



Investment Opportunities for South African Companies in Odisha

June 18, 2021



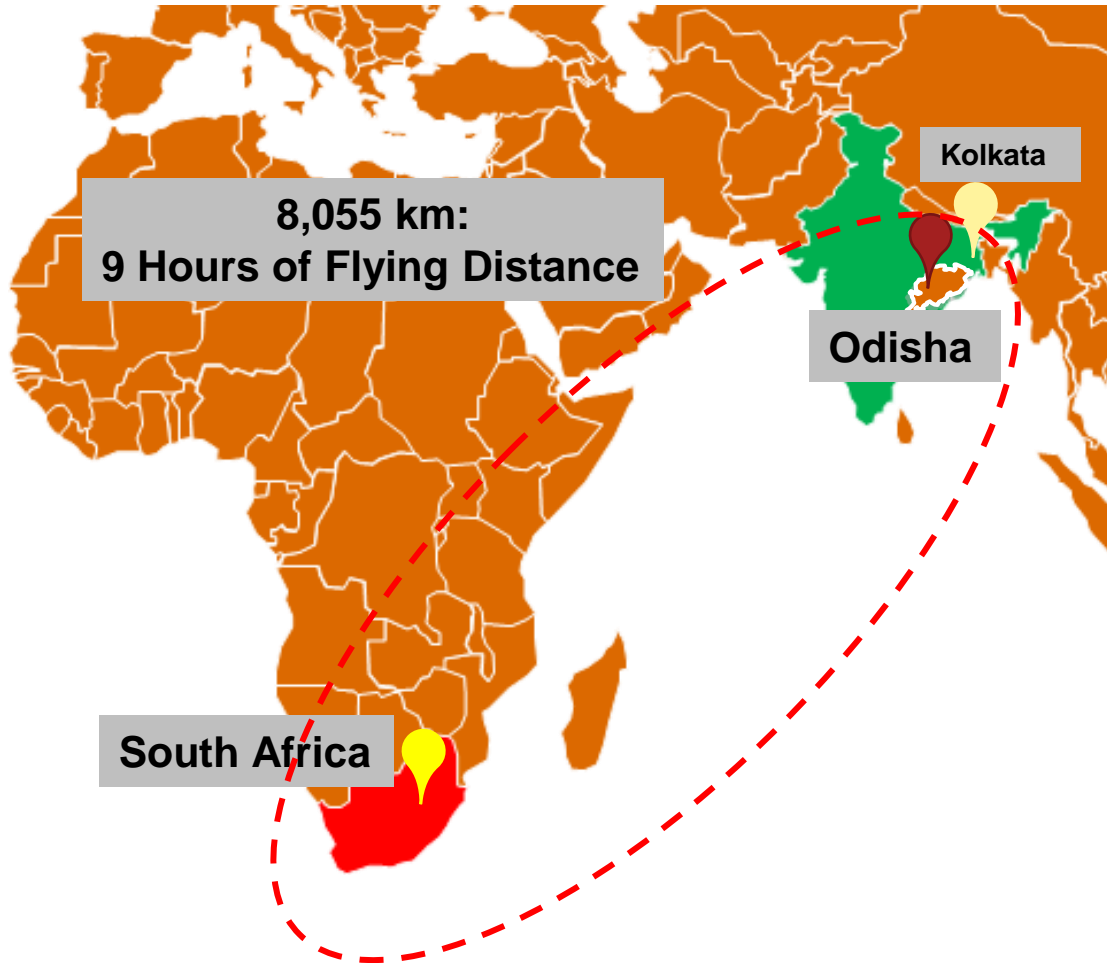
Coverage



ODISHA
NEW OPPORTUNITIES

- Odisha: Land of Opportunities
- Odisha as an investment destination
- Vision 2030
- Sector-specific opportunities for South African companies :
 - Steel and Steel Downstream
 - Aluminium Downstream
 - Chemicals and Petrochemicals
 - Technical Textiles Manufacturing
- Incentives under Industrial Policy 2015
- Sector-specific policies
- Industry Experience in Odisha

Odisha: Land of Opportunities



#1 State in India in terms of **attracting investments** during Apr -Sep 2019 as per Centre for Monitoring Indian Economy (CMIE)

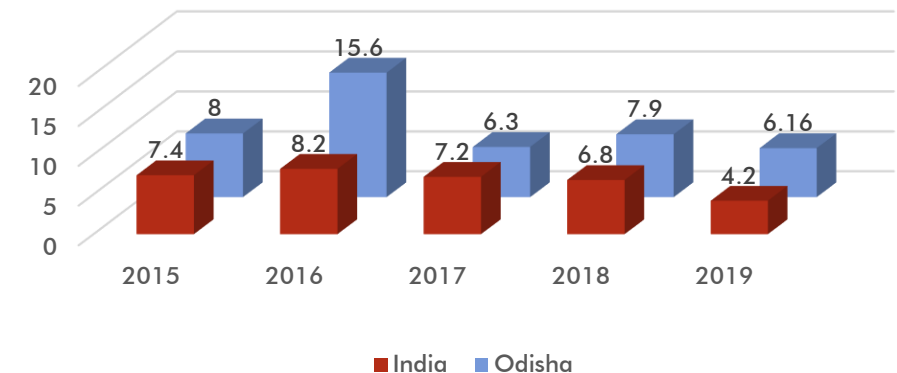


Services and Industries - largest sectors contributing to the State GSDP with **40.5%** and **39.06%** respectively



Stable and transparent governance framework leading to **GSDP growth above national average**

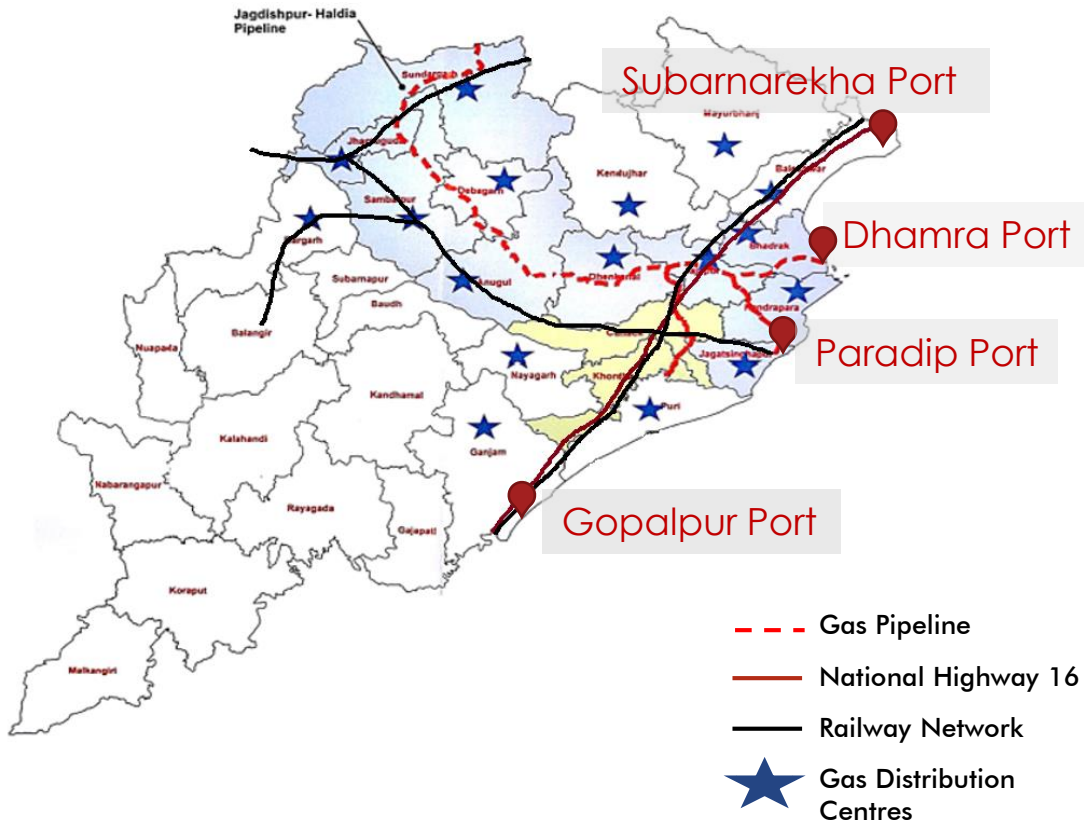
Growth Rate (in %) India vs Odisha



Odisha as an Investment Destination – 1/2



A. Infrastructure-led industrial development



11 % of India's water resources and power surplus with over 17,600 MW of production



Home to Paradeep port: 1st in Average Output Per Ship Berth-day in India and 2nd in capacity and quantity of Traffic Handled in India

Dhamra Port: Deep draught all-weather port, second largest private port on the Eastern coast



10,000 km of Highway Network along with a mesh of Railways providing connectivity to the Indian hinterland



Largest producer of Minerals, Aluminium, Steel and Stainless Steel in India

Odisha as an Investment Destination – 2/2

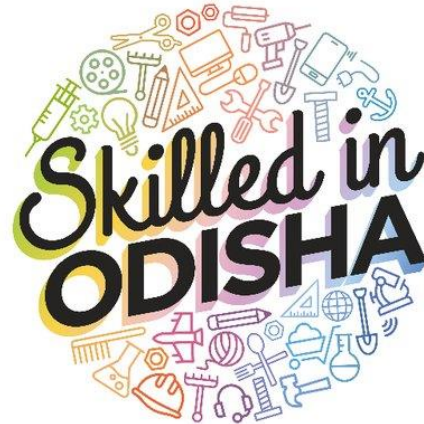


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Dedicated authority to facilitate skill development for industries

- More than 170,000 graduates every year from 950+ training institutions in Odisha
- Globally recognized Institutes of Higher Learning & Research including CIPET, Institute of Chemical Technology (ICT) and Biju Patnaik National Steel Institute
- Bhubaneswar emerging as knowledge hub in India
- Development of first-of-its kind World Skill Centre at Bhubaneswar

Vision of OSDA:
Odisha's Best, World's Next



A cost-effective and hassle-free destination for industrial investments

Odisha has one of the lowest* cost of doing business in India, with:

1. Lowest industrial electricity tariffs
2. Low industrial land cost
3. Low water tariffs
4. Competitive skilled labour wage rate

*As per a report by Asian Development Bank (ADB)



- First-of-its-kind single window system which supports industries throughout their investment lifecycle
- Recognised as a best practice by Government of India



Vision 2030



Development of Downstream Units in Metal Sector:

Achieve more than 50% value addition to the primary metal produced in the State

	Aluminum Current	Aluminum (2024-25)	Aluminum (2029-30)	Steel Current	Steel (2024-25)	Steel (2029-30)	Stainless S Current	Stainless S (2024-25)	Stainless S (2029-30)
Primary Metal Production	2507 KT	2957 KT	4036 KT	15.7 MT	24 MT	52.6 MT	1 MT	1.7 MT	2.2 MT
Downstream Value Addition	365 KT	679 KT	1269 KT	3.6 MT	7.3 MT	24 MT	63 KT	251 KT	650 KT
Downstream Value Addition %	15%	23%	32%	23%	31%	45%	6%	15%	29%
Additional Investment (INR)		1340 crore	4500 crore		11000 crore	40500 crore		1300 crore	2100 crore
Additional Employment (Nos)*		14100	42750		37500	180000		7200	11400
Opportunities in:	<ul style="list-style-type: none"> • Conductors and cables • Plates and sheets • Extrusions • Castings • Foils 			<ul style="list-style-type: none"> • Pipes and tubes • Wires and ropes • Rebars (TMT) and Structurals • Cast and forged products • Plates and Sheets 			<ul style="list-style-type: none"> • Process industry and power • Cookware and durables • Architecture, Building & Construction • Automotive, railway & transportation 		

Sector-Specific Opportunities for South African companies

Steel and Steel Downstream Kalinganagar Industrial Cluster



Odisha's Unique Value Proposition:

- **20%** of Steel making capacity of India
- **Largest** Stainless Steel Producer in India
- Vision 2030: Achieve **more than 50% value addition** to the primary metal produced in the State

Snapshot of Investment Region:

- Integrated development with presence of large Steel players such as: TATA Steel, JSL, VISA Steel, MESCO, etc.
- Over 160 Sq.km of development plan
- Proximity to Odisha's mineral rich region
- Situated adjacent to NH 215 and Jajpur- Keonjhar Railway Station
- Biju Patnaik International Airport: 100 km
- Paradip Port: 127 km
- Perennial 215 MLD water source

Salient Features

- Self- contained ecosystem covering entire value chain of steel and metals
- Robust infrastructure framework for water, power, solid waste and sewage
- Logistics hub with common warehousing Unit Integrated along with Packaging Unit

Investment Opportunities for various industries from South Africa in:

- Manufacturing of Electrical Machinery and Equipment
- Auto component manufacturing
- Energy and process equipment
- Engineering machinery
- Hot and cold rolled products
- Foundries, fabrication, machining and precision equipment
- Products for building and construction sector
- Infrastructure Development particularly social infrastructure

Sector-Specific Opportunities for South African companies

Aluminium Downstream

Angul Downstream Aluminium Park



Snapshot Of Investment Region:

- Nearly 1 sq km of dedicated aluminium downstream park - situated adjacent to the National Aluminium Company (NALCO) smelter
- First-of-its-kind in the sub-continent with availability of molten Aluminium
- 3 km from National Highway 55 and adjacent to Cuttack-Angul railway line siding
- Biju Patnaik International Airport: 100 km
- Paradip Port: 174 km

Salient Features:

Physical & Social Infrastructure

- Site Development & Compound Wall
- Road & Storm Water Drainage Network
- Integrated Solid Waste Management
- Electric Power Supply

Technical Infrastructure

- Common Facilities Centers including Equipment for Testing/ Training/ Design Facilities/ Tool Room

Odisha's Unique Value Proposition:

- **56%** of Aluminium Smelting capacity of India
- **Largest** Bauxite deposits in India
- Presence of top companies such as NALCO, Vedanta and HINDALCO

Opportunities for various industries from South Africa in:

Downstream Industries in Aluminum

- Conductors
- Extrusions
- Castings
- Foils
- Other including Powder

Ancillary Industries (Raw Material Inputs)

- Calcined Petroleum
- Special Refractory Bricks
- Cryolite
- Caustic Soda
- Aluminum Fluoride

Sector-Specific Opportunities for South African companies

Chemicals and Petrochemicals

Petroleum, Chemicals and Petrochemicals Investment Region, Paradeep



Snapshot Of Investment Region:

- Development plan over 284 sq km
- Anchored by 15 MMTPA IOCL refinery with committed feedstock of:
 - Polypropylene
 - Paraxylene-PTA
 - Butene-1 & 2
 - Mono Ethylene Glycol
 - Petcoke
 - Ethylene and Propylene
- IOCL's expansion plans include:
 - Increased refinery capacity to **25 MMTPA**
 - Dedicated **MEG production plant**
 - Integrated **PX/PTA plant**
- MoU Signed with IOCL for **Special Strategic Incentives Scheme: INR 2000/MT on Polypropylene granules** to downstream industries in Plastics Park

Salient Features

- 350 industry-ready plots ranging from 5 to 100 acres
- Doorstep delivery of electricity, water and road connectivity
- Self- contained ecosystem covering entire value chain of chemicals industries
- Logistics hub with common warehousing Unit Integrated along with Packaging Unit

Investment Opportunities for various industries from South Africa in:

- Integrated Petrochemicals products such as Polyester Chips, Fibers, PET Bottles, PET Chips, Sheets
- High performance chemicals
- Pigments and coating products
- Injection Moulding
- Extrusion Moulding
- Blow & roto Moulding

Odisha's Unique Value Proposition:

- **1 out of 4 PCPIRs** in India - Home to **Indian Oil Corporation's largest refinery complex**
- Long coastline with **3 major ports** for easy import and export

Sector-Specific Opportunities for South African companies

Technical Textiles Manufacturing Technical Textiles Park, Bhadrak



Snapshot Of Sector-specific park:

- Development planned over 100 acres
- Anchored by a 300 KTPA capacity polyester plant by Indian Oil Corporation (IOCL) with committed feedstock of:
 - Polyester Staple Fibre (PSF) – 100 KTPA
 - Drawn Texturized Yarn (DTY) – 167 KTPA
 - Fully Drawn Yarn (FDY) – 33 KTPA
- Factory-door availability:
 - Road connectivity to National Highway
 - Electricity through dedicated 33/11 KV sub-station
 - Water supply by State Industrial Development Corporation
- Locational Advantage:

Dhamra Port	60 km
Bhadrak Railway Station	16 km
Biju Patnaik International Airport	128 km
National Highway 16	Adjacent

Odisha's Unique Value Proposition:

- **Abundant availability of skilled workers**; additional skilled manpower availability post COVID-19
- **Dedicated authority** to facilitate skill development for industries



Incentives under Industrial Policy 2015



For Industrial Units:

- **Interest Subsidy @5% per annum** on term loan for a period of 5 years up to **ZAR 1.9 million**
- **100% stamp duty exemption** for transfer of land from State Infrastructure Development Corporation to Industrial units or from Private Industrial park developers to Industrial units
- **Exemption from payment of electricity duty up** to a contract demand of 5 MVA or with captive power plants with non-conventional sources and bio-fuel for a period of **5 years**
- Reimbursement of **100% of net SGST paid for a period of 7 years**, limited to 200% of cost of plant & machinery
- Depending on investment and employment generated:
 - **10% capital subsidy** on investment in plant and machinery limited to **ZAR 95 million** for units in agro & food processing; textiles and apparel; plastics; pharmaceuticals and auto & auto components sectors
 - **ZAR 5 cents to 24 cents per unit** reimbursement of power tariff for **5 years**
 - **ZAR 332 to ZAR 760 per person** newly trained or undergoing skill upgradation for **3 years**

For Private Industrial Parks and Clusters:

- **50% capital subsidy** on infrastructure cost limited to **ZAR 19 million** for greenfield projects and **ZAR 9.5 million** for brownfield projects

Policy Focus

Priority Sectors –

Leveraging competitive advantage of Odisha

Infrastructure growth

Employment generation- Build up skills

Facilitation – Concept to Commissioning

Sector-specific policies



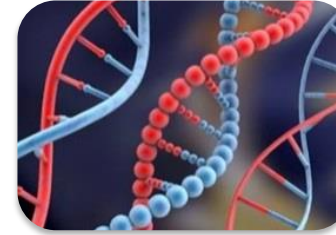
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Apparel Policy,
2016



Aerospace and Defense Manufacturing
Policy, 2018



Biotechnology
Policy, 2016



Fisheries Policy,
2015



Food Processing Policy,
2016



Healthcare Investment Promotion
Policy, 2016



Information and
Communication
Technology Policy, 2014



MSME Development
Policy, 2016



Pharmaceuticals Policy,
2016



Renewable Energy
Policy, 2016



Tourism Policy, 2016



Special Economic Zones Policy, 2015

Industry Experience in Odisha



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“The State has been highly progressive in development of state-of-the-art infrastructure in sector specific clusters, which bring huge competitive advantage for manufacturing industries on the east coast.”



– **Shri N Chandrasekaran, Chairman, Tata Group**



“We are committed to a digital Odisha where each of its 4.5 crore citizens has the best quality digital connectivity that will improve life of every citizen in the state.”

– **Shri Mukesh Ambani, Chairman & Managing Director, Reliance Industries**

“Chief Minister **Shri Naveen Patnaik’s** exceptional leadership, supported by an admirable team has been the singular factor in the rapid progress of Odisha.”



– **Shri Kumar Mangalam Birla, Chairman, Aditya Birla Group**



With presence of major ports like Paradeep and Dhamra along with connectivity through road and rail networks, Odisha provides an excellent to connect to the world.

- **Shri Anil Agarwal, Chairman, Vedanta Resources**



THANK YOU



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