot

- Constituted on 1st November 2000, Chhattisgarh is one of the youngest states in India
- State covers a geographical area of 135,000 sq. km.
- Formed out of 16 districts of Madhya Pradesh, and has 18 districts
- Shares borders with six states: Madhya Pradesh to the west and north west, Uttar Pradesh to the north, Jharkhand to the north east, Orissa to the east, Maharashtra to the south west and Andhra Pradesh to the south east
- The climate is mainly tropical, humid and sub-humid



Chhattisgarh – A Snapshot

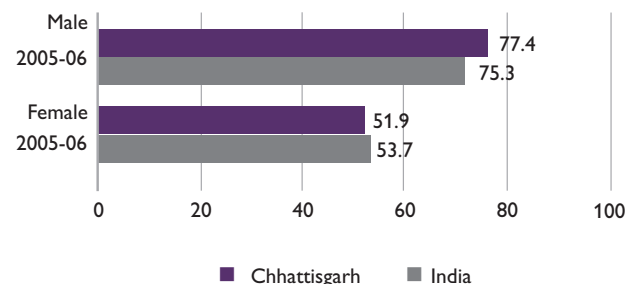
- Mahanadi is the principal river of the State
 - The State is divided into three regions namely, Northern region, Central plains and southern region
 - The central plains region is known as the “Rice Bowl of Central India”
 - Raipur is the State capital
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Socio-Economic Profile

- Population of Chhattisgarh – 20.8 million (2% of India) as per 2001 census
- 80% of the total population lives in rural areas and the remaining 20% lives in urban areas
- Population density - 151 persons per sq km
- Human Development Index – 0.471 (United Nations Development Programme, UNDP)
- Sex ratio – 989 females per 1000 males
- Scheduled Tribes (ST) and Scheduled Castes (SC) constitute 43.4% of the State’s population
- Literacy rate has improved steadily from 42.91% in 1991 to 64.7% in 2001; registering a growth of 21.79%
- Social Development index – 36.35 for urban areas and 28.87 for rural areas

Demographic Profile (2001)	Chhattisgarh (% of population)	India (% of population)
Rural	80%	72.2%
Urban	20%	27.8%
Scheduled Caste	11.6%	16.2%
Scheduled Tribe	31.8%	8.2%

% Literacy Rate

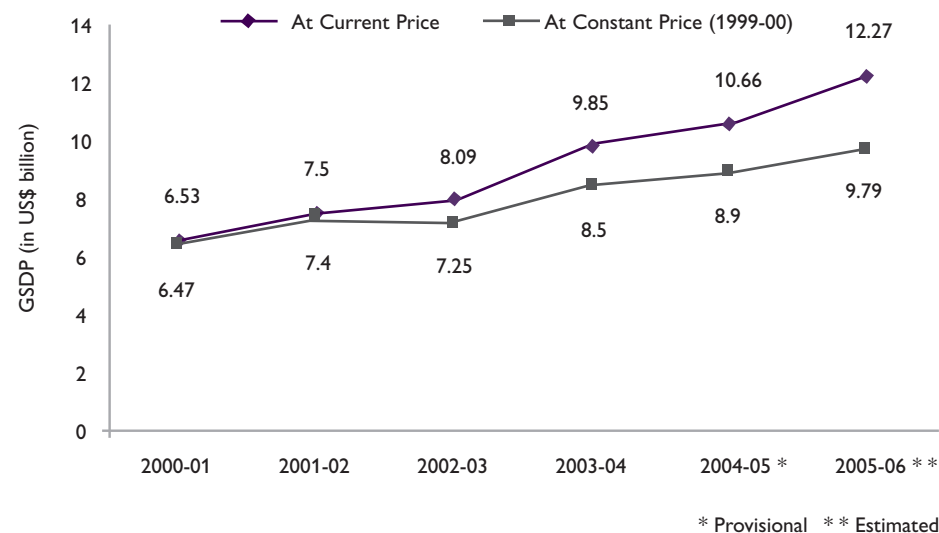


40% OF THE STATE IS UNDER FOREST AREA AND OVER 40% OF THE POPULATION CONSISTS OF SC/ST

Source: Census, 2001; Integrated Health and Population Policy Chhattisgarh, 2006; Council of Social Development, 2006)

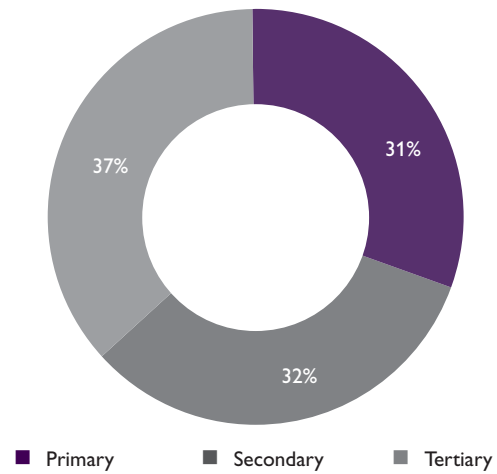
State Economy

- Registered a GSDP growth of 15.1% at current prices and 10% at constant prices (1999-2000) for the year 2005-06
- The Tertiary sector registered a growth of 11.95%, Primary sector grew by 12.67% and the Secondary sector registered the highest growth of 21.72%
- In 2005-06, Agriculture registered a growth of 18.85% and the manufacturing sector registered a growth rate of 24.61%
- Net per capita income at current prices has improved from US\$ 418.93 in 2004-05 to US\$ 474 in 2005-06; marking a growth of 13.16%
- Almost 80% of the population is dependent on agriculture and agriculture related occupations
- Richest state in terms of Mineral wealth, with 28 varieties of major minerals including diamonds



State Economy

Sectoral Contribution to GSDP at current prices
(2005-06)



Source: Socio-Economic Survey, 2000-07

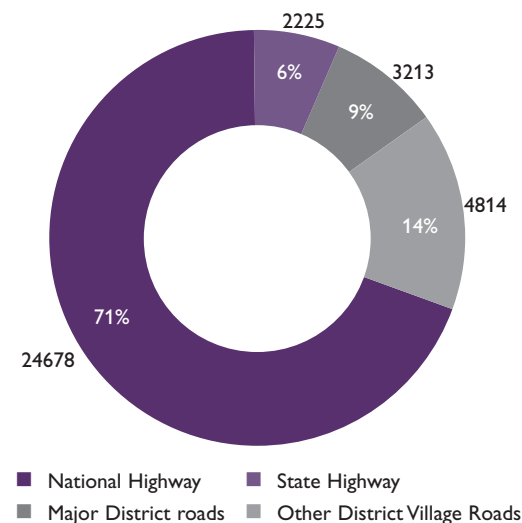
INFRASTRUCTURE STATUS

Physical Infrastructure

Connectivity

- **By Air:** Two Airports and Four Air strips; one commercial domestic airport at Raipur, an airport in Bilaspur and air strips in Bhilai, Jagdalpur, Sarguja, Korba
- **By Rail:** Well connected, with a good railway network. Raipur and Bilaspur are the two major railway stations, which connect Chhattisgarh to other major cities and towns of India
- **By Road:** National Highways (NH) 6, 16 and 43 connect major cities and towns of Chhattisgarh to other parts of the country

Category wise length of State road network (Km)



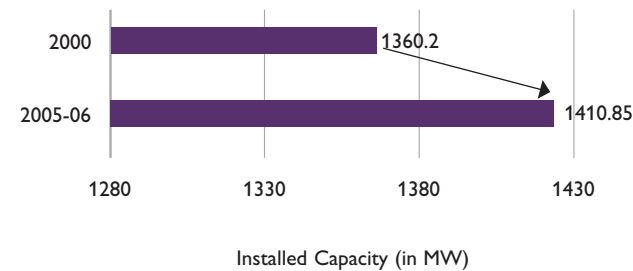
Source: Socio-Economic Survey, 2006-07

Physical Infrastructure

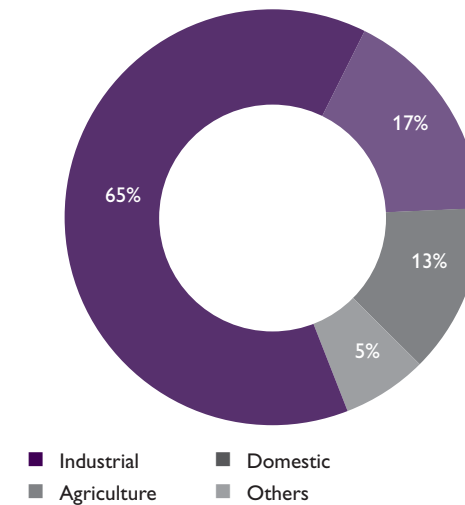
Power

- Chhattisgarh is known as a Power Surplus State
- Total installed capacity has increased from 1360.2 MW in 2000 to 1410.85 MW in 2005-06; a growth of 50.65 MW
- The gross total power capacity of the State, including central sector's share (283.5 MW), is 1694.35 MW
- Thermal power generation accounts for over 90% of Chhattisgarh's power capacity
- Korba West power Station has a generation capacity of 840 MW—the highest in the State

Installed Capacity



% Electricity Consumption Pattern (2004-05)



Source: Chhattisgarh State Electricity Board

Urban Infrastructure

Urban Infrastructure

- Rate of urbanization in the State is 17.4% (vis-à-vis India's 29%)
 - The State Government plans to transform Raipur into a modern capital city. City and Industrial Development Corporation (CIDCO) of Maharashtra has been appointed as the advisor for this project (Capital City Project)
 - Chhattisgarh plans to renew the urban infrastructure in the State by undertaking initiatives in the areas such as Water supply and Sanitation, Solid waste management, Roads, Bridges, Housing, Commercial complexes, Fire fighting service, Street lighting, etc.
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Industrial Infrastructure

Industrial Infrastructure

- The 5 Industrial Growth Centres in the State are located at Urla (815 hectares), Siltara (1290 hectares) in Raipur district, Sirgitti (431 hectares), Anjani (48 acres) in Bilaspur district and at Borai (437 hectares) in Durg district
- The State Government has decided to set up four 'Star Industrial Areas' on 6,836 hectares in the districts of Bilaspur, Raigarh, Rajnandgaon and Raipur to meet the increasing demand of land for new industrial units

SEZs (Formal Approval)

S. No.	Developer	District	Sector	Area (in hectares)
1	Naya Raipur Development Authority (NRDA)	Naya Raipur	IT/ITeS	10.77
SEZs (in – principal approval)				
2	Writers and Publishers Limited	Raipur	Multi-product	2000
3	M/s. Chhattisgarh Infrastructure Ltd.	Raipur	Gems & Jewellery	29

Industrial Infrastructure

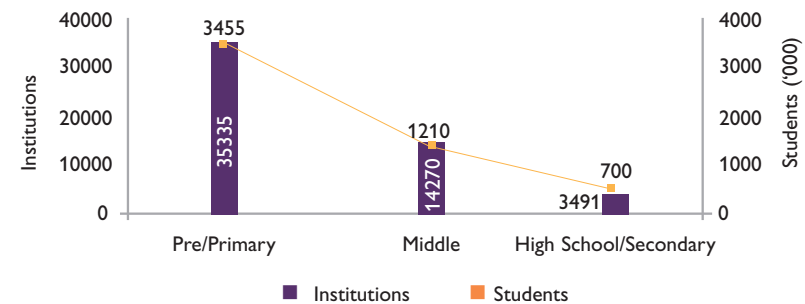
- The State Government is also focusing on the development of Industrial Parks/Clusters to support the growth of special thrust industry sectors such as Food processing, Gems and Jewellery, Metals, Apparels, and Pharmaceuticals
 - A Metal Park (Export Promotion Industrial Park) is being set up in Rawabhata near Raipur to promote export of metal products from the State
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Social Infrastructure

Educational Infrastructure

- About 81,658 students study in the 116 Government Colleges in the State
- In 2005, 5.37 million students benefited from the 53,096 institutions providing primary and secondary education in Chhattisgarh
- 15 Engineering Colleges, 10 Polytechnic Institutes, 8 Private Pharmacy Colleges and 2 Medical Colleges in the state

Educational Infrastructure

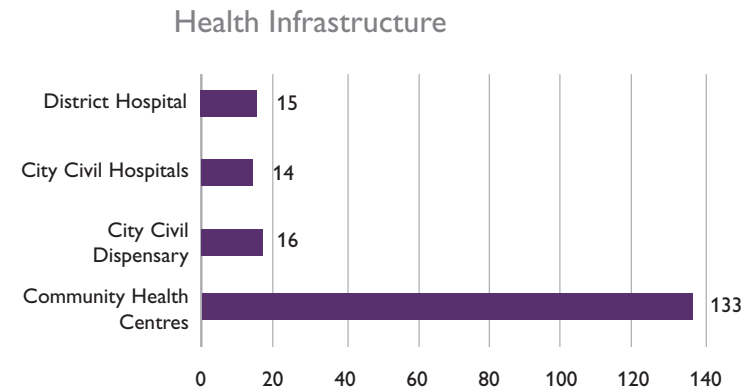


Source: Socio-Economic Survey, 2006 - 07

Social Infrastructure

Health Infrastructure

- 717 Primary Health Centres and 4792 Sub-Health Centres in the State
- All districts in Chhattisgarh have STD clinics
- 12 districts in the State have Blood Bank facility



Source: Socio-Economic Survey, 2006-07

STATE POLICIES & INCENTIVES

Industrial Policy (2004-09)

- The State's Industrial Policy and initiatives are directed towards achieving rapid economic growth and regional balance by adhering to the following objectives:
 - To create a favourable investment environment for increasing industrial production
 - To create additional employment opportunities by accelerating the process of industrialization in the state
 - To create an enabling environment for ensuring maximum value addition to the abundant, locally available Mineral and Forest based resources
 - To ensure balanced Regional development by attracting industries in the economically backward areas of the state
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Industrial Policy (2004-09)

- To ensure participation of scheduled castes, scheduled tribes and other weaker sections in the development process
 - To make industrial investments in the state competitive vis-a-vis other states in the country
 - To promote private sector participation for creation of industrial Infrastructure in the state
 - To create an enabling environment for increasing industrial production, improving productivity and quality upgradation to face the challenges of competition emerging from economic liberalization
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Mineral Policy

- The State Mineral Policy, 2001 envisages the establishment of an investor friendly business environment in the mining sector to attract both domestic and international private sector investors to the State, with the following objectives:
 - To provide facilities for maximum participation of the people in the mineral industries by maintaining transparency to increase revenues from minerals
 - To develop mineral resources with a priority for export oriented minerals, strategic minerals and base metals
 - To attract private and foreign participation/ investment for high value minerals (Gold, Base metals and Diamond) and Energy fuels
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Mineral Policy

- To introduce new Technologies, Equipments, and R&D facilities to increase the extraction and improve the quality of the Mineral resources and their utilization
 - Implementation of the Granite Conservation and Development Rules, 1999
 - To formulate measures to check illegal mining and pilferage of mineral revenue
 - To develop a knowledge base and ensure sustainable supply of raw materials for Mineral based industries established within the State through the State Mining Corporation
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Energy Policy

- Chhattisgarh has surplus electricity and thus, has immense possibilities of coal based thermal power generation. The main objective of the State Energy Policy, 2001 is to accelerate the pace of development of the State and to bring it at least at par with other developed States.

The objectives are:

- To ensure availability of reliable and cheap electricity to every section of the society, both in rural as well as urban areas
 - To ensure provision of electricity to farmers for agricultural purposes
 - To provide quality power at reasonable rates to industries as per their requirement
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Energy Policy

- Power generation through captive power plants for industries
 - To increase power generation capacity by means of renovation, modernisation and innovation (Solar, Biomass, Bio-gas, Hydel, etc.)
 - To ensure power sector reforms, energy conservation and management
 - To enable and ensure consumer satisfaction
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IT and ITeS Policy

- The State IT and ITeS policy has been designed to create an enabling environment that promotes the growth of the local IT industry in the State. The State has set the following targets to measure the progress and effectiveness of its IT & ITeS Policy:
 - To foster the growth and development of a competitive IT industry in the State by ensuring anytime and anywhere connectivity
 - To provide all citizens with widespread and easy access to Government services at an affordable cost and in the local language, by setting up Integrated Service Delivery Centres across the State
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IT and ITeS Policy

- To ensure 100% IT literacy in all schools and colleges in a phased manner
 - To promote local entrepreneurs who are willing to invest in improving the IT infrastructure in the State
 - To increase investments to support the IT industry and create employment opportunities
 - To be a significant contributor in India's IT output by 2020
 - The Chhattisgarh Infotech and Biotech Promotion Society (CHIPS) has been set up to give impetus to IT growth in the State and implement initiatives for overall socio-economic development
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State Level Incentives

- The state provides targeted incentives for Industrial Investment in the State in the form of
 - Interest subsidy
 - Infrastructure development/Capital Investment subsidy
 - Exemption from Electricity Duty
 - Exemption from Stamp Duty
 - Exemption from Entry Tax
 - Allotment of plots at concessional premium in industrial areas
 - Exemption from Land Diversion Fee
 - Reimbursement of project report expenses
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State Level Incentives

- Quality certification subsidy
 - Technology patent subsidy
 - Interest subsidy for technology upgradation, etc.
 - Information technology, Bio-technology and Advanced technology industry have been declared as special thrust industries in the Chhattisgarh State Industrial Policy and will be entitled for additional direct and indirect incentives
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BUSINESS OPPORTUNITIES

Business Opportunities

Key Industry Sectors

- Chhattisgarh is India's Youngest and one of the fastest growing States. A conducive labor environment, cheap power, sufficient water resources, and availability of land at lower cost make Chhattisgarh a favourable location for industrial investments. Some of the key thrust sectors where Chhattisgarh holds advantage over other states are Mining, Power, Cement, Iron ore and Steel
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Business Opportunities

Mining

- Richest State in terms of Mineral wealth, with 28 varieties of major Minerals, including Diamonds
- Holds major share of Coal deposits in India, which has led to its 'Power Hub' strategy
- Only State in India to have Tin ore reserves
- Over one-fifth of Iron-ore in the country is mined here, and one of the best quality iron-ore deposits in the world is found in the Bailadila mines in south of the state, from where it is exported to Japan and other countries
- Rich deposits of Bauxite, Limestone, Dolomite and Corundum are found in the State, making it the ideal location for the lowest cost of production of end products such as Cement, Aluminium etc.

Reserves of Important Minerals in Chhattisgarh

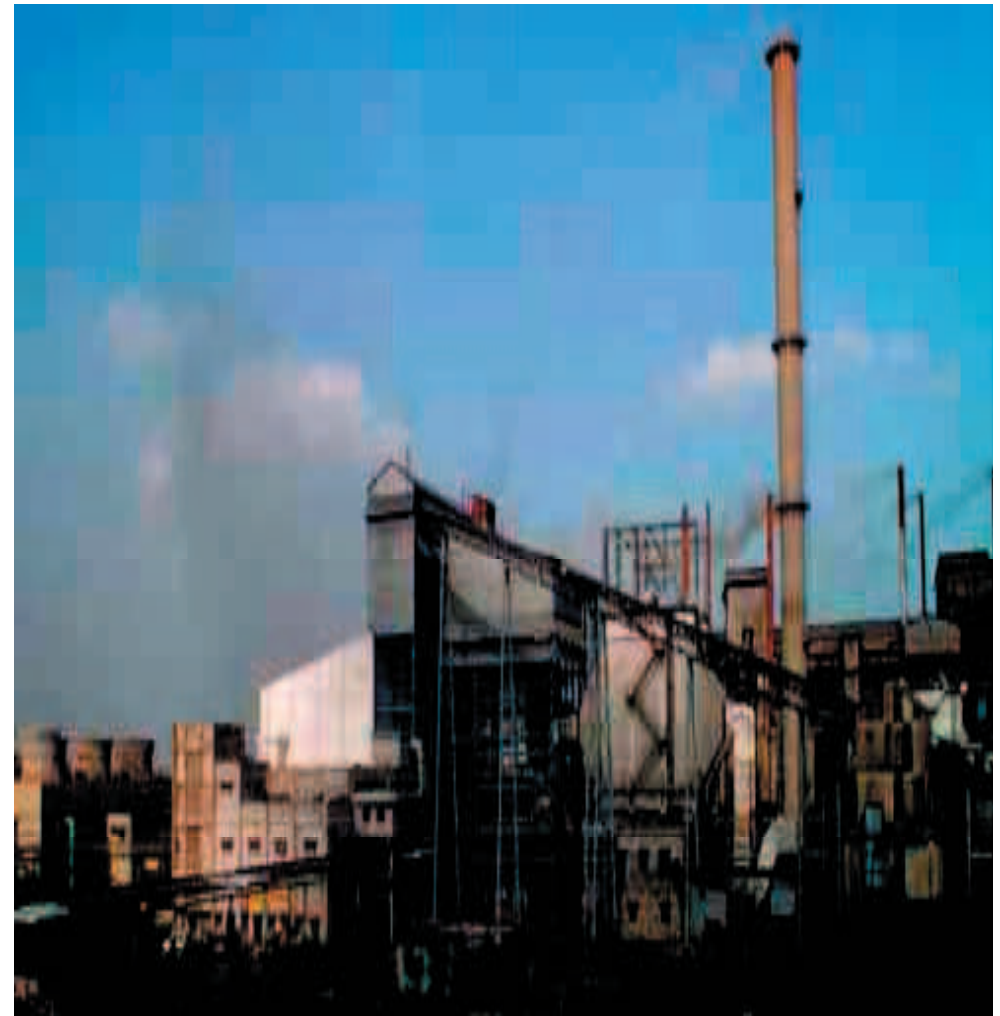
S. No.	Mineral	Unit	India	Chhattisgarh	% of Reserves in India
1	Iron ore	Million Tonnes	10,052	2,336	23.23
2	Coal	Million Tonnes	204,652	35,375	17.28
3	Bauxite	Million Tonnes	24,622	96	3.89
4	Limestone	Million Tonnes	75,658	3,580	4.73
5	Dolomite	Million Tonnes	4,386	606	13.81
6	Tin Ore	Tonnes	28,907	28,894	99.96
7	Gold	Tonnes	68	3	4.41
8	Corundum	Tonnes	-	25	-
9	Quartzite	Million Tonnes	2,707	44	1.62

Source: Directorate of Geology and Mining, Government of Chhattisgarh, Chhattisgarh State Industrial Development Corporation

Business Opportunities

Power

- Chhattisgarh has a robust power sector since its inception
- NTPC has an installed thermal capacity of 2100 MW while the State Electricity Board units have a Thermal capacity of 1280 MW and Hydel capacity of 130.85 MW
- Apart from NTPC and CSEB, there are a number of private generation units of large and small capacity operating in the State



Business Opportunities

- The private players have been attracted to this sector mainly on account of the liberal policy of the Government with regard to captive generation
 - As per Power Finance Corporation Ltd., Chhattisgarh has the potential of 61000 MW of additional Thermal power (due to availability of coal) and more than 2500 MW of Hydel capacity
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Business Opportunities

Cement

- Widely occurring Limestone reserves account for a strong cement sector
- 3,580 limestone reserves present contributing 4.73% to the total Limestone reserves in India
- 9 major and 12 minor cement units present with majority of the cement production units concentrated in Raipur area

Source: Chhattisgarh State Industrial Development Corporation



Business Opportunities

Iron-ore and Steel

- The state is the Iron and Steel Hub of the country. The Bhilai Steel plant of Steel Authority of India Ltd. (SAIL) produces over 4 million tonnes of iron and steel per annum. Substantial capacities have also been set up in the private sector
- 28% of India's Sponge Iron production comes from Chhattisgarh. There are approximately more than 10,000 Iron-ore reserves out of which the state contributes more than 23% of the production in the country
- The state ranks 3rd among all the iron-ore producing states in India



Source: Chhattisgarh State Industrial Development Corporation

Business Opportunities

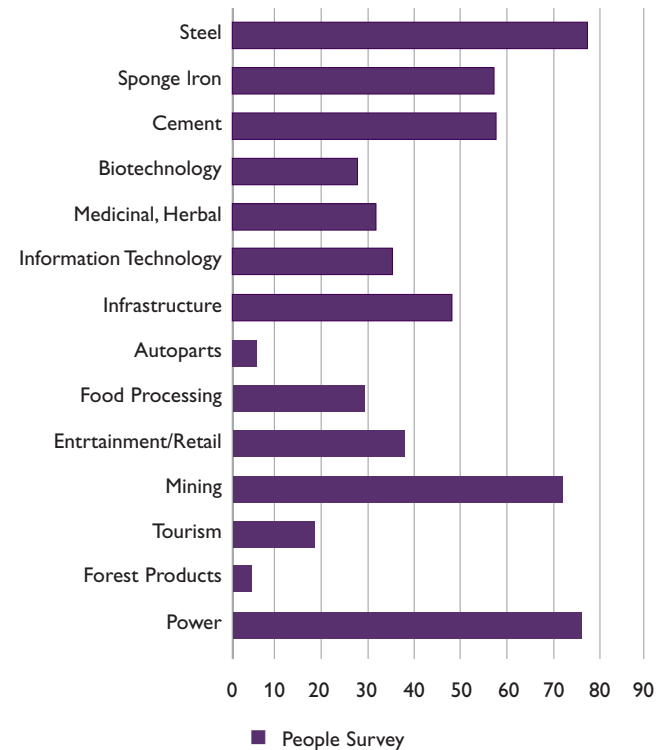
Iron ore and Steel

- In 2005-06, around 25.5 million tonnes of Iron ore amounting to approximately US\$ 280 million (INR 1153.59 Crores) was produced in the State. In 2006-07, upto December 2006, around 18.27 million tonnes of iron ore was produced
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Other Potential Industries

- The Business Perception Survey of Chhattisgarh carried out by CII in 2006 drew the following conclusions:
 - Besides major sectors such as Steel, Power and Mining, there is high potential for growth of a number of sectors in the state promising its all-round development
 - Infrastructure and IT are perceived as major growth sectors. Growth is expected in Sponge Iron sector as well and the integrated steel plants look most adept to survive
 - Government is focusing on Herbs & Medicinal Plants, Gems & Jewelry and Food Processing Sector with proposed Industrial Parks and SEZs for these potential sectors

Potential Growth Sectors in Chhattisgarh



Other Potential Industries

- Several industries have been identified, which offer tremendous potential for investment. The Government initiatives have provided thrust for the growth of these industries in Chhattisgarh

Food Processing Industry

- The Government of Chhattisgarh has proposed to set up a Food Processing Park in the State. The park will be located at Joratarai (40 km from Raipur) on 75 acres of land. The project development is in full swing and will be implemented under PPP mode. The park is likely to commence operations in 2007



Other Potential Industries

Herbal & Medicinal Industry

- It has been proposed to develop the Herbal Medicinal Park in Banjari and Bagaudh villages of Kurudh Tehsil (30 km from Raipur) in Dhamtari on about 154 acres of land. Project development cost of Herbal would be about US\$ 6.09-8.53 million (approx.). The Herbal & Medicinal Park will have about 500 units and has the potential to attract investment of about US\$ 60.97 million. The project is likely to start in 2007 and will be implemented in a PPP mode.

Source: Chhattisgarh State Industrial Development Corporation

Other Potential Industries

Gems & Jewellery Industry

- The Government of Chhattisgarh (GoC) is planning to establish a Gems & Jewellery Special Economic Zone (SEZ) to carry out value addition within the state and attract new investment in the sector. GoC is coming up with its own SEZ policy, which would provide incentives in terms of mining rights etc. The industrial policy and other policy initiatives and incentives are designed to boost Industrial Infrastructure in the state. Gems & Jewellery SEZ will be developed in about 70 acres in the new capital area of Raipur
-

Other Potential Industries

Apparel Industry

- CSIDC is establishing an Apparel Park on about 20 hectares for development of Textile and Textile based industries in the state and to attract new investment in the sector. It is proposed in the Light Industrial Area of New Raipur, the proposed capital of Chhattisgarh. Infrastructure development is in progress and the Park will be ready by the end of 2007
-

Other Potential Industries

Aluminium/Metal Industry

- The State proposes to develop an Aluminium Park for downstream products. It will house more than 100 Industrial units to manufacture various Aluminium/Metal products required in Civil aviation, Automobile and Construction sectors. It is proposed at Bhanpuri near Raipur. It will be ready by the end of 2007.

Source: Chhattisgarh State Industrial Development Corporation

Export Profile of Chhattisgarh

- 17% of the companies in the state are engaged in exports
- Major products which are exported are Rice, Cement, Steel, and Forest products
- The most favored port is Vishakhapatnam in the State of Andhra Pradesh as the logistics cost incurred elsewhere is much higher. Vishakhapatnam port is followed by Paradip port in Orissa and Nava Sheva port in Maharashtra

Year wise Export

Year	Amount (US\$ million)	Growth %	% share in exports from India
2002-03	104	-	0.17
2003-04	258	148.70	0.36
2004-05	342.48	32.70	0.39
2005-06	397.5	16.08	0.36

Export Profile of Chhattisgarh

- 83% of the companies in Chhattisgarh sell their products in the domestic market. However, it has been observed that many companies book their products for export through other states
 - The opening up and operation of services of International Container Depot (ICD) Raipur may reverse the trend of booking the exports from other states
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Export Profile of Chhattisgarh

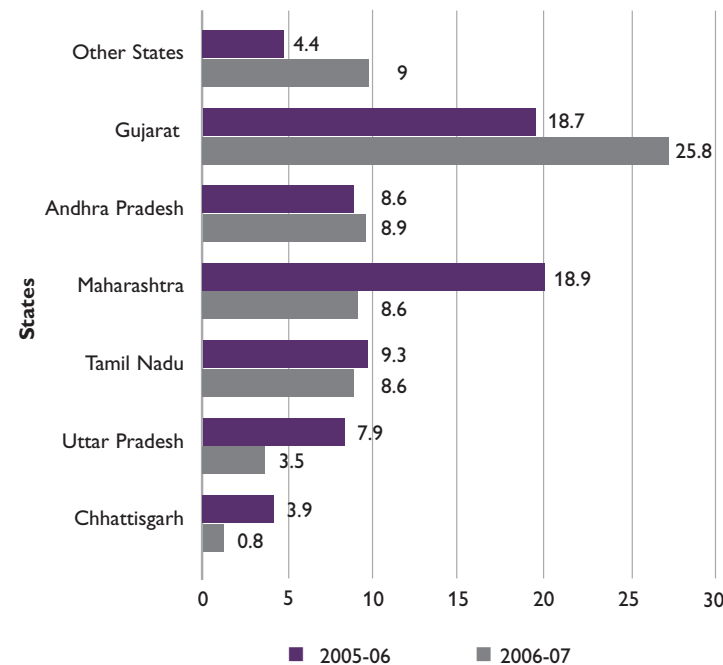
- The volume of exports, value of exports, and new orders are all showing a favorable upward trend and are expected to register higher growth in the future
- Nearly 75% of exports emanate from Bhilai, and the remaining from Urla, Bhanpuri, Sirgitti, etc. Major exportable products of the State are Steel, Handicrafts, handlooms, Blended yarn, Food/Agri products, Iron, Aluminium, Cement, Minerals & Engineering products

Source: Chhattisgarh State Industrial Development Corporation

Investments in the State

- In 2006-07, 13 projects were sanctioned amounting to about US\$ 570 million and contributed 0.8% of the total investments in the country
- The mineral-rich state has attracted investment proposals worth US\$ 4.89 billion in October, 2007
- The Vedanta Group has plans to invest another US\$ 2.44 billion for setting up a large Aluminium plant in Chhattisgarh
- Electricity Board to set up a 1,200 MW power plant at Korba with an investment of US\$ 1.22 billion
- US\$ 1.22 billion worth of MoUs were signed with five private companies in the Cement and Steel sectors by the Vedanta Group

Share of Major States in Aggregate Project Cost



Source: Reserve Bank of India report, 2007

<http://chips.nic.in/newyork.htm>

<http://www.raipurlive.com/chhattisgarh-earns-rs-8-32-billion-royalty-fiscal-2006-07>

Key Players in the State

SAIL (Bhilai Steel Plant)

- One of the largest integrated steel plants of Steel Authority of India (SAIL)
- Sole producer of Rails and Heavy Steel Plates in the country
- Country's sole supplier for 260 m long railway tracks. With an annual production capacity of 3.15 MT of saleable steel, it also specialises in other products such as Wire rods and Merchant products
- Accredited with ISO 9001:2000 Quality Management System Standard and ISO-14001 certification for its environment management systems
- Plans to invest US\$ 5.5 billion up to 2012 in its integrated steel plants



Key Players in the State

National Thermal Power Corporation (NTPC)



- India's largest power utility and sixth largest thermal power generator in the world with an Installed capacity of 2,100 MW
- One of the Largest establishments in the city of Korba in Chhattisgarh
- Currently implementing India's largest Coal based electricity plant at Sipat in Chhattisgarh with an installed capacity of over 3,000 MW and is expected to cost over US\$ 1.8 billion

Key Players in the State

National Mineral Development Corporation (NMDC)



- India's single largest Iron-ore producer and exporter
- Currently produces 15.75 million tonnes of iron-ore from its three fully mechanised mines
- Currently operating two mines in Bailadila in Chhattisgarh
- Iron-ore from this region is considered best for manufacturing steel as it contains almost 66% super high grade iron content which is free from Sulphur and other deleterious material
- Plans to open new mines in the Bailadila sector and a new Iron-ore mine at Kirandul in Dantewada district

Key Players in the State

Associated Cement Companies Ltd. (ACC Ltd.)



- One of the largest cement manufacturing companies in India with a production capacity of 16 million tonnes per annum
 - India's largest Refractory manufacturer and supplier, the largest research and consultancy organisation in the Indian cement sector, and a pioneer in the area of advanced materials
 - In Jamul, at Korba district, ACC has a cement plant with a production capacity of 1.58 million tonnes
 - Revenues stood at US\$ 1,684 million in 2006
-

Key Players in the State

Jindal Steel And Power Ltd. (JSPL)



- One of the largest Coal-based sponge iron manufacturers in India with 24% market share in this product segment
- With an installed capacity of 6,50,000 MPTA at Raigarh, it is the world's largest coal-based sponge iron plant
- Total sales for 2005-06 were US\$ 731 million
- Plans for setting up a coke oven battery and a sinter plant collectively worth US\$ 270 million as support facilities and a 1000MW power plant

Key Players in the State

Bharat Aluminium Company Ltd. (BALCO)



- One of the largest producers of aluminum in India with captive Bauxite mines, Power plants, Refineries and Smelters
 - Has two working units, one situated in Korba, (an integrated aluminum complex) and another in West Bengal at Bidhanbag
 - Plant at Korba produces almost 100,000 tonnes of aluminum every year and has the capacity of producing almost 270 MW of Electricity
 - Executing a US\$ 863 million expansion plan to increase its aluminum production capacity from 100,000 tonnes per annum to 345,000 tonnes per annum
 - Plans to set up a 540 MW electricity generation plant for captive consumption
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Key Players in the State

Lafarge India Ltd.

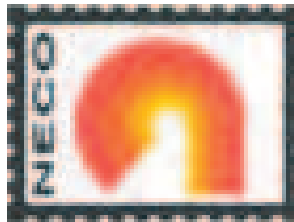
- Part of the Lafarge Group, world's leading cement and construction material company
- Total cement manufacturing capacity of Lafarge India is 5 million tonnes per annum
- Two cement manufacturing plants at Sonadih and Arasmeta with a capacity of 2 million tonnes per annum
- Plans to invest US\$ 70 million for setting up of 50 MW Coal-based captive power plants for two of its units
- Also intends to set up a railway siding for its plant at Sonadih in Chhattisgarh, connecting Bilaspur railway station



Key Players in the State

Jayaswals NECO

- Formerly known as Nagpur Engineering Company Limited, it operates an integrated steel plant in Siltara, under the flagship of Neco Group of Companies
- Established its brand in Construction castings and is the leading supplier of Pipes, Fittings and Manholes
- Chhattisgarh plant was completed and commissioned on November 15, 1996
- Contains all auxiliary facilities along with 40 MW captive power plant, raw-material handling plants, gas cleaning plants, etc.



DOING BUSINESS

Doing Business in Chhattisgarh

Key approvals required for doing business in Chhattisgarh

- Prior to setting up a business in the State, certain approvals are required from different departments. The approvals are taken from the State Government in the order as mentioned in the table

Step 1: ↓	Allotment of Plots / Built-up Sheds	Chhattisgarh State Industrial Development Corporation (CSIDC) allots the plot for setting up a project depending on the nature of industry and scale of investment
Step 2: ↓	Signing of the Lease deed	The lease deed is signed between CSIDC and land applicant
Step 3: ↓	Water Connection	The completed application form should be submitted to CSIDC, which is also responsible for providing the water connection.
Step 4: ↓	Electricity Connection	CSIDC is responsible for providing electricity connection
Step 5: ↓	Pollution Clearance	Application in prescribed format is submitted to District Trade Industries Centre (for investment upto US\$ 2.43 million) / State Investment Promotion Board (for investment above US\$ 2.43 million) with Environment Impact Assessment Report

Investment Climate

Rich Natural Resources

- Natural resources are the biggest strength of the State. It has rich deposits of Limestone, Iron-ore, Copper-ore, Rock Phosphate, Manganese ore, bauxite, Coal, Asbestos and Mica. In fact Chhattisgarh, along with Orissa and Jharkhand, constitutes over 80% of the nation's Coal reserves. Chhattisgarh also has proven reserves of Diamond which can, in the future, be a large source of income for the State

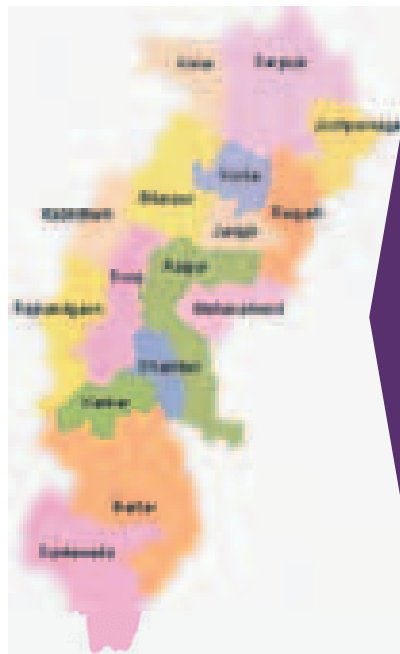
Surplus Power

- Chhattisgarh is currently one of the few states that has surplus power. This could be an important advantage for industrialists making project and investment decisions. Presence of low grade coal makes Chhattisgarh an ideal location for setting up of low cost pit head based Thermal Power Plants, capable of generating power to meet the requirements of other states.

Favourable Labour Climate

- Though the Skill base is relatively low, the presence of a large number of willing and able-bodied people contributes to a substantial workforce. The State has a high worker participation rate (male and female) and a high labour force in the 15-39 age group. It also has one of the lowest losses in person-days attributed to labour problems, in the country

Investment climate of Chhattisgarh



Relatively Low Land Cost

- With a lower population density and urbanisation rate, the State is able to offer land at extremely competitive prices

Fiscal Position

- The fiscal deficit situation of the State is currently under control. It also has reliable sources of public finance and possesses no deficit on account of either the State Electricity Board or Road Transport Corporation

Political Environment

- Lesser number of bureaucrats and government employees compared to the other States in the country. This has also resulted in one of the lowest expenditures in the country on government functioning. The presence of a strong, committed and focused leadership is an asset in the state.

Doing Business in Chhattisgarh

Average cost of setting up business in the state

Indicator	Value (in US\$)
Industrial Land (per sq. m)	3.04 – 4.75
Office space rent (per sq. ft/month)	0.56 – 0.93
Residential rent (for a 2,000 sq. ft house/month)	292.68- 439.02
5-star hotel room (per night)	73.1 – 134.14
Electricity (per KWh)	0.97– 1.46
Water (per 1000 liters)	0.22– 0.33

Source: E&Y Analysis

OVERALL STATE COMPETITIVENESS

Overall State Competitiveness

Parameter

Chhattisgarh

Tourism



Steel Industries



Sponge Iron Industries



Cement Industries



IT Based Industries



Power Industries



● High ● Medium ● Low ● Proposed

OVERALL STATE COMPETITIVENESS

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Overall State Competitiveness

Parameter

Chhattisgarh

Medicinal & Herbal Industries



Food Processing Industries



Bio-technology



Forest Based Industry



Auto Parts Industry



● High ● Medium ● Low ○ Proposed

Overall State Competitiveness

Parameter

Chhattisgarh

Mining Based Industries



Infrastructure



Entertainment/Retail Industries



Setting up & Carrying out Business



Industrial Infrastructure
(Existing & Proposed)



 High  Medium  Low  Proposed

OVERALL STATE COMPETITIVENESS

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Overall State Competitiveness

Parameter

Chhattisgarh

Power



Transportation



Industrial Estates/Areas



Industrial Growth Centers



Food Processing Park



● High ● Medium ● Low ○ Proposed

OVERALL STATE COMPETITIVENESS

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Overall State Competitiveness

Parameter

Chhattisgarh

Gems and Jewellery SEZ



Herbal & Medicinal Park



Aluminum Park/Metal Park



Apparel Park



High Medium Low Proposed

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