

Odisha puts Shamuka and Chilika on fast track for integrated development

invites private investors to participate in world class tourism hubs

By RITWIK SINHA

At the recently held meeting with a select group of prospective investors in Delhi, the top brass of Odisha tourism did not exactly harp much on that typical "we have everything" line of argument. Instead, their collective appeal was rooted more in drawing the attention of the gathering on two mega projects – Shamuka and Chilika mega tourism hubs. These have clearly been much touted projects for quite sometime (Shamuka was conceived 25 years back) and haven't really got off the block because of constraints every now and then. But with project consultants now having presented their detailed report and the recent unveiling of the new Industrial Policy Resolution (IPR), 2015 (read the box item: New industrial policy to be the guiding force for tourism projects too) which recognises tourism as one of the ten critical sectors for the future growth

has been significantly scaled down. "Shamuka beach project has now been truncated to 972 acres. It will be easier and pragmatic to develop this patch," said Anil Kumar Samal, Director Tourism, Odisha government. The project report of Shamuka which has been prepared by PricewaterhouseCoppers underlines huge tract of green areas on the 2000 meter long sea frontage beach which can be utilised for eco-tourism and camping sites. In the master-plan prepared by the PWC, there is also provision to create a massive integrated complex which will have residential villa, one 200-room 3-star hotel, one 150-room 5 star property, museum complex, a public park and a dedicated corner for club houses. Out of these, hotel and club house units will be built by the private players, while residential villa will be a PPP project and the state government will be solely responsible for creating the museum complex. "The Industrial Development Corporation of Odisha has acquired

HIGHLIGHTS

Masterplan ready for Shamuka and Chilika mega tourism projects

Odisha government seeking substantial private funding in these two projects

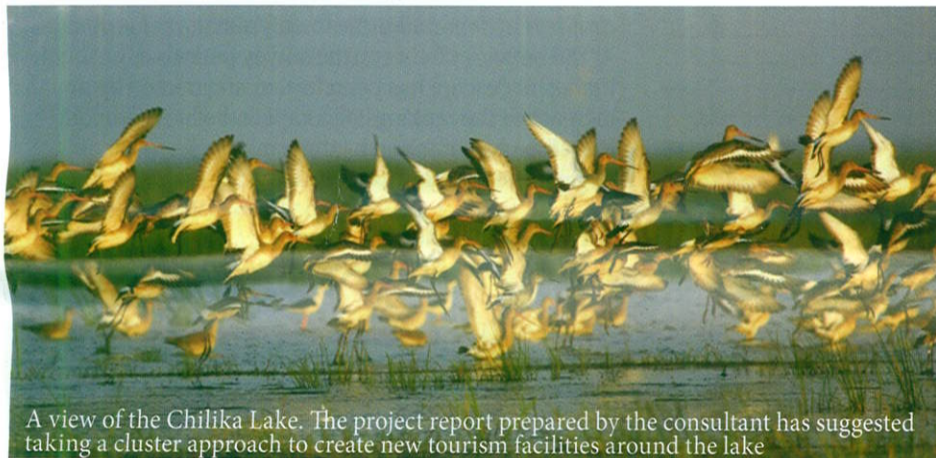
The formal private sector involvement will begin after the formation of SPVs

Samuka beach project size now truncated to 972 acres from 3000 acres

Chilika Lake masterplan proposes cluster development approach, ten sites identified

State government confident of convincing the NGT to lift the construction ban in Shamuka

(SPVs) will have to be set up to give Shamuka and Chilika Lake projects the envisioned shape. According to Chandan Mishra of PWC, the SPV for Samukha beach will be spearheaded by Industrial Development Corporation of Odisha (IDCO) and Odisha Tourism Development Corporation (OTDC). Additionally, Odisha Tourism is seeking technical assistance from Kerala Tourism to develop Shamuka on the lines of Bekal project. After a round of preliminary discussions, an MoU between the tourism departments of both the states is expected to be inked soon. Meanwhile, a recent order by the National Green Tribunal (NGT) has put off the preliminary construction work at Shamuka beach and the potential investors are concerned if it signals further delay. The NGT had put a brake on Shamuka project following complaints from a social activist claiming that the project would result in a massive deforestation in an ecologically fragile area. Odisha Tourism, however, is



A view of the Chilika Lake. The project report prepared by the consultant has suggested taking a cluster approach to create new tourism facilities around the lake



Odisha Tourism Minister Ashok Chandra Panda (fourth from the right) along with senior officials of state tourism and FHRAI at the investors summit in Delhi

of the state, Odisha tourism seems to be more convinced than ever before that the critical pieces have fallen in place for the mega projects to really take off.

"We are clearly looking for aggressive participation of investors and the private sector in our tourism development. The recently introduced IPR is a critical add on to our existing tourism policy which provisions for attractive incentives for the private investors. We believe that our two mega projects, Chilika and Shamuka which will be adding defining dimensions to the state tourism, will get a major boost now," said Ashok Chandra Panda, Tourism and Culture Minister on the occasion. "The state government plans for a quantum jump in tourism development through a mix of government and private sector participation. The Shamuka beach project which we have planned is going to be one of the largest integrated tourism projects in the country and we are hopeful that it will get ample support from the private sector," L N Gupta, Principal Secretary, Odisha Tourism added.

Odisha tourism certainly seems to be making a new pitch for hard-selling its two unique projects. Going by the details presented by the noted consultants who have been involved with Odisha tourism in shaping the masterplan, the projects underline creation of outstanding hubs which will be truly world class in all respects. Take the case of Shamuka beach area which is quite close to Puri and also the state capital and has been designated as a Special Tourism Area (STA) by the state government. In the past, it was believed to cover a sprawling land parcel of 3000 acres. But now it

about 920 acres and phase 1 development is underway. The construction of 132/33 kv power sub-station has been completed. The government is keen to complete the common infrastructure before inviting the private sector to pitch in and create different components of this ambitious programme," informed Chandan Mishra, Director, Government Reforms & Infrastructure Development, PWC.

For the Chilika lake mega tourism project, the masterplan has been prepared by IPE global and the cornerstone of this plan is to create 10 projects (of diverse nature) in a catchment area of over 1000 square kilometre. "The masterplan recommended by us has been made on the basis of micro-analysis of over 100 sites in the area. We have advised taking the cluster approach in developing as many as 10 tourism nodes in the zone," said Anuja Shukla, Manager (Urban Reforms), IPE Global. The masterplan broadly talks about creating new assets in the adventure, eco-tourism and water sports space. For instance, it talks of facilitating one day cruise trips in Rambha river stretch which lie in the proposed Mangaljodi cluster. IPE Global's masterplan for Chilika tourism zone also identifies dedicated corners for luxury resort, budget hotels and MICE center and also provisions for creation of a complete eco-tourism village with an investment of ₹10 crore. To give the zone its deserving grandeur, there is also suggestion to set up an iconic tower complex at Satapada to attract tourists. The idea is to allow tourists to enjoy beautiful views of the brackish water lake from the top of the tower. The proposed tower complex will also have a

lagoon park, a marine zoo, food court and other amenities. "As per our estimate, the total investments required to make these plans work on the ground would be close to ₹500 crore," Shukla added.

The formal process of allowing private investments in these mega tourism zones is still somewhat far off. Prior to that, Special Purpose Vehicles

confident that it would convince the tribunal that the project execution would be completely aligned with the environmental concerns. "We are preparing our argument and in the next hearing, we hope to get clearance from them. We are keen to get the project going as expeditiously as possible," Anil Kumar Samal assured. **TF**

New industrial policy to be the guiding force for tourism projects too

Odisha government has recently unveiled a new Industrial Policy Resolution (IPR), 2015 which is slated to become the cornerstone of all investments in the state in the coming years and will eventually supersede the existing sectoral policies. This will also include the state tourism policy which was announced in 2013. However, according to Odisha government senior officials, this will not impact the growth prospects of the tourism sector. The new IPR, in fact, identifies ten critical sectors for the growth of the state and tourism has been accommodated in this prized list.

"The Industrial Policy Resolution 2015 has come into the effect. This is overarching and will supersede all existing policies in the ten identified sectors as drivers of our future growth.

Now, we have to amend the sectoral policies, including the Tourism Policy, so that the concessions and incentives are in sync with IPR 2015," L.N. Gupta, Principal Secretary - Tourism, Odisha told the gathering of investors organised by Federation of Hotel & Restaurant Associations of India (FHRAI) in Delhi last month. However, till the existing tourism policy is amended, both policies will be in vogue and the investors will have the choice to avail concession granted by either policy frameworks. According to Odisha government officials, the new IPR has provisioned for a well-defined structure on concession and rebate. For instance, the clusters identified for investments and new projects cutting across ten sectors have been

classified into six zones and industrial land rate has been accordingly fixed. For instance, the land price in Zone A has been fixed at ₹125 lakh/per acre and the parcels offered in Zone B can be acquired in the price range of ₹30-60 lakh/ per acre. The capital invest subsidy would be to the tune of 20-30 percent of the total cost, the interest subsidy would be 5 percent (ceiling of ₹1 crore for 5 years) and there would be 100 percent exemption on stamp duty on allotment of land for the new projects. "The IPR 2015 is full of incentives and we are confident that players in the tourism sector too will derive advantage out of it," commented state Tourism Minister Ashok Chandra Panda. **TF**