



Innovation
now



Growth
forever



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KARNATAKA

Where the Future is Made Today

Karnataka is the bright spot in the developmental story of India. It epitomizes the best of many worlds - a land of ancient heritage, scenic beauty, thriving wildlife, and rich culture. It is also a land of innovation, industry and a rich talent pool.

Home to the Silicon Valley of India, it is a leader in sectors such as IT & ITeS, Machine Tools, Aerospace, Biotechnology, R&D, and Engineering Design.

From Silk to Precision Manufacturing, the State covers the entire tapestry of industry. As a result, it has emerged as an important link in the global supply chain.

Come invest in Karnataka and make the growth story of Karnataka your own.



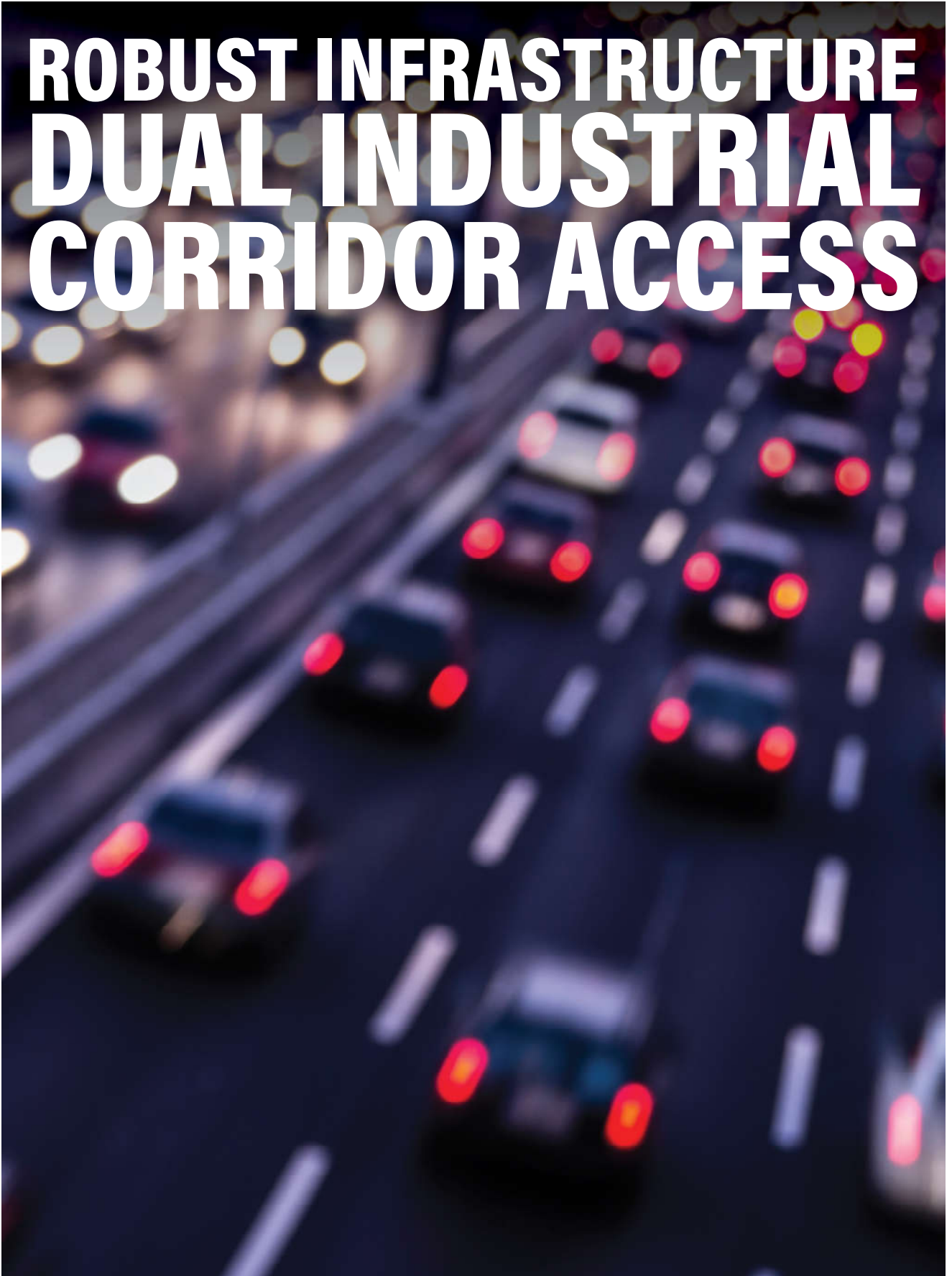
ECONOMIC OVERVIEW

- GSDP at 9.6% per annum
- 4th largest economy in India
- 1st in IT and ITeS exports
- 4th in merchandise exports

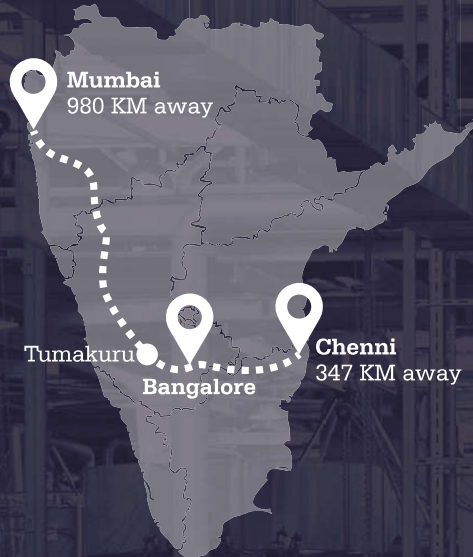
ADVANTAGE KARNATAKA: ITS ROBUST ECOSYSTEM

- 1st in India Innovation Index
- 4th largest skilled workforce
- Highest number of engineering colleges, ITIs, and polytechnics
- Largest R&D Hub in the country
- Policy-driven ecosystem
- Pleasant climate and cosmopolitan culture
- Home to 400 Fortune 500 companies

ROBUST INFRASTRUCTURE DUAL INDUSTRIAL CORRIDOR ACCESS



- CBIC (Chennai-Bengaluru Industrial Corridor)
- BMEC (Bengaluru-Mumbai Economic Corridor)



CONNECTIVITY



- BIAL is the 3rd largest airport in India in terms of air traffic
- International Airports – Bengaluru & Mangaluru
- Existing Regional Airports – Mysuru, Vijayanagara, Hubballi, Belagavi, Kalaburagi
- Upcoming Airports – Shivamogga, Chikkamagaluru & Hassan



- 2,40,000 KM of laid roads
- Presence of 13 major national highways



- New Mangaluru Port with deep water linkages on the western coast
- 9 minor ports



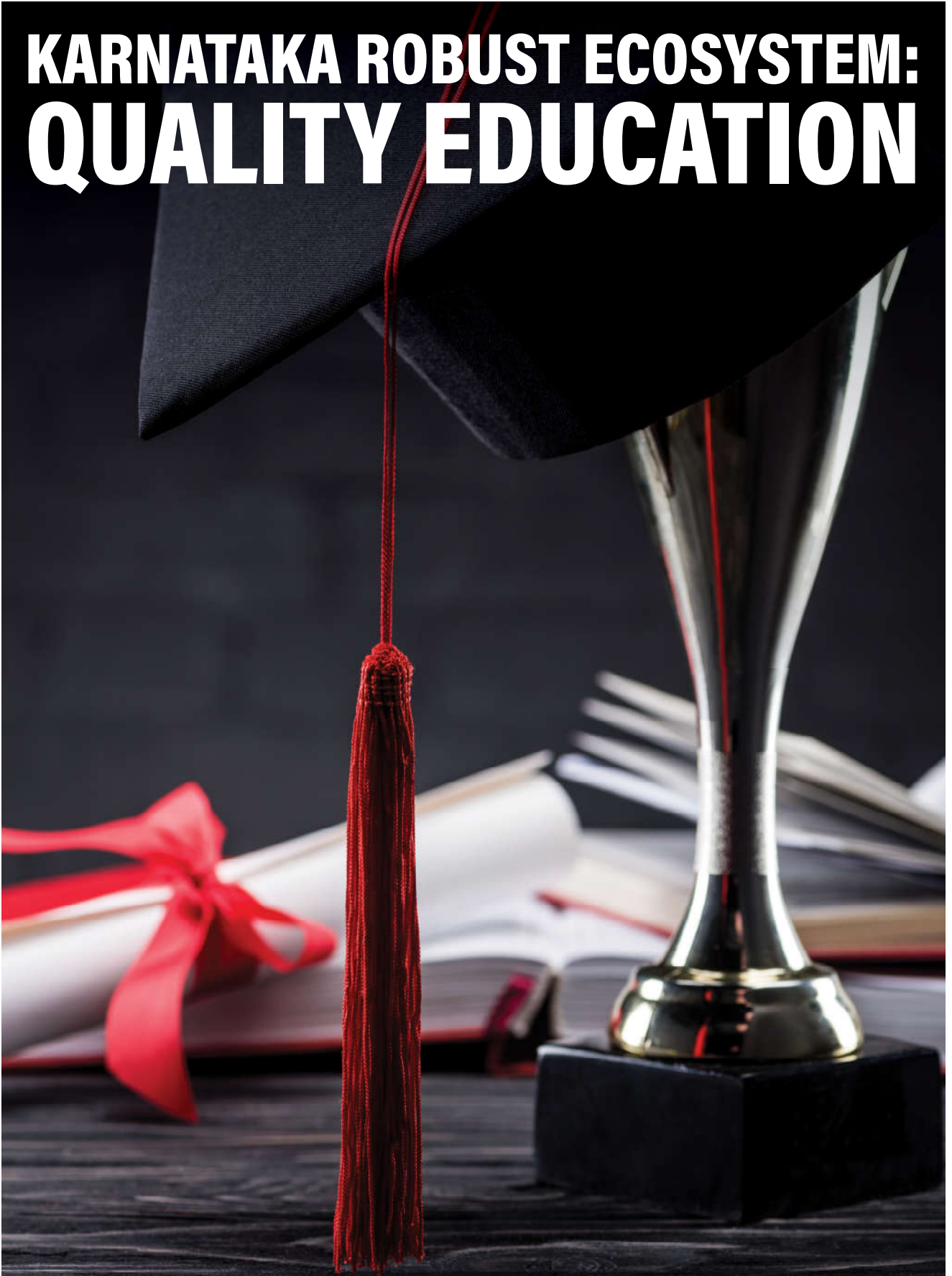
- Rail Network – 3,250 KM
- Namma Bengaluru Metro length of 115 KM out of which 42 KM is operational



- Air Cargo Facilities – Bengaluru & Mangaluru
- 2 Inland Container Depots



KARNATAKA ROBUST ECOSYSTEM: QUALITY EDUCATION

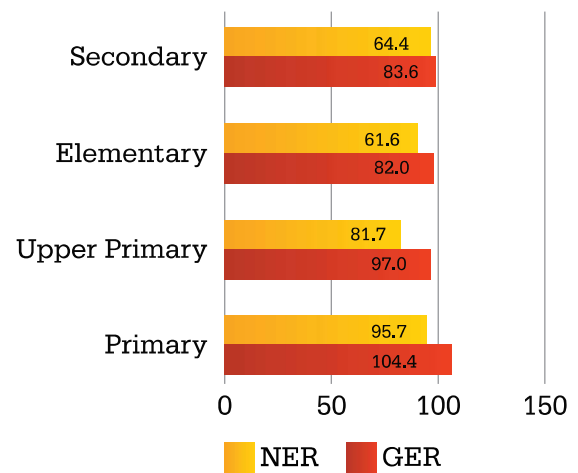




Karnataka undertook significant reforms with increased public investment to ensure access, equity, and quality in education.

The universalization of secondary education is set to achieve the target of 85% enrolment in the 14-18 age group range between classes 9 to 12.

Gross and Net Enrolment Ratios 2018-19

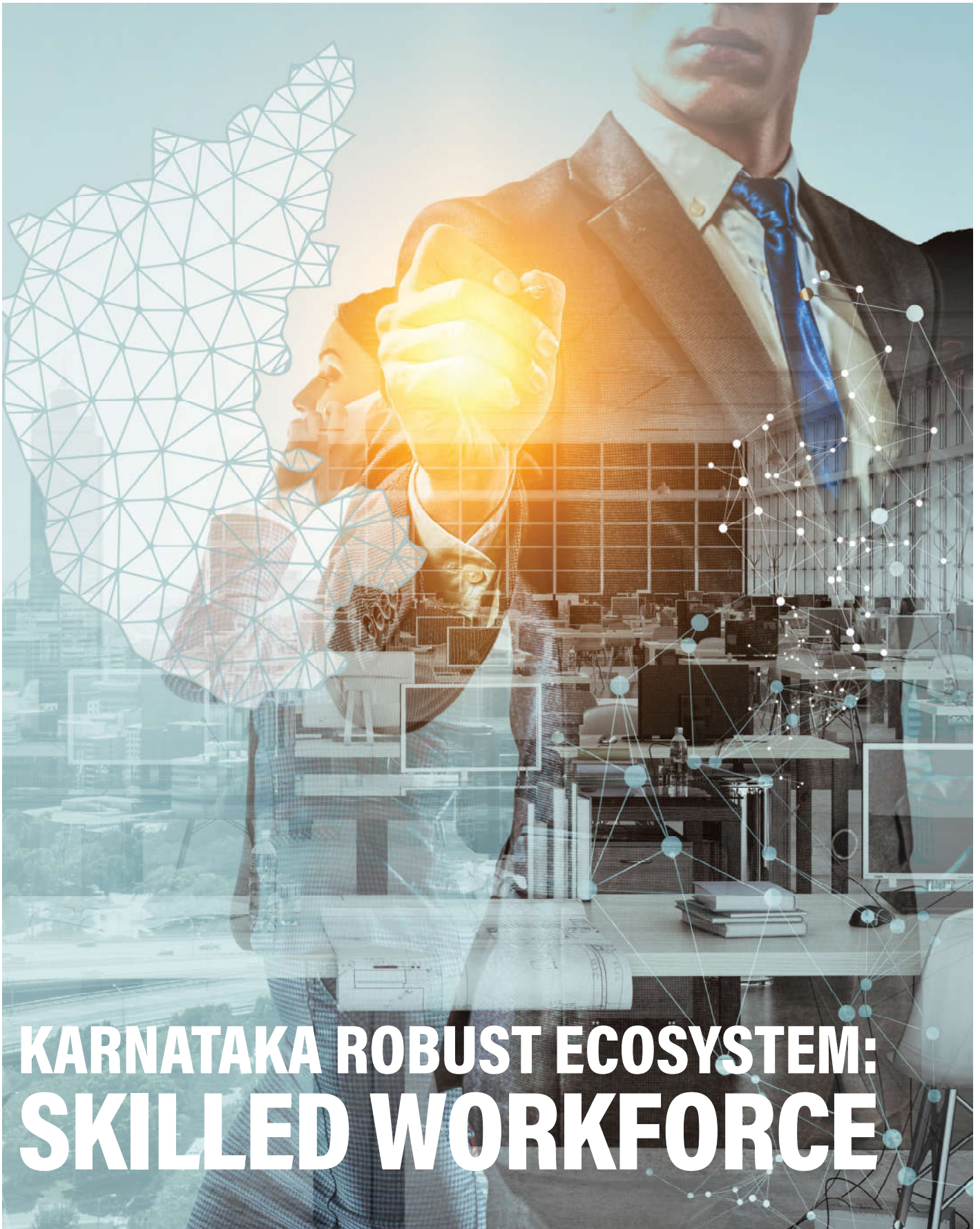


234
Engineering
Colleges


57
Medical
Colleges (MBBS)

44
Universities

16
International
Schools



KARNATAKA ROBUST ECOSYSTEM: SKILLED WORKFORCE



To take advantage of the Demographic Dividend, Karnataka aspires to skill 18.8 million youth during the period 2017-2030.

SKILL INFRASTRUCTURE

2nd in labour productivity

Cost of labour is 50% less than China and 15% cheaper than competing states in India

1,777 public and private ITIs provide skill training to 1,06,000 youth

Around 290 polytechnic institutes with a seating capacity of 75,000

Apprenticeship Training Scheme (ATS) with over 4,232 establishments with over 39,610 seats

Modular Employability Scheme with 800 active vocational training providers implementing 500 courses under 68 sectors



KARNATAKA ROBUST ECOSYSTEM: KNOWLEDGE HUB

Accounting for 44% of India's R&D Centres, Karnataka is now a global leader in technological innovation.

Areas of specialization in high-tech sectors include chip design, data analysis, electrical systems, mobile internet devices, high density packaging, and aerospace.

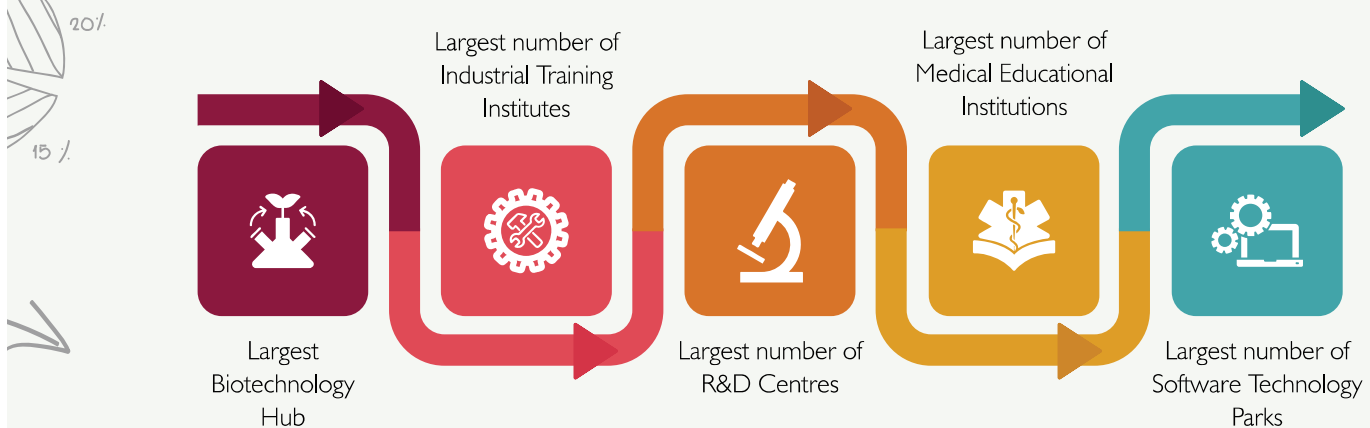
Home to 400+ MNCs with global R&D Centres

1,500 Global In-house Centres (GIC) with 1 million employees

World-class Incubation Centres, Labs and Common Instrumentation Facilities

Centre of Excellence (CoE) in Data Sciences, Internet of Things (IoT) and Artificial Intelligence (AI) in Bengaluru

Leads in App Economy Jobs among Indian states with 3,68,000 jobs out of the overall 1.67 million jobs in the country





**KARNATAKA ROBUST ECOSYSTEM:
POLICY DRIVEN**



Industrial Policy



Aerospace Policy



Electric Vehicle Policy



Textile Policy



Agri Business Policy



IT, BT, Electronics Policy



Startup Policy

Karnataka's industrial growth is guided by transparent sectoral policies that provide extensive support for new industries and entrepreneurs.

Attractive Incentives

Exemption of Stamp Duty

Tech Upgradation and Adoption

Concessional Registration Charges

Reimbursement of Land Conversion Fee

Investment Subsidy

Subsidy on ETP

Electricity Duty Exemption

Plug-and-Play facilities

Tax-based interest free loan



**KARNATAKA ROBUST ECOSYSTEM:
EASE OF DOING
BUSINESS**



Karnataka is a leader in the ease of doing business. Its business friendly environment, transparent processes, and simplified government rules and regulations have made it easier not just for large companies but also for MSMEs and startups.

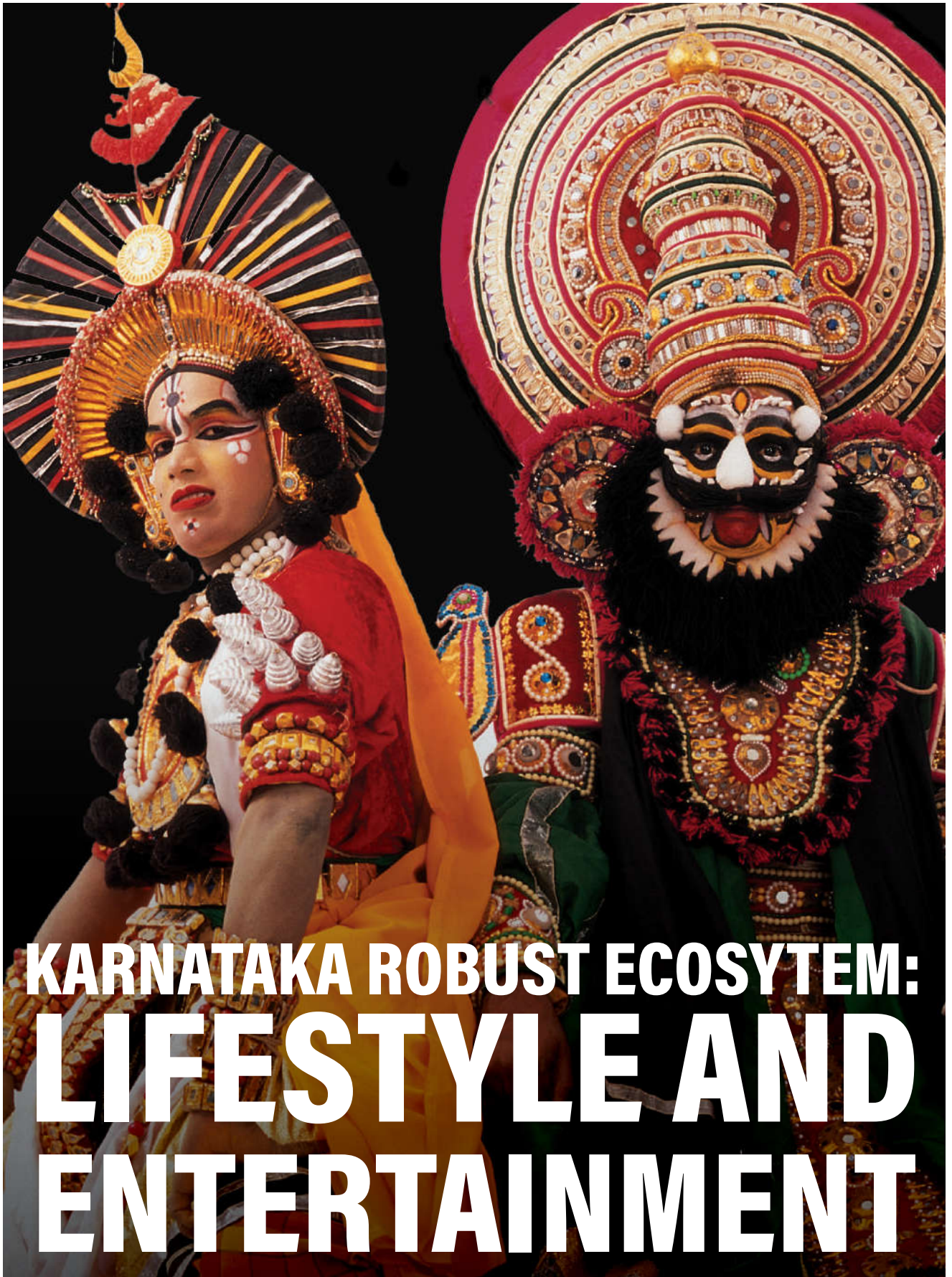
Single Window Agency

Time Bound Grievance Handling

Regular Consultation with Industry

Online Application and Approval





**KARNATAKA ROBUST ECOSYSTEM:
LIFESTYLE AND
ENTERTAINMENT**



Karnataka provides the perfect balance of business and entertainment. The State's cosmopolitan culture offers a great space to live in.

Popular tourist destination including UNESCO Heritage Sites, which attract tourists from around the world

Over 40 five-star hotels including the Taj Group of Hotels, Shangri La and Hyatt, to name a few

Rich culture and heritage with varied art galleries, theatres, music, and dance academies

Cuisines from around the world including Chinese, Japanese, Continental, and much more

Shopping malls, golf courses, cinema halls, pubs, and clubs offering diverse entertainment options and global brands







FOCUS SECTORS



MACHINE TOOLS

The story of the machine tool industry in Karnataka began with the setting up of Hindustan Machine Tools in 1953, the same year Bosch started its manufacturing facility in Bengaluru.

Today, Karnataka has emerged as the leading state in the nation when it comes to machine tool production with a focus on high-value engineering products.



- Karnataka is the 2nd highest producer of special purpose and heavy electrical machinery
- Karnataka contributes to 50% of India's total share (measured in output) across machine tool production
- Bengaluru produces 60% of the machine tools manufactured in the country in terms of value (source: Economic Survey 2018)



NEW INITIATIVES AND OPPORTUNITIES

- India's first Integrated Machine Tool Park (TMTP) has been set-up in a 540 acre facility at Vasanthanarasapura, Tumakuru District
- Common Engineering Centre with training, testing and R&D facilities is being set-up at TMTP
- Global precision engineering SEZ in Belagavi and global engineering SEZ at Mangaluru
- Manufacturing 4.0 Centres for Excellence to be set up across the State

INNOVATION AND STARTUPS

Karnataka's capital, Bengaluru has the third-highest number of start-ups among global cities after Silicon Valley and London (Source: Nasscom-Zinnov 2018 Report). It is home to many unicorns such as Flipkart, Ola, Mu Sigma, Quikr, and BigBasket.











- Karnataka is the first state in the country to introduce a Start-up Policy in 2015 with a dedicated start-up cell
- The state accounts for more than 30% of all start-ups in India creating a robust start-up ecosystem of global significance
- Estimates place a total of 20,000 new start-ups including 6,000 product start-ups across the state by 2020
- USD 5.1 billion out of a total of USD 13.9 billion raised across India are from companies based out of Bengaluru
- The state is home to several international incubators from globally recognized corporations such as Microsoft, Net App, SAP, NUMA, Airbus, BizLab, and Catalyst
- Elevate 100 with a corpus of USD 4 billion provides a comprehensive entrepreneurship platform for start-ups



NEW INITIATIVES AND OPPORTUNITIES

- Participate in funding high potential start-ups with “Elevate”. Currently, 264 start-ups have been shortlisted
- Participate in venture funds available from the Government of Karnataka
- Become a part of global innovation alliances with initiatives including Sister Cities, Tech Summits and R&D

AEROSPACE AND DEFENCE EQUIPMENT

The Aerospace and Defence industry in Karnataka has been following the “Make in India” model since 1940 when Hindustan Aeronautical Limited - HAL was established. Many Public Sector Units (PSU’s) including DRDO, ISRO, and NAL are headquartered in the state. Additionally, several aerospace majors including Boeing, Airbus, Dynamics, and Goodrich all have a presence in Karnataka.



- Karnataka is the first state in India to come up with an Aerospace Policy
- 2 Aerospace and Defence SEZ's have been established in Belgaum & Devanahalli
- Home to a quarter of India's aircraft and spacecraft industry
- A strong base of 2,000 SMEs that carry out niche sub-contracting work
- Contributes to 65% of the country's aerospace related exports from India
- Provides 67% of the country's aircraft and helicopters for the Defence Services



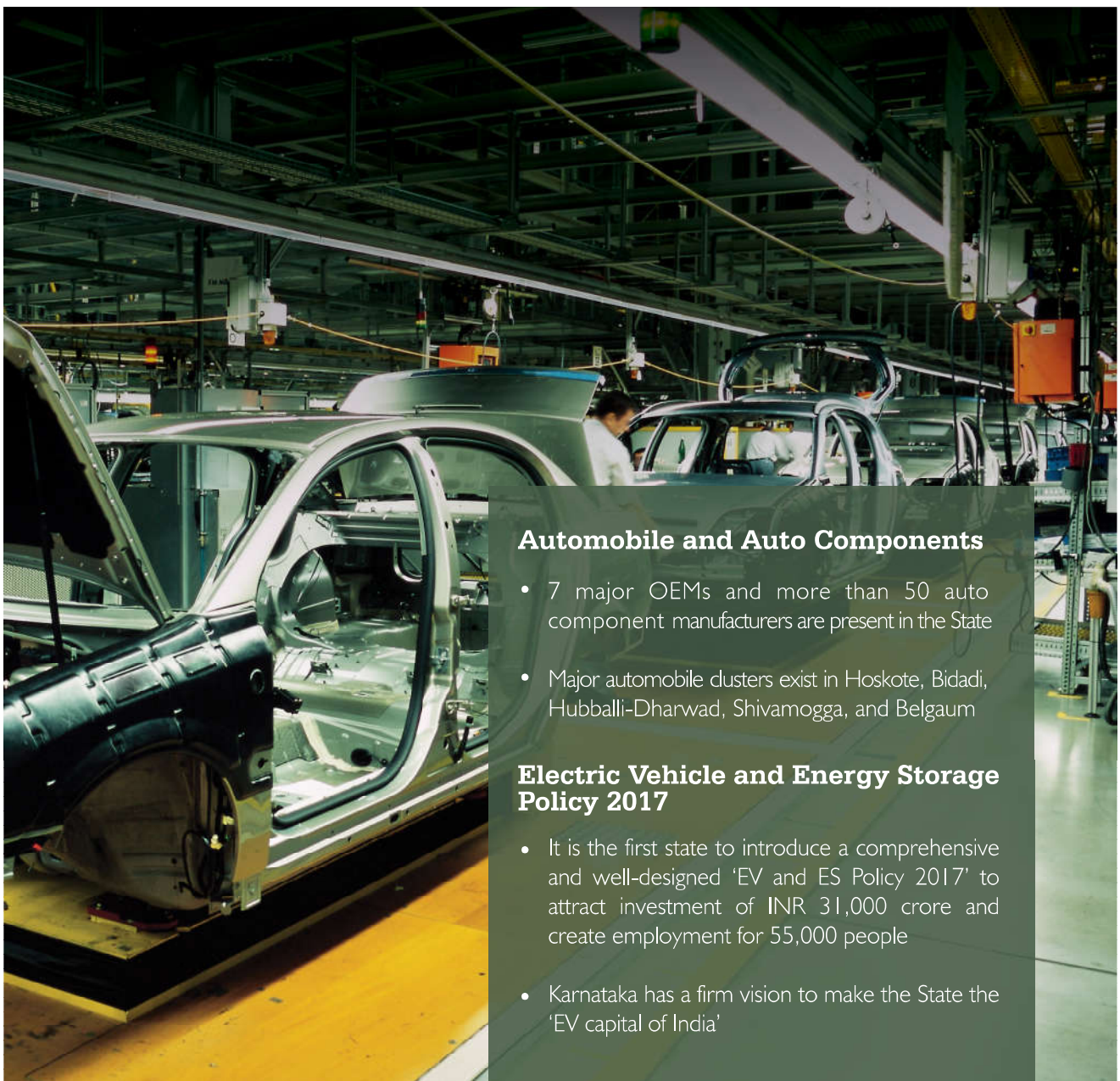
NEW INITIATIVES AND OPPORTUNITIES

- With a rich talent pool, the state offers the chance to augment research, design and development capacities
- Hi-tech defence and aerospace parks at Bengaluru and Belgaum provide the apt ecosystem for new expansion projects
- Karnataka Aerospace Training Centre (KATC) at Bengaluru is being set up as an incubator for start-ups
- Karnataka is coming up with a new defence cluster to propel “Make in India” in Defence

AUTO, AUTO COMPONENTS AND ELECTRIC VEHICLES

Karnataka is the fourth largest manufacturer of automobiles in India accounting for 8.5% of the total national automobile output. The State is also home to Reva Mahindra, the first indigenously built electric car in the country.



Automobile and Auto Components

- 7 major OEMs and more than 50 auto component manufacturers are present in the State
- Major automobile clusters exist in Hoskote, Bidadi, Hubballi-Dharwad, Shivamogga, and Belgaum

Electric Vehicle and Energy Storage Policy 2017

- It is the first state to introduce a comprehensive and well-designed 'EV and ES Policy 2017' to attract investment of INR 31,000 crore and create employment for 55,000 people
- Karnataka has a firm vision to make the State the 'EV capital of India'



NEW INITIATIVES AND OPPORTUNITIES

- Electric Vehicles cluster is being set up near Bengaluru
- Establishment of a R & D Centre along with testing and an incubator centre for Electric Vehicles
- Modernization and adoption of additive manufacturing technology
- Flip to advanced battery cell manufacturing in the State

BIOTECH, PHARMA AND MEDICAL DEVICES

Karnataka is the first stop for global and domestic biotech investment in India accounting for over 60% of Biotech companies. Strong research and development facilities, skilled manpower, and favourable government policies, have made Karnataka the biotech capital of the nation. Karnataka also has a strong base when it comes to pharmaceutical and medical devices manufacturing.



- Comprehensive Biotechnology Policy 2017-2022 that envisages a \$100 billion market
- Contributes to over 1/3 of all biotech exports and 12% of pharma exports from India
- Home to Bio-Innovation Clusters, Biotech Finishing Schools, a Proposed Marine Biotech Park, Animal Biotech Park, and Agri Biotech Park
- Creation of a Bio-venture Fund of USD 500 million
- Bengaluru and Mysuru are major hubs for Manufacturing of Medical Devices
- Presence of Exclusive Pharma Special Economic Zone, Pharma Industrial Areas and R&D Centres



NEW INITIATIVES AND OPPORTUNITIES

- Upcoming Pharma Clusters at Nagmangala and Yadgir
- AYUSH, Bio-Pharma and wellness cluster at Shivamogga
- Invest in greenfield and brownfield projects, labs, and pharma labs
- Participate in acceleration of drug discovery and drug design

		 GE Healthcare
		
		

AGRI AND FOOD PROCESSING

Over 65% of Karnataka's land area is used for agriculture and farming activities. This all-important industry employs up to 60% of the State's current working population. Karnataka is a leading producer of coffee, green chillies, silk, millet, grapes, safflower, gherkins, spices, sugarcane, mangoes, and pulses.



- 70% of all coffee production in India
- 60% of national production of sunflowers
- 60% of production and harvesting of ragi
- Significant sugarcane and pulses cultivation
- 4 food parks and 2 mega food parks
- Presence of 20 agri and food processing clusters



NEW INITIATIVES AND OPPORTUNITIES

- Growing opportunities in warehousing, cold storage, and logistics
- Significant growth in organic farming and food processing
- Cluster approach for developing micro and small food processing units with the aim of developing 1000 entrepreneurs in food processing sector
- Agri-implements manufacturing cluster in Bidar

TEXTILES AND APPAREL

Karnataka is the leading state in textiles and apparel manufacturing in India, responsible for 20% of the nation's total garment production. The State accounts for 49% of silk, 12% of wool, and 6% of cotton production across the country.



- Karnataka accounts for 19% of India's garment export earnings
- The State is a leading market for technical textiles
- The State has 325 Skill Development Centres that have trained 1,65,200 personnel
- 9 handloom clusters, dedicated apparel zones, and a 233 hectare textile SEZ
- The first integrated textile park at Dodaballapura, Bengaluru Rural



NEW INITIATIVES AND OPPORTUNITIES

- Textile and readymade garment cluster is being set up in Ballari
- Opportunities for innovative solutions to preserve textile heritage
- Development of a vertical garment park
- Leading the way in man-made fibre (MMF) production

STEEL INDUSTRY

Karnataka, with its rich resources of iron ore, is one of the pillars of the national iron and steel industry. The industry started with Mysore Iron Works (Visvesvaraya Iron and Steel Plant) at Bhadravati in 1923. The State houses two of the thirteen major steel plants in India.



- Karnataka has an estimated 2 billion metric tonnes of iron ore and abundance of other minerals such as limestone, silica, manganese and more, that are essential for the production of steel
- 13.7% of the total steel production in the country is undertaken in the State
- Possesses 74% of the country's magnetite and 11% of the hematite resources
- Combined steel production capacity of 18 units stands at 22 MMTPA



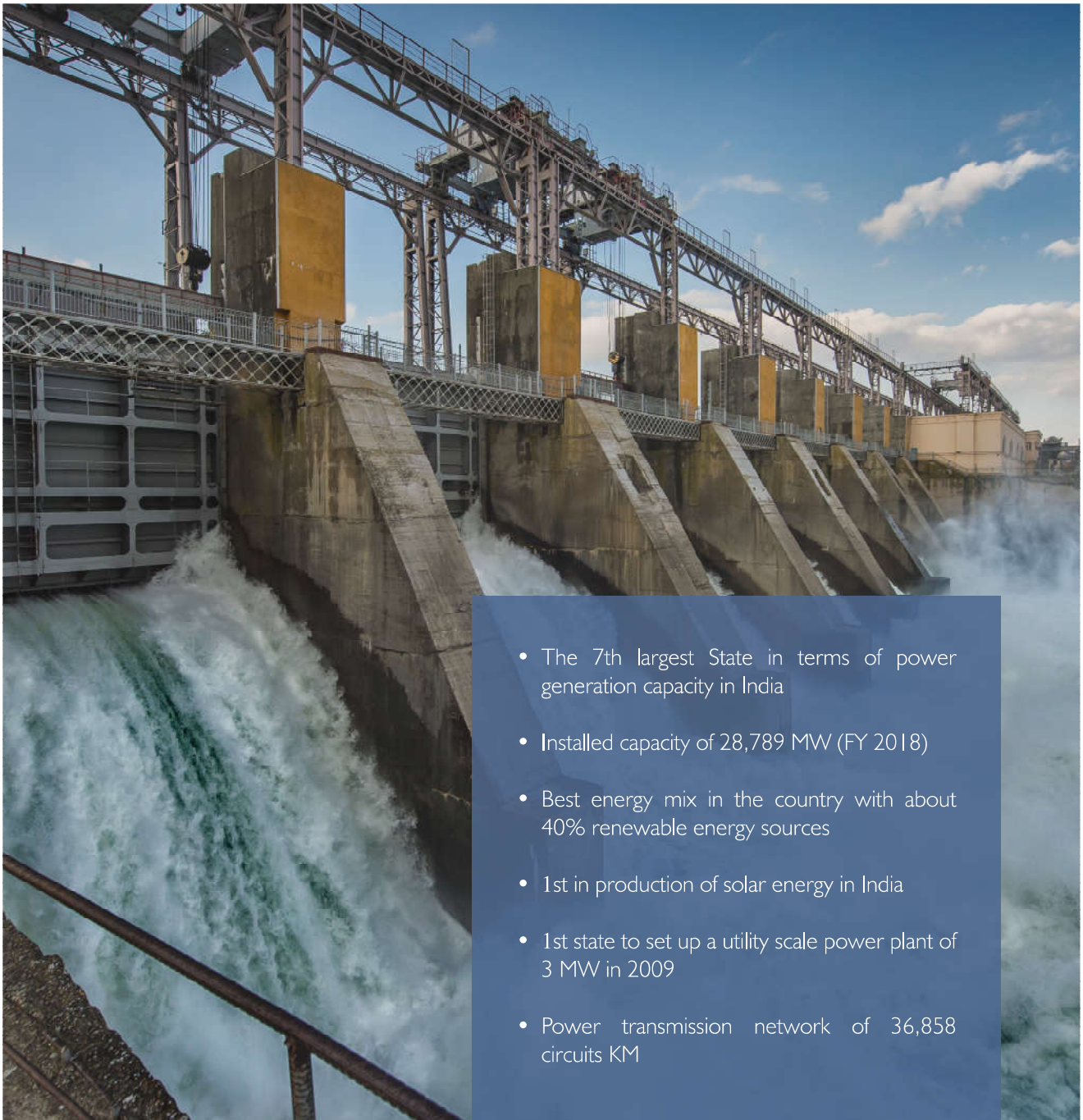
NEW INITIATIVES AND OPPORTUNITIES

- Districts such as Ballari, Chitradurga, Tumakuru and Chickmagalur are the nerve centres of iron deposits in the State
- Major integrated steel projects are in various stages of implementation

ENERGY SECTOR

Karnataka's journey towards clean energy started with the setting up of the first hydro-electric power generation station in the Shivanasamudra area in Mysuru in 1902. This journey has reached its peak with the setting up of a 2,000 MW solar power park in Pavagada, Tumkur in 2018.



- The 7th largest State in terms of power generation capacity in India
- Installed capacity of 28,789 MW (FY 2018)
- Best energy mix in the country with about 40% renewable energy sources
- 1st in production of solar energy in India
- 1st state to set up a utility scale power plant of 3 MW in 2009
- Power transmission network of 36,858 circuits KM



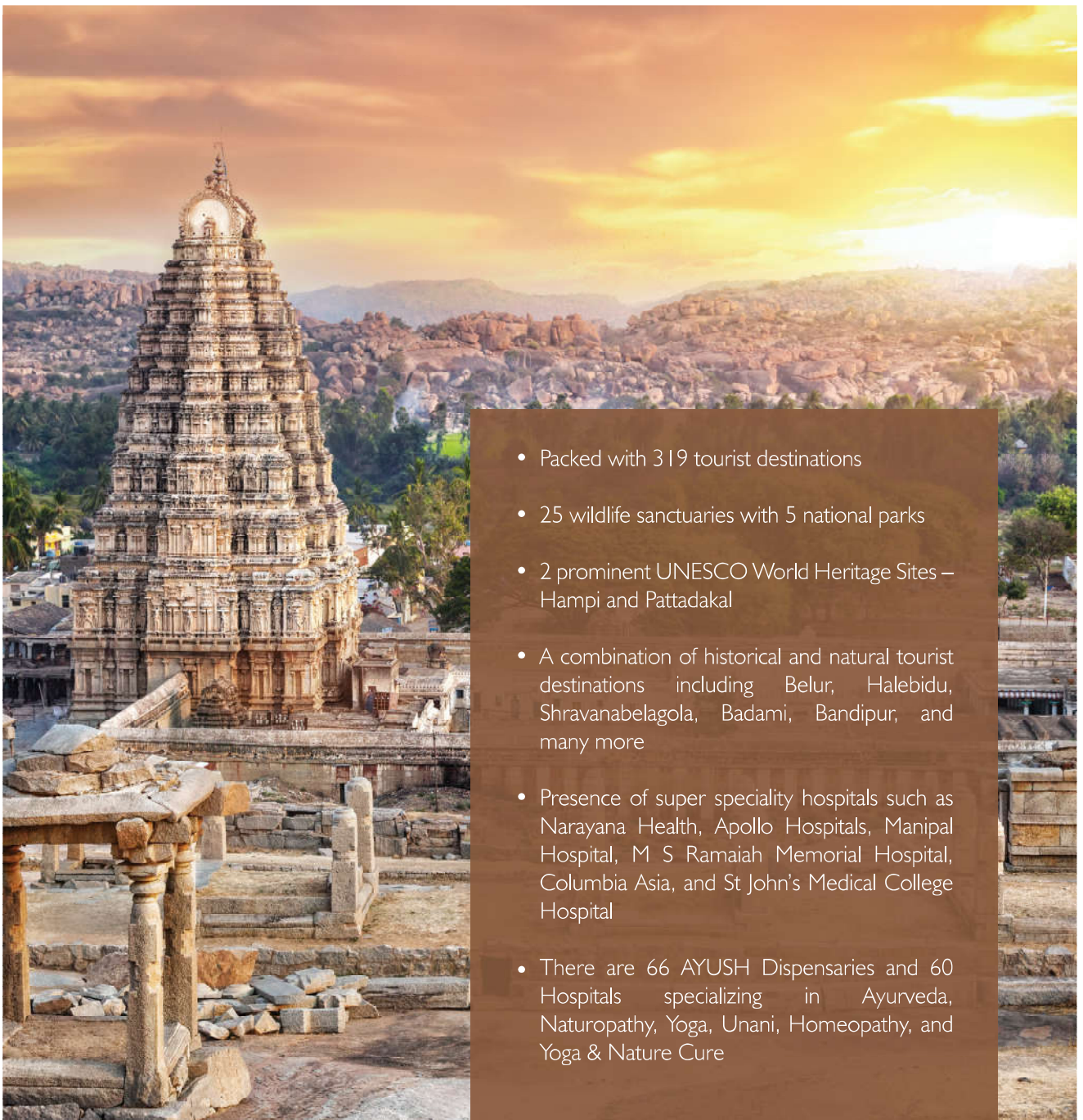
NEW INITIATIVES AND OPPORTUNITIES

- Karnataka has solar PV potential of about 24.7 GW, 7.9 GW of pumped storage hydro power and 14 GW of wind energy
- Growing EV charging infrastructure in the State
- Transmission line augmentation
- Conversion to smart grid by 5 ESCOMs

TOURISM & WELLNESS

Step into Karnataka and you step into a land that inspires wonder at every turn. Almost lyrical in its natural beauty, the State is an amazing mix of hills, plains, rivers, waterfalls, beaches, and forests teeming with wildlife. Many different dynasties have left their imprint on this land which also makes it a treasure-house of historic, religious and heritage monuments.



- Packed with 319 tourist destinations
- 25 wildlife sanctuaries with 5 national parks
- 2 prominent UNESCO World Heritage Sites – Hampi and Pattadakal
- A combination of historical and natural tourist destinations including Belur, Halebidu, Shravanabelagola, Badami, Bandipur, and many more
- Presence of super speciality hospitals such as Narayana Health, Apollo Hospitals, Manipal Hospital, M S Ramaiah Memorial Hospital, Columbia Asia, and St John's Medical College Hospital
- There are 66 AYUSH Dispensaries and 60 Hospitals specializing in Ayurveda, Naturopathy, Yoga, Unani, Homeopathy, and Yoga & Nature Cure



NEW INITIATIVES AND OPPORTUNITIES

- Heritage City Development and Augmentation Yojana (HRIDAY) Government of India (GOI) scheme support to enhance tourism potential in 12 heritage cities, Badami being one of them
- Huge potential for niche tourism such as Cruises (Manguluru/Coastal Karnataka), Adventure (Kail River/Dubare), Medical and Eco-tourism (Malnad Karnataka/Western Ghats of Karnataka)
- Health and Wellness Tourism Cluster is being set up at Shivamogga

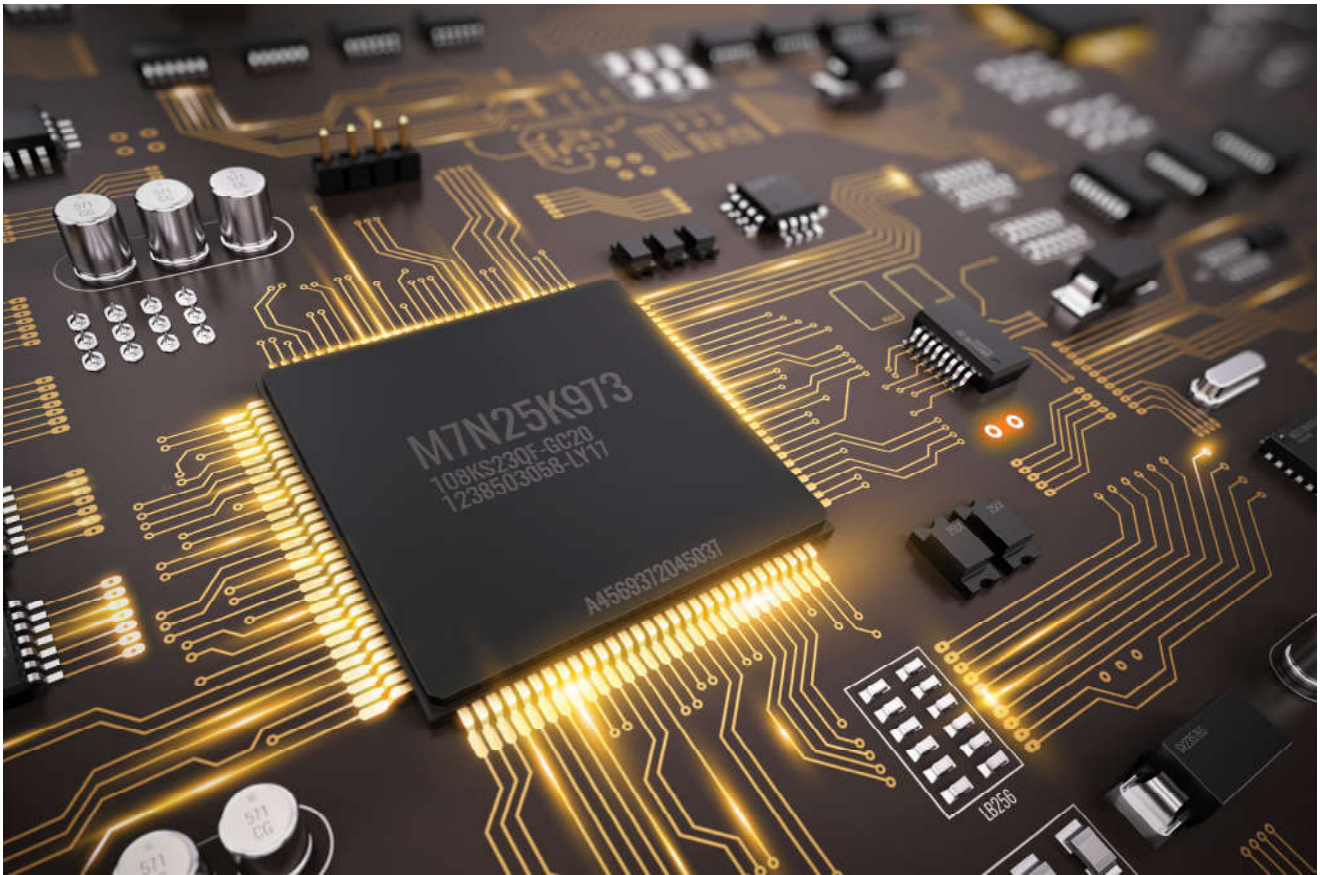
 KARNATAKA STATE TOURISM DEVELOPMENT CORPORATION	 JUNGLE LODGES & RESORTS	 TAJ
 SHANGRI-LA HOTELS and RESORTS	 SOUKYA®	 AyurvedaGram™ The Heart of Healing
 HYATT®	 JW MARRIOTT	 NATURE inFOCUS®

ELECTRONIC SYSTEM DESIGN & MANUFACTURING

Karnataka is the country's preferred destination for investment in Electronic System Design and Manufacturing. It is amongst the top five states contributing to the country's electronic industry. The State has major electronic hardware and design companies.



- Largest Chip Design Hub in India
- 4th largest producer of ESDM
- 10% of national output
- 85+ fabless chip design houses
- Dominant leader in semiconductor design with 60% of India's share with presence of companies like Intel, Qualcomm, and others
- 40% of India's share in electronic design with presence of L&T, Wipro, Cyient, and others
- 50% of India's share in electronic product companies with presence of Honeywell, Bosch, Ather, and others



NEW INITIATIVES AND OPPORTUNITIES

- Create intelligent electronics park with 2 lakh sq. ft. facility, 100+ start-ups under a single roof
- Common facilities such as Testing, Components Library, Technical Expertise, In-house Mentoring, Upskilling, Product Design Facility, Design Studio
- Hardware Park at Devanahalli, Bengaluru
- Development of Industrial / Product Cluster under “Industrial Cluster Development Programme” based on China Model
 - Chikkaballapura – Mobile Phone Components
 - Mysuru – ICB/PCB Manufacturing Unit
 - Chitradurga – Manufacturing of LED Lights



KOPPAL
Toys



BALLARI
Textiles



CHIKKABALLAPURA
Mobile phone components
and assembly



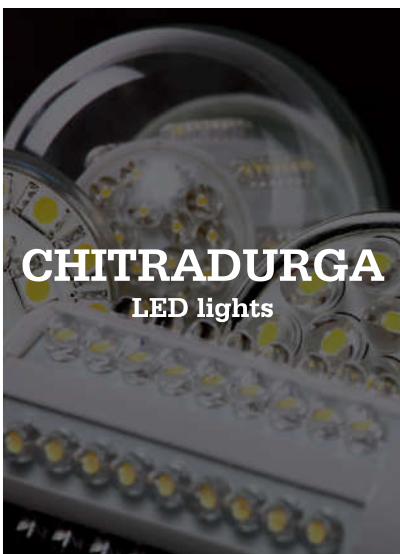
MYSURU
ICB/PCB



HASSAN
Tiles, sanitary wares
and bathroom fittings



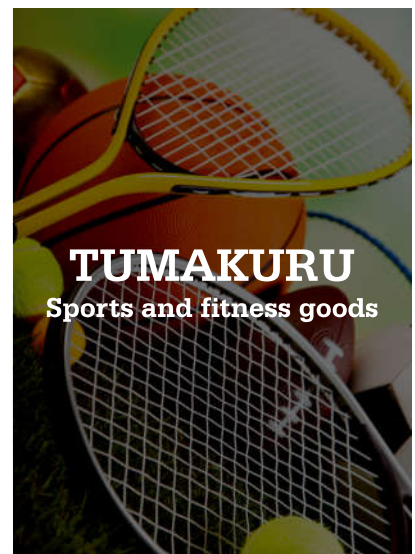
KALABURAGI
Solar panels and
allied components



CHITRADURGA
LED lights



BIDAR
Agriculture implements



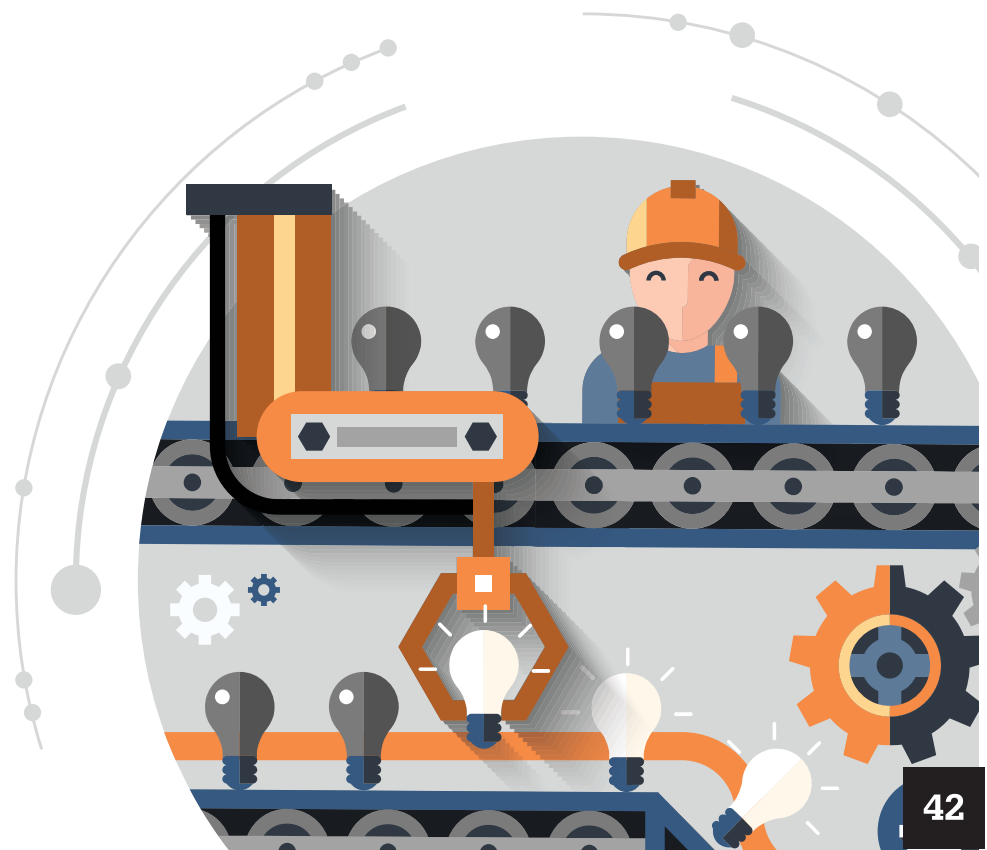
TUMAKURU
Sports and fitness goods

PRODUCT BASED INDUSTRIAL CLUSTER DEVELOPMENT PROGRAMME

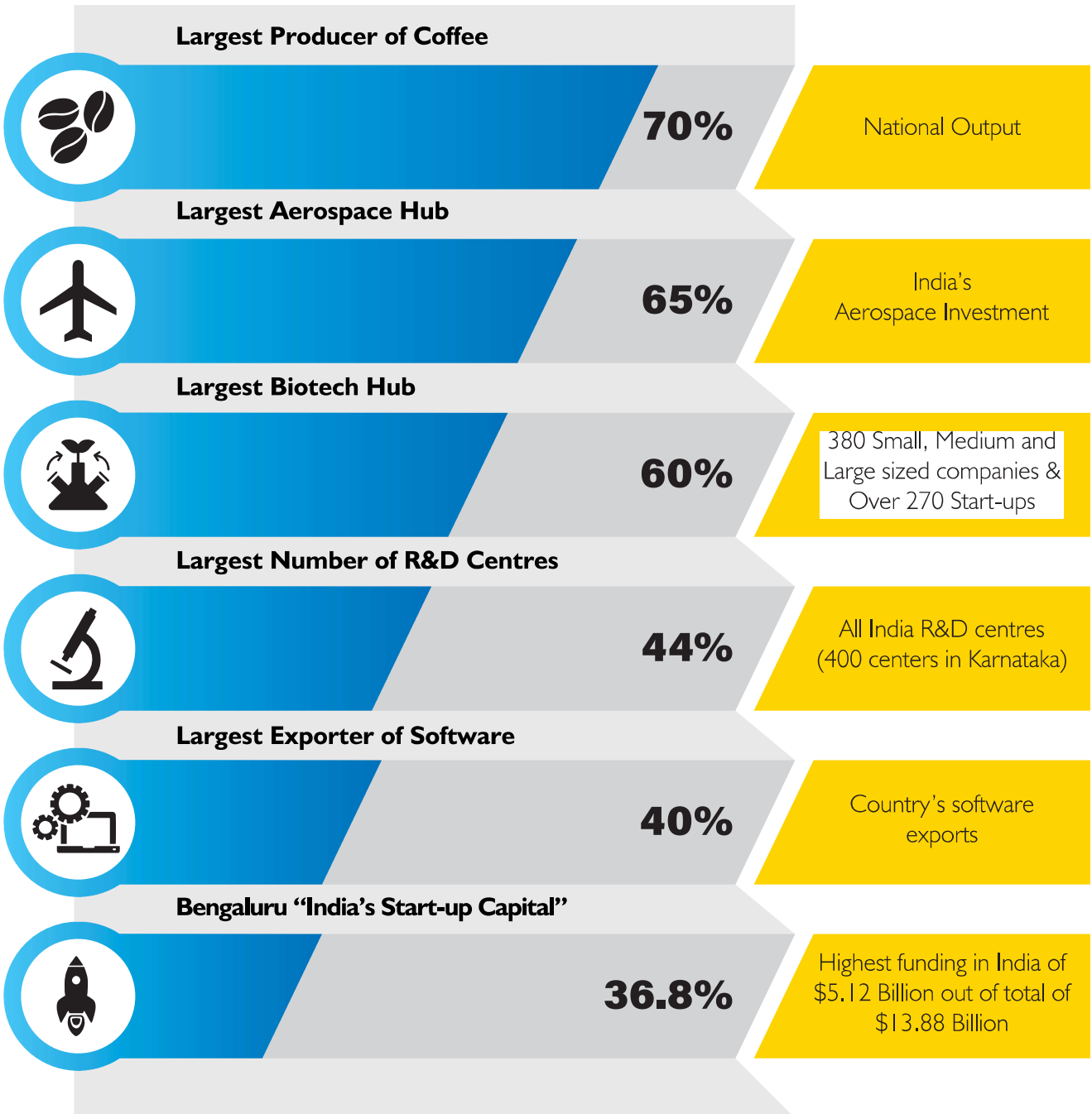
The Karnataka Cluster Development Programme has been inspired by the Chinese Cluster Development Model with 9 sector-specific manufacturing clusters set up across 9 districts across the State.

Strategic programme objectives and initiatives for targetting the niche market segments include:

- Increasing the share of manufacturing in Karnataka's GDP
- Development of state-of-the-art product / sector specific clusters
- Generation of 1 lakh jobs in each cluster / district
- Attracting Rs. 5,000 crore investment for each cluster / district
- Providing skill development training for 2 lakh youth in the State



LEADER ALL THE WAY



KARNATAKA



INDIA



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