



**Gujarat**

### **Cluster Development**

A cluster would be defined as a group of industries manufacturing identical and complimentary products. The Government has decided to recognize a cluster with a critical mass of a minimum of 50 units located within the radius of 10 kms at a particular location. The number of 50 units could be relaxed by the Government in respect of certain sectors having regard to the managerial and technical competence, size and the nature of the industry.

- The Government aims to empower the clusters by providing need-based financial assistance for taking up strengthening activities. For the purpose, individual clusters will be rated by accredited rating agencies in terms of technical and managerial competence, level of maturity, administrative set up, past track record, transparency of operations, etc. Based on the grading, quantum of financial assistance will be decided.
- The assistance will be provided for the purpose of helping the clusters in up gradation of both product design and technology, quality improvement, R&D activities, common branding and marketing facilities, development of common facilities such as library, testing and certification laboratories, tool room, soft skill development, capacity building for workers and supervisors in terms of skill up gradation and productivity, etc besides the up gradation/creation of common infrastructure facilities.
- Assistance to the identified clusters will be from existing schemes of the government. Detailed guidelines for assistance will be laid down separately.
- The Government also has decided to offer concessions in the form of electricity duty exemption for a period of first five years to the cluster associations if they set up either common power plants or common effluent treatment plants or waste recycling plants.

The cluster associations will be encouraged for:

- Creation of common facilities like Research and Development laboratories, the fruits of which can be reaped by all the participants.
- Periodic review of unit members for Improved technology and quality
- Help the member units by involving R&D institutions in up gradation of technology with the help of Government fund
- The associations will assist their member units to tie up bank finance and at the same time will also help the banks to recover their dues.

- The Government will also encourage cluster associations to set up cooperative banks to enable members units to avail of finances at competitive cost. For the purpose, the Government would provide necessary interventions in terms of ensuring proper monitoring and regulating operations, human resource development and arrangement of funds.
- The associations will also help the units to find new markets. For the purpose, they will maintain an extensive information bank of the opportunities available for their cluster products in other markets, as also they will strive to devise strategies for strengthening existing markets of their member units. They would make representations to the Government, if the latter's intervention is required.
- The associations will encourage common branding and marketing through the brand development and marketing fund. Government considers this to be a very important aspect, as it will enable the units to channelize their efforts in a focused direction as also it would initiate a process of projecting image of Gujarat as a leading producer of quality goods.
- The cluster associations will launch a campaign for the use of cleaner technologies. For the purpose, arrangement would be made to provide information on advice and guidance as well as training on pollution control norms.
- The cluster associations will also arrange for the capacity enhancement programmes including productivity improvement for the workforce engaged in the member units.
- The cluster associations will also motivate the member units to go for review of energy and water consumptions for the purpose of conservation of these resources. For the purpose, they will also be encouraged to use energy efficient devices as well as minor modifications in the process design to change the operating conditions.
- The cluster associations may arrange for a collective participation in national as well as international fairs.