



## PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

**Sub** : Karnataka Industrial Policy 2014-19 - reg.

**Read** : Government Order No. CI 233 SPI 2008, dated: 28.02.2009.

### **PREAMBLE:**

The State Government considers industrial growth as a means to mitigate poverty and unemployment. Development of industry, trade and service sector promotes higher capital formation, improves per capita income level, absorbs surplus work force. To realize these benefits and expedite socio economic changes, the State accords top priority for industrial development. In the process, it is aimed at advancing the cause of inclusivity, balanced industrialization and creating employment opportunities across different classes and categories of populace.

The State Government had announced Karnataka Industrial Policy 2009-2014 vide G.O. No. CI 233 SPI 2008, Bangalore, dated 28.02.2009 for promoting manufacturing and selected service industries in the State. This Policy came into effect from 01.04.2009 and had validity up to 31.03.2014. Further the validity of Industrial Policy 2009-2014 was extended till the introduction of new Industrial Policy 2014-19.

Government of India has come out with the National Manufacturing Policy in 2011 with an objective of accelerated development, inclusive growth and provision of gainful employment. The policy aims to enhance share of manufacturing in GDP to 25% by 2025 and create 100 million jobs with appropriate skill sets, increase the depth in manufacturing and enhance global competitiveness.

The Karnataka Manufacturing Taskforce (MTF) constituted by the State Government to study the manufacturing sector in Karnataka and suggest interventions to drive growth in the sector in a sustainable and holistic manner, taking into account global trends and existing challenges in the manufacturing sector has given its valuable recommendations and suggestions.

It is in this context that the State Government is desirous of formulating a new Industrial Policy to be in alignment with the objectives and goals of the National Manufacturing Policy 2011 and the recommendations of Karnataka Manufacturing Taskforce (MTF) which would enable smooth transition of policy measures for the benefit of investors in the State.

The policy has been drafted through an extensive consultation process with all the stake holders i.e. Trade Bodies /Associations, related Government Departments and deliberations on various components of the policy such as Infrastructure, facilitation mechanism, HRD, incentives and concessions, MSME development, focused sector etc. and Government appreciates the valuable suggestions of the Karnataka Manufacturing Taskforce (MTF) and all other stake holders. The views and suggestions offered by all the stakeholders have been incorporated suitably in the policy with the objective of making Karnataka a preferred destination for Industry.

In the light of the above, a decision has been taken by the Government to formulate and adopt a New Industrial Policy for the period 2014-19.

Hence the following order:

**GOVERNMENT ORDER No: CI 58 SPI 2013, BANGALORE, DATED:01.10.2014**

In the circumstances explained in the preamble, Government is pleased to announce the Karnataka Industrial Policy 2014-19 as detailed in Annexe to this order supported by the following annexures :

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| Annexure 1 | List of Service Enterprises eligible for package of Incentives and Concession          |
| Annexure 2 | List of Industrial Activities / Enterprises not eligible for Incentives and Concession |

Annexure 3A	Terms and Conditions for extending incentives and concessions
Annexure 3B	Terms and Conditions for Private Industrial Areas/Estates
Annexure 4	Initiatives for Export Promotion
Annexure 5	Definitions

The vision of Karnataka Industrial Policy 2014-19 is to build a prosperous Karnataka through inclusive, sustainable and balanced industrial development thereby creating large employment opportunities. The objectives of the policy are as follows:

- (i) *To maintain an industrial growth rate of 12 % per annum.*
- (ii) *To enhance the contribution of manufacturing sector to the State GDP from present level of 16.87% to 20% by end of policy period*
- (iii) *To attract investment of ₹ 5.00 lakh crore*
- (iv) *To create employment opportunities for 15 lakh persons*
- (v) *To create an environment to enhance ease of doing business in the State.*

Government desires to achieve these objectives through the following policy measures:

- (i) *Creation of quality infrastructure with comprehensive facilities.*
- (ii) *Human resource development through capacity building and skill up gradation.*
- (iii) *Simplification of facilitation mechanism and procedural reforms.*
- (iv) *Thrust for Hyderabad Karnataka area.*
- (v) *Special thrust for encouraging SC/ST entrepreneurs, Women entrepreneurs, Non Resident Kannadigas (NRKs) etc.*
- (vi) *Encouragement for export promotion.*
- (vii) *Support for R&D and Digital Direct Manufacturing*
- (viii) *Encouragement for Anchor Industries*
- (ix) *Attractive incentives and concessions*

The above industrial policy and package of incentives and concessions shall come in to effect from 01/10/2014 and will be valid for a period of five years or till a new policy is announced.

This order issues with the concurrence of Finance Department vide U.O. Note FD/726/Exp-1/2014 dated 16/07/2014 and 06/08/2014, Water Resources Department vide U.O. Note WRD/140/KBN/2014 dated 21/6/2014, Infrastructure Development Department vide U.O. Note IDD/28/I-TC/2014 dated 05/06/2014, Labour Department received vide

Ka E /170/LET/2014 dated. 29/4/2014, Forest Ecology and Environment Department vide letter dated 08/04/14, Energy Department vide their UO note EN2/VSC/2014/P1 dated 30/06/2014 and dated 31/07/2014, Planning Department vide their UO Note PD/26/FRO/2014 dated 16/06/2014, Urban Development Department received vide UDD/45 /UMS/2014 dated 21/07/2014, Revenue Department vide U.O. Note NO: RD/230/LGB/2014 dated 21/07/2014 and U.O. Note NO: KA E/25/MU NO MU/ 2014 dated: 22-07-2014, Department of Women and Child Welfare received vide UO Note no WCD/4397/PRS/2014 dated 21/7/2014, Rural Development and Panchayath Raj vide U.O note KSRLPS/Kai Nee-2014-19/2014-15 dated 23/7/2014 and Cabinet approval dated 11/09/2014.

By Order and in the name of the  
Governor of Karnataka,



(K. RATNA PRABHA, IAS)

Additional Chief Secretary to Government,  
Commerce & Industries Department.