



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub:	New Industrial Policy 2020-25 – reg
Read:	1) Government Order No. CI 58 SPI 2013, dated 01.10.2014.
	2) Government Order No. CI 224 SPI 2015(P2), dated 01.02.2016.
	3) Government Order No. CI 204 SPI 2015, dated 12.09.2016.

PREAMBLE:


Karnataka is a land of immense opportunity and innovation. It is ideally positioned to make the future happen today. The State's manufacturing process is supported by critical enablers such as: thriving ecosystem, highly skilled and talented workforce, empowering institutional & policy environment; favourable business climate and robust infrastructure.

Government has taken many initiatives to enhance its stature as one of the leading high-tech industrialized States in the country and is in the forefront of attracting investments from across the country and abroad. As a result, the State ranks 1st in attracting investment intentions since 2016 and has attracted FDI of US\$ 37.67 billion during the period April 2000 to March 2019, constituting 9 per cent of the all India FDI.

Government of Karnataka comes out with industrial policies at regular intervals of five years to ensure a well-balanced, sustainable and inclusive industrial development throughout the State. The State Government had announced Karnataka Industrial Policy 2014-19 read at above for promoting manufacturing industries in the State. This Policy came into effect from 01.10.2014 and had validity for a period of 5 years or till the announcement of New Industrial Policy is announced.

During formulation of the New Industrial Policy 2020-25, several interactions and stakeholder consultations were held across the State wherein views, demands and suggestions of industry / industry associations / departments on key areas have been received and intricately incorporated in the policy.

The new industrial revolution presents new opportunities for industry, particularly manufacturing and manufacturing-related service industries including smart manufacturing, customization, collaborative production etc.



The focus of the New Industrial Policy 2020-25 is to build on the strengths of Karnataka's industry and to enable it to fulfill its role as the engine of growth and to shoulder responsibility of adding more hi-tech value and employment.

In view of the above, a decision has been taken by the Government to formulate and adopt a New Industrial Policy for the period 2020-25. Hence, the following order:

GOVERNMENT ORDER No. CI 199 SPI 2018, BENGALURU, DATED 13.08.2020.

In the circumstances explained in the preamble, Government is pleased to announce the New Industrial Policy 2020-25 as detailed in Annexure, enclosed to this order, to build on the strengths of Karnataka's industry and to enable it to fulfill its role as the engine of growth and to shoulder responsibility of adding more hi-tech value and employment.

The salient features of New Industrial Policy 2020-25 are as follows.


i. Vision

To emerge as a global leader in Advanced Manufacturing, Research & Development, and Innovation and to create an ecosystem for an inclusive, balanced and sustainable development of the State.

ii. Mission

To retain Karnataka's position as a global manufacturing hub and to achieve higher and sustainable industrial growth through capital infusion, technology transfer, world class industrial infrastructure, skill up-gradation and benchmarking of policies and practices to best global standards.

iii. Objectives

- a. To attract investments worth INR 5 Lakh crore
 - b. To create employment opportunities for 20 Lakh people
 - c. To reach 3rd position in merchandise exports in the next five years
 - d. To maintain an industrial growth rate of 10 per cent per annum
 - e. To provide an enabling ecosystem for technology adoption and innovation
- 

iv. Strategies

- a. Promote sustainable, balanced and inclusive industrial growth.
- b. Enable employment generation and increase labour market flexibility through regulatory labour reforms.
- c. Create strategic tie-ups for the emergence of Karnataka as the Knowledge and R&D Hub.
- d. Focus on development and promotion of the MSME Sector.
- e. Facilitate availability of industrial land.
- f. Promote Tier II / III cities of the State as engines of economic growth.
- g. Place Karnataka in the forefront of India's international trade.
- h. Showcase Karnataka as the "Factory of the Future"- Industry 4.0
- i. Engage with various stakeholders to develop sector specific skill development strategy
- j. Attract private investment in development of integrated / multi / sectoral industrial parks and flatted factories.
- k. Create an environment to enhance ease of doing business in the State
- l. Support for R&D & Technology Upgradation

The New Industrial Policy 2020-25 and package of incentives and concessions shall come into effect from 13.08.2020 and will be valid for a period of 5 years or till a new policy is announced.

This order is issued with the concurrence of the Energy Department vide Note No. ENERGY/481/VSC/2019-EMC-Energy Secretariat, dated 20.12.2019; Labour Department vide File No. CI 199 SPI 2018 (P5); Planning Department vide Note No. PDS/46/PFR/2019, dated 20.12.2019; Infrastructure Development Department vide File No. CI 199 SPI 2018 (P4); Revenue Department vide Note No. RD 01 LRA 2020, dated 06.03.2020; Urban Development Department vide Note No. UDD 2 TTP 2020, dated 30.04.2020; Rural Development & Panchayath Raj Department vide File No. CI 199 SPI 2018 (P7); Water Resource Department vide File No. CI 199 SPI 2018 (P11); Finance Department vide Note No. FD 277 Exp-1/2019 / CI 199 SPI 2018 (P3) dated 23.06.2020 and Cabinet Note Subject No. C-317/2020 held on 23.07.2020.

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

Sd/-

(GAURAV GUPTA)

Principal Secretary to Government,
Commerce & Industries Department