



An year of challenges • Soothing solutions



# Firm steps to make Karnataka a top destination for industries

The prime focus of the Yediyurappa government is to facilitate the setting up of industries. The government has also planned to develop 10 new industrial townships across the state in an effort to reduce the pressure on industrial areas in Bengaluru.



Chief Minister B S Yediyurappa releases a book during the Bengaluru Tech Summit organised the government of Karnataka in Bengaluru.

In less than a year after assuming office, the Chief Minister B S Yediyurappa-led government in the state has undertaken some revolutionary measures for the promotion of industries in the state.

While the government began with an announcement to revamp and introduce a new industrial policy for the next five years, it initiated several innovative measures following a visit to the World Economic Forum (WEF) meeting at Davos in January this year.

Overall, the government has initiated several new policies to facilitate development of micro, small, medium and large industries in the state and revive investor interest towards Karnataka.

The new industries policy (2020-25) is aimed at focussing on making the state a most favourable industrial destination in the country. The policy aims at holistic development of the state by looking beyond Bengaluru, with a view to decongesting the city and ensuring equitable distribution of industries all over the state. The policy also aims at attracting investment in sectors such as automobiles, pharmaceuticals, engineering, knowledge-based industries, cement, steel, energy, defence and logistics among others.

The new industries policy is also aimed at attracting investments to an extent of Rs 5 lakh crore and create employment for around 2 million.

According to Industries Minister Jagadish Shettar, the industrial policy will focus on developing industries in the Tier-II and Tier-III

cities of the state. It will encourage investors to favour the establishment of industries in the backward regions and create jobs in the districts.

The government is also coming out with a new policy to fix rates for land allotted to industries by the Karnataka Industrial Areas Development Board. The aim is to set right several anomalies in fixing the rates for the land allotted by the KIADB.

The government also made changes to the Land Reforms Act, 1961 through an ordinance to buy and own agricultural land. The amendment allows non-farmers to buy farmland. The move is aimed at attracting investment in the agriculture sector and increasing food production.

## Attracting investments

Over the last one year, the state high level clearance committee (SHLCC) headed by the chief minister has cleared 181 investment proposals with an investment of Rs 32,636 crore. These projects are likely to generate employment to 77,876 people.

Attending the annual meeting of the World Economic Forum (WEF) in Davos from January 20 to 23 was among the major achievements of the government. The Chief Minister B S Yediyurappa led a high-level delegation to Davos where 117 top global leaders from 53 countries and more than 3,000 people took part.

The delegation held discussion with more than 40 major industrialists and global think tanks during the summit. One-on-one meeting with the heads of various multinational firms were conducted at the

Karnataka pavilion that included enterprises such as Dassault, Lulu group, Uber, General Electric, Coca-Cola, Mitsubishi Industries, NEC Corporation, DAMAC group, Crescent Petroleum, Denso Corporation, Procter and Gamble, DXC Technologies, Dalmia Cement,



Chief Minister BS Yediyurappa (right) and CEO of ArcelorMittal Lakshmi Mittal (left) interact at Davos.

Bharat Forge, Adani Group, Hitachi & SAP Labs. During the discussion, major industrialists showed interest to invest in sectors such as Energy, Mobility, Electronics, Aerospace, Heavy Machinery, FMCG, Internet of Things (IoT) & Artificial Intelligence, Basic infrastructure and Pharmaceuticals etc.

As a precursor to the upcoming global investors meet, the state

government organised Invest Karnataka at Hubballi, a first such event in north Karnataka, on February 14 under the Chairmanship of Jagadish Shettar, Minister for Large and Medium Industries and Public Enterprises. The aim of the conference was to showcase investment opportunities in the North Karnataka Region and to enhance the enabling environment and infrastructure development in the region.

The conference received overwhelming response from the leading industrialists, and 54 Memorandums of Understanding with an investment of Rs 73,714.31 crore were signed. These proposals have the potential to generate employment for 90,507 persons.

Out of 54 MOUs signed, project proposals of 14 companies have been approved by SLSWCC with an investment of Rs 1,094 crore and these projects are likely to generate employment for 3,349 people.

In an effort to speed up investment from Japanese companies, the government has set up a facilitation and monitoring committee, which has held three meetings during the last fiscal year.

Among the major reforms carried out by the government over the last

one year include amendment to the Karnataka Land Revenue Act 1954, under which procedures have been simplified to buy agricultural land. Under Section 109 of the Karnataka Land Revenue Act, 1961, now anyone can purchase agricultural land and convert agriculture land for non-agriculture purposes (including deemed conversion) under Section 95 of the Act.

The prime focus of the Yediyurappa government is to facilitate the setting up of industries. The state introduced The Karnataka Industries (Facilitation) Act, 2002 and simplified the regulatory framework. To further simplify the procedure for establishment of "Manufacturing Industries/ Enterprises" in the state, the Karnataka Industries (Facilitation) (Amendment) Ordinance, 2020 has been issued, which provides initial exemption from obtaining the pre-operative clearances for a period of 3 years or till the date of commercial operation.

"This is a historic decision. We wanted to ensure ease of doing business and hence, the amendment. Karnataka will be the third state after Gujarat and Rajasthan to set up this model for the clearance of applications. Even in these states, it is applicable only to small and medium scale industries. Our amendment will be applicable to all industries," Shettar said.

The government has also planned to develop 10 new industrial townships across the state in an effort to reduce the pressure on industrial areas in Bengaluru. One such estate is planned at Haveri spread over 1,000 acres.

## Unprecedented floods unparalleled efforts

On July 26, 2019, B S Yediyurappa took oath as Karnataka's chief minister. A week later, the state witnessed one of its worst natural calamities when floods smashed 103 taluks across 22 districts, killing 91 and displacing nearly 7 lakh persons.

Between August 3 and August 9, several parts of state received heavy rain and this problem was compounded with high outflows into the Krishna river from Maharashtra's reservoirs. Karnataka received rainfall that was 279% more than normal, breaking a 118-year record.

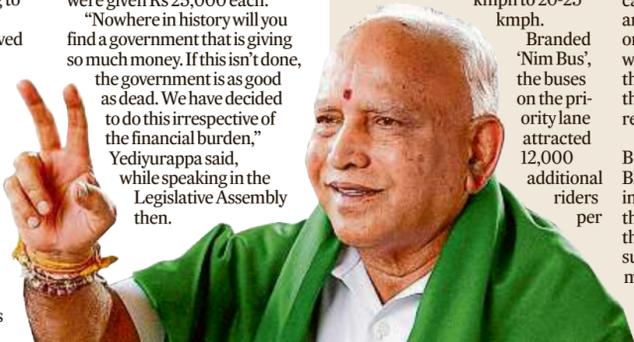
Yediyurappa visited the flood-affected places and personally monitored the rescue and rehabilitation efforts. He also gave a patient hearing to victims of the floods.

The government approved Rs 10,000 crore for relief and rehabilitation of flood-affected areas. This package included Rs 3,800 crore under the State Disaster Relief Fund (SDRF) and a top-up of Rs 6,200 crore by the state government.

When a second spell of floods happened in October and November 2019, the government ordered that Rs 10,000 should be given to all families that were affected by this.

The floods destroyed crops spread across 7.54 lakh hectares. As per norms, the government could provide Rs 6,800 per hectare of rain-fed land. Convinced that this was not enough, the government decided to add Rs 10,000 extra from its coffers and make it Rs 16,800 per hectare. Likewise, the government decided to give Rs 23,500 for horticulture crops and Rs 28,000 for irrigated crops. Also, handloom units and shops that needed repair due to damages caused by the floods were given Rs 25,000 each.

"Nowhere in history will you find a government that is giving so much money. If this isn't done, the government is as good as dead. We have decided to do this irrespective of the financial burden," Yediyurappa said, while speaking in the Legislative Assembly then.



More than a decade after experts pushed it as a major solution for Bengaluru's bumper-to-bumper traffic, the bus-priority lane became a reality thanks to interest taken by the B S Yediyurappa-led government.

In fact, the Cabinet ministers who visited the work site on the Outer Ring Road (ORR) had said that the chief minister took keen interest in the project. On November 15, the bus lane from the Central Silk Board to Tin Factory was inaugurated. The simple event, however, was seen as a major landmark in the government's effort to help the public transport systems.

The significance of the bus lane was brought home within a month when the Bangalore Metropolitan Transport Corporation (BMTCC) recorded a sudden increase in ridership. What more, the duration of the journey was cut by half as the average speed of the buses went up from 7-8 kmph to 20-25 kmph.

Branded 'Nim Bus', the buses on the priority lane attracted 12,000 additional riders per

## Public transport gets a big push; bus lane turns reality

day. Officials said though the buses were limited to run on 20% of the road space, they carried 15,000 passengers in an hour on Outer Ring Road, which was half of the total number of commuters on the road.

The government was quick to see the benefit of the project and promised to extend the priority lane. The government finalised the bus lanes on Indiranagar 100 Feet Road, Old Madras Road, Benniganahalli Bridge, KR Puram Railway Station and Outer Ring Road (ORR).

Officials believe that the success of the ORR Bus Priority Lane can be replicated on all roads that are wide enough to provide one or two lanes for the buses. Efforts were on to find more roads when the Covid-19 crisis erupted. But the work on the project is set to resume in the coming months.

In November, Chief Minister B S Yediyurappa noted that the BMTCC has a major role in reducing congestion and pollution in the city. The CM had announced that the state government will support BMTCC to hire 6,000 more buses in addition to the 6,500 existing buses. The leasing of buses was seen as



The Yediyurappa government is instrumental in implementing bus priority lane for decongesting Bengaluru roads.

a timely solution as buying new buses will cost around Rs 5,000 crore. Hiring buses, on the other hand, will cost up to Rs 500 crore a year. Recognising the demand of the civic groups, the chief minister also said that the government will look into the demand for reducing bus fares to make public transport more affordable and popular.

More than 1.23 lakh employees of KSRTC, BMTCC, NEKRTC and NWKRTC were staring at a crisis as the four corporations could not provide salary for them for the month of April. The state-run road transport corporations were one of the institutions that were hit hardest by the Covid-19

as operations came to a grinding halt, which brought down the revenue to zero. The state government released Rs 325 crore for April as well as another Rs 162.5 crore towards 50% of the salary expenditure in May. Officials had said that without the grant, they would not have been able to pay the employees, some of whom had turned into Covid warriors by rendering their services to ferry the workers in essential sectors.

## Boosting morale

The BMTCC staffers rendered a yeoman service by working during the lockdown when the fear of Covid-19 was at its peak despite

the low numbers. The 3,397 employees, mainly drivers and conductors, were instrumental in transporting people to quarantine centres as well as carrying migrant workers to railway stations from March 26 and April 20.

Recognising this, the state government approved a proposal by the BMTCC to provide Rs 250 per day incentive to such employees. The employees were virtually risking their lives to run buses, including those providing services to thousands of people working in the essential services sector. The government has given its approval for disbursing Rs 95.92 lakh to the employees (Grade 3 and 4) towards a total of 38,370 working days.

The KSRTC has stepped up efforts to help women employees by enhancing the existing maternity leave from six months to one year. As per the standard rules, employees could avail of leave for 90 days prior to birth of child and 90 days more post delivery. Amending the existing rules, the KSRTC has allowed women employees to stay off from work for one year, which will be paid if they have enough leaves in their account. Those without leaves have the option of going on unpaid leave.