

FOR TELANGANA, A BAGFUL OF GOODS FROM DAVOS

Relevant for: International Relations | Topic: International Treaties & Agreements, and other important organizations

KT Rama Rao with the president of Hyundai Motors at the World Economic Forum in Davos, Switzerland. | Photo Credit: Special Arrangement

The World Economic Forum (WEF) in Davos last week provided Telangana an opportunity to help consolidate its position as one of the preferred investment destinations in India. Led by the State IT, Industries and Commerce Minister K.T. Rama Rao, the delegation to the annual gathering of world political and corporate leaders received investment commitments from several firms in various sectors. The 10-day trip to the U.K. and Davos helped Telangana bag 4,200 crore worth of investments, the Minister tweeted.

Mr. Rama Rao also used the opportunity to take a dig at the Centre. He spoke about what India should do to ensure that projects on paper are implemented faster and to garner more investments. India needs revolutionary reforms to strengthen its life sciences sector and compete with the world, he said, touching upon the ambitious Hyderabad Pharma City project of the Telangana government. At a meeting in London, he said Telangana had overcome all kinds of crises to emerge as a favourite destination for global investments.

Less than a week ago, Prime Minister Narendra Modi had said in Hyderabad that reforms have been undertaken continuously since his government came to power in 2014. "Today the world is realising that India means business," he said.

At some other time, Mr. Rama Rao's observations would not have warranted as much attention as it did against the backdrop of strained ties between the TRS-ruled State and the Centre since the bypoll to the Huzurabad Assembly constituency. Sitting TRS MLA E. Rajender had quit amid corruption charges, switched to the BJP and won the election. Soon, ties between the two parties turned frosty. They worsened when the Centre refused to procure more paddy grown in the State. While Chief Minister K. Chandrashekar Rao has been intensifying efforts to build a non-Congress, non-BJP front, the local BJP leadership has continued to build pressure on the State government.

TRS working president and widely perceived as the next in line for the Chief Minister post, Mr. Rama Rao has of late been critical of the Modi government. Telangana believes that it has been cold-shouldered with regard to the sanctioning of major projects in various spheres. The list includes the sanction given by the Centre to the Uttar Pradesh Defence Industrial Corridor for which Hyderabad and Bengaluru, with their existing ecosystem, would probably have been the best fit; the lack of financial assistance for the Hyderabad Pharma City; as well as the sanctioning of bullet train projects to Gujarat. Mr. Rama Rao has also been accusing the Centre of backtracking on the old promise of a rail coach factory in Telangana. In this context, the joint venture between Swiss firm Stadler Rail and Medha Servo for a 1,000 crore rail coach manufacturing unit in Telangana assumes significance. Besides this, Ferring Pharma has announced that it will invest approximately €60 million over the next 2-3 years for establishing another manufacturing facility in the State. Schneider Electric has decided to set up a second manufacturing unit in Hyderabad and Hyundai has said it will invest 1,400 crore to set up a Proving Ground. By attracting multiple investments in the pharma space, Hyderabad continues to build on its strengths as the pharma hub of India.

These investments will not just bring in revenue but also jobs. With Assembly polls scheduled next year, there is a sharpened focus on job creation. Not long ago, the State government announced it would fill 80,000 vacancies through direct recruitment and regularise more than 11,000 contract employees.

All attention will now be focused on how soon the investments materialise and which way the political winds blow.

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