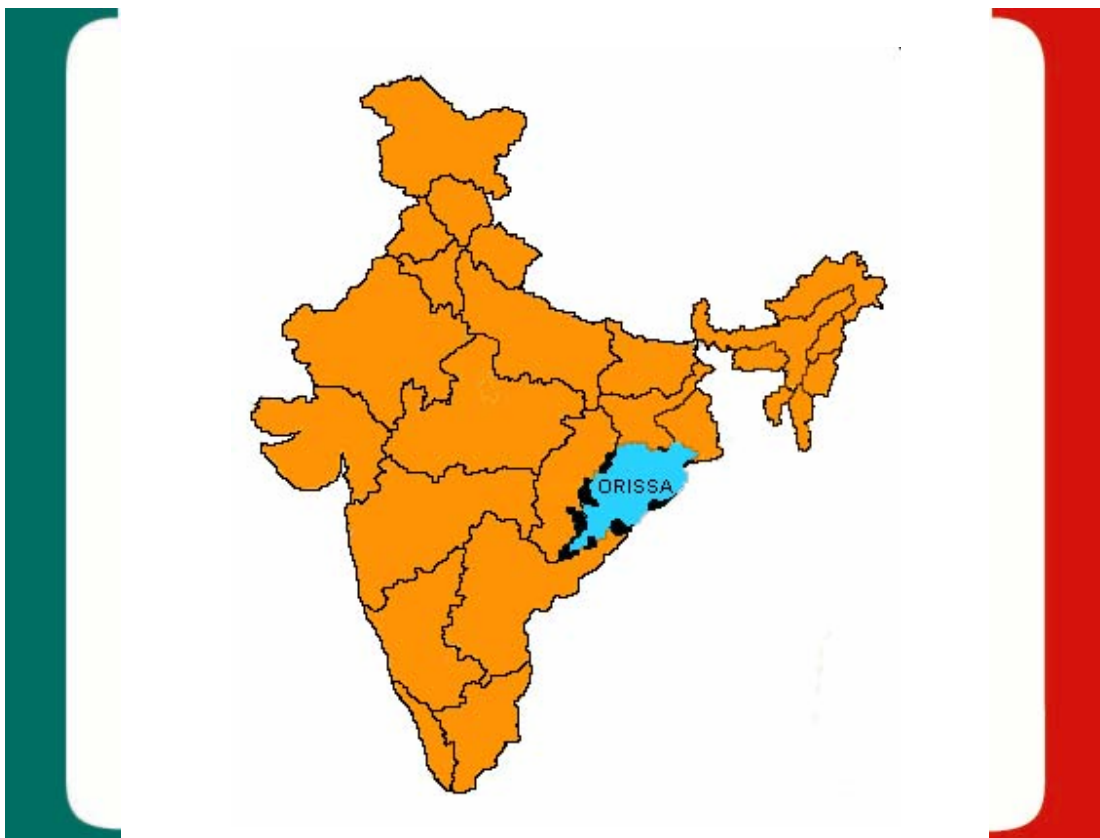


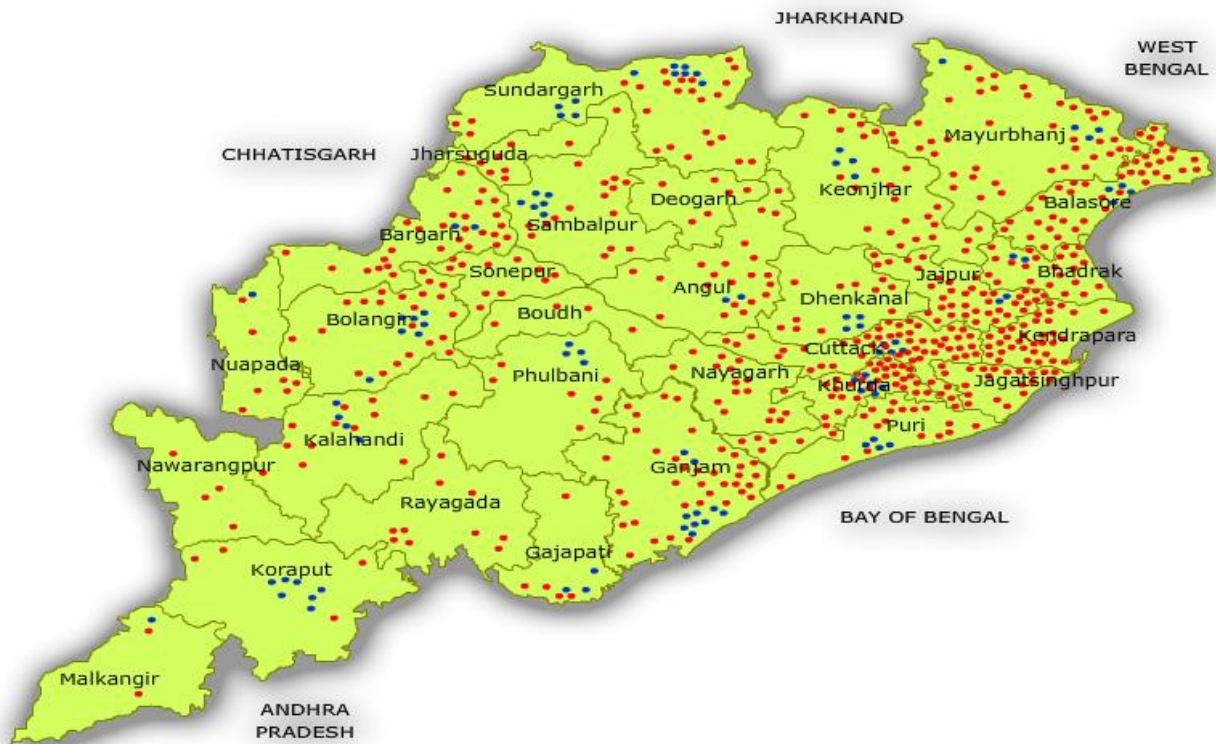


India: State Profile of Orissa 2010





ORISSA - A STATE PROFILE



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1. Overview of the State

Odisha (Oriya: ଓଡ଼ିଶା)], or Orissa, - referred to as “The Soul of India”, is considered as the paradise of nature being a treasure house of natural beauties. The Eighth largest and the Eleventh most populous State in the country, manifests a harmonious blend of the primordial and contemporary epochs.

1.1 Geography

The State, stationed on the East Coast of the nation, by the Bay of Bengal lies between 17.49' and 22.34' in the North latitude and between 81.29' and 87.29' in the East longitude. The state is bound by Jharkhand on north, West Bengal on the northeast, Chhattisgarh on the west, Andhra Pradesh on the south and the Bay of Bengal on the east. The land area of Orissa is 155,707 Sq. Kms., which is 4.74 %¹ of Indian landmass. The state lies in a sub-tropical geo-climatic region with vastly varied topography.

Orissa's geo-eco position is both ideal and idyllic. It is often said that Orissa has everything under the sky, opulent forest and agricultural wealth, mineral reserves and a divine coastline.

The state can be broadly divided into three distinct parts - *The Northern Plateau*, *The Middle Mountainous Region* and *The Coastal Plains*. *The Northern Plateau* and upland region is a continuation of the Chhota Nagpur plateau in Jharkhand. *The Central tableland* in the heart of the state mostly consists of fertile valleys, plains and hilly lands. The Eastern Ghat region of uplands is dissected by steep-sided mountain ranges with canyons, fertile inter-mountain valleys and high plateau: *The Coastal belt* with a long coast line of 480 Km is a diverse spread of marshy deltaic tracts, cultivable alluvial plains, broken hills and undulating tracts that ascend to the tablelands. Six major rivers (the Mahanadi, the Baitarani, the Subarnarekha, the Budhabalanga, the Brahmani and the Rushi Kulya) that flow through this zone down to the Bay of Bengal make the belt most fertile with ample irrigation potential.

¹ Economic Survey – Orissa – 2008-09- Chapter - 1

1.1.1 Rich Biodiversity

Orissa can boast of a very rich biological diversity, both terrestrial and marine in its forests, agriculture, mangroves, wetlands and marine areas both in the number of species and their abundance.

The Chilika lake in the State - **the longest brackish water lake in Asia**, harbors more than 900 species of flora and fauna such as algae, protozoa, vascular plants, molluscs, nematodes, fish, prawn and other vertebrates. The sea, the rivers and the lake have greatly influenced the coastal and other vegetation of Orissa and have provided a variety of mangroves housing 97% of the species in the country.

The wetlands are also ecologically very sensitive and biologically endowed and are important as repositories of fresh water and brackish water fauna. The Hirakud reservoir on river Mahanadi, **the longest earthen dam in the world** has been **identified as a wetland of national importance** due to its rich biodiversity.

The forest area of 5.72 million ha / hac (hectares) constitutes 37% of the geographical area of the state with varied and diverse physiography, climate and edaphic conditions. The state has four major forest types, namely, '*tropical semi-evergreen*,' '*tropical moist deciduous*,' '*tropical dry deciduous*,' '*littoral*' and '*swamp forests*'. These forests are rich sources of medicinal plants. Approximately 130 species of commercially relevant medicinal plant species are found in the state.

Orchids are common in different ecological habitats throughout the state, mainly in the mountain forests. Of an estimated 1,200 species of orchids in India, 129 species are found only in Orissa, including some of the rare ones.

A diversity of microorganisms, capable of producing valuable bioactive products such as alphanatocopherol, beta carotene and dyes are present.



1.2 History

Odisha / Orissa with a rich heritage spanning a period of over 3,000 years has a glorious history of its own. The name Odia originated from Odra or Udra tribes that inhabited the central belt (Angul, Dhenkanal, Nayagarh) of modern Odisha. The State was known by different names during different periods : viz: Kalinga, Utkal or Odradesha . Kalinga had made its mark in the Indian history when the Nanda dynasty ruled the kingdom of Magadha. Kalinga was invaded by the Maurya Emperor Ashoka in 261 BC which was a major turning point in world history. The War, led emperor Ashoka to embrace Buddhism and preach peace and goodwill for the rest of his life. Subsequently , Orissa was ruled by different Hindu Kings hailing from Gupta, Somavamsi, Ganga, Suryavamsi Gajapati and Chalukya Dynasties till 1568 A.D. when Muslim King , Sultan of Bengal took over the reigns followed by the Mughals and the Marathas. In 1803, Orissa formed a part of the greater Bengal under The British East India Company .In 1912, in response to local agitation for a separate state for the Odia-speaking people, the coastal section was separated from Bengal into The Province of Bihar and Orissa with the political capital being shifted to 'Patna'. The modern state of Odisha was established on 1 April 1936 with 'Cuttack' as the capital which was finally transferred to Bhubaneshwar in 1948. The State took its present shape in 1949 with the merger of the princely states.

1.3 Features

Orissa has become a multi dimensional, multi coloured, many splendoured, vibrant & boisterous modern state all set on its journey in the present millennium to make its presence and voice felt in the nooks & crannies of the world through the Universal Cult of brotherhood, its unique cultural heritage, luxuriant forests & wild life, bountiful coastline, wide range of tribes & colourful canvass of art & culture.



2. Bhubaneswar

Bhubaneswar – the once capital of ancient Kalinga is the largest city and the capital of modern Orissa, **ranked 5th in terms of ease of doing Business within India by World Bank²**. The city with its modern buildings and extensive infrastructure perfectly complements its historic legacy.

2.1 Geography

The city is at an altitude of 43 metres above sea level between 21° 15' North Latitude 85° 15' Longitude. It is situated on the eastern coastal plains of India and to the south-west of the Mahanadi river. The normal temperature here in winter lies between 12 °C to 15 °C and in summer it ranges from 40 °C to 46 °C. The monsoons arrive in June and the average yearly rainfall varies between 1400 to 1600 mm (millimetre).

2.2 History

Bhubaneswar - the seat of 'Lord Tribhubaneswar' or the 'Lord of the Three Worlds' has a majestic history which stretches back over 2000 years. 'Toshali', 'Kalinga Nagari', 'Nagar Kalinga', 'Ekamra Kanan', 'Ekamra Khetra' and 'Mandira Malinya Nagari' are the various historic names of the modern city of Bhubaneswar. '**The Temple City of India**' preserving 500 of India's finest temples was once the abode of 7000 temples, being the birth place of the 'Kalinga Style of Indian Architecture' - the Second Best Indian style of building temples. These temples span the entire history of Kalinga architecture and stand as mute witness of its glorious past where one can study the chronological development of temple architecture from the beginning in the 7th Century AD to its culmination in the 13th Century A.D. Numerous temples, caves, religious ponds propagating faiths of Hinduism, Buddhism, Vaishnavism, Jainism speak not only of the wealth and prosperity of the people of the past but also of their masterly engineering skill and outstanding architecture in stone. The specialty of the culture that grew here lies in its remarkable continuity and the tenacity with which it survived through various vicissitudes. Its unique sculptural and architectural heritage make this one of the five great religious centres of Odisha since early medieval days.

² World Bank 2007 report – Orissa Presentation



2.3 Features

The modern city of Bhubaneswar was designed by the German architect Mr Otto. H. Koeingsberges in 1946. It is one of the cleanest and the **second planned city** of Modern India. The city is surrounded by dense canopy of forests, picturesque chandaka and nandankanan which make it **second greenest city of India.**

Bhubaneswar forms one of the vertices of the Golden Triangle the other two being the cities of Puri and Konark. The area is attractive to tourists for its spiritual significance to Hindus -the imposing spire of the Lingaraj Temple, the quiet beauty of the Vishwa Shanti Stupa and the pink translucence of the Mahavira Jain Temple in nearby Khandagiri.

Bhubaneswar is well connected by air, rail and road to the rest of India. The modern Biju Patnaik airport is being extended to receive wide bodied aircraft, and one may well see international charters landing here soon. 'Silver filigree', 'Stone and Wood carving', 'Patta paintings', 'Tie and Dye textiles', 'Bamboo Basketry', 'Brass and Bell metal work', 'Horn work', are few of the acclaimed handicrafts of the State.

It is an emerging IT hub and one of the fastest developing cities of India in recent years receiving enormous investments in the fields of 'Telecommunications', 'IT' and 'Higher Education', particularly 'Engineering'. 'Retail' and 'Real Estate' have also emerged as big players. "Progress through Partnership" has been the recent motto of the BMC³.

³ Bhubaneswar Municipal Corporation – web- <http://www.orissa.gov.in/ourbmc/>

3. Orissa - Facts and Figures

Items	Variables	Statistics
Geographical Data	Latitude	17.49' and 22. 34' North
	Longitude	81.29' and 87.29' East
	Area (sq.km)	155,707 (4.74% of the Indian Landmass)
Meteorological Data	Climate	Tropical
	Summer	March-June
	Monsoon	July-September
	Winter	October-February
	Average Rainfall (mm)	1489
	TEMPERATURE (IN ^o C)	
	Summer	35-40
	Winter	12-14
Demographic Data	Total Population 2001 census (million)	36.81 (3.58% of the total population of the country)
	Urban Population 2001 census- (million)	5.52
	Religious Population	94.66% Hindus and the rest 5.34% is comprised of Muslims, Christians, Buddhists, Sikhs and Jains
	Population Density (Sq.Kms)	236 persons
	Decennial Growth rate (1991-2001) %	16.25
	Female Sex Ratio (per 1000 males)	972



	Crude Birth Rate (SRS 2008) ⁴	21.4
	Crude Death Rate (SRS 2008) ⁵	9.0
	Infant Mortality Rate (SRS 2008) ⁶	69
Other Data	Capital	Bhubaneshwar
	Literacy Rate	63.1%
	Legislature	Unicameral Legislative Assembly-147 seats
	Executive	The Governor, The Chief Minister along with the Council of Ministers
	Language	Oriya & English
	No of Districts	30
Thrust Areas	'Mineral Industry', 'Energy', 'Tourism', 'IT/ITeS', 'Agriculture', 'Marine Products', 'Food Processing'	

Source : <http://mohfw.nic.in/NRHM/State%20Files/orissa.htm#hp>, Orissa Economic Survey 2008-09,
<http://www.orissatourism.org/orissa-facts.html>

⁴ Crude Birth Rate – No of Births per 1000 persons , SRS – Statistical Registration System

⁵ Crude Death Rate – No of Deaths per 1000 persons

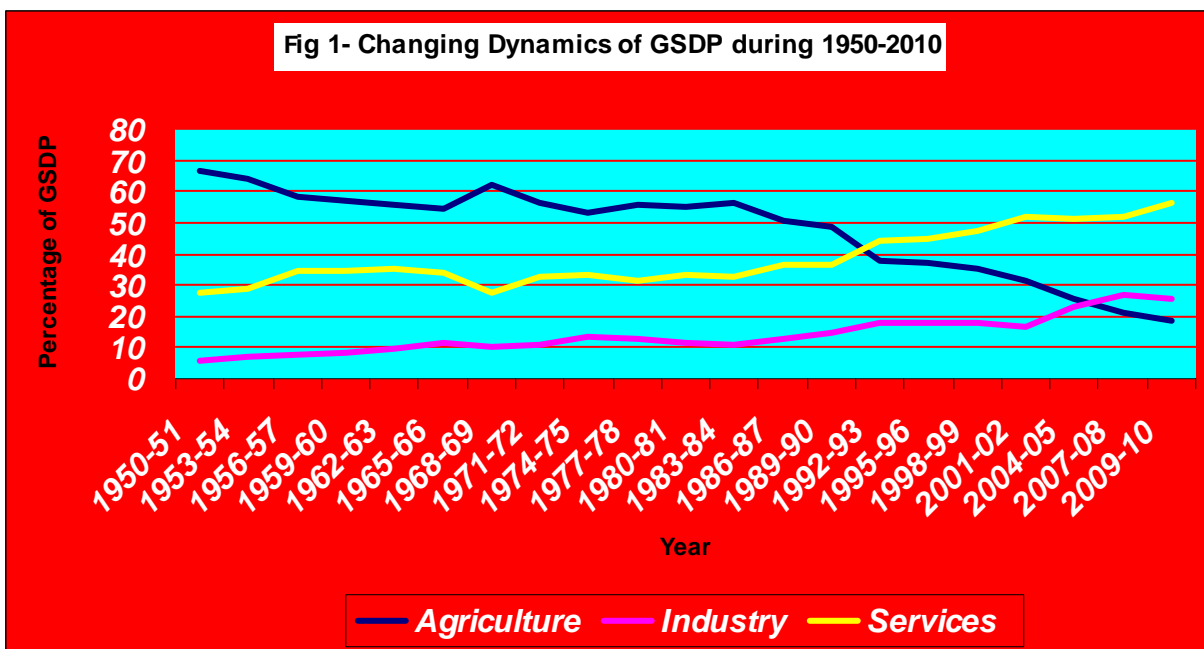
⁶ Infant Mortality Rate – No of deaths of infants (one year old or younger) per 1000 live births.

4. The Macro Synopsis of Orissa

4.1 GSDP

Orissa – **First in Terms of Total Envisaged Investments in India⁷ & Second Highest Domestic Investment Destination** is one of the Front Running States in the country attracting Euro 32.13 Billion (INR 2008.46 Billion) i.e. 12.6% of the total investment proposals in the country⁸ with 9.51% GSDP (Gross State Domestic Product) during the Tenth Plan Period and 8.35% during 2009-10 with a quantum jump of **251%** from Euro 6.87 Billion (INR 429.9 Billion) to Euro 24.15 Billion (INR 1509.46 Billion) during 1999 – 2010.⁹ Mckinsey predicts a 7.1% galloping growth over the next 10-12 years – **the highest in Eastern India.**

The State economy has been undergoing a structural change, with the services sector becoming more and more pronounced. As per advanced estimates for 2009 -10, the ‘Service Sector accounts for 56.30%’ of the real GSDP, followed by ‘Industry sector (25.44%)’ and ‘Agriculture and Allied sectors (18.26%)’¹⁰. A Figurative depiction of the paradigm shift in the GSDP:



Source: Orissa Economic Survey 2009-10

⁷ The State of the States Survey 2007- India Today

⁸ Assocham Investment Meter – January 2009- December 2009 – web: http://www.assocham.org/arb/aim/Investment_StudyJan09-Dec09.pdf

⁹ Orissa Economic Survey 2009-10

¹⁰ Orissa Economic Survey 2009-10



4.2 Buoyant Investment Climate

As a positive response to a pragmatic fiscal and administrative reform process, continued high Government investment in social sectors and dominant development strategy, the State has signed MoUs with around 79 industrial houses with an expected investment of about Euro 58.45 Billion (INR 3653.27 Billion) ¹¹ . Total private investment including from those entrepreneurs who have signed MoU with the State Government and from those who have not signed any MoU with State Government is expected to be of the order of Euro 103.98 Billion (INR 6498.9 Billion)¹².

According to the latest Global Economic Forum report of Morgan Stanley, Orissa has the potential to emerge as a centre for metals business in India with total planned investment in the state of whopping Euro 69.3 Billion as of 2006¹³. The availability of rich mineral resources such as coal and iron ore along with cheap availability of manpower incentivised the investments. 'Steel' and 'Power' are among the sectors which attracted maximum investments in the state and for other mineral based industries including 'Aluminum', 'Titanium', 'Cement'; 'Oil Refinery' and 'Auto Ancillaries'.

The State has emerged as a major destination and is booming towards a big industrial growth in the near future. The Government has announced a liberalized Industrial Policy Resolution 2007 which focuses on providing institutional infrastructure and need based fiscal incentives to consolidate & reinforce the industrialization process in the state. The Policy emphasizes on deregulation, simplification of rules and procedures to enable a conducive business climate and facilitate ease of doing business in the State .

4.2.1 External Aid & FDI

4.2.1.1. Externally Aided Projects (EAPs)

During 2008-09, 27 EAPs (14 ongoing projects and 13 pipeline projects) are intended to be implemented with external assistance from international donor agencies including 'World Bank', 'DFID (UK Department for International Development)', 'ADB (Asian Development Bank)', 'WFP (United

¹¹ Annual Report 2008-09 –Industries Dept

¹² Economic Survey 2008-09

¹³ <http://in.answers.yahoo.com/question/index?qid=20070517211305AA6O5pb>

Nations World Food Programme), 'JBIC (Japan Bank for International Cooperation)' and 'IFAD (International Fund for Agricultural Development)' in sectors including 'Transport', 'Irrigation', 'Land Administration', 'Forestry', 'Rural Development', 'Health' and 'Welfare of SC & ST'. Resources from external sources in the order of Euro 202.06 Million (INR 12,628.6 Million) have been projected for the Annual Plan, 2008-09 for implementation of both ongoing and prospective EAPs.

4.2.1.2. FDI (Foreign Direct Investment)

Orissa is the 15th highest recipient of FDI among the Indian States with a 2.84% share in the overall FDI approved amounting to Euro 1.32 Billion

Table 1 – State Wise FDIs

State	Nos of FDI Approvals	Amount in Euro Millions	% of Total
Andhra Pradesh	1161	2131.31776	4.6
Assam	19	0.2392	0
Bihar	49	118.3528	0.26
Gujarat	1163	3007.0984	6.496
Haryana	840	618.09408	1.33
Himachal Pradesh	97	187.82688	0.41
Jammu & Kashmir	5	1.3456	0
Karnataka	2321	3831.92864	8.28
Kerala	305	246.8592	0.53
Madhya Pradesh	239	1483.41504	3.8
Maharashtra	4587	8033.63872	17.35
Manipur	1	0.5096	0
Meghalaya	5	8.4736	0.02
Nagaland	2	0.5888	0
ORISSA	139	1316.69008	2.84
Punjab	192	387.27584	0.84
Rajasthan	337	481.13232	1.04
Tamil Nadu	2464	3956.05152	8.54
Tripura	3	0.4928	0
Uttar Pradesh	779	777.35456	1.68
West Bengal	652	1480.2112	3.2
Chattisgarh	46	101.24416	0.22
Jharkhand	78	23.1224	0.05
Uttaranchal	51	20.10384	0.04

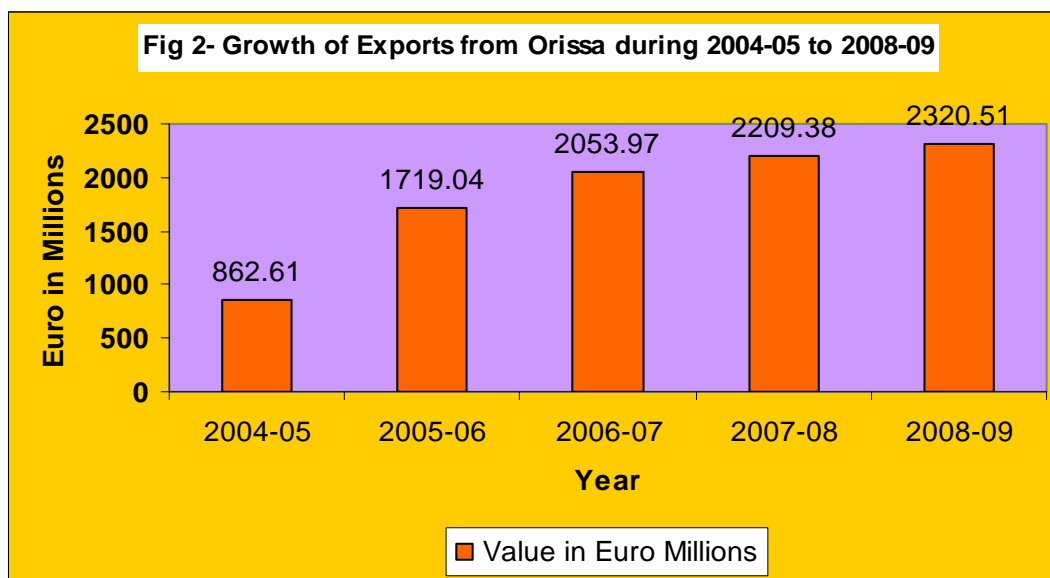


State	Nos of FDI Approvals	Amount in Euro Millions	% of Total
Anadaman & Nicobar	8	2.20592	0
Arunachal Pradesh	2	1.7696	0
Chandigarh	70	30.60464	0.07
Dadra & Nagar Haveli	71	19.8368	0.04
Delhi	2490	5537.70608	11.96
Goa	219	158.29024	0.34
Lakshadweep	1	0.08	0
Mizoram	1	0.24352	0
Pondicherry	123	198.99456	0.43
Daman & Diu	42	8.8352	0.02
State Not identified	5975	12130.85728	26.2
Total	24537	46302.79088	100.586

Source: <http://as.ori.nic.in/diorissa/>

4.3 Export Performance:

Orissa registered a 169% rise in the volume of exports from Euro 862.61 Million during 2004-05 to Euro 2320.51 during 2008-09¹⁴. The meteoric rise in the value of exports of the period is depicted in Figure 2 below :

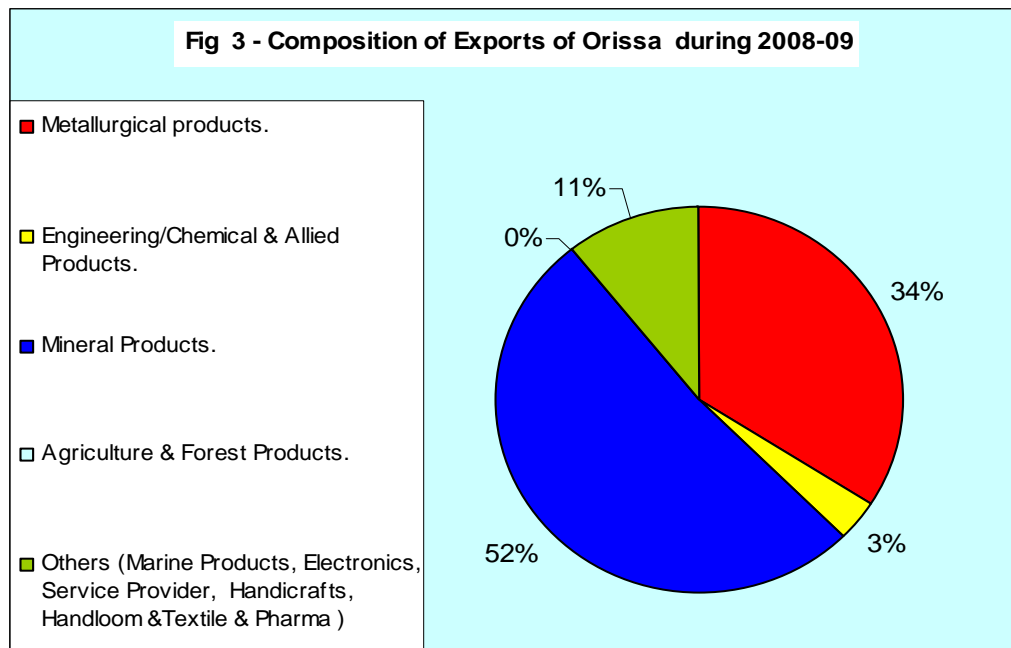


Source: Economic Survey of Orissa 2009-10 & Directorate of Export Promotion & Marketing

¹⁴ Directorate of Export Promotion & Marketing , Govt of Orissa – web: http://depmorissa.gov.in/dep_m_product_group1.php



Item - Wise composition of Exports during 2008-09 is shown in Fig 3. Mineral Products Exports (of worth Euro 1200.24 Million) enjoys the lion’s share of 52% of the exports pie. This is followed by Exports of Metallurgical Products (Euro 793.86 Million), Electronics (Euro 186.05 Million), Engineering/ Chemical & Allied Products (Euro 75.26 Million), Marine Products (Euro 61.42 Million), Handloom & Textile Products (Euro 2.44 Million), Service Provider & Pharma (Euro 1 Million),Agriculture & Forest Products (Euro 0.22 Million) and Handicraft Products (Euro .01 Million),



Source: Economic Survey of Orissa 2009-10 & Directorate of Export Promotion & Marketing

Table 2 manifests the export map of the State

Table 2- Country wise Exports from Orissa during 2008-09

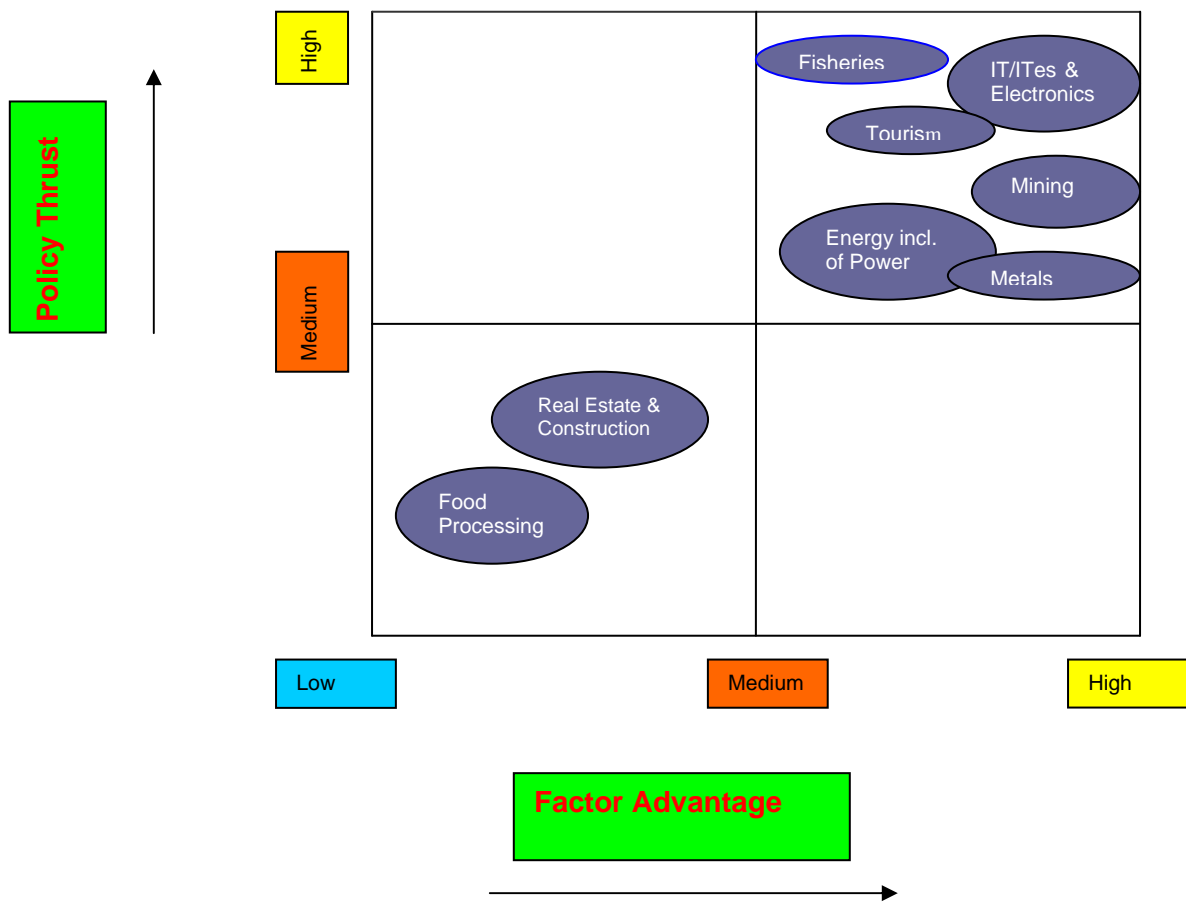
Item	Value of Exports (Euro in Millions)	Destination Countries
Mineral Products.	1200.24	China, Japan, Thailand, Taiwan, Malaysia, Indonesia, Australia, Germany, S.Korea,
Metallurgical products.	793.86	Bangladesh, Nepal, Bhutan. Egypt, Georgia, Iran, Romania, UAE, Ukraine, , Malaysia, Singapore, Sri Lanka, Taiwan, Vietnam, China, Netherland, Belgium, Romania. Dubai, U.K., Italy , Spain, Japan, USA, Switzerland, Peru, Canada, Mexico, Thailand, Turkey, Baharain, S Korea,
Electronics	186.05	USA, Germany, Japan, Singapore, Australia, China, U.K., South Africa, Canada, Denmark, Spain, Middle East and other European Countries
Engineering/Chemical & Allied Products.	75.26	USA, Cyprus, South.Africa, New Zeland, Sri Lanka, UAE, Kenya, Germany, Turkey, Australia, Poland, Denmark, Bangladesh, Vietnam, Taiwan, Italy , France, Thailand, Indonesia, China, Libya, Nigeria, Myanmar, Algeria, Bosnia, Bulgaria, Brazil, Canada, Japan, Pakistan, UK, Afghanistan, Chile, Egypt, Ghana, Nepal, Peru, Singapore, Syria, Uganda, Sudan
Marine Products	61.42	USA, Canada, UAE, U.K., France, Japan, Belgium, China, S.Korea, Netherland, Greece, Island,
Handloom & Textile Products	2.44	U.K. Italy , Spain, Japan, Germany, Brazil, Australia, U.S.A., Bangladesh
Service Provider & Pharma	1	(Service Provider) - All Foreign Countries (Pharma)- Nepal, Bangladesh, Sri Lanka, U.K., Indonesia, Malaysia.
Agriculture & Forest Products.	0.22	U.K., Israel, South Africa, France, Australia, Kuwait
Handicraft Products	0.01	USA, UK, Canada, Australia, Switzerland, Dubai, Belgium
Total	2320.51	

Source: Directorate of Export Promotion & Marketing

5. Advantage Orissa

The key industries that have developed in the State is an outcome of the Sector specific Policy Thrust of the State Government and several Factor Advantages

Fig 4- Industry Attractiveness Matrix of Orissa ¹⁵



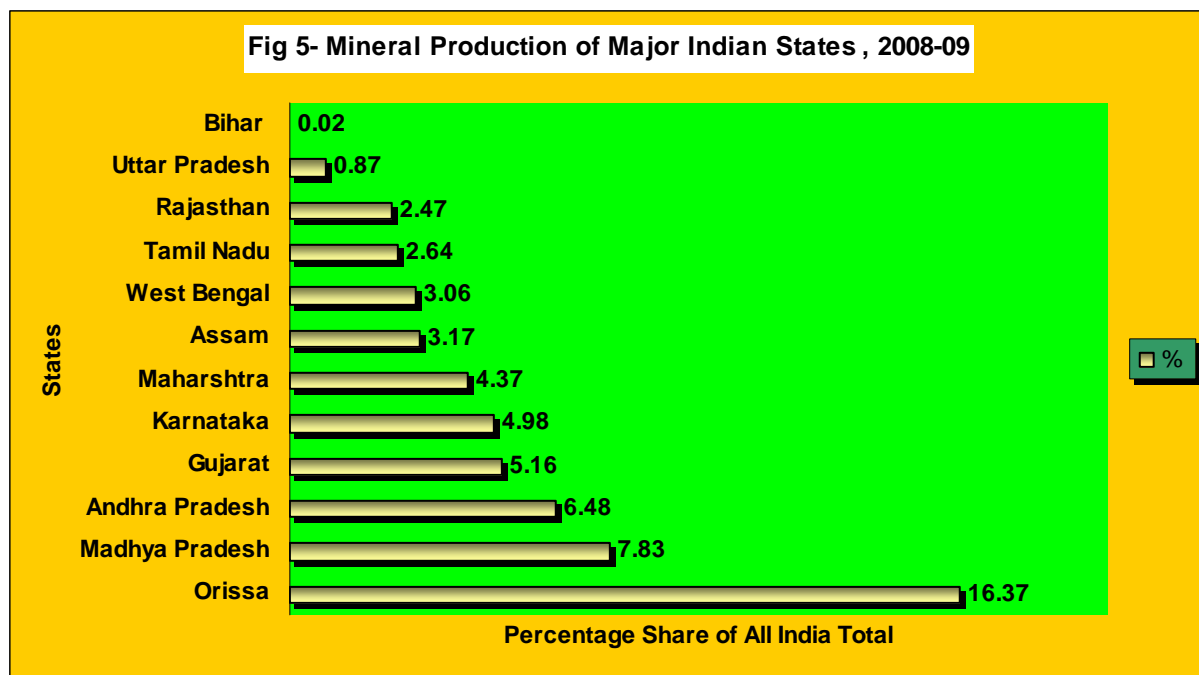
¹⁵ www.ibef.org

5.1 Industrialization – Key Sectoral Highlights

5.1.1 Mineral and Mineral Based Industries



Orissa is the **highest mineral producing state in India** with a goliath share of 16.37% in terms of the total value of mineral produced in the country .



Source:Orissa Economic Survey 2009-10

The treasury of minerals include 'Coal', 'Iron-Ore', 'Manganese Ore', 'Bauxite', 'Chromite', 'Limestone', 'China Clay', 'Quartz', 'Precious & Semi Precious Stones', 'Copper' and 'Vanadium'.



Table 3- Mineral Deposits in Orissa

Mineral	Reserves in Orissa (in Million MT)	% of All India Reserves
Iron Ore	4177	33.91
Chromite	111	97.36
Coal	51571	24.37
Bauxite	1530	49.74
Lime Stone	2224	1.3
Dolomite	882	12
Fire Clay	177	25.07
China Clay	314	13.34
Nickel Ore	174	95.09
Vanadiferous Magnetite	2.5	20.83
Manganese	116	28.57
Mineral Sand	86	32.33
Graphite	4.6	76.66
Pyrophyllite	4.8	21.24
Lead Ore	1.9	1.08
Talc-Soap Stone	1.1	0.34

Source: Investor Guide- Govt of Orissa

Orissa offers excellent opportunities for numerous mineral and mineral based industries:

- **Coal Washeries**
- **Co- Generation Power**
- **Powder Metallurgy**
- **Downstream & Ancillary Industries relating to Power and Construction Industry**
- **Aluminium and Steel Downstream and Ancillary Industries**
- **Mineral Beneficiation and Processing**
- **Value Additon in Minerals**
- **Gemstone Processing**

10% of the nation's steel and almost half of the aluminium in the country is produced by Orissa. 49 projects with a cumulative investment of Euro 34.2 Billion with a production capacity of 70 MTPA (Million Tonnes Per Annum) is being commissioned¹⁶.

¹⁶ www.teamorissa.org

Projects /Initiatives partnered by the State Government:

- Euro 8.64 Billion (INR 540 Billion) Steel Project by South Korean Giant POSCO (fourth largest steel producer in the world) at Paradeep at Jagatsinghpur District with a proposed 12 MTPA capacity spread over an area of 4004 acres is due to commence production with a 4 MTPA capacity plant by 2011-12¹⁷.
- Euro 6.4 Billion (INR 400 Billion) 12 MTPA steel plant over 8,000 acres in Keonjhar District by ArcelorMittal – the World’s largest steel producer is on the anvil.
- Euro 2.98 Billion (INR 186 Billion) 6 MTPA integrated steel plant over 3471.81 acres in Kalinganagar Industrial Complex at Duburi, in the Jajpur district by TATA Steel (among the Top 10 Steel producers in the world) has commenced its construction¹⁸.
- Euro 112.64 Million (INR 7.04 Billion) Stainless Steel Park over 300 acres of land accommodating 71 units by JSL (formerly known as Jindal Stainless Ltd - country’s largest stainless steel manufacturer) in Kalinganagar Industrial Complex at Duburi, in the Jajpur district which will house a 1.6 MTPA fully integrated Stainless Steel Plant which is due to commence its production by September- October,2010¹⁹.
- Euro 1.09 Billion (INR 68.46 Billion) Steel Plant with 6 MTPA at Paradeep by Essar Group²⁰ has commissioned its first phase in March, 2010²¹.
- Euro 1.52 Billion (INR 95 Billion) 2.5 MTPA fully integrated Special and Stainless Steel Plant is coming up at Kalinganagar Industrial Complex, at Duburi, in the Jajpur district, by VISA Steel²². The facilities would include a ‘Pig Iron Plant’, ‘Coke Oven Plant’, ‘Ferro Chrome Plant’, ‘Sponge Iron Plant’, ‘Power Plant’ and ‘Special and Stainless Steel Plant’.

¹⁷ POSCO-India Web: <http://posco-india.com/website/company/background.htm>

¹⁸ TATA Steel Web: <http://kalinganagar.tatasteel.com/the-project/project-progress.asp>

¹⁹ <http://www.business-standard.com/india/news/orissa-inks-pactjisl-for-stainless-steel-park/384557>

²⁰ Essar Group - An Euro11.4 Billion Indian Business Conglomerate

²¹ Orissa Investors' Guide – www.teamorissa.org

²² Visa Steel – An Euro 0.8 Billion Business Group - web: <http://visasteel.com/aboutus/company-profile.php>

- Euro 1.5 Billion (INR 94 Billion) 1.1 MTPA Aluminium Smelter at Jharsuguda by Vedanta Group²³ is in the offing.
- Euro 2.63 Billion (INR 164.26 Billion) 3MTPA Bauxite Mining-cum-Alumina Refinery and Smelter project by Dubai Aluminium along with Larsen & Toubro (L&T). The initial investment would be Euro 864 Million (INR 54 Billion) for 1.4 MTPA capacity²⁴.
- Euro 1.72 Billion (INR 107.25 Billion) a Greenfield Integrated Aluminium Complex including a 4.2 MTPA Bauxite Mine, 1.5 MTPA Alumina Refinery at Kansariguda and 359-KTPA (Kilo Tonnes Per Annum) Smelter at Lapanga by Aditya Aluminium of the Hindalco Group²⁵. The smelter and the refinery should be operational from 2012.

A well defined and transparent "Mineral Policy of Orissa" is being formulated which will provide a foundation for sustainable development of minerals within the State

5.1.2 Infrastructure

5.1.2.1 Information Technology



Orissa – **one among the top three Software Exporters** in the nation with an export increment of 39.04% against the national average of 21% , is gradually emerging as an IT powerhouse being home to over 300 units and 12,000 software professionals which would touch the magic figure of 200,000 software professionals by 2015 with a targeted Software exports of Euro 780

²³ Vedanta Group- It's a London Based Indian Manufacturing Company – web: <http://www.vedantaresources.com/who-we-are.aspx>

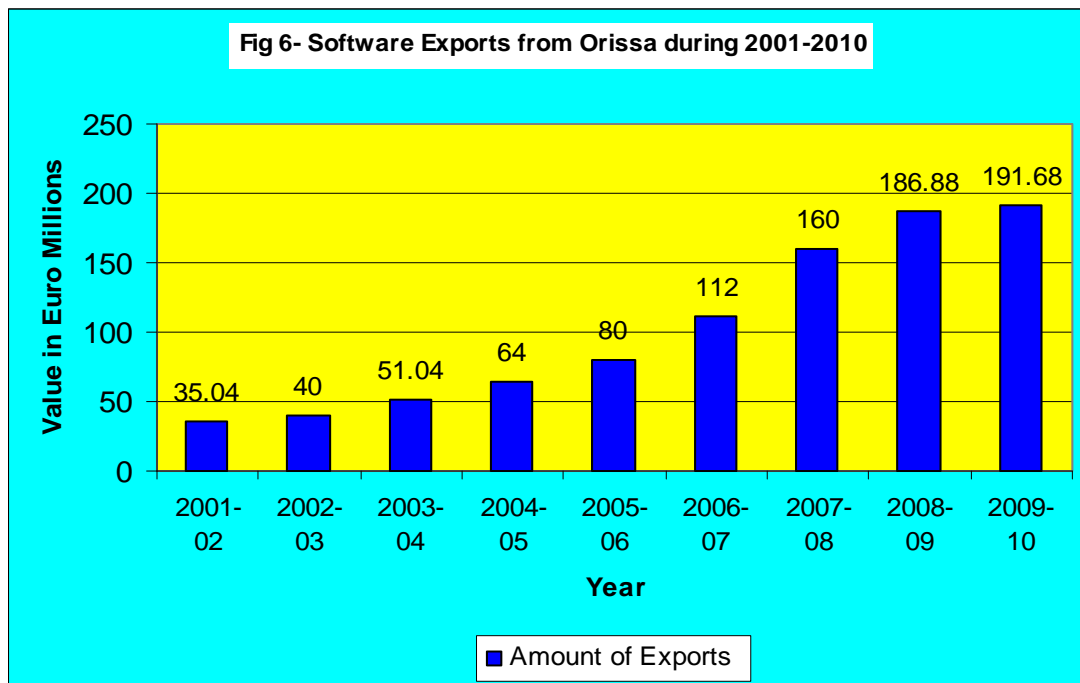
²⁴ Dubai – Dubai Aluminium Co Ltd – is one of the World's largest smelter owners – web: <http://www.dubal.ae/home.aspxand>, L&T – Is one of largest Indian Engineering & Construction Cos – web: <http://www.larsentoubro.com>

²⁵ Aditya Aluminium of Hindalco Group- Hindalco Industries Limited, the metals flagship company of the Aditya Birla Group is the world's largest aluminium rolling company – web: http://www.hindalco.com/projects/greenfield_projects.htm



Million by 2011-12²⁶. The State has become the seat of investors from the Silicon Valley including : 'Perfectus Technology' and one of the very few Indian states to house all the big four domestic IT giants ,viz: 'TCS', 'Infosys', 'Wipro', 'Mahindra Satyam' apart from other Indian major players like 'Mindtree Consulting' and 'Genpact'.

Year wise gradual growth of the Software Exports from the State



Source: Department of Information & Technology, Government of Orissa and News Clippings

Key Strengths to attract investors for setting up Units :

- ❖ Cheap Capital Investment
- ❖ Availability of IT Professionals
- ❖ Better Law & Order Environment
- ❖ Excellent Infrastructure like data connectivity & business space

²⁶ Orissa Investors' Guide – www.teamorissa.org, www.ibef.org – Year of reference – 2008-09



Projects /Initiatives partnered by the State Government:

- Euro 48 Million (INR 3 Billion) project by the Infosys Technology ²⁷outside Bhubaneswar which plans to absorb more than 5,000 professionals .
- **Infocity - The Biggest IT Park in Eastern India** spread over 350 acres housing IT companies like Infosys, Wipro, TCS and MindTree, equipped with modern infrastructure including a 9-hole golf course.
- **Fortune Tower:** 3.5 lakh sq. feet of built-up space in a hi-tech steel and glass structure equipped with high-speed connectivity
- **Tower 2000:** Seven - storied 94,000 sq. feet facility equipped with all amenities including broadband connectivity
- **IDCO Tower**²⁸: Strategically located, 11-storeyed business center housing a number of IT, ITES companies
- **Infopark-** A PPP Model being developed by DLF²⁹ with 4 million square feet built up space adjacent to Infocity which has been accorded SEZ approval is in the pipeline
- **Knowledge Industry Township** - 784 acres of integrated township located 15 kms from the city to be extended to 4500 acres in two phases to comprise an SEZ, residential, educational, commercial areas and business zones. The project has received SEZ Approval.
- **IDCO BPO Complex** : IDCO and Genpact joint venture spread over 29 acres has also been granted SEZ approval

²⁷ Infosys Technologies Ltd – Euro 3.74 Billion Indian 2nd largest IT Company by size.

²⁸ IDCO – Industrial Infrastructure Development Corporation of Orissa

²⁹ DLF- India's largest Real Estate Company- web: www.dlf.in

- **E Governance:** OCAC³⁰ established a sound need based e-Governance infrastructure for a networked Government for greater transparency and accountability in delivery of public services in the following spheres:
 - ❖ Giving high priority to G2G (Government to Government) & G2C (Government to Citizen) Services
 - ❖ Installing - GRAMSAT³¹, Secretariat LAN (Local Area Network) , State Government Portal (SGP)
 - ❖ Land Records, Registration, Transport, Treasuries, Commercial Tax, E-Shishu, Web Enabled Monitoring of Anti Poverty and Rural Development Schemes
 - ❖ State Wide Area Network (SWAN), Common Service Centre (CSC), State Data Centre (SDC) and many other new projects notably e-Procurement. HRMS³², RFID³³ based food grain delivery monitoring have been initiated

5.1.2.2 Energy including Power



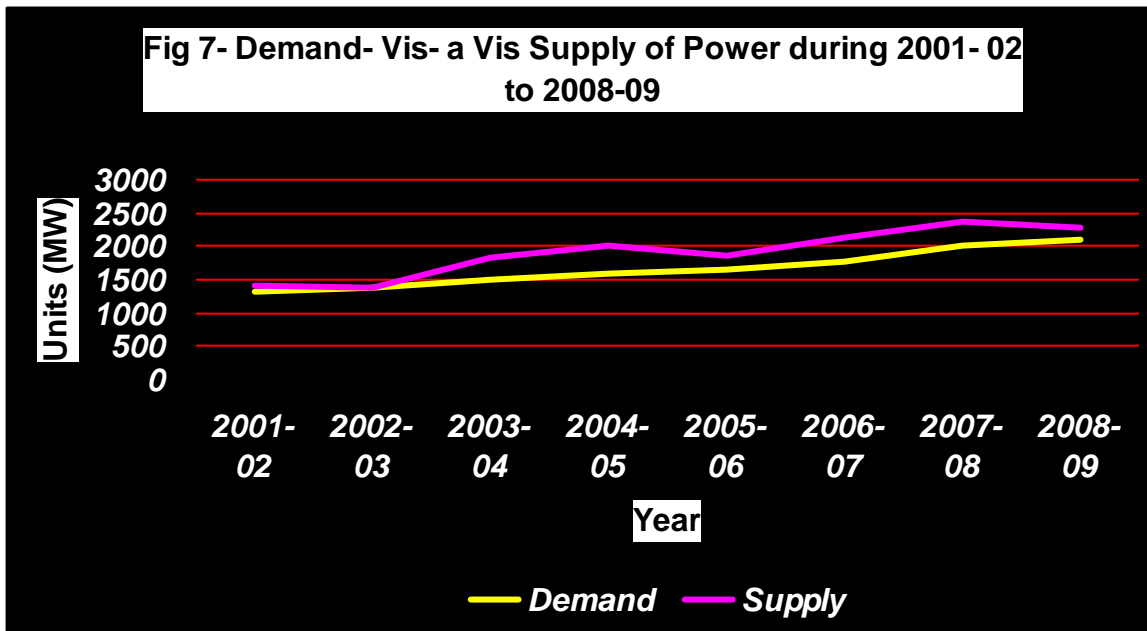
Power Sector in Orissa which accounts for 12% of the State GSDP underwent a reform (**first such initiative in the country**) recording a supply of 2268 MW (Megawatt) during 2008-09 as against an estimated requirement of 2107 MW with a 44% hike in the installed capacity during 2008-09. During 2009-10, the deficit during peak hours was 7.1% much below the national average of 13.3% , with the industry consuming 55.8% of the production and 24.83% by the domestic consumers. The demand –supply and the detailed break up of the power sources of the state are given in the following figure 7 and table 4 respectively.

³⁰ Orissa Computer Application Centre –agency under Department of Information Technology, Govt of Orissa

³¹ The Gramsat Programme (GP) is an initiative to provide communication networks at the state level connecting the state capital to districts and blocks.- web: http://www.isro.org/scripts/sat_GRAMSAT.aspx

³² It's Human Resource Software

³³RFID- Radio Frequency Identification



Source: Orissa Economic Survey 2009-10

Table 4- Source of Power Generation in Orissa

Power Projects	Installed Capacity in MWs	State's share in the installed capacity in MW (in %)	State's share in Power Generation in MW		
			2006-07	2007-08	2008-09
State Sector	2142.25	2084.88 (97.32%)	840.34	897.76	665.08
Hydro Power Projects					
Thermal Power Project	880.00	880.00 (100%)	1542.67	1563.60	1375.20
Central Sector	8240.00	1059.37 (12.86%)	485.32	735.89	736.12

Source: Orissa Economic Survey 2009-10

Orissa is promoting power generation by encouraging private investment in the sector envisaged under Orissa Electricity Reform Act, 1995. The State Government is also keen to promote renewable and eco-friendly non-conventional sources of energy and is committed to achieve 100% village electrification by 2012 accomplishing 60% of the target during 2008-09.

Projects /Initiatives partnered by the State Government:

- The State Government has taken up a series of measures for creating additional generation capacity, demand-side management, reduction of transmission and distribution (T&D) losses

and modernization/renovation of old units earmarking **Euro 315.68 Million (INR 19.73 Billion)** for 2009-10 and **Euro 689.12 Million (INR 43.07 Billion)** for the 11th Plan Period.³⁴

- Euro 94.7 Million (INR 5.92 Billion) **Accelerated Power Development and Reform Programme (APDRP)** jointly with the Central Government to improve the financial viability through loss reduction, consumer service and reliability of quality power supply.
- Euro 575.04 Million (INR 35.94 Billion) **Rajiv Gandhi Vidyutikaran Yojana (RGGVY) under Bharat Nirman**³⁵ to provide electricity to all the villages having population of 100 and more in five years.
- Euro 50.24 Million (INR 3.14 Billion) **Biju Gram Jyoti** to electrify 10,000 habitations / villages where population is less than 100.
- Euro 1.6 Billion (INR 100 Billion) project by the consortium of Coal India (CIL), GAIL India and Rashtriya Chemicals and Fertilizers (RCF) to revive the closed unit of Fertilizer Corporation of India at Talcher, Orissa and Euro 2.4 Billion (INR 150 Billion) stand alone project by GAIL India³⁶
- Euro 8.58 Billion Thermal Power Projects with capacity to generate 13,500 MW (Megawatt) is under implementation³⁷.
- **MOUs worth Euro 10.78 Billion have been signed with IPPs (Independent Power Producers)** for manufacturing Power Plants in the State as narrated below in Table 5

³⁴ 10th Plan Period – 2002-2007 and 11th Plan Period – 2007-2012

³⁵ Bharat Nirman – A time bound plan for rural infrastructure by the Govt of India in partnership with State Governments and Local Bodies – 2005-09 – web - <http://www.bharatnirman.gov.in/>

³⁶ GAIL- Government of India owned India's flagship natural gas company – web- <http://www.gailonline.com/gailnewsite/aboutus/history.html>

³⁷ www.teamorissa.org

Table 5- Investments in the Power Sector –Orissa³⁸

Company Name	Proposed Capacity of plant (MW)	Project Cost in Euro Million	Likely Commissioning Date
Bhushan Energy Ltd	2000 (in one go)	1357.28	Fully by December , 2011
CESC Ltd.	1000	649.28	March /June -2012
Essar Power Ltd.	1000	777.6	October-12
GMR Energy Ltd.	1050	720	Unit 1- Sept-2011, Unit 2- Nov-2011, Unit 3- Feb-2012
Jindal India Thermal Power Limited	1200	953.76	Unit-1: Sept-2011 Unit-2: Mar-2012
K.V.K Nilavhal Power (P) Ltd,	1200	800	December -2011
Lanco Group Ltd.	1320	720	March -2012
Mahanadi Aban Power Co Ltd.	1030	681.12	December -2012
Monnet Power Co Ltd.	1005	657.16	September-2011 (balance in interval of 3 months)
Nava Bharat Power (P) Ltd.	1040	748	July-2011 (balance in interval of 3 months)
Sterlite Energy Ltd	2400	1196.96	Unit 1: Sept-2009 (balance in interval of 3 months)
Tata Power Company Ltd.	2000	800	December - 2012
Visa Power Ltd.	1000	719.68	September -2012
Total	15245	10780.84	

- RVEP (Remote Village Electrification Programme), NBMMP (National Biogas and Manure Management Programme), and CDM (Clean Development Mechanisms), A State Level Renewable Energy Awareness Park are few of the notable projects undertaken by OREDA (Orissa Renewable Energy Development Agency)³⁹

³⁸ Government of Orissa Portal

³⁹ OREDA is the apex agency under the Dept of Science & Technology, Govt of Orissa in charge of renewable and alternative energy sources

5.1.2.3. Transport & Overall Infrastructure ⁴⁰

Roads



- Orissa has 242,736 kilometres of roads including 3,590 kilometres of National Highways; 5,102 of state Highways and 30 kilometres of State Expressways. Participation of Private sector is being encouraged in the construction of these Highways
- Some of the prestigious projects are the Bhubaneswar-Cuttack highway, Talcher-Gopalpur highway and the construction of the 4-Lane Cuttack-Paradeep highway

Civil Aviation



- A domestic airport is located at the state capital Bhubaneswar. Direct links are available from Bhubaneswar to places like Delhi, Kolkata, Chennai, Nagpur, Mumbai and Hyderabad
- There are 13 Airstrips and 16 Helipads at different places of the state

⁴⁰ Orissa Economic Survey -2009-10 & www.ibef.org

Waterways



- Paradeep Port in Jagatsinghpur district of Orissa is the 8th largest port of India handling 46.41 million tonnes of cargo in 2008-09 of which 26.52 million tonnes were exports and 19.89 million tonnes were imports
- Gopalpur Port in Ganjam district is the second largest port in Orissa handling 67,000 tonnes of exports and 170,000 tonnes of Imports during 2008-09
- A new port facility called Dhamara Port in Bhadrak is under construction and two more ports – one at Kirtania (Balasore District) and the other at Astrang (Puri District) are in the offing
- The state government is encouraging private firms to step into the port sector to create infrastructure for several upcoming metallurgical projects in the state

Railways



- By the end of 2008-09 , total railway route length in Orissa was 2,439 kilometres
- Orissa is a link between eastern and western India through railway network of South-Eastern and East-coast Railways. With the commissioning of the Talcher-Sambalpur Railway a vital link has been established between coastal and western Orissa

SEZs



- Chandaka Industrial Estate in Khurda is an IT/ITES SEZ developed by Orissa Industrial Development Corporation. 9 more SEZs have been given formal approval and 6 have been given in-principal approval by the Government of India

Projects /Initiatives partnered by the State Government

- Over Euro 3.9 Billion investment in road sector has been commissioned
- Over Euro 1.17 Billion investment in railways is being commissioned
- Massive urban infrastructure upgradation through national level programmes with investment through public funding and private participation
- Development of industrial, economic & social infrastructure in steel & mining corridors
- Major expansion of Paradeep Port underway
- Bio-pharma Park in Bhubaneswar through PPP
- Integrated Textiles Park at Choudwar
- Auto complex at Choudwar
- Bhubaneswar Airport modernization

5.1.3 Agriculture and Allied Sectors

5.1.3.1 Agriculture



Orissa is an Agrarian State with 75 per cent of the workforce engaged in agricultural activity which contributes 20 per cent of the Gross State Domestic Product (GSDP). The



State is divided into 10 Agro-climatic zones on the basis of soil structure, humidity, elevation, topography, vegetation, rainfall and other agro climatic factors and the average size of holding in the State is 1.25 ha. The small and marginal farmers constitute about 83% of the farming community.

The total food grain production in the State during 2007-08 was 0.92 Crore Tonnes which is approximately 4.06 percent of national food grain production which went down to 0.7393 Crore Tonnes in 2008-09. Rice is the main crop of the State. Orissa's main agriculture products are Rice, Pulse, Oil Seeds, Vegetables, Groundnut, Cotton, Jute, Coconut, Spices, Potato and Fruits.

There is a vast scope for agro based industries as:

- ✓ Rice Milling
- ✓ Dal-milling
- ✓ Edible oil milling
- ✓ Dehydration of vegetables
- ✓ Maize milling
- ✓ Cattle poultry
- ✓ Cotton oil
- ✓ Potato chips
- ✓ Coconut oil
- ✓ Sugar mills
- ✓ Mushroom cultivation
- ✓ Non edible oils

Projects /Initiatives partnered by the State Government:⁴¹

- A comprehensive Agricultural Policy 2008 has been drawn up to make it a major force in building up a futuristic Orissa. The main objectives of this Policy are as follows:
 - To bring in a shift from the present level of subsistence agriculture to a profitable commercial agriculture so that people would accept agriculture as a vocation
 - To promote sustainable agricultural development
 - To enhance productivity of important crops at least to match with national average (enhancing seed replacement, availability of quality planting materials, water management, farm mechanization and technology transfer)

⁴¹ Orissa Economic Survey 2009-10



- To encourage crop diversification particularly in uplands and medium lands (e.g. paddy to non-paddy crops)
 - To focus on horticultural crops including dry-land horticulture
 - To encourage modern farming system approach
 - To enhance water use efficiency through peoples' participation
 - To facilitate increased long term investment in agricultural sectors (on farm as well as off farm) both by private sector, public sector and private & public partnership (PPP), particularly for post harvest management, marketing, agro processing and value addition
 - To encourage contract as well as compact farming
 - To increase access to credit for small and marginal farmers
 - To facilitate appropriate market linkages for agricultural produce with respect to which the state has competitive advantages
 - To implement integrated watershed development programmes in watershed areas for Natural Resource Management (NRM), increased crop production as well as on-farm and non-farm income
 - To create appropriate institutions / facilities to undertake regulatory, enforcement and quality assurance activities matching to the emergent needs
 - To redefine the roles and responsibilities of the agricultural extension machinery by suitably restructuring the field extension set up
- Euro 32 Million (INR 2 Billion) ISOPOM – Integrated Schemes of Oilseeds, Pulses, Oil Palm and Maize which is a Central- Government sponsored scheme with 75:25 funding pattern between the Centre and the State. The basic aim is to increase production of oilseeds, pulses and maize and their products through infusion of better technology.
- Euro 3 Million (INR 235.9 Million) **NFSM** – **National Food Security Mission** of the Government of India to raise the production of 'rice by 10 Million Tonnes', 'wheat by 8 Million Tonnes' and 'pulses by 2 Million Tonnes' at an All India Level

- Euro 4 Billion (INR 250 Billion) **RKVY – Rashtriya Krishi Vikas Yojana - Additional Central Assistance scheme** in order to incentivise the states so as to increase public investment in Agriculture and allied sectors.

Additionally The State is also partaking in 'Irrigation Programmes,'Crop Insurance' and many other schemes to promote this sector

5.1.3.2 Fisheries



Orissa is a maritime state, having a coastline of 480 Km. with continental shelf area of 24,000 Sq. Km. along the Bay of Bengal accounting for 6% of the coastline and 4.7% of the continental shelf area of the country . The State is also endowed with brackish water area of 0.418 Million hectares and fresh water area of 0.673 Million hectares by the end 2008-09 . The 7th highest Fish producing State in the Nation producing 374.8 TMT (Thousand Million Tonnes) of Fish has opened opportunities for foreign exchange earning being a potential market leader in fishery and marine products in the country.

The export import data of fish during 1999-2009 is depicted in the table 6 below. It's noteworthy that 70% of Orissa's exports of fish are from marine sources, whereas the imports comprise only fresh water fish from neighbouring States through private trade channels. The destination countries of Orissa's marine product exports include Japan, China, U.S.A.,U.K, UAE, Indonesia and Hong Kong. The exportables include frozen marine products like 'Shrimps', 'Scampi', 'Pomfrets', 'Ribbon Fish', 'Seer Fish', 'Cartel Fish', 'Crab' and 'Dry Fish'.

Table 6- Export & Import of Fish from Orissa in thousand MT

Year	Fish Export to Other States and Countries				Import of Fresh Water Fish
	Marine Fish	Fresh Water Fish	Brackish Water Fish	Total Exported	
1	2	3	4	5	6
1999-00	69.91	9.98	4.44	84.33	42.2
2000-01	61.75	6.26	7.07	75.08	41.99
2001-02	60.52	7.57	8.72	76.81	34.03
2002-03	61.29	7.69	12.58	81.56	35.71
2003-04	62.96	11.34	14.73	89.03	34.59
2004-05	65.72	11.72	14.31	91.75	37.01
2005-06	60.98	13.19	14.85	89.02	44.54
2006-07	68	14.76	14.99	97.75	38.07
2007-08	71.9	13.18	15.17	100.25	47.05

Source: Economic Survey of Orissa 2009-10

Table 7- Export of Marine Products to Foreign Countries

Year	Quantity (in '000 MT)	Value (in Euro Million)
2004-05	9.54	38.592
2005-06	9.8	41.5024
2006-07	10.52	48.7136
2007-08	14.16	56.2432
2008-09	14.13	57.2608

Source: Economic Survey of Orissa 2009-10

Projects /Initiatives partnered by the State Government:

- Euro 32.21 Million World Bank Assisted Shrimp culture Project over 445 hac. on the non-forest Government land at Jagatjore-Banapara in Kendrapara district covering 411 beneficiaries and 11 entrepreneurs is nearing completion.
- World Bank assisted reservoir fisheries development project is underway taking up 52 reservoirs out of targeted 79 reservoirs.



5.1.4 Tourism

Orissa offers excellent opportunities in the tourism sector with over 134.96% rise in the tourist visits during 1999- 2009 achieving an income flow of Euro 532.32 Million (INR 33.27 Billion) during 2008-09.

The paradigm shift in the tourist composition in Orissa vis-à-vis the income flow are tabulated below

Table 8- Tourist Composition in Orissa during 1999 - 2008

Year	From within the State	From India but Outside the State	From Abroad
1999	13,67,311	13,24,529	33,101
2000	14,13,956	14,74,436	25,758
2001	15,37,855	15,62,461	23,723
2002	17,03,002	17,10,350	22,854
2003	18,76,571	18,24,679	23,034
2004	21,56,986	19,68,550	28,817
2005	22,93,865	23,39,111	33,310
2006	26,99,654	25,40,242	39,141
2007	32,52,380	26,92,510	41,880
2008	38,46,512	25,11,933	43,966

Source: Economic Survey of Orissa 2009-10

Table 9- Income Flow from Tourist Visits in Orissa during 2004-05 to 2008-09
(In Euro Millions)

Year	Domestic Tourists	Foreign Tourists	Total	Growth Rate
2004-05	344.176	11.968	356.144	70.6
2005-06	373.5856	14.1136	387.6992	8.9
2006-07	427.8032	15.5664	443.3696	14.4
2007-08	494.1136	17.1088	511.2224	15.3
2008-09	515.7248	16.7488	532.4736	4.2

Source: Economic Survey of Orissa 2009-10



The Government has devised the Orissa Tourism Policy 1997 through which the State Government acts as a promoter and catalyst to create an environment for Planned and Sustained Development of Tourism.

6. State Government Net for Investors

6.1 The Industrial Policy Resolution 2001

State Government has introduced a Three Tier Single Window Clearance mechanism to facilitate speedy implementation of industrial projects as charted below

Table 10- Three Tier Single Window Clearance Mechanism

Investment Slabs (in Euro Millions)	Approving Authorities	Composition
Tier III (> 160)	High Level Clearance Authority (HLCA)	Chief Minister + 12 Members (including Ministers / Secretaries of State)
Tier II (8-160)	State Level Single Window Clearance Authority (SSWCA)	Chief Secretary + 16 Members (Including Secretaries of State /Heads of Departments)
Tier I (<8)	District Single Window Clearance Authority (DSWCA)	District Collector + 10 Members (including representatives from various concerned departments)

Source: Investor Guide- Govt of Orissa

6.2 The Government agencies /departments catalyzing industrialization within the State:

6.2.1 IPICOL – Industrial Promotion and Investment Corporation (<http://www.ipicolorissa.com/>)

- Acting as Single Window Contact for all information related to setting up of large and medium industries in the State
- Operating the State incentive schemes to large and medium industries under the Industrial Policy of the Government

- Providing and managing data base and consultancy for preparation of project reports
- Identifying and listing potential investment opportunities for the State
- Providing finance for projects in the form of term loans/Equity Investment/ Equipment finance
- Organizing seminars, campaigns, road shows and investors meet in different cities of India and abroad
- Assistance in technology sourcing and for technology up gradation
- Providing merchant banking services
- Providing financial and management support for revival of sick but potentially viable industrial units
- Assisting development of theme Industrial Parks/Industrial Estates, mega infrastructure projects, Special Economic Zone

6.2.1.1 Team Orissa (<http://www.teamorissa.org/>)

The Orissa Investment Promotion Agency has been named as “Team Orissa”, and is located within IPICOL. Team Orissa would focus and target the large and medium industries in the organized sector.

6.2.2 IDCO – Orissa Industrial Infrastructure Development Corporation (<http://www.idco.in/2009/>)

The Activities of IDCO encompass the following areas:

- **Industrial Promotion** - Facilitating industrial investments through providing ready-to-use infrastructure. To this pursuit, a large number of industrial estates, industrial areas, IT Parks, Theme Parks have been established in different strategic locations of Orissa
- **Infrastructure Development** – Assisting in the development of quality infrastructure facilities for industrial and economic growth of Orissa. Infrastructure support is provided by the development of industrial complexes, IT Parks, Theme Parks, SEZs
- **Land Acquisition** - Providing support in Identification of Project Site, Alienation / acquisition of land on behalf of the project and Forest Clearance



- **Project Construction:** IDCO core competence includes comprehensive project construction and management services for execution of civil, electrical and public health engineering projects in social sectors

6.2.3 Directorate of Industries (<http://www.orissa.gov.in/industries/index.htm>)

The main objective of the Directorate of Industries is to promote and facilitate the growth of the Small Scale industries (SSIs) in the State

6.2.4 IDCOL - Industrial Development Corporation of Orissa Ltd (<http://www.idcorissa.com/>)

Their activities are :

- To set up, promote, industrial units for optimum utilization of mineral resources available in State and manage the same with optimum efficiency and productivity
- To provide single window service to the entrepreneurs

6.2.5 Directorate of Information Technology through OCAC – Orissa Computer Application Centre (<http://www.ocac.in/>) -

The technical directorate of Orissa IT Department

6.2.6 APICOL - Agricultural Promotion and Investment Corporation of Orissa Ltd (<http://www.apicol.co.in/>)

The functions include :

Policy Support

- Formulation and implementation of policies for food processing industries within overall national priorities and objectives
- Facilitating the creation of a conducive policy environment for healthy growth of the food processing sector
- Promoting rationalization of tariffs and duties relating to food processing sector



Developmental

- Assistance under various plan schemes
- Widening the R&D base in food processing by involvement of various R&D institutes and support to various R&D activities relating to development of product, process and packaging with special emphasis on traditional technologies
- Human resource development both for entrepreneurs as well as workers engaged in the food processing industry by up gradation of their skills
- Assistance for setting up analytical and testing laboratories, active participation in the laying down of food standards as well as their harmonization with international standards

Promotional

- Assistance for organisation of workshops, seminars, exhibitions and fairs
- Assistance for studies / surveys
- Publications and films

Regulatory

- Implementation of Fruit Products Order (FPO)

6.2.7 OSFC - Orissa State Financial Corporation (<http://www.osfcindia.com/>)

The Object is to provide loan assistance to the tiny, small and medium scale industrial concerns by financing enterprises engaged in manufacturing, mining, transport, power, computer & telecommunication, hospitality activities, Hospitals / Nursing Homes & activities approved by the apex Development Banks of India like IDBI / SIDBI (Small Industries Development Bank of India).

6.3 Setting Up Industry in Orissa

Typically, there are three stages involved to start a industrial unit

- Entry Stage (Pre Implementation Phase)
- Implementation Phase
- Operational Phase



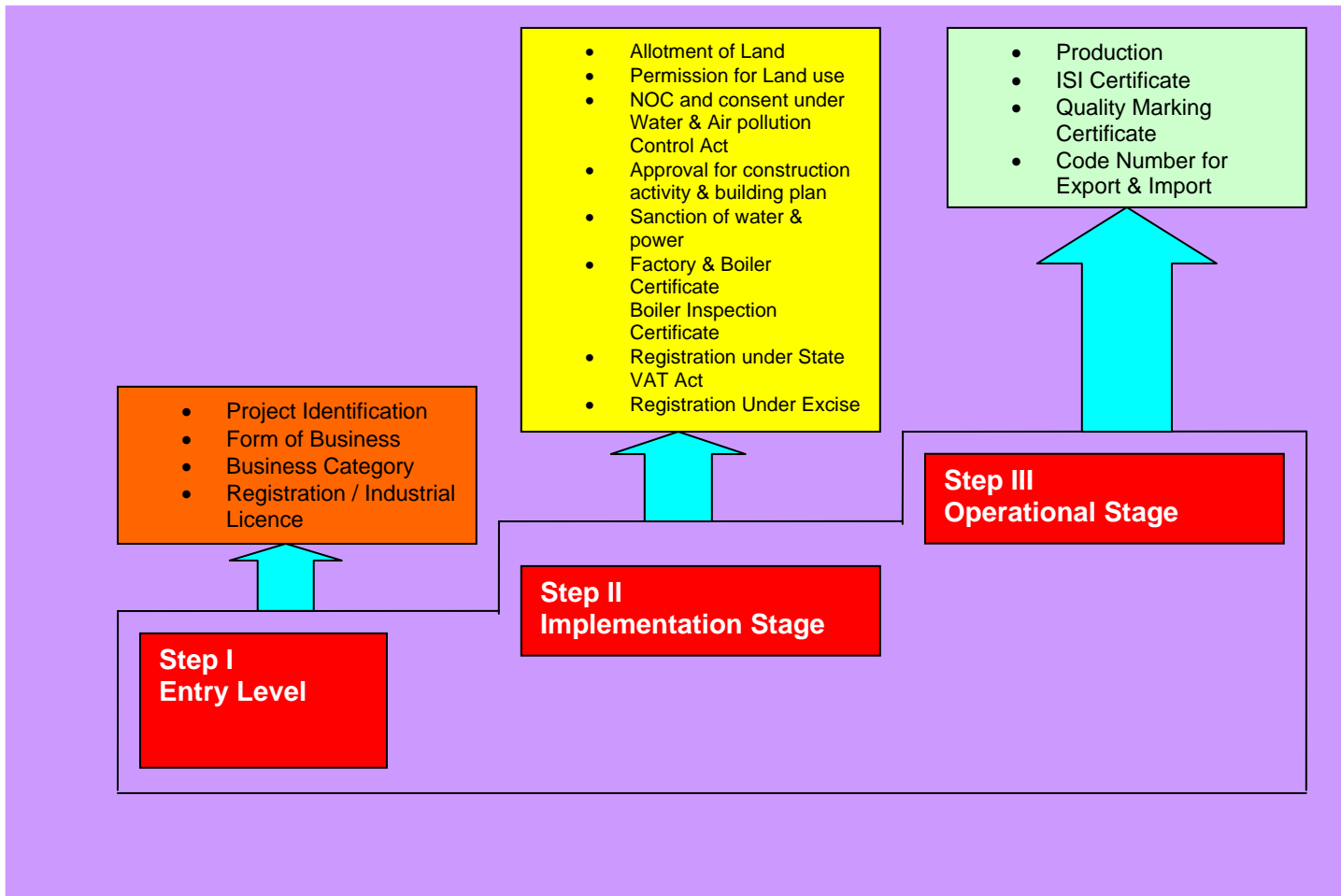
An entrepreneur has to obtain various approvals/ clearances in order to set up an industry in Orissa

Table 11- List of Approvals/Clearances vis- a- vis the Corresponding Authorities

Approvals/Clearances Required	Department /Authority responsible for Approvals/ Clearances
Incorporation of Company	Registrar of Companies
Registration/Industrial license/ Industrial Entrepreneur Memorandum (IEM)	District Industries Centres for SSI / Secretariat for Industrial Assistance (government of India) for large and medium industries
Allotment of land	IDCO
Permission for land use (in case industry is located outside an industrial area)	IDCO (Department of Town and Country Planning Local authority /District Collector)
NOC and consent under Water and Air Pollution Control Acts	Orissa State Pollution Control Board (OSPCB)
Forest & Environment Clearance	Ministry of Forest & Environment, Government of India
Approval of construction activity and building plan	Developmental Authority
Sanction of Electricity	Distribution Companies – CESCO, NESCO, SOUTHCO, WESCO Transmission Company- GRIDCO
Water Supply	Water Resources Department
Factory & Boiler clearance	Chief Inspector of Factories & Boilers
Boiler Inspection Certificate	Chief Inspector of Boilers
Finance	OSFC / Commercial Banks like IDBI, ICICI Limited, SBI etc.
Orissa VAT Act, and Central and State Excise Act	i. Commercial Tax Department ii. Central and State Excise Department
Permanent Account Number (PAN)	Income Tax commissioner
Extraction of Minerals	State Director of Mines and Geology
ISI Certificate	Regional Office of the Bureau of Indian Standards (BIS)
Weights and Measures	Inspector of Weights and Measures
Code Number for Export and Import	Regional Office of Director General of Foreign Trade
IDCO: Orissa Industrial Infrastructure Development Corporation, SSI: Small Scale Industries, SIA: Secretariat of Industrial Assistance, SSIDC: Small Scale Industrial Development Corporation, OSFC: Orissa State Financial Corporation, DIC: District Industries Center, GOI: Government of India, IDBI: Industrial Development Bank of India, IFCI : Industrial Finance Corporation of India (source: www.teamorissa.org)	

The Stage wise requirement of the approvals are depicted

Fig 8- Steps to set up an Industry – At a Glance





6.4 Cost of doing Business in Orissa

Table 12 – Cost of Doing Business in Orissa

Cost Parameter	Cost Estimate
Industrial Land (per sq metre)	Euro 1.56 to 7.8
Office Space Rent (per sq feet per month)	Euro 0.156 to 0.936
Residential Rent (for a 2000 sq feet house, per month)	Euro 74.1 to Euro 156
5- Star Hotel Room (Per Night)	Euro 74.1 to Euro 117
Commercial & Industrial Electricity	5.85 cents/kWh to 7.8 cents/kWh

Source: www.ibef.org



Annexure I

Websites Essential for a Potential Investor in Orissa

- **Department of Industrial Policy and Promotion – (<http://dipp.nic.in/>)**
- **Reserve of India - (<http://www.rbi.org.in/home.aspx>)**
- **Registrar of Companies –(<http://www.mca.gov.in/>)**
- **Government of Orissa Portal – (<http://www.orissa.gov.in/portal/default.asp>)**
- **Team Orissa Website – (<http://www.teamorissa.org/>)**
- **CII – Confederation of Indian Industry –(<http://www.cii.in/>)**
- **The Utkal Chamber of Commerce & Industry – (<http://www.utkalchamber.com/>)**



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