

Coastal Economic Zone: Case Study

CEZ Concept: Harnessing the prosperity of the Indian coastline and seeing it as a pivotal instrument of increased global and maritime trade, the Central Government has initiated a regime of port-led development through the Coastal Economic Zones across all the nine maritime states spread across the peninsula. In concurrence with the Sagarmala programme that has four essential features – port modernisation, port connectivity, port-led industrialisation and coastal community development, CEZs fall under the third category. The CEZs are basically spatial-economic regions, which could extend along 300-500 km of coastline and 200-300 km inland from the coastline. Each CEZ is envisioned to be an agglomeration of coastal districts within a state, which are expected to cater to a host of industries (food processing, steel, cement, leather processing, petrochemicals, ship building, electronics and automotives), hence achieving an increased share of Gross Value Added, percentage of exports, and serving as a source of employment to many people-both locals and migrated.

AP as CEZ- strengths: Moving forward towards the implementation part, NITI Aayog has pegged this number to 2 as a pilot phase, one each on the West Coast (Gujarat) and the East Coast (Andhra Pradesh). Andhra Pradesh, as a matter of fact, remains one of the most strategically preferred locations for this purpose owing to a host of factors that render it as a conducive destination for doing business and trading. With the second longest coastline in the country and 4 large ports having an ultimate capacity of 750 MMTPA, deep drafts and container terminal capable of handling vessels of DWT 200,000- Andhra Pradesh has a steady base for setting up a zone synonymous to its global contemporaries, which would qualify as a state of the art Innovation District in due time. Harnessing the potential of two large infrastructure projects Visakhapatnam-Chennai-Industrial Corridor (VCIC) and Chennai-Bangalore Industrial Corridor (CBIC), Andhra Pradesh has a broad and regionally connected industrial base that gives it an access to domestic economies strongly embedded in the global export economy. This is projected to lead AP to a stream of investments flow from adjacent economies; eventually giving it an impetus to set up a world class export hub. Towards this direction, the continuous efforts of the Chief Minister are envisioned to create an ecosystem of skill trained workforce that comprises of not only local but also migrated labour.

Models: By way of three case models, explained below (Table 1), a coastal economic zone in Andhra Pradesh's context has been anticipated in terms of the scope and requisites.

Region	Population		Per Capita GDP		Built Up Area	Exports	
	2000	2010	2003	2016		As on 2015	2003
Shenzhen, China	7,000,000	12,000,000		25,000 USD	2050 sq km	50 bn USD	225 bn USD
Songdo, Incheon City	22,000	55,000	13,000 USD	26,000 USD (doubled in 15 years)	Songdo IBD developed on 1500 acres (6 sq km)	35% of GDP of which 50% is from mfg	50% of GDP of which 88% is from mfg
Jebel Ali (Dubai)	31,364	250,000		40,000 USD	47 sq km		100 bn USD

1. ***Efficient Zonal Planning: Jebel Ali (Dubai)***- The case study of Jebel Ali exemplifies a classic case of efficient zonal land use plan, in which every zone comprises of Industrial, Residential, Commercial, and Community Spaces in addition to transportation, public utilities, and other support services for industries. Similarly the land usage pattern in the ports located within these zones comprises of adequate spaces for container terminals, dry/liquid bulk cargo terminals, storage terminals, custom & administrative spaces, warehouses and distribution centers, and inter-modal exchange lines. Precisely, Jebel Ali has its selling proposition in its *unique land management practices* that are followed within the free trade zone. This practice thrusts upon ***leasing or auctioning of land***; thus despite zero tariffs, majority of the income is derived from rent of the land, warehouses and other hardware facilities.
2. ***Strong Manufacturing Base: Shenzhen (China)***- The case study of Shenzhen highlights the efforts made by the regional government to leverage upon the land and labour costs in that region so as to have a competitive edge over Hong Kong, which was just beneath it. Prioritizing the industries to focus upon, Shenzhen got its very basics right and acknowledged the setting up of heavy manufacturing as difficult in the short run. A conscious effort was made to select light yet labour intensive industries, electronics followed by garment initially. Thereafter in order to remove market inefficiencies within these industries, Group Conglomerates were formed. The Group Conglomerates were an integration of firms within each industry, to ease the manufacturing process. Typically ***manufacturing took place in standardized and specialized spaces***. While standardized were pre-determined factory spaces that met the industry requirements, specialized were a customized type.
3. ***Economic City: Songdo International Business District (South Korea)***- The case study of Songdo International Business District throws light on how the Korean Administration adopted the strategy of cluster development by designating three Free Economic Zones across the State back in 2003. With the city of Incheon also being one, Korea embarked upon ***Innovation led regional industrial development policy regime***. With each cluster becoming a pioneer in a particular goods set, Incheon city mastered the manufacturing of machinery, automobile, and mechatronics. Streamlining and spearheading development, the city of Songdo that is located at a distance of just 9 km from the Port of Incheon, was selected. It was developed as a joint venture between the Korean Government and foreign real estate players. While a part of utilities and basic infrastructure funding was done through the public funds, a significant portion of funds was garnered from the market. As a result Songdo International Business District- a 6 square kilometers area was conceptualized and remains the ***largest private real estate project in the world***. It leverages on the proposition of its master-planning which includes the concept of recreational spaces (golf course, parks) in addition to the environmentally sustainable design of structures.