

Gujarat reaps Maruti advantage

Offers 1,000 acres to Japanese SMEs near proposed car plant

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New Delhi, Feb. 26

The decision by Maruti Suzuki and Japanese bath-fittings maker Toto to invest in Gujarat is expected to bring a flock of Japanese small and medium enterprises (SMEs) to the State, especially in the auto component sector.

An industrial park dedicated to Japanese SMEs is in the works, for which about 1,000 acres have already been identified by the State Government near Maruti Suzuki's proposed car plant in Mehsana district.

An agreement outlining the deal was signed with the Japanese Government's trade and investment agency, JETRO, this January.

CLUSTER APPROACH

"The Gujarat Government is looking to promote Japanese investment in India and has thus offered land in Western Gujarat about 100 km from the Maruti plant. The MoU was signed in early January. We expect a concentration of auto component firms," a source close to the development told

Business Line. Though open to investment from all sectors, the presence nearby of auto majors such as Tata Motors, Ford, General Motors, Peugeot Citroen and Maruti Suzuki is expected to make the park an ideal destination for the smaller auto supplier firms from Japan. The cluster approach would help, as individually they would find it more difficult to arrive at a deal with the State Government.

An official from the Gujarat Government confirmed that JETRO has signed two sepa-

rate agreements with the Gujarat Industrial Development Corporation and the Gujarat Infrastructure Development Board.

"The idea is to set up specific industrial parks solely for Japanese companies. Right now, we're in the process of identifying land," he said.

JAPAN CONNECTION

Incidentally, the concept behind the park follows from a similar 1,000-acre plot in the Neemrana industrial zone in Rajasthan. Started around

2007-08, about 25 companies are already operating from it.

"This is an allied development with the Delhi-Mumbai Industrial Corridor, which is being built with Japanese support. The idea was to develop industry side-by-side," the source said.

"India is a boon for the Japanese, as China is no more seen as a gold-mine. In Japan, they have high savings, but are out of avenues to invest. Also, their population is getting older by the day."

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