



Vision

In spite of significant social development indices, the performances in the primary and secondary sectors of the State, due to various reasons, were abysmally low. The investments in agricultural and industrial sectors were far from satisfactory and the rates of growth in these areas were below national average. Due to historical and social reasons, sectors like education and health have exhibited exemplary growth but owing to the poor status of the primary and secondary sectors, the society could not make use of the healthy, educated population of the State. Hence, to sustain the achievements in the social sectors it has become imperative to ensure growth and development in these poor-performed areas.

The Industries Department has set the target to convert Kerala into an industrially advanced State, generating maximum employment and duly protecting the ecological balance. It is intended to develop a vibrant, modern and sustainable industrial sector capable to withstand the stresses of globalisation. Public enterprises, the vital sector of the industrial production of the State, are to be salvaged and to be reconstructed into an ideal production zone. The sidelined sections of the population are to be protected and their working conditions are to be improved so as to ensure enhanced returns and decent living. In conformity with the above objectives, Industrial Policy 2007 was declared and the Government is tirelessly working to achieve the targets. Due to the concerted efforts of the Industries Department, the State is slowly washing away the anti-industry taboo and becoming a most acclaimed investor friendly State. The KPMG and World Bank reports have proved that we have been able to change the negative perception regarding the state. State PSUs are now on resurgence and they will be self-reliant in the near future. The traditional sectors like handloom, handicrafts, khadi etc., have registered significant growth and development.

Elamaram Kareem



Industry Surging Ahead

MAJOR PROJECT
on the Anvil

28 PSUs make profit, total profit Rs.166.77 crore; Bonus bonanza for profit making PSU employees

Reopening of closed PSUs like Kerala Soaps at Kozhikode and Thiruvananthapuram Spinning Mills

NIFT opens at Kannur; Ninth campus in the country

Navaratna Central PSUs (HAL, BEL &



BEML) units in Kinfra parks; new Kinfra parks at Adoor and Kunnamthanam

Bamboo Tile factory at Kozhikode and Bamboo

processing unit at Wayanad

Tie-ups and Joint Ventures with Central PSUs: SCL – SAIL, TELK – NTPC, KEL – BHEL

and GoK – Indian Railways

Rs.500 pension for Beedi workers

Price preference scheme for SSI reintroduced

Rebate & Pension arrears cleared in Handloom, Khadi and Bamboo sectors; Cost chart revision and wages increase in Khadi

About 16000 new ventures in the MSME sector



The Industrial Township project at Kinalur near Kozhikode would be a joint venture with the Malaysian Government. With a proposed investment of Rs.2,500 crores, this would be the biggest industrial investment in northern Kerala and would offer employment opportunities for 25,000 persons. Spread over 275 acres at the Industrial Growth Centre of KSIDC in Kinalur and another 25 – 50 acres near Kozhikode, the project will encompass knowledge-based industries, condominiums, entertainment centres and other associated infrastructure.



5 OTHER PROJECTS Envisaged

- 1 Commissioning of the Textile Centre at Nadukanni, Kannur
- 2 Spices Park at Idduki, Marine Park at Beypore, Mega Food Park at Wayanad and Life Sciences Park at Thiruvananthapuram
- 3 Commissioning of 500 tonnes Titanium Sponge Plant at KMML – ISRO Joint Venture at Chavara
- 4 Rubber Park at Ranni and Kera Park at Kodagara
- 5 Advanced Technology Park at Ramanattukara, Kozhikode and Electronics Parks at Ernakulam & Kasaragod.



Central Projects

BrahMos

BrahMos Aerospace, a joint venture of India's Defence Research and Development Organisation and Russia's NPO Mashinostroyeniya, took over Kerala Hitech Industries Ltd. (KELTEC), the State's Public Sector Undertaking. It is expected that this first production centre in the state under the Ministry of Defence will pave the way to unprecedented industrial development in the State. The unit anticipates an investment of Rs.1500 crore in the second phase of development.

Works for Aircrafts Maintenance Base inaugurated

The civil works for Air India's engineering and maintenance base unit near the international airport in Thiruvananthapuram has been

started. The work on the Rs.70 crore project is to be completed soon. The base would have the latest State-of-the-art technology. It would be able to provide service to two 737-800 aircraft at a time.

HAL

Foundation has been laid for the strategic electronic manufacturing unit of the State-run Hindustan Aeronautics Ltd. (HAL) at Kasaragod. Hindustan Aeronautics Ltd (HAL) - which now produces fighter aircraft and helicopters - will be able to commence work on the production of civil aircraft within a reasonable time. The factory will come up on 200 acres at an industrial park of Kerala Industrial Infrastructure Development Corporation (Kinfra) in Seethagoli town, Kasaragod at an investment of Rs.2 billion.

The Revival

The measures the Government has taken to revive and revitalise the State owned public sector units have yielded positive results. Without pumping fresh resources and recruit additional staff, the present government could viably run most of the PSUs. A reversal of the policy of the UDF government helped to make this achievement. The previous government had set up an Enterprises Reforms Committee (ERC) with the intention to either shut down or sell out loss-making PSUs. Some of the units had already been closed down in core sectors and

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thousands of workers became jobless. The LDF Government rejected the recommendation of the ERC and decided to revive and restructure PSUs.

Thanks to the insightful leadership, dedication of workers and managements of the PSUs, persistent supervision from the but the LDF on coming to power revised it and provided Rs. 53 crores.

28 of the 42 PSUs have made a profit. Of these, eight companies had been in the red in the previous fiscal, but had managed to turn around. At a time when State PSUs across the country were sinking, Kerala's PSUs performance was remarkable.

SUCCESS STORY

Made them profiteering

28 Public Sector Undertakings under the Ministry of Industries & Commerce has shown profit in the financial year 2008-09 as per their annual review. The number of profit making units went up marginally over the last fiscal. The companies together made a profit of Rs.166.77 crores with a turnover of Rs.2111.04 crores. Kerala Minerals and Metals Ltd. (KMML) reported the highest record profit of Rs.70.84 crores in this period.

During 2008-09, close to 20,000 employees of Public Sector Undertakings under the Industries Department had a bonus bonanza during the festival season. Fourteen profit making PSUs gave higher bonus and ex-gratia payments to their employees. The bonus ranged from Rs.5,000 to Rs.16,500, depending upon performance and other parameters as against the previous year's payments of Rs.2,500 to Rs.12,500.



The LDF Government assumed office at a time when the UDF govt. wanted to implement the Enterprise Reforms Committee Report and orders were issued to either privatise or to close down many state PSUs. Many of them were re-opened. Many PSUs, which were ordered to be closed down, are making profits for the last



No Close Down

two years. Government budgetary support for all the sectors under this department has seen a manifold increase over the last three years. Arrears of traditional sectors during the last government has

been cleared. Price Preference Schemes were revived and several other benefits availed by SSI units that were earlier stopped by the previous government were reinstated. Green Channel and Single window clearance mechanism has been introduced wherever possible to facilitate investors.