



Rajasthan Session

with Indian States:

Theme – Indian States, Leveraging the Diaspora

**Address by Mr Vivek Bharti,
Advisor of FICCI and Member,
Organising Committee, Pravasi Bharatiya Divas**

Good morning, ladies and gentlemen. We thank you for your patience. You have been with us for the last two days and I hope you enjoyed yourself. This is a very, very significant session. We have a leader who has, in a very short time of four years, turned the state around. There had been some remarkable achievements. When we look at the Indian reform story, we divide the Indian states into two categories, reforming States and non-reforming States. And I am very proud to share with you that Rajasthan has been a tremendous turnaround story under the inspiring leadership of Mr Gehlot.

There had been record capacity additions in power, the focus on infrastructure. Power is a success story. Massive investments have been made in roads. There has been a record jump in literacy levels and unprecedented achievements. Massive investments in water resources and the result is, ladies and gentlemen, while India over the last five years has recorded a GDP growth rate of a little less than 6 per cent, Rajasthan has broken all records to notch a growth rate of 9.6 per cent. A remarkable achievement indeed. The result of that, ladies and gentlemen, is an unbelievable drop in the poverty ratio in the state from 24 per cent to 13 per cent, which is half the national average.

Thank you.

**Address by Dr L M Singhvi,
MP, Rajya Shabha, Chairman, Organizing
Committee, Pravasi Bharatiya Divas**

Our distinguished Chief Minister, Lord Bagri, Representatives of the Indian Diaspora, Members of the official family of the Chief Minister, Members of the larger family of the Chief Minister, Ladies and Gentlemen,

(Hindi)

When one leaves one's place, one's heart flutters with anxiety.
From the herds, from the group when you go
That which is dear to me, that land where my ancestors were born
That land from which I come
When I have left it, my love for that land increases in its intensity.
Distance does not divide us
Distance adds to the intensity of our feelings
And it was that which has inspired
The Pravasi Bharatiya.

Every Pravasi Bharatiya has in heart a bit of India, a bit from the place of where he comes.

(Hindi)



Address by Mr Ashok Gehlot, Chief Minister of Rajasthan

I (speech in Hindi)

Speech of Mr Ashok Gehlot, Chief Minister of Rajasthan

Dr Alanke Vishal, Our Guest Lord Waghle, Our Ministers present here, Minister of Power, Ram Naik Choudhry, Finance Minister Raghuvanshi, Minister of Industry, Dr Chandrabhan, and our Hon'ble Non-Resident Indians, and Guests,

(Inaudible for 3 minutes)

I would like to congratulate Mr Vishal from my side as well as from all those present here. I would also like to welcome the residents of Rajasthan who have come here to Delhi. And next time when you come, I would like you to come to Jaipur after Delhi. Next time whenever there is such a programme, we will see to it that the whole family of Rajasthan comes to Jaipur from Delhi, visit the whole of Rajasthan.

It is not the same Rajasthan which most of you had left behind when you had gone 50 or 25 years ago. You should see the Palace of Rajasthan after Independence. Earlier, there were no roads, no schools, no hospitals, and no water. Power was only 13 MW. Today, the face of Rajasthan has changed. There are no two thoughts, because it is a desert land, it keeps getting its share of droughts and famine. In the 50-55 years, we have got droughts for 45 years in Rajasthan, and we have fought that. You go anywhere in Rajasthan, whether in Jaisalmer, or Barmer, or Bikaner, everywhere you will find that even after facing years of famine and drought you will find tall and broad men. You could not feel that they are facing drought or are unhappy. Such is the strength of these people.

The people there are very strong and lively. Even now we are having a severe drought, which has been continuing for the past 14 to 15 years. The whole of 4.5 crores of our population is under drought, Rajasthan's 32 zilas are under drought, and 41,000 villages are suffering from drought. Rs. 5.5 crore for the population of 4.5 crores matters a lot. The cattle are having problems, but they do not leave any stone unturned.

All the management is engaged in providing drinking water. Tankers bring water through transport. To save the cattle, we have opened cattle sheds. We have opened cattle camps, bus depots and are providing employment to the people. 16,00,000 people have been employed. I am telling you all this because of what we have been talking in the last two days, you should keep in mind that Rajasthan is facing all its problems with lots of strength.

And you will be pleased to know that even after facing all these problems, Rajasthan has been able to convert the effects of drought into development. In four years, you will see a great jump in the infrastructure, which was mentioned earlier. In the power sector also, the highest production of power is in Rajasthan. In the last 50 years whatever production of power was there it was in Rajasthan, everything included, 50 per cent of all these. We produced only in the last five years. Production of power from Rajasthan's own generation units started in these five years. We started the reforms, started the transmission system, strengthening work, distribution work. Companies have been formed, and Rajasthan is now among the 2-3 states in the country which are leading in reforms.

In the road sector also, we have moved forward. National highways, State highways, mega district roads, extension of old roads were undertaken in a big way for the first

time. In the same way, we are moving forward in irrigation. We have taken a big leap. For the first time, we are undertaking the repairs of the canal which was built 78 years ago.

In the same manner, I wanted to tell you about many things, but since many of you would speak I would like you to listen.

You will be pleased to know that in the field of education, Rajasthan was last in the field of education, except Bihar, in 1991 census. Rajasthan was among the BIMARU states where only 30 per cent people were educated, 25 per cent women were educated, and SC, ST, backward classes, and tribes were only 4-5 per cent educated. Today, in 2001 census, literacy has jumped so much that Rajasthan has got the award for it. Today, in male literacy we have moved beyond the national average in Rajasthan. Women literacy has also increased from 20 per cent to 44 per cent.

We have made social security plans in Rajasthan, be it pension scheme, or mid-day meal for children, one after another, we give gaps because in such circumstances, since we keep getting droughts, a person should feel secure. We have also experimented a unique plan, which has never been done before. Families which are living below the poverty line, for them all medication is free and also any cost of medication, whether it is the cancer, kidney transplant, heart bypass, or change of heart valve, 100 per cent cost is borne by the government exchequer. They don't have to incur the cost, because they don't have money.

It was named as Chief Minister Jivan Raksha Kosh. This was a big life-saving work done in Rajasthan.

I would like to say that Rajasthan has a very close connection with you. Rajasthan has grown rapidly and is fast growing. Earlier, we had a programme in Jaipur and we faced no problem. People still remember that programme. We have been meeting people here for the last three days. They also mention that the programme, which was held in Jaipur, was a good programme.

That time we had founded the "Rajasthan Foundation", so that this thing should continue. the Rajasthan Foundation is working there, and I hope that the new relationship that has been formed will continue to grow. I would like to say that by organizing this programme, as the Prime Minister was saying yesterday, we do not need your financial support, but we definitely need your intellectual support.

I had told in Jaipur also that we are not expecting Rajasthani Non-Resident Indians to come and put up any industry. That is not the reason for inviting them. We know that we get better returns only through industrialists, but we want to strengthen closer and deeper relations with our people. This is the objective of organizing this kind of programme. And I am pleased to tell you that after those social investments grew considerably, people started coming. Many industrialists, doctors, engineers or even the ordinary persons started going to their villages or started sending their families there. I consider this as a big achievement for us and that is why I once again heartily welcome you all.

Address by Mr Mani, Secretary, Government of Rajasthan

Hon'ble Chief Minister of Rajasthan, Hon'ble Energy Minister, Hon'ble Finance Minister, Hon'ble Industries Minister, Chief Secretary to the Government of Rajasthan, Lord Bagri, and Distinguished Participants,

I crave for your indulgence for the next 15 to 20 minutes.



The Cooperative Movement gave a fillip to agricultural development through supply of quality inputs. Realizing the vital role of good education and health infrastructures in the overall development of the State, we actively and continuously work towards consolidation of our social infrastructure. We also work methodically towards building a strong economic infrastructure at the numerous policy initiatives aimed at building an environment conducive for industrial development.

Today, Rajasthan stands a completely transformed land. During the last five decades, there has been a quantum growth in all the areas of social and economic development. We consider this as just a beginning. We can look at the figures, where we started and where we have to go. You just heard our Chief Minister talk about the transformation.

Now, I would like to share with you the Chief Ministers' vision for the State. Here, he says, "I have a dream to make Rajasthan the most vibrant and prosperous state of the country. It is my conviction that no state can prosper unless it creates a strong environment for private sector participation. We have done all that it takes to create this environment and today Rajasthan is the land of endless business potential. I invite the investor community to join hands with the Government of Rajasthan in its march towards progress." Guided by this vision of our leader, we are ready to surge ahead. Here we have a brief overview of the economy of the state.

Larger than most of the countries in the world, Rajasthan is the largest State in the Republic of India. Traditionally known for its rich cultural heritage, today, Rajasthan is one of the fastest growing states in the country. The net domestic product which you can see has grown from 443.35 billion rupees in 2000-2001 to 489.4 billion rupees in 2001-2002, registering an increase of 10.39 per cent. Mind you, this is against the national average, which is below 5 per cent.

Transformation of the economy is evident from the growing share of the services sector. You can see the primary sector at around 25 per cent, 33 per cent secondary and at 25, tertiary sector is growing fast. The rapid industrial growth of the state over the last half a century is evident from the comparative figures on the number of industrial units, size of investments and the growth of exports, shown on this slide. That Rajasthan is a preferred investment destination is borne out by the fact that apart from the leading business houses of India, the super league multinationals also have set up business in the state. The list includes from the world-famous engineering companies, auto ancillaries, FMCG companies and IT-enabled service providers.

Let me also add a word of welcome to the Hon'ble Murdasaab. Thank you, Sir, for attending the session.

Now, we will have a look at the strengths and the advantages, the business environment in the state and the strength and the advantages it offers to the investor community. We have a number of comparative advantages which make the State an attractive investment destination. Rajasthan has always had a very stable political climate. People from all parts of India can be found even in the remotest corners of the State and there is no victimization on grounds of origin, language, and social customs. Rajasthan is well known for its peaceful industrial climate. Industrial units in the State enjoy a strike-free, harmonious industrial relations environment.

Rajasthan is strategically located providing connectivity between the ports of Western India and the Northern states of the country. The State's location makes it the ideal base to tap the immense economic potential of North and Western India. It also has close proximity to New Delhi, the national capital. With its rich cultural heritage and famous genial hospitality, Rajasthan is the prime tourist destination. According to PriceWaterhouse Coopers, the State has a unique cultural heritage and several other in-built attractions for tourists.

Ladies and gentlemen, apart from the strengths that I have just mentioned Rajasthan also has the strong resource advantage. Rajasthan has a highly diversified agricultural production that as much as 40 per cent of the output constituted by non-cereal crop. The state is India's largest producer of several oilseeds and spices. Rajasthan, with its large cattle population, is also one of the major producers of wool and milk in India.

Coming to our mineral resources, the state is the real treasure house of minerals, metallic, non-metallic and even fuel minerals. The state has the largest deposits of non-ferrous minerals in the country with 42 major and 23 minor minerals. It has vast deposits of a variety of minerals and dimensional stones, including lignite deposits enough to support over 2,500 megawatts of electricity. Recently, heavy oil has been discovered in the Sanchoo basin, besides substantial natural gas reserves in western Rajasthan.

The relation of infrastructure and economic development is very well known and power is an essential prerequisite for industrial development. The state of Rajasthan has been a leader in power sector reforms. In the last four years, power generation has jumped as the CM has earlier mentioned, from 3,356 MW to 4,517 MW. The improvement in the power sector has been well appreciated by the industry.

Now, let us hear what the President of Coca-Cola has to say, "The State Government is investor-friendly. It has been constantly investing in improving industrial infrastructure. The availability of electricity for industrial fulfilment in Rajasthan is amongst the best in India."

Now, we have a very good connectivity too, all the three modes of transport rail, road and air. The cities of Rajasthan have been integrated with a national broad gauge network. Trains link Jaipur directly to all the metros and other major cities throughout the country.

Rajasthan has an excellent road network with 12 national highways criss-crossing the state. The network facilitates easy access from all the major cities of the state to the commercial hubs of Delhi, Mumbai and Ahmedabad. The infrastructure network is being renewed and upgraded on a war footing.

The state has a number of airstrips and helipads, and commercial airlines offer services to the cities of Jaipur, Jodhpur, Jaisalmer and Udaipur. A Dubai-Jaipur flight is already operational and we also have connectivity with Singapore and Bangkok.

Despite the State's size and scattered habitations, the telecommunication network here is at par with the best in the country. Basic and cellular telephonic services and Internet connectivity is available throughout the state. From August 2000, private entrepreneurs have been given free right of way or laying optic fibre cable network. This has endowed the state with a strong communication backbone and improved communication facility.

"I came here one and a half years ago and was surprised at all the progress I have seen during this period in Rajasthan in terms of transportation and connectivity. I should say that the Government of the State is putting lots of efforts in improving this infrastructure. I am pleased to work in the State."

That was the Operations Manager of Rayban speaking. Now let us look at the social infrastructure available in the State. Starting with an initial disadvantage, we have consistently invested in the development of human capital and this has a dramatic increase in the literacy industry. Institutions of quality higher education now dot the State and some of these are now education centres of national and international



repute. An international-level Institute of Information Technology promoted by the L N Mittal Group and a Biotechnology Institute promoted by the R P Goenka Group are also coming up in the State capital. One of the key factors that persuaded GE to set up their call centre in Jaipur has been the availability of manpower as the President of GE Capital certifies here.

"I think the town itself is very attractive. It's very clean, it's very well maintained, and the infrastructure in the town is good. It is open. Plus, we will have a lot of graduates and a lot of working thought for excellent colleges to take future employees from. So, we are very encouraged with that. We are also very encouraged by the help, the Government said, they would give us in working with the colleges if necessary, to help train students and select students wherever we went forward. So, all of these things put together had really made Jaipur very attractive to us and we look out to a relationship with the Government and a partnership with the Government of Rajasthan and being successful in Jaipur and I look forward."

Now look at the industrial infrastructure. For facilitating the industrial growth, the State has put in concerted efforts in developing industrial infrastructure. Today, there are 280 industrial parks and two Export Promotion Parks in the state. This includes special complexes for auto ancillaries, ceramics, information technology, textiles, wool, leather and agro-processing, among others. So for providing world-class industrial infrastructure, we are setting up three Special Economic Zones, one at Jaipur, Jodhpur, and Bikaner. Apart from these, Bhiwadi will be developed into a world-class industrial town. Four inland container depots at Jaipur, Jodhpur Bhiwadi and Bhilwara along with an air cargo complex at Jaipur Airport act as efficient and convenient gateway for outbound cargo.

The Government of Rajasthan is committed to providing a good environment for industrial and economic growth and sees its role as a facilitator of growth. It has taken impressive measures to make the required regulatory and administrative adjustment to create an enabling framework for private sector investment, especially in the core infrastructure sector.

Building on the economic liberalization in the country, the Government has set into motion policies in various sectors to provide several inducements to private participation. This is what the Managing Director Rayban, has to say.

"The one thing that I would like to say about the Rajasthan State Government is that from an investor perspective whereas other state governments, traditional Indian state governments and officials have a very regulatory approach to investment and the Rajasthan State Government on the other hand has a very proactive and a very promotional attitude towards industry. So that goes a long way in the success of the industry."

You will be glad to know that the State was the first to amend the rules of the business to ensure that decisions taken under a single-window system were binding on all the departments of the State. The system has been created to serve the twin purpose of speedy disposal of projects and elimination of any harassment to investors. The uncrowded, unpolluted cities of Rajasthan now offer the facilities and comforts of modern daily living. A massive urban development project is already under way in six major cities for a further comprehensive facelift of infrastructure.

Ladies and gentlemen, let me now take you to some of the investment opportunities available in different sectors of the economy. Rajasthan is ideally situated for setting up automobile and auto component industries. As it provides every access to the northern market, easy access to the market that accounts for more than half of automobile sales in India.

The State's strategic location also provides access to two of the areas where automobile production of the country is concentrated, namely, the Noida-Gurgaon and the Mumbai-Pune belt. They are already home to several auto components and vehicle manufacturers. With 70 per cent of the country's production of clay, quartz and felspar is coming from Rajasthan, the State is the right place for glass and ceramic manufactures to be in. Some big glass and ceramic manufacturers like Samco Glass, Kajaria Ceramics and Jaipur Ceramics are already present in the State, but still there is a lot of room at the top.

Textile industry is one of the thrust areas for Rajasthan. It is the third-largest employment provider.

Rajasthan is the largest producer of cement in the country. With an expected spurt in construction activity, there is scope to set up more such plants.

An integrated part of Rajasthan's culture is handicrafts and our gems and jewellery have a very good market across the world. A huge potential is still waiting to be tapped.

The varieties of crops grown in the green belts of Rajasthan spell opportunity for the investors. Industrial projects of oil seed processing, cereal milling, cotton processing, fruits and vegetables processing, among others, can be set up in the state.

There is a tremendous opportunity for value addition to wool and leather-based industries. Rajasthan is one of the largest milk producers in India and there is an immense opportunity in the dairy sector.

During the explorations in the last couple of years, natural gas and heavy oil reserves have been found in the state to throw open numerous possibilities in this area.

With its rich cultural heritage and famous hospitality, Rajasthan is a prime tourist destination. The progressive and comprehensive tourism policy has been announced to facilitate private sector participation. Tourism has been accorded industry status and attractive incentives for the private sector have been announced. My colleague, the Secretary, Tourism, will at length take you through the opportunities in this sector very shortly.

The Government of Rajasthan identifies IT as a thrust sector and a new progressive IT policy has been announced, which provides for several financial incentives and seeks to develop IT infrastructure industry with private sector participation. Numerous other IT infrastructure projects have been identified including a statewide value-added network with private sector participation on a built, own, and operate basis. A state-of-the-art Information Technology Park spread over 100 acres has been developed at Sitapura in Jaipur. In the IT Park both built-up space and developed plots at reasonable prices are available. Land rebate up to 40 per cent is available for IT projects. A dedicated earth station has also been set up for providing high-speed data communication.

The growing infrastructure in the state also offers many opportunities for the private sector. Rajasthan has implemented aggressive power reforms, as has already been mentioned. The focus of the reform has been to provide an environment conducive to private sector participation. My colleague, Secretary, Energy, shortly will take you through the development and opportunities of that sector.

Rajasthan was the first state in the country to announce the State Road Policy facilitating entry of private enterprise in the sector. Private sector participation is being sought for road development in build, operate, and transfer mechanism. The opportunities in this sector too will be covered in a separate presentation shortly.

I will only want to mention here that just a week back the Chief Minister has taken a



meeting and decided that there should be a separate legislation to facilitate investment private participation in all the infrastructure projects. Rajasthan Urban Infrastructure Development Projects – RUIDP, are under way for facelift of six major cities of the state.

I must mention also about the opportunities coming up in biotechnology and logistic-based industries. The energy economy is showing up new avenues for investment in Rajasthan. About 700 kilometres of the Golden Quadrangle that passes through the state and the East-West corridor would also be covered by my colleague.

Ladies and gentlemen, you have had a glimpse of the transformation of the state that has broken the shackles of its past to march as a land of infinite opportunities. I have been a witness to this transformation over the last more than 26 years and I do believe in Rajasthan's destiny as a progressive state in the forefront of the states of this country, India. And I hope this potential will be actualized, will be achieved, will be realized if you take an interest and join hands with us.

Thank you very much.

Address by Lord Bagri

(Speech in Hindi)

Address by Mr C S Rajan, Secretary, Energy

Good morning, ladies and gentlemen. Over the next twenty minutes, I will try and take you through some of the key infrastructure sectors. The presentation has been organized in the following manner.

First, we will be just giving you a perspective of private sector participation in infrastructure development in the state. Thereafter, we will take up sector by sector, the opportunities which are available for the private sector and finally in the last two slides we will cover the facilitation that is being provided by the Government of Rajasthan for private sector participation.

If you see, in Rajasthan there are four major sectors which are likely to make a significant contribution to the economic development of the state over the next quarter of the century. These are manufacturing, tourism, mining and agriculture. The engine, which is going to drive basically the growth and development and employment generation in these sectors, is going to be infrastructure.

World Bank studies have shown that there is a direct correlation between infrastructure and GDP. In the low-income countries, the share of infrastructure services is about 7 per cent in the GDP, whereas in high-income countries it goes up to 11 per cent. Another study has also shown that for the increase in the availability of infrastructure by 10 per cent household income should also rise by the same values, largely on account of the increased investments. The three sectors in infrastructure in Rajasthan, which have the greatest potential to impact on the growth in the core economic sectors, are power, roads, and IT.

Insofar as the role for the private sector in infrastructure development is concerned, these can be broadly classified into two roles. One is their investment role. As you would see, there is a huge requirement of funds for investment in infrastructure. This is a task, which obviously the Government cannot be expected to do on its own, and which is where the private sector can play a leading role in bridging this gap.

The other important opportunity for the private sector is the system efficiency and the improvements and quality of services that it can bring about.

Now, the objectives, in so far as the power sector is concerned, which is one of the key infrastructures within the state. The objectives the State Government has set for itself in the power sector are:

1. To increase the availability of power
2. To improve the quality of services and supply
3. To improve the financial viability of the sector so that the sector no longer remains a drain on the exchequer but is able to start generating resources from within.

And how this is to be achieved is, if you see, essentially through a programme of reforms and restructuring of the sector, as well as certain other policy initiatives which I will touch upon a little later.

One of the major initiatives of this Government has been to try and reform and restructure this sector. After the bringing out of the policy reform statement in May 1999, the State Government restructured the monolithic State Electricity Board. And today the successor entities of the Board comprise one generation company, one transmission company and three regional distribution companies, and with a Regulatory Commission which is mandated to regulate the newly-formed entities, as well as to determine tariff. This is part of the depoliticization of tariff that has taken place within the state.

Some of the other initiatives have also been taken in the energy sector. The State Government has also announced a goal of reaching 10 per cent to its generation capacity through non-conventional energy resources by 2005. And towards that end policies have been introduced for promoting the generation of power through wind, biomass, solar, etc. And this policy has provided attractive tariff with an annual escalation clause of 5 per cent per year for the next ten years.

We also have introduced a capital power generation policy, which is intended to enable industry to generate power to meet its own requirement basically to supplement the requirements of the grid. And in the event of any surplus being generated the State undertakes to purchase that surpluses through its transmission company.

Another initiative is rationalization of tariffs, which is also being carried out to two rounds over the last three years. The first major objective in the power sector that I mentioned was to try and bridge the demand-supply gap. And this brings out that in a period of five years the peak demand deficit has come down from 23 per cent in 1998 to just over 5.6 per cent in 2003. And this has been probably one of the remarkable achievements within this sector and for the state. This has come about largely on account of the fact that the state's generation capacity within this period of five years has doubled from 1,300 to about 2,600 megawatts and the overall capacity has increased by 60 per cent over the capacity that existed five years ago. And as a consequence we are today in a position probably one of the few states in the country which can, with legitimate pride, assure industry of uninterrupted power supply.

The collection efficiency also is the second highest in the country which is over 100 per cent, which means that the entire supply that is being billed is being fully collected.

As I mentioned earlier, even the tariffs are being rationalized. In the last three years, there have been two major tariff reviews. The important feature of these tariff revisions has been that, while the growth in industrial tariffs has been minimal, the growth in

the tariffs for the subsidized categories, which are agriculture and domestic, have been high. Consequently, probably Rajasthan is the first state where the gross subsidies have diminished by almost 11 per cent. All this has resulted in the revenue increases of over 65 per cent and reversal in the deficits within the sector. For these efforts the Ministry of Power, on the basis of an independent assessment carried out by CRISIL, has ranked Rajasthan as third in the country in the power sector reforms.

This is within the sector. Now, while having achieved corporatization of the sector, our aim now is to try and privatize some of these entities, particularly the distribution companies and the generation companies. We have targeted offloading 51 per cent stake in these companies by 2005. This would be an opportunity for the private sector to contribute in terms of improvements in the quality and efficiency of services.

The other areas of opportunity would be in generation and also, as I mentioned earlier, in the non-conventional energy sector where we have a forward-looking policy where we assure very attractive tariffs, much higher than the tariffs for marginal cost of procurement of the power.

The next important key economic sector and the key infrastructure sector within the state in which we are keen to promote investment are roads. In fact, it is in roads, if I can say, the greatest impact on the four economic sectors that I had initially highlighted, the greatest impact on those four sectors by any infrastructure sector is roads. Roads have a strategic importance, particularly in the context of Rajasthan, which is not a port State, it is a landlocked state. So, its dependence on a vibrant road network is so much larger. The rail links in the state are poor. The minerals and agricultural resources within the state are widely scattered.

While the state has about 4,600 kms of national highway network, only about one-fourth of it is four-laned or is being four-laned. The national highway network in our scheme of priorities is going as the main arteries, which are to link the hinterland and the effort of the state is to try linking the northern states to the western states should also spur growth along this corridor. Of course, this task of actually building the transportation infrastructure within the state is huge, as can be seen by these numbers. In annual terms, both for new investment, backlog, new as well as operation and maintenance, this translates into requirement of almost six hundred million dollars per year.

In the last four years, the State Government has tried within its limited resources by according priority to this sector and tried to meet some of the investment requirements. The share of the road sector in the plan has increased from 4.5 per cent in the Eighth Plan to over 8 per cent in the Ninth Five-Year Plan.

The expenditure on annual average expenditure on roads has also more than doubled from 30 million dollars to over 70 million dollars. Apart from the efforts in the State sector, Rajasthan is also taking optimal advantage of the opportunities available in the central sector and today it is a leading state in the country in the implementation of the "Pradhan Mantri Gram Sadak Yojna" in which Rajasthan's share is 70 per cent.

To promote private sector investment within the state, the state has put in place a legal framework, which comprises a Road Development Act and rules thereunder, as well as a comprehensive concession agreement, which takes care of the interests of the users, the entrepreneurs and the financial institutions. The Government has taken upon itself the responsibility of undertaking land acquisition and transferring land to the entrepreneurship free from all encumbrances. The interest of the entrepreneurs has also been protected. What is of particular importance is that not only the toll rates have been fixed but also the revision that would take place over the period and that rate is

10 per cent every two years. Also, we have a feature whereby even if 50 per cent of the investment has been made, the entrepreneur has the right to start recovering the investment by levy of toll.

Rajasthan has been the leader insofar as BOT projects in the country are concerned. We were the first and so far I have already executed successfully about 22 projects and another 22 projects are in the pipeline. Some of the future opportunities that are available in the road sector are that we are also introducing the concept of maintenance of roads by levy of user charges and also what is being considered is some form of subsidy, either direct or indirect, for leveraging state funds for maintenance of assets. The opportunities in terms of the kilometres for the BOT, as well as the maintenance and transfer projects have been given out here.

The third key infrastructure sector is IT. In IT, the Rajasthan IT policy was described by the Late Mr Dewang Mehta, who was the ex-President of NASSCOM, as the best IT policy among all the states in the country. Under this IT policy, not only various IT-enabled services but also telecommunication are provided the same status as industry, which means all concessions and incentives which are available to industry are available not only to various IT services but also to telecom.

Rajasthan is again the first state in the country to have introduced the free right of way for laying optic fibre cables. It is free in the sense that unlike some other states, which have also announced free right of way policies, we don't even insist on allocation of a certain bandwidth to the Government. The objective of this policy primarily is to encourage the creation of IT infrastructure through public-private partnerships, as well as to develop the human resource capital to support this sector.

So far as the IT infrastructure is concerned, in the State about 19,000 kilometres of optic fibres have already been laid by some of the infocom majors like Reliance. Also under an innovative project, even this optic fibre is being taken beyond the district into the villages. Jaipur district, which has 400 panchayats, is now already being linked through optic fibre cables and some of the backbone has already become operational. The other infrastructure that is being made available for IT in the state is the Software Technology Park, which is in Jaipur, which also has an earth station with high-speed data communication facilities and also adequate bandwidth.

These are some of the incentives, which are available for the setting up of IT industry within the State, that is, customs duties as well as excise exemptions. There is 100 per cent foreign equity, income-tax holiday for the next ten years, allotment of land at up to 60 per cent discounts. There are no restrictions on the software units coming up anywhere, even within the residential parts of urban areas and within the IT Park there is no levy of any lands and building tax or stamp duty on transactions. To develop the human capital in this sector, the State Government has made computer education compulsory up to Class Twelfth even in its own schools.

Every year the computer training organizations in the state are turning out five thousand professionals and there are six thousand engineers who are from 35 colleges, all of whom are all computer trained. Most importantly, the most recent initiatives, just a few months ago, are the setting up of the Laxminarayan Mittal Institute of Information Technology and this is probably the finest example of public-private partnership in the State where the state Government has allotted 100 bighas of land free of cost and fifteen crores of rupees.

Some of the opportunities for investment in the IT sector in the state are Call Centres, Medical Transcription Centres, Business Process Outsourcing, Software Development. What I only wanted to highlight here was, as was already mentioned by my colleague



earlier, the General Electric Caps and G Caps have set up their fourth call centre in India at Jaipur and this operation is being launched on the 20th of this month.

The last part of the presentation essentially focusses on what is the framework that we have in Rajasthan to foster private sector initiatives. Rajasthan was one of the first states to recognize the importance of providing a framework for fostering private sector participation and a number of institutions were created, the first of which was the Bureau of Industrial Development and Infrastructural Development and Investment, which is headed by the Chief Minister which facilitates decision making for all large projects including infrastructure exceeding Rs. 5 crore. The second is an advisory board, which advises the State Government on the policy initiatives that are required to be taken to encourage private sector investment within the state. The third body, which again Rajasthan was the first to set up, a single-window agency to facilitate all the approvals that are required by any large-scale private project within the state, not only for bringing in investment but also to facilitate the documentation that is required for setting up projects in the public-private mode.

We were the first in the country to set up the PD Core, which is the organization which has been set up in a joint venture with the infrastructure leasing and finance services and the Government of Rajasthan and HUCDO and essentially to develop the public-private partnership projects in infrastructure.

A fund has also been created, with a corpus of 1 million dollars from the State Government, to finance the project development activities of public-private projects. Lastly, there is a very recent announcement, just a week old; there is a Standing Committee on Infrastructure Development within the state chaired by the Chief Secretary. This Committee is essentially to approve the public-private partnership projects. This Committee has been made an empowered work project, which means that all approvals granted by this Committee do not require to go back and forth to other departments of the Government.

Now the next initiative, which is on the anvil, is an Infrastructures Act which will further strengthen the framework for public-private partnership in infrastructure and we would expect that this would increase the speed of decision making and encourage private sector participation in infrastructure.

Thank you.

Address by Mr Arvind Mayaram, Secretary, Tourism

This is the last presentation of the day and it perhaps would also show you the soft side of Rajasthan, the side which has become the heartthrob of so many people in the world and which has been attracting tourists from all over the world to Rajasthan. This presentation shall take you through a beautiful tapestry of joy, of different flavours, opportunities and the initiative and drive of the State Government that is determined to make the state the tourism destination.

Tradition has it that God took six days to make the earth, to make living creatures and on the seventh day God rested. And having rested on the seventh day, God created Rajasthan, a product of great love and care.

Ladies and gentlemen, this is a saga of that beautiful land which has created those kind of images in your mind forever.

But why should we be talking of tourism today. We do believe that tourism is one of the

greatest drivers of economic development and for the same unit of investment the number of jobs it creates is twice that of the jobs created in agriculture and seven times that which is created in the manufacturing sector.

For you who have come from different parts of the world, it may be interesting to know that tourism is the third-largest net foreign exchange earner for India. Even if you look at foreign direct investment, you would see that the earnings from tourism almost add up to the same as the foreign direct investment that comes into the country. And of course every rupee that is spent by the tourist, it changes hands 13 times and every hotel room generates direct employment for three persons and indirect for eight persons.

What makes Rajasthan tick? It is not just the courts and palaces but what sets it apart is the vitality of its people, the lifestyle, its fairs, its festivals and the riot of colours. These are the underfeeding of a living tradition that attracts tourists to come to Rajasthan. As you would see, Rajasthan attracts a very large number of domestic and foreign tourists and the annual growth in the arrival of tourists has been 7 per cent for the domestic and 5 per cent for foreign. The average stay is 2.5 days for the foreign tourists and 7 days for the domestic tourists. As you see, Rajasthan has a share of 25 per cent of all foreign tourists that come to India.

The Chief Minister right in the beginning of his tenure had set a very gruelling task before himself. That was to create the large economy in Rajasthan that could sustain creation of jobs for everyone. Tourism is one of the major drivers of that effort because it is not only important from the point of view of employment generation, but it works towards poverty alleviation, upliftment of rural artisans and artists and also improvement of urban and rural infrastructure.

As can be seen from the slide, the impact of tourism on the rural economy is massive. Handicrafts is one of the mainstays of the rural economy and this has been also the attraction for the tourists, who have been coming to Rajasthan. Our exports from Rajasthan have grown phenomenally in the last ten years from a level of Rs. 53 crore in 1991 to a level of Rs. 600 crore in 2000-2001 which does not include the gems and jewellery sector.

The opportunity for tourism is also immense as has been stated. South and East Asia are likely to witness maximum growth in the tourist flow over the next 20 years, according to the World Tourism Organization. India is likely to achieve one of the highest rates of growth in travel and tourism between 2002 and 2012. So, by 2010, tourism for India can attract almost Rs. 1,30,000 crore in capital investment and Rs. 1,60,000 crore in exports. This is the kind of figures that the WTTC has projected and therefore it is time when we looked at tourism as a great opportunity for Rajasthan.

The Chief Minister's vision has been to make Rajasthan the number one destination in the country. Efforts are under way to get Jaipur declared as a heritage city by UNESCO. Proximity to Delhi puts Rajasthan on the travel itinerary of the international tourist. Rajasthan is the gateway from West to North India and for North to West India. The state has approximately 50 per cent of all heritage hotels in the country. But that is not all. It is not just the monuments but look at the wide variety of wildlife that the state has to offer to the tourist. Right from the legendary tiger to the birds of Kanha Bird Sanctuary, Rajasthan provides one of the most spectacular views of the wildlife in India.

What is being done to capture this opportunity and make it into a driver for growth for the State? To provide focus, the Chief Minister has initiated the formation of the Rajiv Gandhi Tourism Development mission for focussed tourism growth, which is spearheading the efforts in the state. In September 2001, the tourism policy of the state



was announced and, as can be seen from the annual tourism budget, from a level of Rs. 2.5 crore in 2000-2001 it has gone up to Rs. 19.5 crore in 2002-2003. The budget of 2002-2003 was dedicated to tourism.

As has been said earlier, without infrastructure there can also be no tourism. Taking this into account, the Rajasthan Urban Infrastructure Development Project for six major tourism cities, has been put in place. Now, the figure has gone, in fact it shows Rs.15,300 crore, up to Rs.17, 000 crore. This is being implemented in Jaipur, Jodhpur, Ajmer, Bikaner, Udaipur and Kota, and efforts are on to include Pushkar and Boondi also in this project. This is going to completely change the face of these cities forever and you would find that the infrastructure for the tradition is going to be absolutely modern. For the preservation of heritage itself, Rs.75 crore has been earmarked in this project.

We have also a new circuit which is being developed with an investment of Rs. 170 crore which will create new areas for the tourist to visit. Our unique elephant is being created near Jaipur with an investment of Rs. 5 crore. In different departments, a separate budgetary provision has been kept for tourism-related activities. Twelve crores is separately earmarked for monuments and temples restoration and five crore rupees will be spent in the next two years in the restoration of the Jaisalmer Fort in collaboration with the World Monument Watch and the Government of India.

Tourism Assistance Force has been deployed in all major tourist destinations and tourism has been included as a subject in the syllabus of secondary and senior secondary examinations. As far as transportation infrastructure is concerned, Jaipur Airport becomes international airport by 2003-end. Charter flights have started from South-East Asia and are expected from Europe in the current year. The State Road Upgrade Project with Rs. 600 crore is being spent during 2000-2001 and 2001-2002 and upgradation of 24,000 kilometres of road arose in the state and tourism and pilgrim roads are a priority in this strategy.

In communication, as has been spoken earlier, the state is completely wired to basic and cellular telephony.

As I had mentioned earlier, Rajasthan has this distinction of being the first state to have promoted heritage hotels. We have now more than 52 heritage hotels in the state, which are attracting the tourist. In addition, to top it all is the "Palace on Wheels," the most incredible train journey, which has been rated as one of the eight best train journeys in the world. Now, here are the opportunities for public-private participation. Jal Mahal in Jaipur, as many of you would have seen, is now being developed on the public-private mode and the bidding for this project will be in the next three weeks.

There is an integrated parking project for the Walled City of Jaipur, again to decongest Jaipur and this also has been bid out and the bid is going to be finalized very shortly. 32 nazool properties including forts, and nazool property incidentally is the government property, and also palaces will be developed with the private sector participation and the first one, the Tijara Fort is going to be bid out in the next three months for a public-private participation project.

The Behroad Midway is also being renovated with private sector participation. Jaipur has a distinction of having the first double-decker bus for the tourists run by a private operator. There are new telephone cabs in Jaipur, you can pick up the telephone and call a cab. I think it started even before it had started in Delhi. The ropeways will be set up in Jaipur, Mount Abu and Udaipur in the next six months. An international trade and exhibition centre is being planned for Jaipur, again with the private sector participation, and select tourism reception centres will also be run with private sector and

modernization of select roadways', bus stands is on the anvil and this is being done also with private sector participation.

The Tourism Department itself is taking a large number of initiatives. The importance of marketing, and we are fully seized of this issue and ITDC has also come out with very attractive packages for the tourists. One of the issues, which I would like to flag before you, is the issue of MH. The crime rate in Rajasthan is amongst the lowest in the country. On the law and order front, the state is rated amongst the best state. On governance criteria, Rajasthan has been adjudged amongst the top ten states in the country. Yet, there is a concerted effort by several countries by issuing damaging advisories to the tourists not to visit Rajasthan on account of security issues. This is something which we need to fight vigorously. If the Government of India sees the way, but I am confident that all of you who have come from different parts of the world will take upon yourself to fight this miscommunication which is being spread to damage tourism in the state.

Thank you very much

(Open Panel discussion)

Ms Viru Kapoor

I am a physician. My husband is also a physician. We both belong to the association called Rajasthan Medical Alumni Association Inc. (RAJMAI). We meet every year. Recently, in the last couple of years, we have been hearing about the burn victims needing extra healthcare. So, our association has started a donation programme and we are trying to work on it. Our President, Dr Harish Madhani, met with Mr Gehlot last month when he was in Jaipur and I would really like to ask you for support because we would like to see a very dedicated burn unit or even a burn hospital.

And I don't think we from the USA can do everything until and unless we get your blessings and your partnership with it. So, I would really like to be able to continue certain dialogue between your Government and us so we can continue to collect the money, and the money should be used in a very proper way for the burn victims of Rajasthan.

One other recommendation that I have is that in my observations, I said that I left India 30 years ago and the population has grown tremendously and I feel like I have not heard any politician address that issue.

We have been a very prosperous country. But if you have extra population the same resources are going to be shared by the excess population and I would like to see Rajasthan as a pilot project for some sort of a population control, and you as the Chief Minister should really take that initiative.

And we would like to support you and whatever we from the USA can do to come and do to control the population, to teach contraception, to teach all of this to your population. I would very much be interested in that and I am speaking on behalf of all of the RAJMAI and the burn unit that I am talking about. Also, we are thinking about working with the SMS Hospital and that is my observation here.

Ms Poornima Boria

In the United States we heard Robert F Kennedy said, "Ask not what your country can do for you but what you can do for your country." I want to congratulate my fellow



Pravasis for coming forward and being true examples of that. And I would like to learn from their examples and humbly say, Mr Gehlot that I would like to extend my services too in a couple of sectors.

After listening to a very beautiful presentation of Mr C S Rajan and yourself too, Sir, the sectors that I am interested in are tourism, handicrafts, gems. I also used to be Vice-President of AT&T Broadband Business Resource Group. So, technology and broadband is also my background from the US. So, bandwidth and all that is excellent and I am very, very impressed with how aggressive is your Mr Gehlot with the progress of Rajasthan. And it is time we be very aggressive and be in the forefront of this country, the best state in this country. My congratulations to you, Sir.

Mr Mahendra Gupta

I am from Florida. And actually from my family we are five brothers who are physicians and our wives are also physicians from the SMS Medical College, Jaipur. RAJMAI is doing some work, but I don't think they are doing enough. Also, Rajasthan is the only state that has not exploited the NRIs. Every other state has done much, much more and used the NRIs, but Rajasthan has never used.

Last year, their function was wonderful. But I don't know what you gained out of it. But tourism is good and jewellery is good. But I think any state needs the education and the investors to bring and without working with the government and if you can bring some good industries why cannot we make a North West capital of the Silicon Valley.

Jaipur has all the perfect situations there to become a model state, but we need your cooperation. The leader has to follow. And, I think we should or you should probably help us to make a committee in which there should be not more than one IAS, there should be not more than one political person. One should be from the industry, one from who are very well-managed people and two or three people from the United States and the Committee should report directly to you. And I can assure you that Rajasthan has so much potential, which we can help to build it.

Thank you.

Mr Ajit Singhvi

I am Ajit Singhvi. I am a graduate from SMS Medical College, Jaipur. Presently, I am practising in California. I have been there for 26 years. I am also Regional Director of API, which is Associations of Physicians of Indian origin with 38,000 of physicians and 10,000 medical students and graduates. I would want Mr Gehlot to know that lots of people have told me that the Pravasi Bharatiya Divas was the brainchild of yours and the conclave you did last year was best where it started and it was much better there than here.

So, my sincere congratulations. The second thing is India today had reason that you are one of the most popular and dynamic Chief Ministers amongst 30-plus states. So, you should be doing a lot of things right to be called the most dynamic Chief Minister of the state.

And one more thing I would like to say and allow my colleague Dr Hiru Kapoor to continue. I think India's problems are three:

1. Population
2. Population
3. Population

And I can assure you that if you start population control, then better start now.

After 26 or 27 years, after Mr Sanjay Gandhi did, you will be the most popular Chief Minister ever. Don't get frightened. Sanjay Gandhi would not have done 12 or 15 million vasectomies at that time.

In every country, in the United States every now and then we have right eye surgery instead of left eye surgery, right knee surgery or left knee surgery. So, there might have been a few thousand wrong vasectomies which were not either desirable or were done forcibly. But just imagine if 12 million-plus vasectomies would not have been done at that time, we would have added probably 100 million-plus today.

So, go ahead and do and I can assure all you can lose one election. That's okay. But people will tell you. Why we are saying that Sanjay Gandhi did a good job after so many years? He will be in the history books and you are also going to be in the history books.

One personal comment. About two months ago, in September we had a one-week celebration on Meera, the culture icon Meera. And can you believe nobody knew where Meera Bai was born. It was jointly done by UCLA, United California and Los Angeles, UCI and several other major universities and none of us was present there.

I, of course, went and just watched what was going on and incidentally I come from the town where Meera Bai was born, Merta. Meera Bai was very, very popular. And it was such a fantastic feeling. They said the way you can spread peace is by culture and cultural legend was Meera Bai. Please consider Merta, adding to your list of tourism centre.

Mr Raipat Bhandari

May I make a comment? My name is Raipat Bhandari. I left Jodhpur 42 years ago and I am delighted to be here today. I have two comments or suggestions. Because of the lack of time, I will try to make it very brief.

As everybody else here congratulated you, I share the same reason of congratulating you and you reminded me of one person whom I am familiar where I worked for the last 30 years. His name is Andy Growe. He started Intel 30 years ago. I guess most of you know what Intel is today and it reminds me of a film when I see you and your team here.

Even today when we talked one-to-one, he always went paranoid. He always has a fire in his belly. He never thinks he has reached anywhere and I see the same vision in Ashokji and I am very delighted. And I hope the Intel is good in 30 years, Rajasthan looks hundred times better in all areas and I want to congratulate you.

Now, I have two points to make.

We small Rajasthanis in Bay area where I live in Silicon Valley started a small group called TAI. Some of you may have heard or not, but let me just give you. It was a very small group of people who have been in business for long and they want to give back to the community. And that started in 1992 at my home. Basically, we were eight of us who sat together. Today, that group has about more than 10,000 members in 40 countries and the job of that group is only one: "foster the entrepreneurship and create wealth". I believe that Ashokji, yourself and your team if you can join us we will love to share what we have done in Bay area and show what can be done together. We feel that we have created about 20 billion dollars of capital and wealth in Bay area alone with all



Indian companies and all that. We can do very similar model here. So, I would really welcome you to bring your team there. We have an annual conference on May 18th & 19th and I would love to have you join us with your team.

I may have told you in the last visit when I met you in Jaipur about the areas of progress we have seen in power, sanitation, population. If we can make a one small town and I would love to be part of that programme where we can educate the people of the town and make an extensive capital investment in roads, construction and electricity and teach them and make a model city.

Thank you.

Mr Arvind Singh

I would also like to congratulate the Hon'ble Chief Minister along with everybody else here. My name is Arvind Singh, Historic Resort Hotels, Udaipur. It's not a question, it is a suggestion. I have the attention and the platform and the quorum. Not only the Chief Minister, the Chief Secretary but also a number of Ministers very related and holding important portfolios are sitting here. There is a great deal of energy; there is a great deal of money which has gone into holding this conference. And a lot of people who have come from abroad have also given their time, which is more valuable than the amount they have spent in here. My request to you, Chief Minister, is that the amount of growth that we are seeing now is not the will of the Government, not the commitment of the Government, not the mindset of the Government at this level.

So, what is essentially lacking is that at the grassroots level, and I may be repeating myself because I made the same point yesterday, but I feel it is extremely important. All the good things that you have been proposing and announcing and policies that you have been formulating, one is not able to fulfil the targets that you have set yourself simply because in your own assessment those objectives are not being fulfilled. I sincerely believe that in the mechanism of the Government, there should be some provision where the implementation of whatever is being announced and the new policies, the progressive policies that our dynamic Chief Minister is proposing should not only be in its embryo stage of announcement, but must find total provision and completion.

Thank you very much.

Ms Rashmi Dickinson

I am a cardiologist, with an MBA turned Senior Civil Servant from England. But my adopted place is Ambed in Jaipur. Before I ask a very small question from Mr Gehlot and Mr Nair and perhaps everybody else here, i.e, Mr Chandvan and Mr Praduman Singh and so on, I would like to say a few words and I think probably I speak for all of you. I apologize.

(Hindi)

My question is a very small one. I think all of you in the front rows know me pretty well. I would simply like to ask, what all of us have come here to do something for our place of either Mother country or whatever it is, to do something for it. Many of us would be like me who did not know Hindi and, of course, now I do because I was forced to do so. I would simply like to ask what would the governments do to prevent experiences like mine, which is being led like a lamb to the slaughter, and I think you all know what I am talking about. Thank you. I would like an answer.

Mr Bharat Bhargava

I am Bharat Bhargava originally from Jaipur, now in Washington. I also feel very proud that Rajasthan is able to be a pioneer in many areas. One more area I will just quickly touch upon and then suddenly it would have to be followed up with the good Chief Minister later on.

I have a management consulting company and we have had the privilege of working in almost 26 emerging markets in modernizing banking. As you know, our nation's banking is quite behind the times. Even the public sector banks are owned by the Government of India.

In Rajasthan, perhaps we can start some model and we would like to offer our services in some ways to be able to work with some pilot banks and promote ideas on how they can start utilizing their most modern practices not only for the benefit of people, but as everybody knows that goes hand in hand with economic development if banks are able to do a better job of resource mobilization and allocation.

I did have a chance of coming from Rajasthan in the 70s to do some of that kind of work in the US when banking was backward in many ways, in some of those areas like customer relations. There are things that we are implementing in many parts of the world. In the spirit of what's being said, I offer our services towards that area.

Ms Mahadevi Nachatram

I am Mahadevi Nachatram, Senior Advocate from Malaysia. I come to India every month. What I like to say specially about Rajasthan is I will beg you and urge you to provide a lot of trees, grass for the animals, water-holes because I spend some time also buying grass and feeding the cows. The cows are eating plastic bags and it was very sad when I was in Madhya Pradesh, Rajasthanis were bringing thousands of cows from Rajasthan during the hot weather to Madhya Pradesh. That is more important that the animal welfare also is taken care of. I beg you to plant more trees, make facilities for more water and bore a lot of holes so that these animals will have sufficient grass and water.

Thank you.