

# World Bank and Japan to fund industrial corridor

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WORLD Bank and Japan have agreed to part-fund \$6-billion national industrial corridor along the freight corridor. The freight corridor will extend from Delhi to Mumbai and Mumbai to Kolkata, extending over 3,000 km. While the complete funding is yet to be tied, \$1.8 billion is expected to come from Japan alone. About 30% of the cost is expected to be funded by World Bank as part of the STEP assistance programme.

The industrial corridor will require funds not only to set up the freight corridors but there is also a plan to set up SEZs, industrial parks, industrial clusters, power projects, hotels and processing facilities along the 3,000 km corridor. The plan also includes the proposal to city up new Japanese cities along the corridor apart from the one already being developed at Gurgaon. The SEZs planned for the corridor are proposed to be multi-product ones catering both to the export and domestic market. With



## ROAD AHEAD

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- **World Bank may fund about 30% of cost as part of STEP assistance programme**
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corridors has been jointly scripted by the Indian commerce minister and the Japanese minister for economy, trade and industry Akira Amari.

large investments slated to come from Japanese companies there is likely to be a growth of 11-12% in the movement of goods annually. In the interactions with the minister for commerce and industry Kamal Nath at his recent trip to Tokyo, Japanese entrepreneurs have also shown interest in developing ports in Gujarat and Maharashtra. These will be both greenfield and brownfield, according to government officials.

The ministry of railways has already started work on the proposed rail freight corridor and has sent teams to US and Russia seeking expertise in the setting up of long distance rail freight tracks. The freight line will be made both on road and rail. As far as the power projects are concerned, the government is in the process of identifying some sites in the states of Rajasthan, Gujarat and Maharashtra, according to the source. The plan for the industrial