

CHAPTER 9

INDUSTRY AND EXPORT PROMOTION

INDUSTRY

9.01 Orissa is richly endowed with a variety of natural resources like minerals, forests, a long coast line, sea, large water bodies-both sweet & brackish, rivers and rivulets and a rich cultural heritage offering a wide range of fine manifestations having both aesthetic and commercial value. In spite of the high potential, the socio-economic status of the State portrays a paradoxical picture of poverty amidst plenty. In order to transform the State into a vibrant economy, State Government has been endeavouring to harness this rich potential for socio-economic development through extensive industrialization with optimum value addition, technological upgradation and export promotion through a proactive Industrial Policy called Industrial Policy Resolution (IPR) 2001. The Industrial Policy Resolution (IPR) of Orissa 2001 has put in place a robust policy framework for industrial promotion and investment facilitation in the State, including creation of an enabling environment. The Industrial Policy Resolution (IPR) 2007 aims at reinforcing and further expanding this process. The main objectives of this Industrial policy are as follows:

- ◆ To transform Orissa into a vibrant industrialized State.
- ◆ To enhance the share of Industries in State Gross Domestic Product.
- ◆ To promote orderly and environmentally sustainable industrial growth.
- ◆ To promote Orissa as a major manufacturing hub.

- ◆ To maximize employment generation opportunities both direct and indirect.
- ◆ To maximize linkages between micro, small, medium, large industries and to make focused efforts for development of ancillary and downstream industries.
- ◆ To promote employment intensive sectors such as Handicrafts, Handlooms, Khadi & Village Industries, Coir and Salt etc.
- ◆ To specifically promote sectors such as IT/ITES, Biotechnology, Agro, Marine and Food Processing, Tourism, Textiles and Apparel and Automotive Industries, which offer maximum linkages for employment generation and exports.
- ◆ To assist in arresting industrial sickness and promote revival and rehabilitation of potentially viable sick industries, especially in the micro, small and medium enterprises (MSME) sector.
- ◆ To create awareness amongst and assist Micro, Small and Medium Enterprises (SMEs) to respond the opportunities and challenges emerging under the World Trade Organisation (WTO) regime. A WTO Cell shall be established in the Industries Department.
- ◆ To maximize industry and institution linkages in the areas such as Manpower Planning, Research and Development etc.
- ◆ To make concerted efforts for balanced regional development.

9.02 In order to achieve these objectives, State Government will adopt following strategies -

- ◆ To create an enabling environment for development of industrial and related social infrastructure of international standards.
- ◆ Human Resources Development to create competitive scientific and technical manpower.
- ◆ To promote entrepreneurship development for healthy industrial development.
- ◆ To promote ancillary and downstream industrial parks at all major industrial hubs.

- ◆ To promote specialized/ functional industrial area / park for thrust and priority sectors.
- ◆ To provide special incentive packages for promotion of thrust, priority and MSME sectors.
- ◆ To fully operationalise and strengthen the industrial facilitation mechanism under Orissa Industries (Facilitation) Act 2004 and Rules 2005.
- ◆ To put in place an effective grievance redressal mechanism for speedy project implementation and also for addressing post implementation issues.

9.03 For development of industry sector and to create an encouraging industrial climate in the state, the state government is committed to:

- ◆ The State Government recognizes the need of providing quality industrial and social infrastructure for supporting healthy industrialization as also the need for industry to follow environment friendly practices to make the industrialization process sustainable.
- ◆ The State Government shall launch an Industrial and Allied Infrastructure Development Fund (IAIDF) with an initial corpus of Rs.100 crore to support industrial infrastructure and associated social infrastructure projects. The Fund shall encourage private investment in infrastructure development by providing supplementary viability gap funding, wherever needed, on the lines of Central Government viability gap funding scheme. IDCO shall also be eligible to avail itself of financial support from the IAIDF for creation of such infrastructure. The Fund shall also support pre-project development activities by designated agencies. The State Government shall separately issue detailed guidelines for operation of the IAIDF.
- ◆ The State Government shall announce a comprehensive Land Policy to address all issues concerning identification, procurement and allotment of land for industrial and allied purposes, including creation of associated social infrastructure. IDCO along with Revenue Department shall vigorously implement the Land Bank

Scheme, which was announced in the IPR-2001 to ensure orderly industrial growth. IDCO in association with DLNAs shall identify suitable tracts of government land for this purpose, which shall then be considered by the DLSWCA for alienation in favour of IDCO. The land premium shall be paid by IDCO after a moratorium of three years from the date of alienation. The moratorium period should be utilized by IDCO for development of the land for industrial and allied use. In the event of non-payment of premium within the stipulated period the land shall be liable for resumption.

- ◆ The State Government shall announce a separate policy for Special Economic Zones (SEZs) as required under the Special Economic Zone Act, 2005 and Rules 2006.
- ◆ Apart from the Land Bank Scheme mentioned above, IDCO shall also develop Functional Industrial Parks for promotion of thrust and priority sector industries. Expeditious steps shall be taken by IDCO to promote industrial parks for ancillary and downstream industries at all major industrial hubs in the state.
- ◆ IDCO shall promote/ develop integrated industrial townships at selected locations as approved by the HLCA. Such townships will come up at locations having concentration of large and related industries, which have potential for developing into full-fledged industrial township.
- ◆ IDCO shall take proactive steps to promote/ develop five (5) industrial corridors, namely, Chandikhol-Paradeep, Balasore-Bhadrak-Dhamara, Rayagada-Gopalpur, Sambalpur-Jharsuguda-Rourkela and Angul-Talcher-Duburi.
- ◆ IDCO shall form a Special Purpose Vehicle (SPV) for promoting Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) at Paradeep on PPP mode. The SPV shall identify and acquire land for the purpose and identify potential tenant industries based on the feed stock available from anchor industries. State Government Agencies concerned and Central Institute of Plastic & Engineering Technology (CIPET) shall also be involved in this project.
- ◆ An Inter-departmental Advisory Committee comprising representatives from General

- Administration Department, Industries Department, Revenue Department and Housing & Urban Development Department, Bhubaneswar Development Authority (BDA) and IDCO shall be constituted under the Chairmanship of the Chief Secretary to identify lands in the Greater Bhubaneswar Capital Region to promote critical urban, commercial and social infrastructure to develop Bhubaneswar as a Knowledge and High-tech City.
- ◆ The Special Cell created in the Planning & Coordination Department and the Technical Secretariat for PPP located in IDCO for development of infrastructure projects in Public-Private Partnership mode shall prepare a shelf of projects in consultation with Departments concerned for high priority projects specifically aimed at supporting current industrialization process in the state. The Departments concerned such as Industries Department, Housing and Urban Development Department, Tourism Department, Water Resources Department, Energy Department, Information Technology Department, Science & Technology Department and Works Department shall set up PPP Cells to make focused effort in that direction.
 - ◆ Development of Industrial Areas and Industrial Estate by private developers shall be encouraged. The private developers shall be eligible to apply for Government or IDCO land for development of such industrial estates and industrial areas. While Government land shall be made available at the applicable industrial rate as specified in this policy, IDCO land will be available at the price determined by IDCO. The land shall be given strictly on lease basis after careful assessment of the area of land required. In case land needs to be acquired, IDCO, on application of the Developer, shall acquire the land following due procedure. All efforts shall be made to avoid double-cropped agricultural land and minimize R&R requirement.
 - ◆ IDCO shall promote a World Trade Centre (WTC) at Bhubaneswar to promote global networking and give international visibility to the industrial potential of the state.
 - ◆ IDCO shall act as the Nodal Agency in the State for promotion of Gas Grid in association with different public and private entities in this field.
 - ◆ IDCO has already obtained Formal / In-principle approvals for development of IT / ITES, sector specific and multi product SEZs at different locations. These projects shall be implemented in a time bound manner by inviting co-developers through open competitive bidding process.
 - ◆ Special thrust shall be laid on promotion of high quality social infrastructure in the form of schools, colleges, technical and professional institutions, hotels, multiplexes, townships, commercial complexes, health-care facilities, leisure & entertainment facilities, resorts, golf courses, tourism areas, etc. through IDCO and private developers. Private developers shall be selected through open competitive bidding process.
 - ◆ A time bound action plan shall be drawn up and implemented for up-gradation and maintenance of infrastructure facilities in existing Industrial Estates, Parks, IID Centres, Growth Centres etc of IDCO. Suitable financial and management models shall be developed for this purpose.
 - ◆ IDCO shall undertake a comprehensive Land Zoning Plan in respect of new Industrial Estates, Parks etc., and would also undertake planning of existing Industrial Estates to the extent possible. IDCO shall bring out a comprehensive land management regulation for industrial estates, parks, growth centres, etc. with the approval of Government in Industries Department. Orissa Industrial Infrastructure Development Corporation (OIIDC) Act would be broadly aligned with the changing needs in view of the current and emerging industrial scenario in the state.
 - ◆ A comprehensive policy for industrial use of water shall be formulated and announced by the State Government taking into account the surplus water available after factoring for drinking water supply and irrigation requirements.
 - ◆ The State shall leverage the availability of low cost and reliable power to attract industries. At the same time, large industries shall also be encouraged to set up their captive power plants.

- ◆ *Roads of economic importance shall be taken up on priority basis for development on PPP mode.*
- ◆ *The State Government shall proactively promote construction of rail corridor between ports and industrial hubs including Therubeli-Gunupur rail corridor to provide port connectivity in southern Orissa through Gopalpur port.*
- ◆ *Apart from Dhamara, Gopalpur and Kirtania ports, which are being developed on PPP mode, the State Government shall promote more ports and fishing harbours at suitable locations for giving a thrust to economic activities in those regions. Special efforts shall also be made to develop industrial areas in the hinterland of ports for enhancing their viability and intensifying economic activities in the port area development region.*
- ◆ *Inland Container Depots (ICD) shall be set up at suitable locations for facilitating containerized cargo from Orissa and the neighbouring land-locked States like Bihar, Jharkhand, Chattishgarh, etc. to the Paradeep Port and other ports in Orissa for exports, on PPP mode.*

9.04 Expeditious clearance of investment and facilitation of project proposals is of prime importance. Therefore, "Single Window" concept has been operationalised to ensure faster project clearance. The Orissa Industries (Facilitation) Act, 2004 has been enacted and the Orissa Industries (Facilitation) Rules, 2005 have been framed and issued with a view to ensuring single window clearance system to facilitate industrialization in the State.

- ◆ *Single Window mechanism that has been established in pursuance with the Orissa Industries (Facilitation) Act shall be made fully operational and extended throughout the State.*
- ◆ *The District Industries Centres (DICs) shall be suitably restructured to enable them to effectively discharge the functions of DLNA. They shall also maintain a*

comprehensive database on micro and small enterprises.

- ◆ *5 DICs shall be upgraded to Regional DICs where heavy industrial concentration/potential exist. The Regional DICs shall provide comprehensive and intensive business development services to the existing and prospective investors and also provide necessary support services to the DICs falling within their respective jurisdiction.*
- ◆ *IPICOL as the SLNA shall be further strengthened to function as an effective one stop shop for investors. The role of IPICOL as the Investment Promotion Agency shall be reinforced by establishing an Industrial Planning and Strategizing Unit (IPSU), which, apart from preparing State Industrial Development Perspective Plan, shall also identify thrust/ priority sectors for location specific industrial promotion and undertake related investment promotion activities, including preparation of publicity material and organization of road shows.*
- ◆ *The District Level Single Window Clearance Authority (DLSWCA) shall be activated in all districts. The State Level Single Window Clearance Authority (SLSWCA) and High Level Clearance Authority (HLCA) shall review progress in implementation of the single window services at the district and state level.*

9.05 In order to support the industrial development, infrastructures like roads, bridges, railways, container depot and ports are to be developed. The State Government have recently laid considerable strategy to create high quality infrastructure and upgrade the quality of the existing infrastructure in Orissa. Public-Private Partnerships (PPP) is also being encouraged. In order to sustain the current investment level, it has become imperative to provide high quality supporting industrial and social infrastructure. With a view to furthering this objective, a robust

institutional mechanism has been put in place to encourage private investments in infrastructure development on Public Private Partnership (PPP) mode. Planning and Coordination Department has been designated as the nodal department and the Orissa Industrial Infrastructure Development Corporation (IDCO) as the technical secretariat for promoting PPP projects. Some of the successful initiatives to promote PPP projects in infrastructure development include Info Park at Bhubaneswar, upgradation of industrial infrastructure at Kalinganagar Industrial Complex through IDCO and user industries, development of Haridaspur-Paradeep Rail Link jointly by Rail Vikas Nigam Limited and user industries, promotion of Special Economic Zones (SEZs) at different locations, and establishment of Bio-Tech Park, International Convention Centre and IIT at Bhubaneswar. PPP in road infrastructure include Cuttack-Paradeep road and the Greater State Capital Region ring road. A Project Development Fund (PDF) has been set up by IDCO in partnership with Infrastructure Leasing and Financial Services (IL & FS) for developing and promoting priority PPP projects. A PPP Policy is also on unveil, which will create the enabling environment and extend policy support to PPP initiatives, including PPP through community participation.

9.06 There are contact points like “Shilpa Jyoti” in IPICOL for large and medium projects and “Shilpa Sathi” in the Directorate of Industries, Orissa and DICs for tiny and small units’ creation. ‘Escort Services’ will also be provided by these contact points for interaction with various agencies and authorities. Keeping in view the priorities laid down in the industrial policy, establishment of growth centers at Duburi, Chhatrapur, Khurda, Jharsuguda and Kesinga have already been sanctioned by Government of India and also establishment of specialized industrial park are being accorded high priority. Export Promotion Industrial Park (EPIP) has been set up at Bhubaneswar to promote export oriented industrial units with Central Government assistance. This has been renamed as INFOCITY and earmarked for establishments of all I.T industries. The functioning of the key promotional institutions, namely, IPICOL and OSFC will be strengthened and IPICOL will continue to be the nodal agency for promotion of large and medium industries and provide necessary escort services for facilitating implementation of mega projects, which are in pipeline and OSFC has been mandated to promote establishment of SSIs including ancillary and downstream industries.

9.07 The net value added by manufacture and the share of the manufacturing sector in NSDP in the State have shown an erratic trend over the years. The net value added by

manufacture in the State in the revised series at constant prices (1999-2000) was Rs.3126.57 crore in 1999-2000 which reflects an decreasing trend till 2001-02 and increased to Rs.2846.94 crore in 2002-03 and Rs.5555.32 crore in 2004-05, Rs.8193.82 crore in 2006-07 (Q) and Rs.9728.14 crore in 2007-08 (A). The manufacturing sector in the NSDP was 8.18% in 1999-2000, 5.98% in 2001-02, 7.18% in 2002-03, 10.87% in 2004-05, 13.83% in 2006-07(Q) and 15.13% in 2007-08(A).

LARGE SCALE INDUSTRIES

9.08 Orissa has been witnessing boom in industrial investment since 2003-04. Till 2007-08, about 46 companies have signed MoUs, of which 43 are steel projects with an anticipated investment of Rs.1,37,156.86 crore and production target of 58.14 MT per annum. Out of the above, 14 companies with an investment of about Rs.10,750 crore have completed first phase work and commenced partial commercial production by December, 2005. These companies have created direct employment potential for about 10,000 skilled and unskilled persons. Besides, the construction work of other 21 companies is in progress and it is likely that the commercial production would commence in near future.

9.09 Besides, the MoU for setting up of two Alumina Refinery projects has been signed with an anticipated investment of about

Rs.25,000 crore. Out of these, one Alumina Refinery Complex at Lanjigarh is in progress.

9.10 Indian Oil Corporation has signed an MoU with State Government for setting up an Oil Refinery at Paradeep with an anticipated investment of Rs.12,000 crore with production capacity of 12 to 15 MT per annum. About 10,000 persons can avail direct and indirect employment in this project.

SMALL AND MEDIUM ENTERPRISES

9.11 Small and Medium enterprises constitute the backbone of State economy. These sectors hold tremendous potential of employment opportunities and economic growth due to their low capital base, low gestation period, high value addition and high export potential. Therefore, emphasis has been laid for revival, modernizing and reorientation of the small and medium enterprises towards open market economy through "Cluster Approach".

9.12 Value addition is the key to employment generation and economic growth. Optimisation of value addition through ancillary and downstream industrialization, especially in the steel and aluminium sectors, is now the focus of industrial strategy of the Government.

INDUSTRIAL PROMOTION & INVESTMENT CORPORATION OF ORISSA LTD. (IPICOL)

9.13 The Industrial Promotion and Investment Corporation of Orissa Ltd (IPICOL), a key promotional institution, was

incorporated in 1973 with the main objective of accelerating the pace of industrial development of the State by promoting large and medium scale industries. IPICOL has sanctioned loan amounting to Rs.135.62 crore and disbursed Rs.88.06 crore during the 9th Plan period as against Rs.46.67 crore loans sanctioned and Rs.28.45 crore disbursed during the 8th Plan period. Rs.51.71 crore and Rs.22.08 crore loans were recovered during the 8th Plan and 9th Plan periods respectively.

9.14 During the 10th Plan period, i.e. from 2002-03 to 2006-07, IPICOL has sanctioned loans amounting to Rs.39.52 crore and disbursed Rs.33.72 crore to different major and medium industries while Rs.100.04 crore has been recovered (loan and interest) during the same period.

9.15 During 2007-08 no loan has been sanctioned by IPICOL and an amount of Rs.13.00 crore has been recovered towards loan and interest.

9.16 IPICOL has played a significant role in dispersal of industries in backward areas. Orissa is emerging as the leading state in production of steel, sponge iron and alumina/aluminium. There are labour intensive projects and projects based on local resources. A large number of mega projects are in the pipe line. During last five years 67 MOUs have been signed including 23 MOUs during 2006-07 for setting up steel, aluminium, cement and power plants in the state. During 2007-08, State Level Nodal Agency (SLNA) in IPICOL has received 42 Combined Application Forms for setting up projects with investment of about Rs.83,354.76 crore in the State.

9.17 As a part of the commitments made in the Industrial Policy Resolution (IPR) – 2001, Govt. of Orissa has actualized a single-window industrial facilitation framework. The adequate Statutory and Regulatory back bone has been created through the enactment of Orissa Industries (Facilitation) Act, 2004. IPICOL is acting as single-window contact for all information related to setting up large and medium industries in the State. IPICOL continues to attach importance to the rehabilitation of sick and potentially sick units. Rehabilitation packages are formulated providing, among other things, replacement of principal, funding of interest, waving of penal interest and sanction of additional term loans, where-ever necessary.

Table 9.1
Large and Medium Industries
promoted by IPICOL

(Rs. in crore)

Year	Sanctioned	Disbursement Project cost	Loan Recovery with interest
8 th plan	46.67	28.45	51.71
9 th plan	135.62	88.06	22.08
10 th plan			
2002-03	9.25	11.46	23.34
2003-04	19.99	8.76	21.85
2004-05	9.73	6.27	21.91
2005-06	0.55	6.70	19.34
2006-07	-	0.53	13.60
2007-08	-	-	13.00

Source: Industrial Promotion and Investment Corporation Ltd., Bhubaneswar

**INDUSTRIAL DEVELOPMENT
CORPORATION OF ORISSA LTD. (IDCOL)**

9.18 IDCOL was setup in 1962 with the objective of establishing and promoting large and medium scale industries in the State. In the process of promoting industries for value addition and optimum utilisation of rich mineral resources of the State, it has setup 15 industrial units in the State.

9.19 IDCOL was one of the professionally managed State PSU having track record of running in profit for years together. Shouldering the social responsibility, it has setup industry in no industry district. It has provided employment to more than 10,000 employees directly and equal numbers indirectly. It was a major contributor to the State GOP and was also a major contributor to State exchequer.

9.20 As a part of the Public Sector Reforms Policy of Government, the sick subsidiary companies were divested/ assets were sold. Presently, it is continuing as holding company of the following companies.

1. IDCOL Kalinga Iron Works Ltd. (IKIWL) at Barbil engaged in manufacturing of foundry grade pig iron and cast iron spun pipe.
2. IDCOL Ferro Chrome and Alloys Ltd. (IFCAL) at Jajpur Road is engaged in production of High Carbon Ferro Chrome.

3. IDCOL Soft Ware Ltd. at Bhubaneswar which acts as one of the nodal IT agents of the Government.

4. Konark Jute Limited, Dhanamandal engaged in jute products.

9.21 Besides, one Iron Ore Mine at Roiza 'C' Barbil and one chromite mine at Talangi are under operation by IDCOL.

9.22 Despite stiff competition, the IDCOL group of company have achieved a group turnover of Rs.470 crore during 2007-08 and registered a growth of 32% compared to the last year. The corporation has succeeded in exporting 37,350 MT chrome concentrate valued at Rs.51.00 crore during 2007-08 which is a record turnover of Talangi mines. Capital work for optimum capacity Utilisation in both IFCAL & IKIWL with an outlay of Rs.20 crore is in progress and is scheduled to be completed in 2009. On completion, the minimum capacity utilisation will be enhanced by 10% from the existing level.

9.23 With improved cash flow, the corporation has managed to prepay a portion of Government guaranteed bond liability during 2007-08. It has also prepaid Rs.35 crore to bond holder during 2007-08. This is an addition to Rs.15 crore already prepaid during 2006-07.

ORISSA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION (IDCO)

9.24 IDCO has been established in 1981 with the specific objective of creating infrastructure facilities in the identified industrial estate for rapid and orderly establishment of and growth of industries, trade and commerce. Consistent with this objective, IDCO has established/ managed 86 industrial estates all over the State. Besides, acquisition and allotment of land to the industries in medium and large sector, assisting them in infrastructure development are other prime functions of the Corporation. This ISO 9001 and ISO 14001 certified corporation has achieved the unique distinction of being the only State level Organisation to be conferred with the "Golden Peacock" award by Institute of Directors, New Delhi for adopting and maintaining quality management standards in all its operations.

9.25 Achievements for 2007-08 are as follows:

- Layout plan has been prepared for development of Ac 100 at Kalinga Nagar Growth Centre to accommodate SSI units in the first phase.
- Development works of IID Centres at Khurda is in progress. So far Ac 25.519 of land has been allotted in favour of 25 units during the year.
- Construction work of Administrative building with laboratory at Food Processing Park, Khurda has been

completed and Ac 20.368 land has been allotted to 6 units so far.

- Urban hata at Konark has been completed and commissioned.
- Land acquisition has been completed for development of approach road from Girala chhak to Special Tourism Area, Puri. Development of approach road is in progress.

9.26 Infrastructure projects under PPP mode are as follows:

- **Steel & Metallurgical Cluster, Duburi:** *Ministry of Commerce & Industry, Govt. of India have approved the project for development/ upgradation of infrastructure facilities in Kalinganagar Industrial Complex under IIU scheme. M/s Jajpur Cluster Development Ltd. is now taking up infrastructure development in Duburi Industrial Complex. Government of India has released an amount of Rs.31.32 crore against their share of Rs.47.00 crore.*
- *Special Tourism Area, Puri is proposed to be a multi attraction integrated tourism project for which Ac 934.46 of land has already been acquired and alienation of another Ac 649.064 is under process. As decided by Government, IDCO will provide the external infrastructure, viz. external road, power, water supply etc. and the works are in progress.*
- *INFO PARK is being put-up over 54 acres of land in Chandaka Industrial Estate. The project is being implemented in PPP mode.*

- Besides a number of projects viz. Haridaspur– Paradeep Railway Line, IT and commercial complexes etc.
- Complex at Rourkela, Berhampur, International Convention Centre at Bhubaneswar etc. are in different stages of progress.

LAND ACQUISITION

9.27 IDCO is the “NODAL AGENCY” for identifying and acquiring land both from Government and private parties at strategic locations. The land so acquired is allotted for industrial as well as infrastructure projects. During 2007-08, Ac1925.033 of land has been allotted to 26 industrial units.

TURN OVER

9.28 During 2007-08, the corporation has made a turnover of Rs.389.64 crore as against the target of Rs.335.70 crore and turnover of Rs.472.73 crore during 2006-07.

AGRICULTURAL PROMOTION AND INVESTMENT CORPORATION OF ORISSA LTD. (APICOL)

9.29 With a view to strengthening the rural economy by providing financial support for promotion and development of agro-based and food-processing industries, APICOL came into existence in March 1996. During 2007-08, 57 agricultural enterprises (38 Agro service centres and 9 commercial Agrl. enterprises) have been promoted by APICOL with an investment of Rs.114.10 lakh. During 2008-09, it has been proposed to setup 100 commercial Agro-Enterprises and the required

subsidy will be met out of self employment programme.

ORISSA STATE FINANCIAL CORPORATION (OSFC)

9.30 Orissa State Financial Corporation (OSFC) is a premier financial institution that came into existence in 1956 extending financial assistance for establishment of small and medium scale industrial units in the State. Besides, the Corporation also receives financial assistance from State Government and Central Government and provides Soft Loans and Margin Money for rehabilitation of Sick Industrial Units.

9.31 Since it's inception in 1956 till 2007-08, OSFC has sanctioned loans amounting to Rs. 1305.34 crore and disbursed Rs.1305.12 crore to 28,207 units. An amount of Rs. 1758.54 crore including Rs.64.78 crore during 2007-08 has been recovered so far. OSFC has created employment opportunities for 207 lakh persons.

ORISSA PISCICULTURE DEVELOPMENT CORPORATION LTD. (OPDC)

9.32 Orissa Pisciculture Development Corporation Ltd. (OPDC) was setup in the year 1998-99 by merging two erstwhile corporations viz Orissa Maritime & Chilka Area Development Corporation (OMCAD) and Orissa Fish Seed Development Corporation Ltd (OFSDC).

9.33 The Corporation has its outlets in coastal belt and urban areas from which the Corporation supplies diesel and mobil to

fishing trawlers/ mechanized boats as well as to the surface transports. During 2007-08, the Corporation has supplied 8,173 KL of High Speed Diesel valued at Rs.28.93 crore, 1523 KL of M.S. valued at Rs.6.74 crore and 18,688 ltrs. of lubricants worth of Rs.0.23 crore to fishermen at subsidized rate.

9.34 The Corporation has a Fish Net Manufacturing Unit at Mancheswar, Bhubaneswar which produced quality Fish nets and supplied them to fishermen at a reasonable price. During 2007-08, the Corporation sold 24.53 MT of Fishing Net worth of Rs.29.97 lakh to the fishermen at subsidized rate.

9.35 The Corporation has five fish seed hatcheries in which fish seeds of high quality are being produced in scientific manner. During 2007-08, about 13.42 crore fry were produced in these hatcheries and 12.28 crore fry worth of Rs.120.33 lakh were sold to the fish farmers on reasonable Government approved price.

9.36 It has been decided to modernize the net manufacturing unit by installing new high speed net manufacturing machines to meet the present market demand under SGSY Infrastructure Development Programme. Besides, it has also been decided to establish five Fresh Water Prawn Culture Hatcheries in the State.

ORISSA FILM DEVELOPMENT CORPORATION (OFDC)

9.37 Orissa Film Development Corporation Ltd. (OFDC) is a promotional agency functioning for the growth and development of Oriya Film Industry in the State since 1976. By the end of 2006-07, the Corporation has sanctioned loans amounting to Rs. 49.25 lakh for construction of 52 Rural/ Janata Cinema Halls and Rs. 61.48 lakh to 34 cinema halls for renovation purpose. OFDC is also extending financial assistance in shape of Term Loan/ Soft Loan for production of Oriya Feature Films / Documentary Films. By the end of 2006-07, the Corporation has sanctioned Rs. 4.76 crore for 136 projects, against which Rs.3.18 crore has been disbursed in favour of 100 projects.

9.38 In order to encourage the producers for production of Oriya Films in the State, Soft-cum-Bridge loan is being provided. By the end of 2006-07, the Corporation has sanctioned Rs.1.55 crore in favour of 101 producers towards Soft – cum- Bridge loan.

9.39 In order to encourage film producers, subsidy is given after due approval of State Govt. By the end of 2006-07, an amount of Rs.4.23 crore has been sanctioned as subsidy in favour of 283 film producers, of which Rs.3.58 crore has been released.

9.40 During the year 2007-08, neither any loan nor subsidy has been released in favour of any entrepreneurs / film producer.

9.41 The Corporation has taken all-out efforts for realization corporation dues by way of personal contact, issue of notices, filing certificate cases under OPDR Act etc. By the end of 2007-08, a sum of Rs.447.47 lakh has been recovered against the loan amount of Rs.307.00 lakh. During 2007-08, the corporation has recovered Rs.1.94 lakh from 8 loanees through certificate cases and Rs.0.78 directly from 4 loanees.

9.42 The Corporation has earned net profit of Rs.8.48 lakh during 2007-08 as against profit of Rs.5.95 lakh during 2006-07.

MICRO, SMALL & MEDIUM ENTERPRISES (MSME)

9.43 Growth of MSME sector is being emphasized not only because of its potential for generation of employment opportunities but also for its contribution to the output of the State. Government of India has enacted Micro, Small & Medium Enterprises Development Act, 2006 for development of the sector. State Government has also introduced Single Window Clearance System – a three tier mechanism for creation of environment conducive for industrial ventures which includes attracting domestic as well as foreign investment through expeditious clearance at a single contact point. Besides, packages of fiscal and non-fiscal incentives have also been announced by the State Government for boosting the MSME sector in IPR – 2007. Promotion of ancillary and down stream industries has been categorized as

‘Thrust Sector’ in the recent IPR. Cluster Development Approach is being adopted for enhancing the competitiveness of potential sectors.

9.44 Directorate of Industries, Orissa is the Nodal Agency for promotion of Micro, Small & Medium Enterprises (MSMEs) and plays a vital role in identification of entrepreneurs and assisting them to set up industrial units. By the end of 2007-08, there were about 97,127 numbers of MSME setup in the State with an investment of Rs.3120.69 crore providing employment opportunities for 5.80 lakh persons. During 2007-08, 4710 nos. of MSMEs were set up with an investment of Rs.295.51 crore and 23,301 persons including 2543 women, 2841 SC and 3326 ST have got employment. Year wise MSME setup, investment made and employment generated since 1995-96 to 2007-08 is given in Table 9.2.

Table - 9.2

Small Scale Industries in Orissa

Year	SSI units setup (cumulative)	SSI units setup during the year	Investment made (Rs. in Cr.)	Employment generated (persons)
1995-96	49589	2507	74.82	13019
2000-01	66206	3676	153.18	18115
2001-02	70125	3919	165.23	16582
2002-03	74133	4008	155.14	16320
2003-04	78568	4435	170.13	20547
2004-05	83075	4507	245.59	21898
2005-06	87861	4786	270.44	25142
2006-07	92417	4556	271.14	20839
2007-08	97127	4710	295.51	23301

Source: Directorate of Industries, Orissa.

9.45 During 2007-08 maximum number of industries have been setup in Sundargarh district (395 nos.) followed by Cuttack district (372 nos.) and Khurda district (356 nos.).

9.46 Table 9.3 reveals that the maximum numbers of MSME belong to Repairing and Services Sector (29.2%) but in terms of investment, food and allied sector (28.21%) topped the list. In case of employment generation, glass and ceramic sector (21.36%) is providing highest employment among other sectors.

Table 9.3
Category wise MSME units setup in Orissa.
(By the end of 2007-08)

Category	No. of units setup	Investment (Rs. in Cr.)	Employment (persons)
Food & Allied	22173	88020	115514
Chemical & allied	2678	167.69	20707
Electrical & Electronics	1074	44.26	6864
Engineering & Metal	11205	675.01	84410
Forest & Wood based	6065	48.31	38695
Glass & Ceramic	7438	374.37	123942
Livestock & leather	421	6.82	2409
Paper & paper products	2692	81.20	14691
Rubber & plastics	1632	113.51	9562
Textiles	7613	95.82	45467
Misc .Manufacturing	5785	157.31	28719
Repairing & Services	28351	476.18	89229
Total	97127	3120.68	580209

Source: Directorate of Industries, Cuttack.

SICK UNITS

9.47 Industrial sickness in small scale sector is a growing phenomenon and efforts

are being made to revive the viable sick units. By the end of 2007-08, 97,127 SSI units were in the State, out of which 1690 units were identified as sick including one unit identified in 2007-08 by OSFC.

PRIME MINISTER’S ROZGAR YOJANA (PMRY)

9.48 A Central Plan Scheme for self-employment titled “Prime Minister’s Rozgar Yojana (PMRY)” was being implemented in the urban areas of the State during 1993-94. Later, it has been extended to rural areas in 1994-95. Youths in the age group of 18 to 35 years (relaxation of 10 years in upper age limit for candidates belonging to SC/ ST/ Women/ Physical Handicapped/ Ex-servicemen category) with minimum educational qualifications of Class-VIII and having annual family income of Rs.1,00,000/- or less are eligible to avail loan assistance up-to Rs.2.00 lakh for Services Business and Rs.5.00 lakh for Industries Sector under the Scheme. The beneficiaries are required to invest 5% to 16.25% of the project cost as margin money and can get subsidy to the tune of 15% of the project cost limited to Rs.12,500/-. Since inception, an amount of Rs.829.93 crore has been disbursed to 1,29,632 educated unemployed youths and 1,18,619 number of micro enterprises have been promoted till December, 2008 and 2,44,874 persons have been provided employment under the scheme.

9.49 During the 10th Five Year Plan, against the target of 80,750, about 2.69 lakh applications were received under PMRY scheme, out of which 1.39 lakh applications were sponsored to different Banks and an amount of Rs.526.11 crore has been sanctioned in favour of 77,513 cases out of which Rs.381.83 crore has been disbursed to 63,165 applicants including Rs.81.59 crore disbursed to 14,519 applicants during 2006-07. During 2007-08 about 55,407 applications were received and loan amounting to Rs.127.05 crore was sanctioned in favour of 13,291 applicants against the target for 12,500 applicants. During 2007-08 about 10,711 units have been established with 21,998 employment generation. Achievement under PMRY scheme from 2003-04 to 2007-08 is given below.

Table 9.4
Achievement under PMRY
Schemes in Orissa

Description	2003-04	2004-05	2005-06	2006-07	2007-08
Target	16300	18000	18000	15600	12500
Application received	50061	53062	52194	66230	55403
cases sanctioned	13873	17803	18528	16900	13291
Amount sanctioned (Rs. in crore)	95.51	121.92	125.90	109.62	127.05
Cases disbursed	10820	14103	15775	14519	11916
Amount disbursed (Rs. in crore)	68.28	86.28	95.19	81.59	100.40
No. of units grounded	10331	12915	15432	11458	10711
Employment generated (self + salaried)	22322	26768	31994	23302	21998

Source: Directorate of Industries, Cuttack

ANCILLARY & DOWNSTREAM INDUSTRIES

9.50 Directorate of Industries coordinates with large and medium industries for promotion of ancillary and downstream industries. The Central Public Sector Undertakings (CPSUs) operating in the State have procured spares and consumables amounting to Rs.128.79 crore from local SSI units out of total purchase of Rs.196.69 crore during 2007-08. The list of 9 PSUs along with items identified for Ancillarisation and SSI units granted with Ancillary status are as follows.

Status of registered suppliers

Name of the PSUs	Items identified	No. of SSI units granted ANC status (Nos.)
Rourkela Steel Plant (RSP)	107	25 (226 granted Regd. Supplier status)
National Aluminium Company (NALCO)	109	48
Mahanadi Coalfields Ltd. (MCL)	67	75 (69 granted provision ancillary status)
Hindustan Aeronautics Ltd. (HAL)	9	5
Indian Rare Earths Ltd. (IRE)	45	29 (enlisted with IRE as Regd. Suppliers)
NINL	12	35 (SSI supplier not granted ancillary status)
NTPC, Kaniha	-	-
IOF, Saintala	32	-
PPT, Paradeep	-	-

Source: Directorate of Industries, Orissa, Cuttack

TECHNICAL EDUCATION AND TRAINING

9.51 The Industrial Policy of the State envisages a series of measures to improve the stock of technical manpower and upgrade the skills of local entrepreneurs. Biju Pattanaik University of Technology (BPUT) has been

set up in the State at Rourkela. The University has started functioning since 9th July, 2002 with an aim to bring about improvement in the quality of technical education through uniformity in course curriculum, curriculum development, research and conducting a uniform pattern of examination system for the whole State. At present, there are 7 Government and 37 Private Engineering Colleges functioning in the state with an intake capacity of 14,497 students. The erstwhile Regional Engineering College, Rourkela has been renamed as National Institute of Technology (NIT) with deemed university status under the control of Ministry of Human Resource Development, Government of India with intake capacity of 360. Besides, 13 Government Engineering Schools including 4 Polytechnics for women and 17 Private Engineering Schools with intake capacity of 9130 students are also running in the state under the control of Council of Technical Education & Vocational Training. There is also one Film and Television Institute in which the GRAMSAT programme has been introduced with the help of ISRO, Government of India.

9.52 The Craftsman Training Scheme under the aegis of National Council of Vocational Training (NCVT) is being implemented in 25 Govt. ITIs and 206 Private ITIs in the State with intake capacity of 21,453 students. Action has been taken for

implementation of the scheme, "Training-cum-Production Centre" in the ITIs for improving skill and confidence of the trainees.

ORISSA SMALL INDUSTRIES CORPORATION (OSIC)

9.53 As a Nodal Promotional Agency, Orissa Small Industries Corporation (OSIC) was established in April 1972, with main objective to aid and assist the small scale industrial units in the State for their sustained growth & development. The Corporation has been extending marketing support, financial assistance for purchase of quality raw materials, sub-contracting exchange and rendering various other services to small-scale units. The Corporation also administers certain incentives as per the Industrial Policy of Government of Orissa.

9.54 OSIC provides various raw materials like iron & steel, TISCON Bars, aluminium ingots, plastics, bitumen, coal etc. to SSIs as per their requirement. At present, the Corporation has 12 raw material depots all over the State. Besides, the Corporation has also appointed 53 dealers to spread TISCON bar business. During 2007-08, the Corporation has supplied 158.90 TMT of raw materials to SSIs valued at Rs.193.82 crore as against 90.20 TMT raw materials valued at Rs.116.65 crore supplied during 2006-07. The Corporation has a target to achieve a turn over of Rs.237.00 crore during 2008-09.

9.55 Under Marketing Assistance Scheme, the Corporation assists the SSI units in marketing their products. Under the scheme, the Corporation procures bulk orders from State Govt., Semi Govt. Undertakings and gets the same executed through SSI units. During 2007-08, the Corporation provided marketing assistance to the tune of Rs.6.13 crore as against Rs.27.19 crore during 2006-07.

9.56 Under the project marketing scheme, the Corporation provides marketing supports to SSI units through its 'Contract Exchange Scheme' by participating in Major Tenders and securing Bulk Order of construction works consisting of fabrication and erection of steel structural and other associate works. During 2007-08, the Corporation achieved a business of Rs.4.99 crore under this scheme. Further, the State Government has been moved to appoint OSIC as Nodal Agency to cater to the IT need of Government Departments for IT projects including hardware, software and training etc. to all Government Departments and to provide consultancy with ISL & OCAC.

9.57 The Corporation has earned a net profit of Rs.3.25 crore against a turn over of Rs.216.65 crore for the year 2007-08. The achievements of OSIC is placed at Table 9.5.

Table 9.5
Achievements of Orissa Small Industries Corporation (OSIC)

(Quantity - in MT., Value - Rs. in lakh)

Scheme	Achievement made during the year			
	2006-07		2007-08	
	Quantity	Value	Quantity	Value
Raw materials supplied	90204	11665.36	158898	19381.90
Marketing Assistance	-	2719.45	-	612.94
Sub-contracting exchange	-	463.57	-	535.09
Others	-	-	1759	1135.26
Total	90204	14848.38	160657	21665.19

Source: Orissa Small Industries Corporation, Cuttack.

HANDICRAFT AND COTTAGE INDUSTRIES

9.58 Orissa is known for its excellence in silver filigree, applique, stone carving, brass and bell-metal works, horn carving, terracotta and patta painting etc. The Directorate of Handicrafts and Cottage Industries provides administrative, managerial and financial support for promotion, revival and diversification of these traditional industries through various schemes. During 2007-08, 9,011 cottage industries have been set up in the State with an investment of Rs.38.30 crore providing employment to 15368 persons as against 13,063 cottage industries established during 2006-07 with an investment of Rs.53.32 crore and employment generation for 20,605 persons. Data on the growth of Cottage Industries in the State over the years is presented in Table 9.6.

Table 9.6
Growth of Cottage Industries in Orissa

Year	No. of units established	Investment (Rs. in lakh)	Employment generated (number of persons)
2000-01	22,431	4,064.68	37,641
2001-02	26,196	6,172.55	36,937
2002-03	25,041	6,133.67	39,528
2003-04	23,287	6,788.65	39,743
2004-05	18,277	4,840.71	30,052
2005-06	13363	3942.25	22734
2006-07	13063	5332.09	20605
2007-08(P)	9011	3830.11	15368

3P: Provisional

Source: Directorate of Handicrafts & Cottage Industries, Bhubaneswar.

9.59 During 2007-08, 200 Handicrafts Co-operative Societies with a membership of 15,199 were actively functioning in the State as against 224 Co-operative Societies functioning in the State during 2006-07 with 17,045 members. These societies provided employment to 4,851 Artisans and produced handicraft articles worth Rs.6.57 crore during 2007-08. During 2007-08, these Co-operative Societies have sold articles worth Rs. 7.24 crore as against Rs.7.45 crore during 2006-07. Further, it is to be noticed that the activity of Handicraft Co-operative Societies in the State is gradually declining.

9.60 In order to strengthen the artisan based enterprises in the handicraft sector, 20 Handicraft Training Centers are functioning in the State. During 2007-08, 245 persons were

trained in these centers as against 281 persons were trained in 2006-07.

9.61 The Orissa State Co-operative Handicrafts Corporation Ltd. (OSCHC) is engaged in strengthening the production base, enlarging marketing opportunities, encouraging exporters and introducing New Design and Technology in the handicrafts sector. The Corporation provides assistance to Primary Handicrafts Co-operative Societies, Voluntary Organizations and Individual Artisans for improving the marketability of their products. The Corporation procures a wide variety of handicraft products and undertakes marketing of these, both inside and outside the country, through its sales outlets popularly known as "Utkalika". The Corporation is also running a Craft Development Centre at Jeypore for providing a package of services to a cluster of craftsmen under a single umbrella for development of handicrafts. The Corporation is implementing the Woolen Carpet Weaving Training Scheme through its five Training Centers. During 2007-08, the Corporation has procured handicraft goods worth of Rs.3.64 crore and sold articles worth of Rs.6.01 crore as against Rs.3.32 crore procurement and Rs.5.02 crore sales during 2006-07.

SALT INDUSTRIES

9.62 In Orissa, salt is manufactured in the Coastal Districts of Ganjam, Puri and Balasore both in Co-operative fold and Private

Sector in the salt land leased out by Salt Department, Government of India and by the State Government. The share of salt production both by Co-operative and Private Sector in the State since, 2002 is presented in Table 9.7.

Table – 9.7
Salt Production in Orissa.

Year (salt production season)	Production of salt (In MT)		Total
	Co-operative sector	Private sector	
2002	2332	3850	6182
2003	13677	24151	37828
2004	6206	13401	19607
2005	17258	39000	56258
2006	6082	14611	20693
2007	10372	21243	31615
2008	9188	10684	19872

Source: Directorate of H & CI, Orissa.

9.63 It is observed that more than 50% of the total salt production in the State is from private sector industries. Due to unfavourable topography and less number of hard summer days coupled with age old method of production, the average salt production in the State is 10 MT per acre where as it is 70 MT per acre in major salt producing States like Tamilnadu, Rajsthan and Gujrat. In order to enhance the salt production, both in quality and quantity, the following initiatives have been taken.

Establishment of Model Salt Farm:

9.64 A model salt farm at Ganjam has been established with a project cost of Rs.10.80

lakh to demonstrate best practices with higher yield rate.

Comprehensive Action Plan:

9.65 Initiatives have been taken to prepare a comprehensive Action Plan for enhancing salt production, percentage of yield, and additional employment focusing on realignment of salt land. The matter was moved to Salt Commissioner to provide necessary technical inputs. Scientists from CSMCRI, Bhabanagar have visited the State for the purpose.

Namak Mazdoor Awas Yojana:

9.66 In order to ameliorate the living condition of the salt workers, Govt. of India have introduced a Centrally Sponsored Scheme namely “Namak Mazdoor Awas Yojana” in the State. The cost of each house under this programme is Rs.50,000/- including the infrastructure facility. As per the revised guidelines the share between the Centre and State are in the ratio 90:10. It has been programmed to construct 298 dwelling units for the salt workers, out of which 181 units have been completed by the end of 2007-08.

COIR INDUSTRIES

9.67 Coir Industries in Orissa has immense potential to provide self employment in rural areas, particularly for women. In Orissa, coconut cultivation is being popularized. During 2007-08, coconut cultivation was done over an area of 51,035 hectares and 2,756

lakh coconuts were produced as against 51,035 hectares and 2,756 lakh nuts produced in 2006-07. By the end of 2007-08, 735 coir industries have been set up in the state including 106 industries set up during 2007-08. These industries produced 12,160 MT of coir products, valued at Rs.86.91 crore during 2007-08, providing employment to 10,610 persons. Besides, 114 numbers of Coir Cooperative Societies with 7,211 members have been set up in the state as on 31st March, 2008. These Societies produced 1,840 MT of coir products valued at Rs.72.00 lakh during 2007-08.

9.68 During 2007-08, an amount of Rs.9.50 lakh has been sanctioned in favour of 190 trained artisans @ Rs.5000/- each towards 'seed money' to avail working capital loan to the tune of Rs.38.00 lakh from financial institutions under Rehabilitation of Coir Artisan Programme.

9.69 Coir artisans participated in different exhibition/ mela/ festival viz. 'Parab' at Koraput, Baliyatra at Cuttack, Beach festival at Puri etc. for sale of their products. During 2007-08, about 33 participants have attended the said exhibitions and sold coir products worth of Rs.9.60 lakh.

9.70 Three Entrepreneurship Development Programme (EDP) were conducted during 2007-08 in which 65 entrepreneurs had attended.

9.71 45 Artisans of Jagatsinghpur and Puri District visited Kerala and Tamilnadu on an Exposure Tour and acquired knowledge regarding improved technology on preparation of coir products.

HANDLOOM AND TEXTILE INDUSTRIES

9.72 Handloom is a part of the rich cultural heritage and important Traditional Cottage Industries of Orissa, which has a tremendous employment potential. The Handloom products of Orissa have got wide recognition all over the country and abroad for their highly artistic design, colour combination, super craftsmanship, excellency and long durability. Government have laid emphasis on the development of Handloom Industries in the organised sector by providing modern looms and accessories, imparting training to weavers for skill development, providing marketing support etc.. For development of this sector, central/ state grants are being provided to weavers through cooperative societies.

9.73 Cluster Development approach has been adopted as a focused strategy for developing and assisting all production, organization and activities in concentration at weaver's habitat. State Government has a clear policy for Technological Upgradation of Handloom Sector in order to improve productivity of weavers and ensure quality and standardized production for the market.

9.74 As per last census, the total number of looms and weavers are 1,19,005 and 4,15,261 respectively, out of which 79,368 nos. of looms of 1,09,627 weavers are in the cooperative fold working through 716 primary weavers' about 51632 looms were operated in the state with an investment of Rs.157.26 crore against 51,111 looms and investment of Rs.161.52 crore during 2006-07. During 2007-08, 183.79 lakh sq. mtrs. of clothes have been produced by these looms and employment for 1,03,264 were created. Highest numbers of looms belong to Baragarh district (10,632) followed by Cuttack (7,400) and Nayagarh (4,926). Table-9.8 shows the progress of Handloom industries in Orissa for 2006-07 and 2007-08.

Table – 9.8**Progress of Handloom Industries in Orissa**

Sl. No.	Items	2006-07	2007-08
1	No. of looms	51,111	51,632
2	Investments (Rs. in cr.)	161.52	157.26
3	Production (in lakh sq. mtrs.)	143.58	183.79
4	Employment (in lakh persons)	1.02	1.03

Source: Directorate of Textiles, Orissa

Co-operative Spinning Mills

9.75 At present, seven Cooperative Spinning Mill are existing under Orissa State Cooperative Spinning Mills Federation Ltd. Out of these, five Mills have ceased their production since long. One spinning mill is running on conversion and another is engaged for cotton ginning and bailing

purpose. During 2006-07, about 4.42 MT of handloom products worth of Rs.0.92 crore were produced with employment generation for 527 persons.

Sericulture

9.76 Orissa is known for its exquisite silk and tassar fabrics. Sericulture is an agro-based cottage industry which provides employment to SC, ST, OBC and rural poor in large scale. Development of sericulture is intended to bridge the gap between demand and supply of silk yarn and to help rural people to achieve higher income through this labour intensive activity. It is also proposed to encourage the production of tassar in the State. For promoting sericulture at farmers level, who are having a scheme entitled 'Promotion of Sericulture Industries' through which Government assistance is given to sericulturist working in mulberry and tassar sector.

9.77 Orissa Co-operative Tassar & Silk Federation (SERIFED) is the apex level Co-operative Marketing Organization which provides marketing support of silk cocoons and silk products to the STs/ SCs and the backward sericulture farmers of the state. This organization act as safety net and a social catalyst by providing support price of Tassar, Mulberry and Eri cocoons to the farmers as well as safeguards the poor sericulture farmers from Distress Sale of their product. At present, 62 Tassar Rearing Co-

operative Societies (TRCS), 33 Mulberry Rearers Co-operative Societies (MRCS) and one Eri Rearers Co-operative Society (ERCS) are functioning in the State and are affiliated to SERIFED.

Tassar

9.78 During 2007-08, 62 Primary Tassar Co-operative Societies were functioning in the State for development of tassar products and about 8450 hectares of land in 1,110 villages were under rearing activities. During 2007-08, about 13.72 lakh Tassar DFLs were supplied to the rearers and 47.60 MT of tassar yarn was produced providing employment to 17,744 persons.

Mulberry

9.79 Mulberry plantation and silkworm rearing have been taken up on a large scale in 33 blocks of the State. During 2007-08, 669 acres of land were under Mulberry cultivation involving 1,308 farmers of 39 Rearers Co-operative Societies. During 2007-08, 78,847 DFLs were supplied to the farmers, about 2.03 MT of mulberry yarn was produced and 2,812 persons were employed. A cold storage for preservation of mulberry eggs has been set up at Chandragiri and mulberry rearing has also been introduced in 4 Mulberry Rearing Co-operative Societies as a preliminary venture to impart training.

Eri

9.80 Eri culture has been promoted as a subsidiary occupation in the State. At present,

one Eri Rearers Co-operative Society is operating in the State. During 2007-08, 938 acres of land were under eri-culture and 95,748 DFLs were supplied to eri-rearers. About 4.90 MT of yarn was produced in the State during 2007-08 providing employment to 3,090 persons.

Micro Project for Development Bivolatine Silk in Orissa

9.81 This is a new scheme with an objective to increase the production and productivity of the farmers in the cluster of micro projects area at par with the farmers of sericulture advanced states. This will address all the components like plantation, rearing house, rearing equipments, chowki rearing etc. from a single door system there by producing silk cocoon and raw silk of international quality and increasing the income of the farmers to a great extent.

9.82 Besides, for promotion of Sericulture industries, it is proposed to cover 16,000 SC / ST / BPL beneficiaries under development of Tassar, Mulberry and Eri sericulture during Eleventh Five Year Plan period. It is also proposed to take up plantation, preparation at chowki worms, study tour and training etc. during 11th plan period.

KHADI & VILLAGE INDUSTRIES

9.83 In Orissa, Khadi and Village Industries are being promoted by the Orissa Khadi and Village Industries Board with financial support

from Khadi and Village Industries Commission, Govt. of India. The Board is providing financial assistance in the shape of loans and grant to the beneficiaries through Co-operative societies / Institutions.

9.84 The Orissa Khadi and Village Industries Board, since its inception till 1995-96, has extended financial assistance amounting to Rs.51.73 crore to 5,315 KVI units through 1,865 Co-operative societies/ Institutions. Out of this, only 964 units are in working condition. These units produced Khadi and Village Industry products worth Rs.25.47 crore and marketed goods worth Rs.31.44 crore. During 2007-08, full time employment to 8,244 persons including 1,953 SCs, 1,169 STs, and 3,781 women were created.

9.85 Out of 40 Khadi societies / institutions, affiliated to OK & VIB, 36 were financed under Pattern of Assistance and the remaining 4 Societies were financed under Interest Subsidy Scheme. Out of these 40 Societies, 20 Societies have buildings of their own and 7 Societies have land of their own without building. Khadi Certificate has been renewed in favour of 5 Board Aided Khadi Societies by the end of March, 2008.

9.86 Under Rural Employment Guarantee Programme (REGP) Scheme, 3,829 units have been financed by the Board by the end of 2007-08.

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME

9.87 Khadi and Village Industries Commission has introduced a new scheme 'Prime Minister's Employment Generation Programme' from the current financial year, 2008-09. The KVIC works in State offices and KVIB in the rural areas of the State and through DIC, in both rural as well as in urban areas. During 2008-09, KVIC has allotted physical target of 736 units with financial assistance of Rs.8.84 crore as margin money with 7,366 employees.

9.88 The Board has submitted proposal to the State Government to revive Khadi activities by pilot project in Khaprakhhol block of Bolangir district with project cost of Rs.3.18 crore. Besides, two project proposals viz. revival of one defunct Hand Made Paper Unit and another for establishment of a new Hand Made Paper Unit, with project cost of Rs.36.56 lakh are also under active consideration.

9.89 OK & VIB has proposed to establish a Mini Honey Processing Unit with project cost of Rs.16.25 lakh in the premises of the Board. The proposal is recommended by the State Level Appraisal Committee for approval of KVIC, Mumbai.

TOURISM

9.90 Tourism sector is one of the important sectors which have potentiality of employment generation in the related fields like hotel,

transport, shopping, food etc. It is the hospitality sector which binds together a lot of other employment generating sectors through backward and forward linkages.

9.91 Tourism sector is highly labour intensive which not only creates direct employment but also creates opportunities for indirect employment in Orissa. It has been estimated that in Orissa about 92,206 persons are directly and about 2,76,618 persons are indirectly engaged in tourism sector. It has also been estimated that for every million rupees invested in Tourism sector, 47 jobs are created against 45 jobs in Agriculture sector and 13 jobs in Manufacturing sector. The ratio of indirect job to direct jobs in Tourism Sector is approximately 1:3.

9.92 Growth of Tourism strengthens the local economy as it helps flow of money including foreign exchange earnings from one region to another. High priority is, therefore, accorded for development and promotion of Tourism in Orissa with the following initiatives.

- ❖ *Increase the tourist traffic and to enhance their duration of stay in Orissa.*
- ❖ *Ensure availability of tourism infrastructure*
- ❖ *Develop, promote and market in Orissa as a tourist destination.*

9.93 Development of tourism is normally measured in terms of the number of tourist arrivals. During the 9th Plan period (1997-02)

the tourist arrival in the State was 146.06 lakh with annual growth rate 3%. As against this, 217.87 lakh tourist arrivals have been recorded during the 10th Plan period with annual growth rate 11%. During 2007-08, 62.54 lakh tourists visited Orissa, out of which 0.43 lakh (0.69%) were foreign visitors. Tourist arrival to Orissa in 9th Plan, 10th Plan periods and from 2002-03 to 2007-08 is given in Table 9.9.

Table - 9.9
Tourist arrival in Orissa

(in lakh nos.)

Year	Domestic	Foreign	Total	Growth rate
During 9 th Plan period (1997-02)	144.70	1.36	146.06	-
During 10 th Plan Period 2002-07	216.33	1.54	217.87	11
2002-03	34.29	0.23	34.52	8.4
2003-04	38.06	0.26	38.32	11.0
2004-05	43.26	0.30	43.56	13.7
2005-06	46.95	0.36	47.31	8.6
2006-07	53.77	0.39	54.16	14.4
2007-08	62.11	0.43	62.54	15.4

Source: Directorate of Tourism, Orissa, BBSR

9.94 UK, Germany, USA, France and Japan were the major tourist generating markets for Orissa during 2007-08 and maximum tourist arrival has been recorded from Western Europe. During 2007-08 about 55% of foreign tourists were from Western Europe.

9.95 West Bengal continued to be the major tourist generating State for Orissa contributing more than 18.6% of the total domestic tourist arrival during 2007-08 followed by Andhra

Pradesh (3.6%). Incidentally, according to a survey, Puri draws maximum number of tourists next to Tirupati in India.

9.96 A Tourist profile survey was conducted during 2004-05 which indicates that the average duration and spending of a domestic tourist is 3.9 days and Rs.1,275.00 per day respectively, while that of the foreign tourist is 12.7 days and Rs.1,944.00 per day. Basing on this result, it is estimated that the inflow of money to the State through tourist (including the spending by tourists of Orissa) during 2007-08 stood at Rs.3,195.14 crore.

Table - 9.10
In flow of money through
Tourist in Orissa.

(Rs. in crore)

Year	Domestic Tourists	Foreign Tourists	Total	Growth rate
2003-04	1274.54	30.31	1304.85	-
2004-05	2151.10	74.80	2225.90	70.6
2005-06	2334.91	88.21	2423.12	8.9
2006-07	2673.77	97.29	2771.06	14.4
2007-08	3088.21	106.93	3195.14	15.3

Source: Directorate of Tourism, Orissa, BBSR

9.97 During 2007-08, the foreign earning from tourist arrival in to the State registered an increase of 9.9% over 2006-07 as against 10.3% recorded in 2006-07 over 2005-06.

9.98 In order to make Orissa as a popular destination at National / International level and to attract the domestic as well as foreign tourists to Orissa, the Orissa Tourism has participated in different Tourism festivals during 2007-08 like ITB in Berlin, PATA in Indonesia and WTM in London in foreign countries, TTF at Kolkata, Nalabana Tourism

Festival at Kolkata, IITE at Nagpur, IITF, New Delhi in other States and Union Territories of India and Konark festival, Shreekskhtra Utsav, Puri, Ekamra Utsav, Puri, Rajarani Music Festival, Bhubaneswar, Kalinga Mohatsav were organised directly by Department of Tourism. During 2007-08 "Ekamra the Temple City Festival, Bhubaneswar, in the pattern of Surajkund Craft Mela, was organised with financial assistance from Government of India.

9.99 During 2007-08, emphasis has been for completion of the ongoing tourist projects viz. integrated development of Buddhist circuit, development of tourist complex at Pipili, Gopalpur, Sakhigopal, Taptapani, Khiching, Satakosia, Eco-tourism at Bhitarkanika etc. Besides, 10 Tourism projects have been sanctioned during 2007-08, which include development of Orissa Tourism Portal, Mahanadi Central Heritage, Gurukul at Konark Natya Mandap, Kapilas, Joranda and Saptasajya etc.

9.100 At present 19 tourist units (11 panthasala, 4 panthika, 2 tourist centre, 1 yatri niwas and one sun villa) with 105 rooms and 387 beds are functioning under the Tourism Department while 22 tourist units (16 panthaniwas, 2 yatri niwas, 2 aranya niwas, 2 panthaslala and one panthika) with 472 rooms and 1047 beds are functioning under Orissa Tourism Development Corporation (OTDC).

9.101 Besides, Orissa Tourism has also participated tourism festival in other States and U.T.s. viz. TTF at Kolkata, Nalabana tourism Festival at Kolkata, IITE at Nagpur, IITF, New Delhi and IATO, New Delhi.

9.102 Orissa Tourism introduced Hop-on-Hop-off tourist bus services at Bhubaneswar first time in India. It is very economical and advantageous compared to traditional sightseeing tours as well as flexibility for tourists to choose destination as per their interest.

9.103 Samuka Beach Project, the erstwhile Special Tourism Area, Puri, a unique project is being developed in Orissa. The project envisaged to provide World Class facilities to cater to high-end tourists. Besides, a numbers of projects including development of Mahodadhi nivas, Puri as a heritage Hotel on BOT formal, establishment of eco-camps at various locations on 10 years lease basis, establishment of Marine Aquarium at Puri, will be taken shortly to attract foreign as well as inter state tourists.

9.104 In addition, Orissa Tourism have plans to start a "place on wheel" train for Orissa which would be provide the tourist with a flavour of wild life, beaches, Buddhist sites, magnificent temples, art and crafts, dances, the Chilika lake and the tribal culture.

HOTEL INDUSTRY:

9.105 Hotel industry and tourism are co-related. Therefore, development of hotel industries is essential for growth of tourism. During 2007-08, about 1,213 hotels including 62 High Spending Groups, 204 Middle Standard Group and 947 Low Spending Groups were functioning in the State with 23,321 rooms and 44,998 beds. Out of total 1,213 hotels in the State, highest numbers of hotels were in Puri district followed by Khurda district. The lowest number of hotels were in Boudh district. During 2007-08, approval was granted to 11 new Hotel projects for construction in Orissa and recognition was granted to 13 Excuting agencies.

Table – 9.11**Hotel Position in Orissa**

Year	No. of Hotels	No. of Rooms	No. of Beds
2000	769	15668	29560
2001	817	16861	31992
2002	829	17289	32791
2003	860	17839	33907
2004	905	18541	35314
2005-06	934	19265	36771
2006-07	1153	22820	43828
2007-08	1213	23321	44998

Source: Directorate of Tourism, Orissa, BBSR

9.106 During 10th Five Year Plan (2002-07), an amount of Rs.38.45 crore has been spent under tourism sector against plan outlay of Rs.38.00 crore. The plan ceiling for the 11th Plan, (2007-12) and Annual Plan (2008-09) has been fixed at Rs. 4,209.75 lakh. During 11th Five Year Plan emphasis will be laid on the following thrust areas.

- *Completion of the ongoing projects*
- *Projecting Orissa in the domestic as well as in overseas market as a favoured tourist destination through appropriate publicity and marketing including launching of special campaign.*
- *Creating appropriate ambience for attracting private sector investment in a big way by suitable policy initiatives and synergy of activities at Government level.*
- *Restructuring the Department to increase functional efficiency, social responsibility and financial accountability by creating State Tourism Promotion Board and District Tourism Promotion Council.*

PUBLIC SECTOR ENTERPRISES (PSEs)

9.107 There were 65 Government Companies (29 working) and four working statutory corporations as on 31st March, 2007. The total investment in these 33 (29 companies and 4 statutory corporations) working PSUs was Rs.6,386.89 crore (equity Rs.1,542.57 crore and term loan Rs.4,844 crore). Out of the 33 working enterprises, 21 PSUs are profit making and 10 are loss making and 2 enterprises are promotional enterprises operating in no profit / no loss basis.

9.108 Public Enterprise reform has been at the top of the reform agenda world wide since the early 1980s. Orissa was one of the first States to initiate the process of reform even before the Government of India announced its policy of liberalization in 1991 with restructuring of power section, sale of chrome plant at Brahmanipal to TISCO and

sale Talcher Thermal Power Plant to NTPC. State Government has signed MoU with Department of Economic Affairs, Government of India to achieve fiscal sustainability on the medium term in accordance with the Orissa Medium Term Fiscal Reform Programmes. Besides, it aims to protect the interest of the workers those who are adversely affected due to privatization of State PSEs.

9.109 At present the State Government is pursuing the policy of selective privatization / disinvestment of loss making public and cooperative enterprises operating in 'non-core' sector. The prime objective of privatization policy is to revive potentially viable loss making enterprises and to safeguard the interest of the workers and to create opportunities for generating further employment by catalyzing the dynamism of the private enterprise. The State Government has also identified a set of core enterprises, which will continue to operate in the domain of the public sector.

9.110 The PE reform component of Orissa Public Sector Reform Programmes ends in January, 2004, having utilised Rs.832.5 million under VRS payments and Rs.277.5 million for technical cooperation grant and Social Safety Net Programme. Under Social Safety Net Programme (SSNP), 9,488 voluntary separated employees have been counseled and 3,447 have been redeployed.

In order to continue this programme, DFID has again agreed to provide a grant of Rs.2,286.5 million. Thus together with the expenditure in Phase-I, the total assistance for Orissa Public Enterprise Reform is about Rs.3,396.00

million. State Government has already received Rs.179.95 crore from DFID against the claim of Rs.192.91 crore under OPERP – II.

EXPORT PROMOTION

9.111 Orissa has a rich export potential in mineral, marine and agro-forestry products, so also in handloom products and handicrafts. The Industrial Policy, 2007 formulated by the Government of Orissa accords priority to export promotion.

DIRECTORATE OF EXPORT PROMOTION & MARKETING

9.112 The Directorate of Export Promotion and Marketing, Orissa has been declared as the Nodal Agency for providing marketing support through quality control to registered industrial units and rate contract holding industrial units and for rendering technical assistance for promoting export activities in the State. The Directorate strives to promote export from the State by the way of monitoring the following activities:

- *Creation of better infrastructure like Export Promotion Industrial Park etc. for boosting exports.*
- *Providing Overseas Marketing information and Overseas Trading Enquiries to the potential exporter.*

- *Liasioning with Central Government / State government Departments and Export promotion Agencies to sort out difficulties encountered by the exporters of the State.*
- *Presenting export awards annually to the best exporters with a view to generate competitiveness among the exporters. Conduct workshop, seminars etc. in-collaboration with national level organization like IIFT, DGFT, MSME, EGGC etc.*
- *Assist potential exporters in providing know-now to enter into the export market.*
- *Redressing the grievances of the exporters by taking up their problems with EPC, commodity Board and other Government of India offices.*

9.113 There were 341 exporters in the State as on March 2008. During 2007-08, goods valued at Rs. 13,594.79 crore were exported as against goods valued at Rs.12,837.32 crore exported during 2006-07 showing an increase of about 5.90 percent. Item-wise value of goods exported from Orissa to foreign countries during the last five years is shown in Table 9.12.

Table 9.12

Value of Goods Exported from Orissa to Foreign Countries (Rs. in lakh)

Items	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08(P)
Metallurgical products	166960.06	309291.84	309631.08	403675.05	513425.84	505407.65
%	57.24	69.89	57.43	37.57	39.99	37.18
Engineering, chemical and allied products	13009.03	10889.26	31017.80	44090.16	45252.68	21134.60
%	4.46	2.46	5.75	4.10	3.53	1.55
Mineral products	49572.01	56571.71	126553.77	539273.63	608541.97	708806.07
%	17.00	12.78	23.47	50.19	47.40	52.14
Agriculture and forest products	157.99	144.52	195.00	2662.18	1009.76	625.11
%	0.05	0.03	0.04	0.25	0.08	0.04
Marine products including Fish & shrimps products	36516.00	33443.00	32500.00	37300.00	40124.45	38698.73
%	12.52	7.56	6.03	3.47	3.13	2.85
Handloom and textile products	161.21	123.56	836.44	274.73	1396.60	910.59
%	0.05	0.03	0.16	0.03	0.11	0.07
Handicraft products	87.02	84.37	97.97	93.43	101.18	64.80
%	0.03	0.02	0.02	0.01	0.01	Neg.
Electronics			38191.39	46609.60	73469.66	83744.50
%			7.08	4.34	5.72	6.16
Others (Computer software and pharmaceutical etc.)	25215.13	32011.16	109.46	418.54	409.40	86.90
%	8.64	7.23	0.02	0.04	0.03	0.01
Total	291678.45	442559.42	539132.91	1074397.32	1283731.54	1359478.95
%	100.00	100.00	100.00	100.00	100.00	100.00

P: Provisional, Source: Directorate of Export Promotion & Marketing Orissa, Bhubaneswar, Neg – Negligible

9.114 It is observed from the above table that the value of goods in respect of metallurgical products, Mineral products and Electronics constitutes about 95.48% of the total goods exported from the State during 2007-08 of which Mineral products itself comprises more than 52%. Besides, other products viz. Engineering, Chemicals and Allied products, Handloom and Textile products, Handicraft products and various Marine products were also exported from the State.

9.115 This reveals that the value of goods exported from Orissa to foreign countries is in

an increasing trend. During 2003-04, goods worth Rs.4,425.59 crore were exported to foreign countries as against goods worth Rs.13,594.79 crore exported during 2007-08 showing an increase of about 207% and about 5.90% more than the previous year, i.e. 2006-07.

EXPORT AND IMPORT THROUGH PARADEEP PORT

9.116 Paradeep port is the only cargo handling port in Orissa through which minerals, metallurgical products and fertilizers are exported and imported. All -time record traffic of 424.38 lakh tones was handled at

this port during the year 2007-08 as compared to 385.17 lakh tones in 2006-07 and 331.09 lakh tones in 2005-06. The year wise traffic handled since 2003-04 is given in Table 9.13 below.

Table 9.13
Export and Import through Paradeep Port
(lakh MT)

Year	Export	Import	Container		Trans shipment	Total
			Export	Import		
2003-04	185.48	67.03	0.58	0.02	-	253.11
2004-05	216.35	84.38	0.31	-	-	301.04
2005-06	216.41	114.23	0.44	0.01	-	331.09
2006-07	248.23	136.54	0.31	-	0.09	385.17
2007-08	255.30	168.37	0.53	0.01	0.17	424.38

Source: Paradeep Port Trust, Paradeep.

9.117 All time record export traffic of 255.83 lakh tones was handled during 2007-08 as compared to 248.54 lakh tones during 2006-07 showing an increase of about 2.93%. Out of total 255.83 lakh tones cargo exported during 2007-08, iron ore constituted 129.42 lakh tones (50.6%) followed by thermal coal 106.60 lakh tones (41.7%). The corresponding percentage for the year 2006-07 were 47.8% and 42.3% respectively. Further, it is also recorded that while the total export in 2007-08 increased by 2.93% over 2006-07, the export of iron ore and thermal coal were increased by 8.94% and 1.38% respectively during the same period.

9.118 Similarly, about 168.37 lakh MT of cargo imported through Paradeep port as compared to 136.54 lakh MT cargo imported

during 2006-07, showing an increase of 23.31%. There was an all time record in the import of cooking coal, N.C. Coal, H. Coke, lime stone and R. Phos.

9.119 During 2007-08, 1633 vessels have sailed from Paradeep port as compared to 1,452 vessels in 2006-07. Out of 1,633 vessels, 465 vessels were Indian nationality and the balance 1,168 was of other nationality. Indian flag ships carried 29.55% of the total traffic in 2007-08 as against 31.75% during 2006-07.

9.120 Gopalpur Port Project was created in 1979-80 under administrative control of Commerce Department, Government of Orissa. During 2001-02, 17,671 MT illuminite was exported through this port against 1,34,000 MT exported during 2000-01. Though the port was opened to traffic, as a policy matter of the State, there was absolutely no cargo movement and the port operation in the year 2004-05 and it was closed down for want of cargo. The port has been handed over to Private Developer M/s Gopalpur Port Ltd. by drawing the Concessional Agreement on 14.9.2006 on BOOST basis for expansion and development of the port as an all weather port. During 2007-08 the port has exported 138.990 MT and imported 50.449 MT of cargo.

