

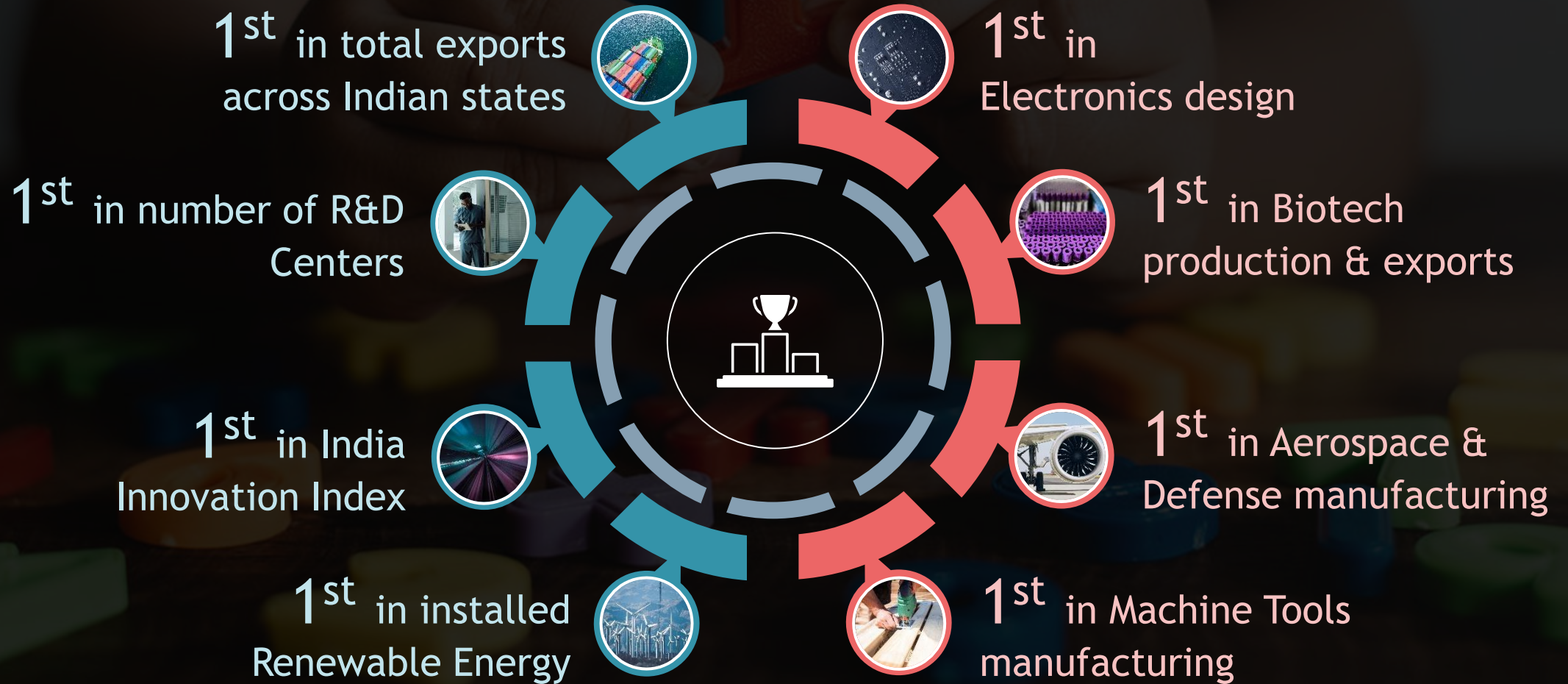


# Investment Opportunities for Belgian Companies in Karnataka

Presentation by Commissioner Industries, Govt. of Karnataka

01 SEP 2021

# Karnataka is the leading investment destination in India, being the number 1 leader across multiple aspects



# Karnataka is well positioned to welcome Belgian companies to invest in the state



## New Industrial Policy 2020-25

Investment promotion subsidy  
**upto 2.25% of annual turnover**  
for 6-10 years upto  
**40-60% Value of Fixed Assets**



Thrust areas selected for higher focus -  
Industry 4.0, advanced manufacturing,  
R&D; aimed at becoming an integral  
part of the global value chain



Additional incentives can be  
considered for marquee projects



## Employee friendly working environment

Bengaluru consistently ranked  
amongst the best cities to live  
in India for expats  
- Mercers quality of living report 2019



Expatriate friendly ecosystem,  
lowest crime rate in South India



Bengaluru ranked most dynamic  
city in India  
- JLL report 2019



## Enhanced Ease of Doing Business

Facilitation Act amended for  
improving EODB

- 15 Approvals relaxed by introducing moratorium
- 3 years long moratorium period
- 7 departments covered

Single window clearance of  
approvals to fast-track process

# Examples of key opportunities for Belgian companies to invest in Karnataka

## FMCG



Mfg. for large domestic & export market



- **1<sup>st</sup>** in production of Coffee, Ragi, Sunflower, Gherkins, etc.
- **150+ operational** cold-storage units with 300k+ MT capacity

## Auto & Auto Components



Mfg. for large domestic & export market



- Home to **7+** auto OEMs & **50+** auto comp. manufacturers
- India's hub for EV, with **45+** Electric Vehicle startups

## Healthcare



Creating an alternate mfg. hub to China



- Karnataka holds **50%** of India's Biotech revenue, and **10%** of Pharma revenue
- **40%** of state's pharma output exported

## Chemicals



Mfg. for large domestic & export market



- Presence of **500+** Chemicals companies
- **\$ 2 Bn+** invested in Mangalore SEZ

## Machine Tools



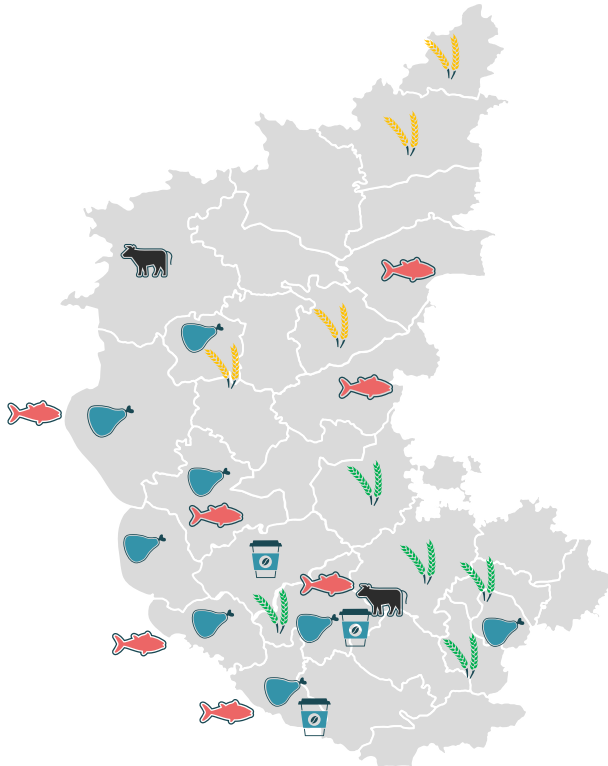
Setting up export-oriented mfg. hub



- Holds **52%** share in India's machine tools production
- **2<sup>nd</sup>** largest producer of special purpose and heavy electrical machinery in India

# Karnataka has a strong ecosystem of food processing industry and..

## Karnataka has a strong agri-base along with..



### Karnataka produces

- 70% of India's Coffee
- 60% of India's Ragi (Finger Millet)
- 60% of India's safflower

- Milk producing districts
- Safflower producing districts
- Ragi producing districts
- Coffee producing districts
- Meat producing districts
- Fisheries producing districts

Karnataka is the highest coffee producer in India

Source: Invest Karnataka, BCG Analysis

## ..presence of major players across various segments

Not Exhaustive

Fruits and vegetables



Exotic Agro

Dairy



Grain and others



Meat and Marine



# ...a well-established infrastructure of food parks and cold chain infrastructure

## Food parks and clusters



## Details

### Integrated Mega Food Park

- 110-acre facility in Tumkur with a leasable area of 57 acres; ~\$40 Mn invested
- Developed under PPP by Future Group
- Focus on processing fruits and vegetables, and food grains

### Other operational Food parks

- Akshaya food park, Hiriya (260 acres)
- Green food park, Bagalkot (250 acres)
- Jewargi food park, Jewargi (260 acres)
- Innova Agri Bio park, Malur (215 acres)

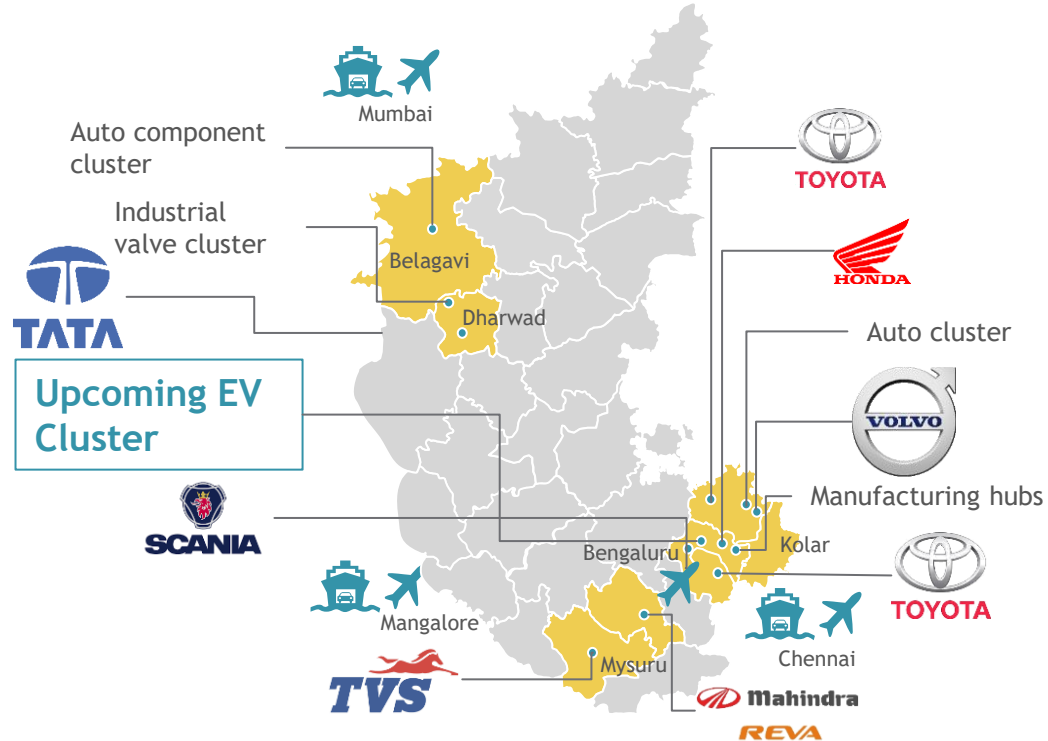
### Cold chain infra

- ~150 operational cold storage units with a cumulative capacity of 300k+ MT

### Upcoming parks/ clusters

- Sea Food Park, Mangaluru (NA)
- Rice Technology Park, Karatagi (315 acres)
- Maize Technology Park, Haveri (60 acres)
- Spice Technology Park, Haveri (60 acres)
- Favorich Infra Pvt Ltd., Mandya (120 acres)

# Karnataka's strong existing auto ecosystem to be further strengthened with upcoming EV cluster in the state



## Enhanced focus on EV ecosystem and best in class incentives

- Recently, KN amended its EV policy to provide **best in class incentives** across all states in India
- **15% capital subsidy + 1% PLI** being provided across EV value chain
- **EV Cluster** being set up in Ramanagara district
- More than **45 Electric Vehicle startups** in Bangalore incl. Ola Electric Mobility, Ather Energy, etc.
- **31% CAGR** growth in EV sales in Karnataka ('16-19) and higher than other major states such as MH, TN, etc.

### Strong support from adjacent industries for EV Manufacturing



#### Machine Tools

Bengaluru alone produces **~60% of the total value of machine tools** manufactured in India



#### Capital Goods

Karnataka is the second highest producer of **Special purpose and Heavy Electrical machinery** in India



#### ESDM

With presence of 85+ Chip designing companies, Karnataka is the **largest chip design hub** in the country



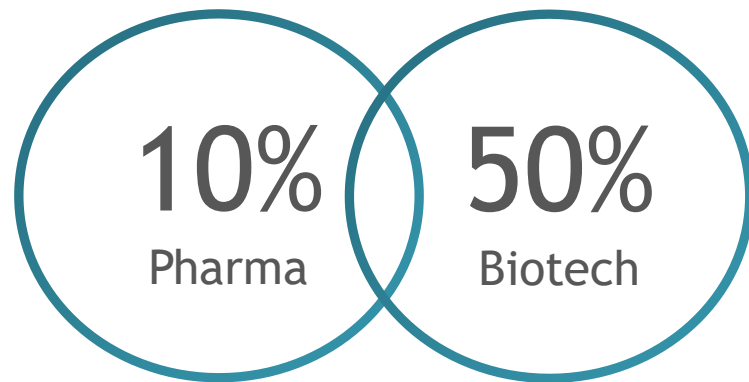
#### Software

Karnataka is the **largest software exporter** in India



Karnataka has a strong biotech & pharma ecosystem; Several global leaders already manufacturing in the state

Karnataka is a significant contributor to India's Pharmaceutical and Biotech revenues and exports



% India's Revenue from Karnataka



- 1st state to formulate a comprehensive Biotech policy
- Presence of exclusive Pharma SEZs and industrial areas to **boost manufacturing**

12%

Karnataka's contribution to India's pharma exports

60%

60% of India's Biotech companies are in Karnataka

40%

Karnataka exports 40% of its pharma output

33%

Karnataka's contribution to India's Biotech exports

Leading players manufacturing in Karnataka



GE Healthcare



Novo Nordisk®



Karnataka is home to a diverse **Chemicals ecosystem**, with presence across categories viz. Agro, Specialty, Petro, Paints, Carbon Black, etc.

### Key Highlights

500+

Chemical companies in KN

\$2+ Bn

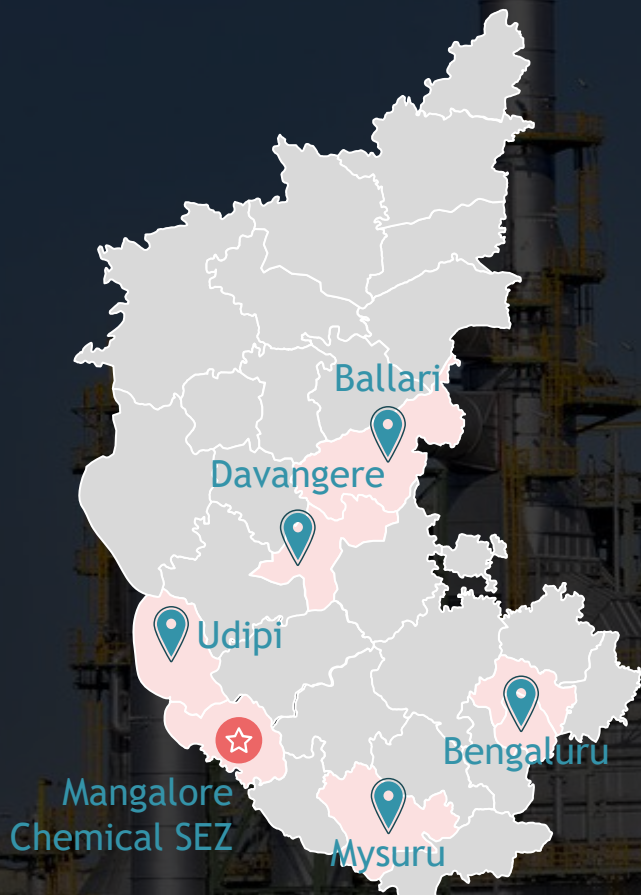
Invested in Mangalore SEZ

15 Mn+

Refining capacity set up<sup>1</sup>

1620

Acres of land in Mangalore SEZ



Key chemical industries



Major Chemical industry

Source: Press releases; 1. By Mangalore Refinery & Petrochemicals Limited

### Leading chemical manufacturers in Karnataka

#### Agro Chemicals

**BASF**  
The Chemical Company

**MCF**  
Mangalore Chemicals & Fertilizers Limited

**UPL**

#### Petro Chemicals

**ONGC**  
एमआरपीएल  
MRPL

**HP**

**ओएमपीएल**  
OMPL

**ISPRL**

#### Specialty Chemicals

**Cardolite**  
Chemistry for Tomorrow

**ANTHEA AROMATICS**  
RESEARCH DRIVEN

#### Paints, Carbon Black, & other Chemicals

**asianpaints**

**epsilon**  
carbon

**PRAXAIR**

**JBF Industries Ltd**

# Karnataka has a strong ecosystem for capital goods manufacturing with major Global and Indian companies having a manufacturing presence here

Karnataka has a strong capital goods manufacturing ecosystem

- 2nd** Highest producer of special purpose and heavy electrical machinery in India
- 3rd** Highest contributing state for Heavy Engineering in India
- 52%** of India's total share in machine tool production
- 1st** Integrated machine Tool park (TMTP) in India in Tumkur

Many Global and Indian companies have set up manufacturing facilities in Karnataka



# 6

## Key offerings that make Karnataka the most attractive investment destination in India

- 1 Investor friendly policies with multiple financial incentives to create favorable cost economics
- 2 Readily available industrial eco-system including land
- 3 Highly skilled & trained labor workforce, along with a robust skill infrastructure and subsidies
- 4 Well connected to demand centers and gateways with an efficient logistics network
- 5 Revamped processes to facilitate Ease of doing business
- 6 Industrial ecosystem well supported by World Class Social Infrastructure

