

**INAUGURATION OF MAKE IN INDIA  
KARNATAKA CONFERENCE**

**HON'BLE CHIEF MINISTER'S SPEECH**

**13-02-2017 / 9-30 AM / HOTEL LALIT ASHOK,  
KUMARA KRUPA ROAD, BENGALURU**

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**Mr Arun Jaitley-ji,**

Hon'ble Union Minister of Finance & Corporate Affairs,

**Mr M Venkaiah Naidu-gaaru,**

Hon'ble Union Minister for Urban Development,  
Housing and Urban Poverty Alleviation,  
Information & Broadcasting,

**Mr H. N. Ananth Kumar,**

Hon'ble Union Minister of Chemicals and fertilizers,  
Parliamentary Affairs,

**Mrs Smriti Zubin Irani,**

Hon'ble Minister for Textiles,

**Mr R V Deshpande,**

Hon'ble Minister for Large & Medium Industries and  
Infrastructure Development,

**Mr Ramesh Abhishek,**

Secretary, Department of Industrial Policy & Promotion,

**Mr. Ashok Kumar Gupta,**

Secretary, Defence Production,

**Ms Shobana Kamineni,**

President Designate, Confederation of Indian Industry &  
Executive Vice Chairperson, Apollo Hospitals Enterprise Limited

**Mr Chandrajit Banerjee,**

Director General, Confederation of Indian Industry

**Mr Ramesh Datla,**

Chairman, CII Southern Region &  
Chairman & Managing Director, Elico Limited,

**Dr Subhash Chandra Khuntia,**  
Chief Secretary, Government of Karnataka

**Mr Vikram Kirloskar,**  
Deputy Chairman, CII Southern Region &  
Vice Chairman, Toyota Kirloskar Motors,

Special Invitees, Delegates,

Media Friends,

Ladies and Gentlemen,

1. It is a great honour for us to host Make in India – Karnataka Conference in association with the Department of Industrial Policy & Promotion, Government of India.
2. I am particularly delighted to welcome Mr Arun Jaitley-ji, Mr Venkaiah Naidu-ji, Mr Anant Kumar-ji and Mrs. Smriti Zubin Irani-ji for gracing this occasion.
3. I extend a very warm welcome to all delegates present here this morning and I thank you for coming in such large numbers.
4. Friends, the world is fast changing with rebalancing of manufacturing across developed and developing nations. Several developed nations are moving their manufacturing hubs to lower cost developing nations.
5. Yet, innovations and technological advancements are changing the way manufacturing is done which is likely to have a profound and long term impact on manufacturing jobs.
6. We live in a world which is much more complex than it was, say, even 10 years ago.

7. But, this fast changing world is creating new opportunities for everyone and India stands at the cusp of these opportunities.
8. In the last decade, increasing urbanization and rising income levels have accelerated consumer demand for manufactured goods in India. By 2030, India is expected to become World's fifth largest consumer market.
9. Besides, being a major consumer itself, India has the advantage of cost competitiveness and favorable demographic dividend which enable it to make products for the entire World.
10. Due to these reasons, India is uniquely positioned with both **buying power** as well as **making power**.
11. Friends, the entire world is looking towards India because **today, time is on India's side. More specifically, time is on Karnataka's side.**
12. **Karnataka's Industrial Policy for the period 2014-19 is manufacturing centric. With the several advantages that the State enjoys, our vision is to make this State an innovative and hi-tech manufacturing hub of India.**
13. Therefore, more than ever before, I call upon all stakeholders to walk in step with Karnataka's vision for manufacturing glory. Let us all together strive to put Karnataka on a high growth path through manufacturing, where each citizen is able to lead a fulfilled life.

14. In his speech, my colleague Mr R. V. Deshpande has already spoken about the several initiatives being taken by our Government to ensure that we catalyze this vision.
15. To the manufacturing industry, I will only like to say – That it is my personal assurance to walk with you, every step of this path.
16. Karnataka's manufacturing prowess has made it one of the leading States in attracting investments. But, it is time to push ourselves even further and I am confident that with your passionate efforts and with the support of our Government, Karnataka will achieve much more than what services has achieved for us, so far.
17. But, do not reach out only when you are in trouble or you need support. Reach out to Government in your happy times too. Reach out if you have a positive feedback about our Government. Reach out with your thoughts and ideas on how to do things better. Reach out with your success stories. Because success breeds positivity and positivity is infectious !
18. Also, reach out because we would also like to celebrate your success. Remember, your success is Karnataka's success and Karnataka's success is India's success, too !
19. Friends, I wish to take this opportunity to put forth a few ideas which can help us transition us towards a competitive manufacturing economy in these rapidly evolving times.

20. **First. Reducing our dependency on acquiring foreign capital and foreign technology and shifting our focus to domestic capital and home grown technologies.**
21. World over, greater importance is being given to home grown products and services. Let us give highest priority to Indian products and technologies. Let us align all regulations and actions accordingly.
22. **Second. While we are focused on developing skills at the grass-root level, we should not lose sight of Research and Development and innovation.**
23. Today, most research happens inside Government institutions. These institutions have done outstanding service to the nation.
24. However, in keeping abreast with the changing times, where collaboration is the mantra for success, all public sector labs should be thrown open for joint partnerships with private sector in such a way that risks and rewards are equally shared. I request the Union Government to consider this recommendation.
25. Our focus which has so far been on design and prototyping should shift to commercially driven research and innovation. Let us encourage more IP being filed, let us make an endeavour to take ideas to completion and further to commercially viable products and solutions.

**26. Third, Our people are our greatest asset. They require support, handholding and encouragement.**

27. Tremendous results can be achieved if we can effectively and efficiently utilize this strength. I propose new two initiatives in this regard.

28. Our Government has already created start-up incubators in Bengaluru and a fund of funds to provide capital to start-ups.

29. We will now have an annual hackathon event inviting innovative ideas in manufacturing. We will shortlist and select five start-up ideas and provide up to five seats free of cost in the incubators for a period of two years.

30. I am also happy to announce that we will set aside a seed fund of Rs. Five Crore to fund these start-ups, besides providing one acre of land in select industrial areas at a subsidized cost.

31. My second initiative is to encourage the manufacturing eco-system. Towards this end, I propose to institute an award for the best performing manufacturing company in Karnataka. This will have a cash award of Rs. One Lakh and will be announced along with Kannada Rajyotsava Awards on 1<sup>st</sup> November each year starting 2017.

### 32. **Fourth, Strategic sectors**

33. Certain sectors such as Aerospace and Defence, Renewable Energy and Electronic Hardware, should be declared as strategic sectors and should be given special and concerted attention.

34. Further, these strategic sectors require Government support and hand holding. Our Government is willing to walk that extra mile to support these three sectors. I request Government of India to consider partnering closely with Government of Karnataka in giving additional incentives and benefits to these sectors.

35. **Fifth. In order to give a boost to manufacturing through Make in India, some regulations require to be reconsidered.**

36. As we are all aware, our country intends to increase the share of manufacturing in Gross Domestic Product to about 25 per cent by 2025. Therefore, it is only fair that existing incentives and concessions are made available to manufacturing sector up to 2025. I request our Hon'ble Union Finance Minister to reconsider his decision on the sunset clause for Special Economic Zones and extend it till the year 2025.

37. Friends, Make in India is an event of great significance to Karnataka. In the last 25 years, we have achieved significant growth and development.

38. Today, if the Indian economy ranks as the 10<sup>th</sup> largest economy in the World and third largest in terms of Gross Domestic Product on Purchasing Power Parity basis, a large part of this growth can be attributed to the contribution of Karnataka especially in the services sector.
39. However, the next 25 years will be focused on manufacturing – more so in new areas of manufacturing which involves high end technologies. No other state has the kind of potential which exists in Karnataka to take advantage of this trend.
40. Karnataka is ideally positioned to make the future happen. In fact, such futuristic work has already begun in Karnataka's backyard.
41. I sincerely hope that Make in India – Karnataka Conference will inspire all of you to proactively participate, exchange your ideas and help Karnataka in realizing its futuristic manufacturing vision.
42. I wish this event a grand success and invite all investors to come, **Make in Karnataka !**

Thank you one and all !

**Jai Hind! Jai Karnataka!**

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