



## 'We Are Formulating Development Strategies To Address The Challenges Faced By The State'

... informs Nirupam Sen, Minister - in - Charge, Commerce & Industry, Industrial Reconstruction, Public Enterprises, Development & Planning and Power and NES, Government of West Bengal.

### CURRENT SCENARIO OF INDUSTRIAL DEVELOPMENT

West Bengal has been able to keep pace with the industrial development amid the economic slowdown. Though the state witnessed a decline in the investment scenario in the year 2008, the scenario changed in 2009-10, as investments steadily started getting back on track. In 2009, the state touched Rs 7,000 crore in terms of investments, and during the year 2010-11, it is expected to surpass this figure. A large number of projects are under implementation in the state at present. Many of these projects will be ready for commercialisation by 2011-12. Overall, the situation is encouraging and there is enormous scope for further development.

### CHALLENGES FACED

Currently, West Bengal faces three major

challenges that impede the rapid growth of the industry. Firstly, unavailability of land is a major area of concern. Most of the land is used for agricultural purposes. However, we have identified certain areas for developing industries, and are either directly purchasing the land or undertaking the acquisition route. For acquiring land, we have designed a proper, comprehensive compensation package for ensuring a smoother process.

The second major challenge is the lack of facilities on the identified land areas. Efforts are being taken to make these areas suitable for meeting industrial needs. The third challenge is occurrence of violent activities in and around the state. Such activities have affected the expansion and growth plans. On the whole, we are formulating development strategies to address the challenges faced by the state.

### PROMISING SECTORS

Many sectors hold growth potential in West Bengal and these sectors are all set to capture a pie of the investments coming into the country in the coming years.

We envision major investments in the iron & steel sector. Besides, the petrochemicals sector is also witnessing growth. In addition, the plastics industry is also developing at a fast pace.

The state has the largest land area under cultivation. This results in immense potential for the development of food processing sector. We are planning the development of food parks to boost this sector, and we see many investments coming into the state in this domain. In addition, we see development potential in the IT industry as well. The availability of talent and cheap labour increases the scope for further development in the region.

**Ancillary development programme:** This includes motivation of public & private sector units to offload production of components, parts, sub-assemblies, toolings, intermediates, services, etc, to ancillary units. This programme has specific advantages both for large as well as small industries and also for overall economy of the state/country.

**Rural Development programme:** The MSME Development Institute, Kolkata, organises skilled artisan training programmes of three to six months duration through mobile demonstration vans at rural areas of all districts in West Bengal, for developing the skills of rural artisans as well as prospective entrepreneurs in the field of general engineering, pottery and carpentry.

**Export promotion:** The Export Division of MSME Development Institute, Kolkata, organises 15-days training on export management-cum packaging. The objective of the programme is to motivate entrepreneurs on various aspects of export policy & procedures, documentation on export, international marketing, management, export costing, custom & excise rules, export finance, etc, so that, they can set up their own ventures as exporter.

## HURDLES FACED

Currently, the main hurdles in the path of progress of the MSME sector includes information asymmetries, lack of financial information and standardised financial statements, banks having limited knowledge about the borrower company, insufficient assets and low capitalisation, vulnerability to market fluctuations and high mortality rates. Moreover, the volatile political situation acts as a further impediment. The need of the hour is to follow a shared vision of development by administration, government, opposition, industry and people. The government needs to act as a facilitator and attract more private investments.

Apart from this, another drawback is the lack of presence of larger players in the state. The narrow experience base for smaller players prevents the full-fledged growth of the companies. Prasad says, "In West Bengal, the growth of SMEs has been substantial. Of late, the IT sector development has taken over and this has reduced the encouragement given to the SMEs in the manufacturing sector. Moreover, the low number of larger companies in the automobile and textile sector is a disadvantage for the SMEs. The government has devised many schemes,

with a thrust on technology upgradation. These schemes have been recently floated and it will take sometime before we see the results of implementing the schemes."

## POSITIVE THRUST FORWARD

Presently, West Bengal is undergoing an exciting, yet challenging period when it is faced with the opportunity to take the state to the upper echelons of progress. This can be achieved through a long-term multi-variable approach with focus on various sectors. Realising the opportunity for growth among the MSMEs that form the largest cluster of industries in the state, the government is focussing on harnessing their potential through the public-private partnership (PPP) route.

Some of the technology upgradation schemes for MSMEs have shown positive results and led to faster growth of the companies. To keep up with the economic growth, apart from the manufacturing sector, the state is also developing IT, biotechnology and food processing sectors that even has export potential. With specific policies and strategies focussed on the development of the MSMEs, West Bengal is sure to achieve rapid economic development. ■