Odisha puts Shamuka and Chilika on fast track for integrated development
invites private investors to participate in world class tourism hubs

By RITWIK SINHA

A t 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 "blessed with every ingredient" statement. 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 some time (Shamuka was conceived in 2010) but they haven’t really got off the block because of constraints every now and then. But with the project report and its project area are now available, the investors have been presented their detailed report and the recently unveiled of the new Industrial Policy Resolution (IPR) 2015, a move that is expected to add on to our existing tourism policy which provisions for attractive incentives for the private investors. We believe that our two mega projects, Shamuka and Chilika which will be adding dimensions to the state tourism, will get a major boost now,” said Ashok Chandra Panda, Tourism and Culture Minister on the occasion.

Shamuka beach project which we are planning 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 has been significantly scaled down—"Shamuka beach project has now been truncated to 372 acres. It will be easier and pragmatic to develop this patch," said Dinesh Kumar Mishra, Director Tourism, Odisha government. The project report of Shamuka which has been prepared by PricewaterhouseCoopers (PwC) reveals 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 masterplan prepared by the PWC, there is also provision to create a massive integrated complex which will be integrated with a 200-room 5-star hotel, one 500-room 5-star property, museum complex, a public park and a convention centre. For club house and other facilities of these, hotel and club house units will be built by the private players, while the construction of the remaining 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 372 acres of land in Shamuka to develop the project," Odisha Tourism Minister Ashok Chandra Panda (fourth from the right) along with other officials of state tourism and FHRAI at the investor’s summit (in Odisha).

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 IACROIIred to 372 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

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 is amended in 2013. However, according to Odisha government senior officials, this will not impact the growth prospects of the tourism sector. This will impact the growth of the state and tourism has been accommodated in this policy.

"The Industrial Policy Resolution 2015 has come into effect. This is overarching and will supersede all existing policies in the ten identified sectors as drivers of our future growth. New, 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 last month. However, till the existing tourism policy is amended, both policies will be in force and the investors will have the choice to avail concession granted by either policy frameworks.

According to the government officials, the IPR has been provided for a well-defined structure on concessions and rebate. For instance, the government will identify for investments and new projects cutting across ten sectors have been classified into six zones and industrial land has been accordingly fixed. For instance, for Zone A has been fixed at ₹125 per sq. acre and the parcels offered in Zone B could be acquired in the price range of ₹30-60 per sq. acre. The capital investment subsidy would be to the tune of 30-39 percent of the total cost, the interest subsidy would be 5 percent (costing of 1% for 5 years) and there would be 100 percent exemption on stamp duty on allotment of land for the 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. L F