SERIES ON DOING BUSINESS IN INDIA

7TH RELEASE ON VARIOUS INVESTMENT OPPORTUNITIES IN WEST BENGAL(INDIA)

FEMA. FDI. INCOME TAX. GST. LAND. LABOUR

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VARIOUS INVESTMENT OPPORTUNITIES IN WEST BENGAL:

West Bengal is located on the east coast of India with the Bay of Bengal in the south and shares its international border with Nepal, Bhutan and Bangladesh. West Bengal consists of **highest number of MSMEs** which accounts to 14% of India's total MSMEs. As West Bengal has **good amount of skilled labour and sufficient land resources**, it is not a key factor rather it is an advantage for all the businesses. In various sectors business can be diversified or investment can be done. They are mentioned hereunder:

METALS MANUFACTURING SECTOR

As per Central Board of Indirect Taxes and Customs **Notification No. 16/2020 dated 23.06.2020**, such notification seeks to **impose Anti-Dumping Duty** on import of Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc originating in, or exported from **China PR, Vietnam and Korea RP**. After such notification, many foreign companies will start its business in India. The Indian Market is expected to expand at a **CAGR of 7%** till 2023. Steel production is very growing in West Bengal so businesses can be set up by **sufficient raw materials, land and labour resources**. Due to presence of ports in West Bengal, raw materials can be easily available. Durgapur is one of the fastest emerging cities of West Bengal. It is popularly known as the **steel city of eastern India**.

SERVICE SECTOR

Engineering Services, IT services, Architect Services and Financial Services etc are very promising in West Bengal due to presence of **large amount of manpower resources**. Service Sector has boomed last year i.e.2019-20 but now due to pandemic situation it has once again slowed down. Further, this sector will boom expectedly due to **high availability** of people. The telecommunication system has immensely improved. The availability of large number of **skilled and semi-skilled manpower resources** also adds on to the advantage.

Total export from IT sector of the state is estimated to have crossed Rs 19,000 crores (US$ 2.83 billion) in 2016-17. The state government has introduced **West Bengal Information Technology and Electronics Policy 2018** which envisages West Bengal as one of the leading states in India in the IT, ITeS, ICT and ESDM sectors.

TRADING SECTOR

Small MSMEs are very successfully running due to trading activities. As **population** of West Bengal is around **10 crores** now, it is a **huge consuming state.** As it is a consuming state, large amount of population (mainly youngsters) have the capability to boom economic growth. Trading can be done in **Textile, Leather, Household items, IT Equipments** etc. It has a huge domestic market along with the potential **gateway to the Far-East**. It can be very well said that West Bengal is slowly and steadily becoming India's most **rapidly growing industrial region** and the future is nearby when Kolkata will become the **leading industrial trade center** in India.

EXPORT SECTOR

There are **3 ports in West Bengal** which import and export goods at an ease. They are:

1. Haldia Port
2. Kolkata Port
3. Kulpi Port

Two ports are also under construction in West Bengal. Therefore, export business have a very wide scope.

The State is richly gifted with **natural maritime advantages and navigable waterways** with 950 km of waterfront and 13% of national coastline. It has 2 large container and bulk handling ports at Kolkata and Haldia. A deep seaport is upcoming at Tajpur with enhanced connectivity to South East Asia.

It has 2 **international airports** at Kolkata and Bagdogra and 1 private sector greenfield airport at West Bardhhaman which easy for import and export business from West Bengal. West Bengal's total value of merchandise export was recorded at $ 9.29 billion.

Top export commodities included **Maine products, Rice, Leather goods, Iron & steel, Tea, Organic Chemicals** etc.

As of November 2019, West Bengal had **21 SEZs**; of which, 7 are operational, 5 are notified, 7 are formally approved and 2 have in-principle approval.

LEATHER SECTOR

West Bengal is the 3rd largest producer of finished **leather products** in India. 26% of the tanneries in India are located in West Bengal. West Bengal is hub of leather goods exports from India having **around 50% share of total export** in this category.

TEXTILE SECTOR

As we know West Bengal is well known for it's **weaving, handwork, machine embroidery and printing**, many people whole around the country come for shopping (whether wholesale or retail) from this state.

West Bengal is the seat of **hosiery industry** in India with 17900 hosiery units present in the state. The textile products of West Bengal have attracted **both national and global attention** and bear the timeless legacy of state's cultural heritage. Once in a year exhibition is conducted for the manufacturers and traders in which the whole country textile businesses takes part.

AGRICULTURE AND HORTICULTURE SECTOR

West Bengal has produced 29.55 million tonnes (MT) of vegetables in 2018-19 against 27.70 MT in the year before which is 15.9% of the country's total vegetation production. With diverse natural resources agro-climatic conditions, West Bengal offers cultivation of wide range of crops.

The state ranks first in **paddy and vegetables** production in the country. The state ranks third in terms of **meat production** and one of the highest consumers of **fish, meat and eggs**. 100% FDI is permitted under the automatic route in **food processing industries**. 100% FDI is allowed through government approval route for trading, including through e-commerce in respect of **food products** manufactured or produced in India.

In 2018-19, West Bengal remains second largest producer of **potato** in India, accounting for about 24.31 per cent of the country's potato output. The state's potato production stood at 13.78 million tonnes in 2018-19.

The state is the largest producer of **rice** and second largest producer of **potatoes** in the country.

TEA PRODUCTION SECTOR

West Bengal is the second largest **tea-growing state** in India with around **370 tea gardens** in the state. The state has introduced "Tea Tourism and Allied Business" Policy, 2019 for better utilization of unused tea garden land.

Total tea production in West Bengal stood at 394.22 million kgs in 2018-19, accounting for 29.27 per cent share of India's total production and reached 355.76 million kgs during April-October 2019.

LETS DISCUSS FURTHER!

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