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Delhi-Mumbai industrial corridor a reality by 2017: Amitabh Kant

If India's ambition is to grow at 9-10% per annum, then India must think big and plan big, says man behind the country's most ambitious infrastructure project taken up so far

PUJA BHATTACHARJEE | AUGUST 29 2013

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Thinking big: Amitabh Kant, CEO and managing director, Delhi-Mumbai Industrial Corridor Development Corporation Limited.

Amitabh Kant, CEO and MD, Delhi-Mumbai Industrial Corridor Development Corporation Limited, tells Governance Now how the Delhi-Mumbai industrial corridor development corporation (DMICDC) is implementing the country's most ambitious project: the Delhi-Mumbai industrial corridor. Building 24 cities from scratch along a 1,483-km railway track, if successfully implemented, the corridor will be India's key economic driver and change urbanisation model in the country. Kant, a civil servant with more than three decades of experience, has been entrusted with the responsibility of building this corridor. His impressive CV includes the 'Incredible India' and 'God's Own Country' campaigns, which positioned and branded India and Kerala, respectively, as leading tourism destinations.

Edited excerpts from the interview:

Why and how was this project conceived?

The Delhi-Mumbai industrial corridor is about creating new manufacturing and industrial cities in India. These cities have been planned on the back of the dedicated freight corridor. The dedicated western freight corridor will connect Dadri near Delhi to the Jawaharlal Nehru Port near Mumbai covering a total distance of 1,483 kilometres. Today all the goods produced in the northern part of India take about 14 days to reach the ports on the western coast of India. Once the dedicated freight corridor comes up, the movement will take between 13 and 14 hours. That is a paradigm shift in India. The logistic cost will get reduced. But for the dedicated freight corridor to succeed, there are to be new manufacturing areas which are necessary. Because in India, the manufacturing sector contributes only 15% of the GDP and this has to rise to 25% in the next decade.

If India's growth has to be a growth with jobs then manufacturing must become the key driver and we must be able to create 100 million jobs through the manufacturing sector. Therefore, this project aims to create seven new industrial cities on the back of the dedicated freight corridor. It will not only cater to manufacturing but drive India's urbanisation as well because manufacturing will lead to young workers, young managers, their wives and their children all coming in.

As the management expert, the late CK Prahlad, had said that India's biggest challenge is the

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challenge of urbanisation, in the next three decades India will see 500 million people getting into the process of urbanisation and if India does not create new cities, every existing city will become a slum. Therefore, this project aims to build seven new cities. There will be logistic hubs, airports, large new cities. This is what the project is all about, to cater to the manufacturing and urbanisation requirements. The long-term plan is that over a period of time, there will be 24 cities, but in the first phase, seven new cities have been planned.

The project has been termed overambitious. Do you agree?

The concept of linking Delhi to Mumbai is an ambitious one, but by 2017, this will become a reality. The challenge is that India must think big. India should also have the capacity to break up this large project into smaller, doable concepts. Therefore, we have broken the project from 24 to seven cities. In the seven cities, we finished the planning. We got the plans notified and from these seven cities, we break this down to projects where we require trunk infrastructure. So we break project into doable components. By 2017, the corridor will become a reality. By 2019, the first phase of the cities will become a reality. Gurgaon and Noida were overambitious at one point of time. But they have become the key drivers. If India's ambition is to grow at 9-10% per annum, then India must think big and plan big.

What are the challenges you faced so far?

We have faced various challenges. This is the toughest, the most complex and difficult project in the world. So, there is a challenge of global scale of planning, detailed engineering, land pooling and land acquisition, selecting the best companies, bringing the best skills, creating compact, dense cities on the back of public transportation. All these are very difficult things and have never been done before in India.

With so much land to be acquired for this project, what is your land acquisition model? Have you faced any problem so far?

We work in partnership with the states and every state has a unique model. In a large country like India which is bigger than 24 countries of Europe, you cannot have one model. You have to have different models based on the practical realities of each state. Therefore, we have a model of town planning for Gujarat, a model of negotiated purchase for Maharashtra, a model for annuity for Haryana. These are models which the state governments have developed over a period of time.

The key behind all these methodologies is to do things in partnership with the community (since land is a state subject). The model is that the state brings the land and once they do, we give money for the trunk infrastructure. Therefore, land pooling, land on negotiation, land on annuity, land on lease, partnership with the farmers – all these are different models practised in different parts of the Delhi-Mumbai industrial corridor.

We have faced a number of problems but we have discussed it with the community. In Gujarat, we have taken 903 sq km of land but we interacted, participated and partnered with the state and the state has interacted with the farmers. There will be problems everywhere but we have tried to sort the problems out by taking the community along. We believe that development of this nature must be in partnership with the state and the people.

The project is spread across six states. Are you dealing with one state at a time or all simultaneously?

We are dealing with all the six states and our attempt is to bring in competition among the states. Based on the competition, some states will move forward. This is a complex, difficult and tough project. But this is a project necessary for India's growth. We are not doing the land acquisition. The states are acquiring land and we are working in partnership with the states.

How will this project add to or expand the concept of urban development in India? What is the urban model you have in mind?

How was Mumbai created? Mumbai was a textile city. Chennai was an industrial city. Kolkata was an industrial city. Workers came there, managers came there. They became new cities of India. Similarly, these are the industrial cities that will drive urbanisation. In cities, you need an economic driver and the economic driver here is manufacturing. Manufacturing will drive growth. What we have done is bring in a global-class planning, ensure there is 100% recycling of water, proper drainage, sewage, roads and transit-oriented development. All these we have tried to do as part of the planning process. Why we are doing this is because we are planning for a city which will survive for the next 100 years. For us, the trunk infrastructure is very critical as we are planning for cities which will become key drivers of India's growth.

The urban model is based on a city which is good to work, live and play in. A city which is based on transit-oriented development where 70% of the people are able to use the public transport system and 15-20% people either use bicycle or walk. Our model is that water and waste must be recycled. The city has to be ecologically sustainable, economically viable; a live, vibrant city with manufacturing as the key driver.

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How similar or different is it from the Tokaido corridor in Japan, which is considered the closest comparison for this project?

They are very different because the Tokyo-Osaka corridor is based on high speed trains for passenger movement. In India's case, the problem is – all the goods produced in northern India travel by roads. So the logistic cost and CO2 emission is very high. This corridor is essentially about goods movement by containers. It is container movement versus passenger movement.

2019 has been fixed by the union cabinet as the deadline for the first phase of the cities. What are we aiming to achieve in the first phase?

Different states will have different areas of growth and we planned for different models for different cities. The mission is for the first 25 to 50 square kilometres. In the case of Dholera in Gujarat, it will be more than 150 sq km. In other places it will be more than 25 to 50 sq km. So we should be able to do the first phase of the six new cities by 2019. We are aiming to create the backbone of the cities. You can have a city like Gurgaon where 30 years later you are making the drainage, sewage. We want cities where the infrastructure, utilities, corridor come before.

You said earlier that if we don't develop new cities, existing cities will become slums. How are the 24 new cities going to be designed so as to prevent further development of slums? Will EWS/low-cost housing be a key feature of these cities?

First we plan out the cities and once we have completed the trunk infrastructure, the first thing we do is create workers' housing so that people who create the cities have houses for themselves. The workers' housing is the first bit of construction we will undertake. Our model will be slightly different so that workers who construct the cities have themselves houses to live in with adequate facilities. We are not looking at housing as housing as per se. We are looking at housing in an integrated manner so that there is a certain quality of living for the workers. And since these are new cities, people will only come for manufacturing work and they should be able to find a place to stay. We should plan for workers' housing so that slums do not come up over a period of time.

You are not going to entrust infrastructure development in new cities to the public works department. Instead every city will have world-class companies as master planners and project managers. What was the rationale for this decision? Does it also mean municipal/local bodies would have no role to play at all?

We are forming special purpose vehicles (SPVs) between the centre and state. We are putting internationally-qualified programme managers, we are putting good qualified companies to do detailed engineering and our objective is to take planning to a very high level. Our view is that programme management, detailed engineering and integration of planning are a very critical component. Those skills should enable us to take the quality of infrastructure we created to another level. That is why we are bringing in good programme managers and detailed engineering companies.

Those skills of good integrated infrastructure and good integrated planning are missing in India and we have tried to do it by bringing in experience from all over the world.

The new developments we are doing are outside the existing municipalities. Most of them are either wastelands or lands where there are no municipalities right now and we are leaving aside the panchayat areas and these new cities are bring constituted under article 243 (q) of the constitution (which deals with the constitution of municipalities).

Each city will be governed from a command centre where IT will be used for the real-time monitoring of energy, public safety, transport and logistics. How feasible is the plan?

We are using information communication technologies (ICT). India has been a very reluctant urbaniser. We should have done these new cities four decades ago. We are starting out very late in the day. Therefore, we need to plan out well and use technology to leapfrog. One of the key processes is that we are using good ICT planning and all the concepts of a smart city to leapfrog. Exactly like power, water and drainage, IT will be another component to make them smart cities.

It is totally feasible. If you have a broadband link, if you are able to integrate the ICT at the beginning itself, we will be able to monitor how many cars, buses are passing, the supply of water and who is violating the rules and regulations. The implementation will be as we go along. The fibre optic backup will be there which will enable you to monitor. If you want to spend `500 on electricity bills, sitting in office you will be able to monitor your TV, fridge and ensure you spend only `500 on electricity.

How do you manage your typical day – given the fact that you are juggling so many roles in a project of the scale not attempted before in India?

My day is spent in good planning and de-risking projects by taking all approvals upfront after which we put them up in the market.

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- **A bit about DMIC**

The Delhi-Mumbai Industrial Corridor (DMIC) is a mega infrastructure project with an estimated cost of $90 billion. The corridor will cover an overall length of 1,483 kilometres linking the political and financial capitals of the country. It will be spread across six states – Delhi NCR, Uttar Pradesh, Haryana, Rajasthan, Gujarat and Maharashtra. This project aims to incorporate nine mega industrial zones of about 200-250 sq km, high-speed freight line, three ports, and six airports; a six-lane intersection-free expressway connecting Delhi and Mumbai and a 4,000 MW power plant. Several industrial estates and clusters, industrial hubs, with top-of-the-line infrastructure would be developed along this corridor to attract more foreign investment. Funds for the projects would come from the government of India, Japanese loans, and investment by Japanese firms and through Japan depository receipts issued by the Indian companies.

- **Incredible Kant: A career brief**

Prior to taking over as the chief executive officer and managing director of the Delhi-Mumbai Industrial Corridor Development Corporation (DMICDC), Amitabh Kant was in charge of the tourism programme and campaign, Incredible India. An IAS officer of Kerala cadre (1980 batch), Kant is credited with launching two of India's two most successful tourism campaigns – Incredible India and Kerala's God's Own Country. During his tenure as the national project director of the rural tourism project of United Nations Development Programme (UNDP), India tourism focused on infrastructure development, diversification of India's tourism products and raising the quality of its products and services. He also conceptualised and executed the 'Atithi Devo Bhava' campaign to train taxi drivers, guides and immigration officials in making them stakeholders in the tourism development process.

During his tenure in Kerala, Kant was instrumental in shaping up the Kozhikode airport as a private sector project based on users' fee and also developed the BSES power project and Mattanchery bridge under private-public partnership.

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