



ORISSA

January 2008



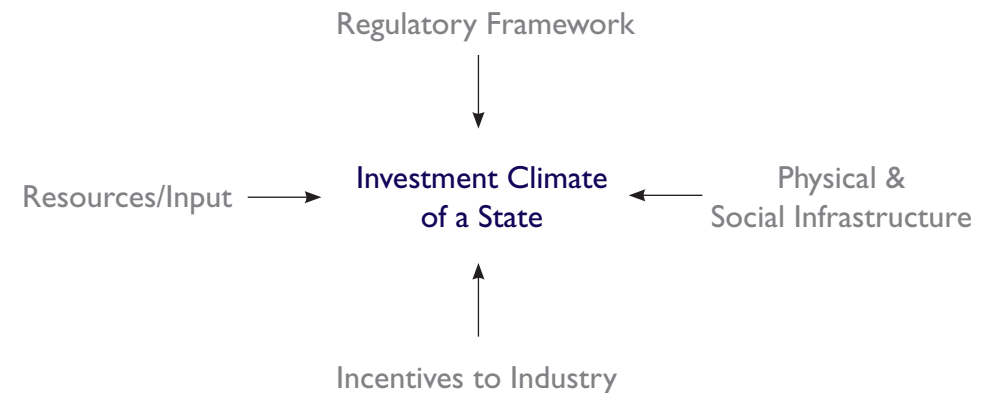
Investment climate of a state is determined by a mix of factors

Regulatory Framework

- Procedures for entry and exit of firms
- Industrial regulation, labour regulation, other government regulations
- Certainty about rules and regulations
- Security, law and order situation

Resources/Input

- Skilled and cost effective labour
- Labour market flexibility
- Labour relations
- Availability of natural resources



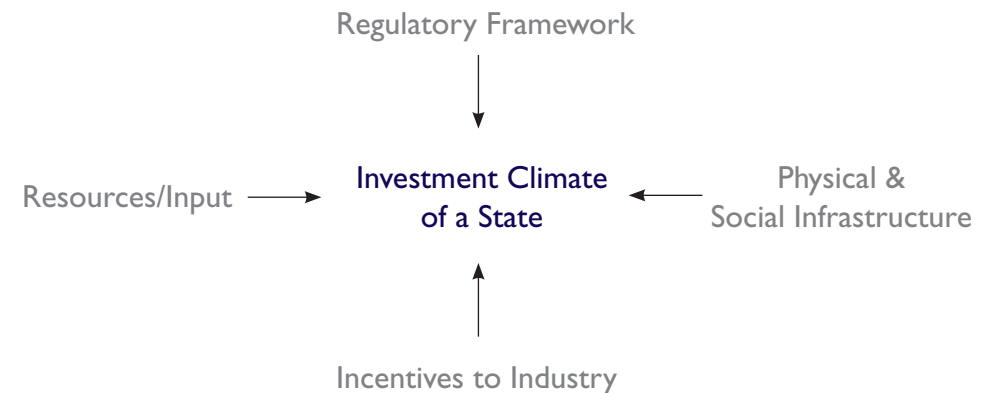
Investment climate of a state is determined by a mix of factors

Physical & Social Infrastructure

- Condition of physical infrastructure like power, water, roads etc
- Information infrastructure such as Telecom, IT, etc
- Social infrastructure like educational and medical facilities

Incentives to industry

- Tax incentives and exemptions
- Investment subsidies and other incentives
- Availability of finance at cost effective terms
- Incentives for FDI
- Profitability and incentives to industry



Focus of this presentation

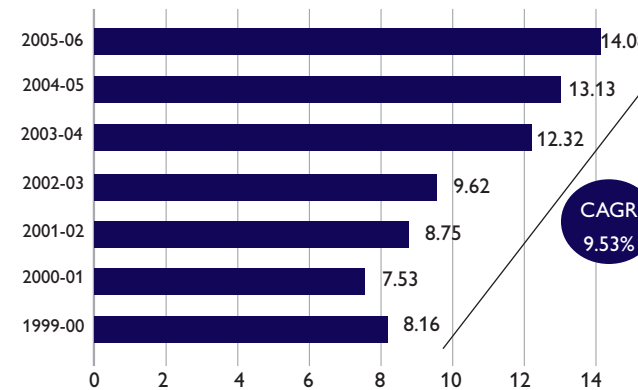
- **Orissa's performance on key socio-economic indicators**
 - **Availability of social and physical infrastructure in the state**
 - **Policy framework and investment approval mechanism**
 - **Cost of doing business**
 - **Key industries and players**
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ORISSA'S PERFORMANCE ON KEY SOCIO-ECONOMIC INDICATORS

Orissa's economy is primarily Agriculture based

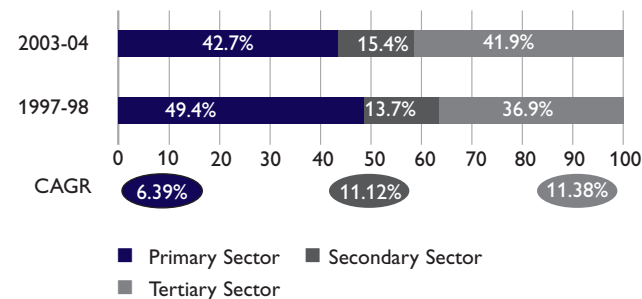
- The state's GDP grew at 9.53% between 1999-2000 and 2005-2006 to reach US\$ 14.08 billion
- The tertiary sector has been the fastest growing, driven by growth in sub-sectors like services sector
- Secondary sector has grown by 11.12% during this period
- Contribution of primary sector to the GSDP has reduced over the years

Orissa's GSDP (US\$ billion)



Source: Office of the Accountant General, Orissa

Percentage distribution of NSDP



Source: Economic Survey of Orissa, 2005-06

Industries are based mainly on the Natural Resources in the State

- Forest based products provide livelihood to a large section of population of the state. About 11 million people are dependent either directly or indirectly on the forests for employment
- In 2004-05 alone over 2800 small scale units were established in the state
- The state is rich in iron-ore, bauxite, nickel and coal and hence attracted many mineral based industries

	Large & Medium Industries	Small scale units	Handicrafts & Cottage Industries
Working units (No.)	334	59,079	1,492,471
Fixed investment (US\$ million)	409	274	117

Source: Industries Department, Government of Orissa (2005-06)

Mineral Resources as a % of national reserves	
Iron Ore (32.9%)	Bauxite (50%)
Nickel (95%)	Chromite (98%)
Coal (24%)	

Key industries in Orissa

- Agriculture
 - Forest based industry
 - Minerals (Fero alloy,Aluminium)
 - Cement
 - Paper
 - Sugar
 - Fertilizer
 - Iron and steel
 - Handloom
 - Information Technology
 - Power
 - Tourism
-

Orissa has witnessed a strong inflow of Investments in the Manufacturing sector

- There are 45 projects for capacity over 56 MT per annum of steel (22 plants partly commissioned) underway in the state representing more than US\$ 45 billion in investment
 - Four new aluminium projects with more than four MT per annum capacity worth US\$ 10 billion are under implementation
 - In the Services sector, Telecom and IT have attracted maximum investments
 - In the area of construction, road infrastructure as well as housing projects and commercial complexes have seen maximum inflow
 - Orissa is home to one titanium project with an investment of US\$ 250 million
-

Orissa has witnessed a strong inflow of Investments in the Manufacturing sector

- The major investors in the metal sector are POSCO, Arcelor Mittal, Tata Steel, Bhusan Group, Jindal Group, Essar Steel, Hindalco, Vedanta, Aditya Aluminium, L&T-Dubal etc.
 - In the chemicals and petrochemicals sector, the state has a 15-mtpa mega petrochemical complex by Indian Oil Corporation with an investment of US\$ 6 billion
 - Between January 2000 to June 2007, US\$ 81.6 million of foreign direct investments has flown into the state
-

Industries are mainly Agro-based and Mining

District	Number of SSI Units	Industries
Sundargarh	482	Textile, mining and metal based industries
Ganjam	319	Chemicals, sugar, textile. SSIs in food-based products, glass and ceramics, textiles
Khurda	318	Agro-based industry, tourism, handloom industry
Cuttack	314	Paper mills, textile, steel industries. Handicraft and cottage industry (silver filigree, brass and metal works, stone carving, cane and bamboo products among others), food-processing, engineering units
Balasore	270	Alloys (Balasore Alloys), paper mills, Tourism, Fishing
Mayurbhanj	236	Mining, agro-based and forest based industries, mineral grinding
Jajpur	231	Mining, food based industries
Puri	196	Agro based industries, fishing and tourism
Bolangir	171	Mining and mineral-based industries. SSIs in agriculture-based industries, engineering and metal based industries, rubber and plastics, mining based, chemical based
Kendujhar	169	Mining (iron, manganese, chromite), iron based industries, engineering and metal based industries, chemical based industries, agro-industries
Bhadrak	162	Agro based industries, Fisheries, Tourism, Ship building
Others	1643	

Source: District Websites

AVAILABILITY OF SOCIAL AND PHYSICAL INFRASTRUCTURE IN THE STATE

Skilled as well as Unskilled labour is available in the state

- As per Census 2001 the total number of workers in the state are roughly 14.3 million
 - According to Ministry of Labour and Employment, Government of India, of the 45 strikes that occurred All-over India between January 2007 to April 2007, only 1 occurred in Orissa.
 - The proportion of male workers to male population and female workers to female population in 2001 stood at 52.5% and 24.7% respectively.
 - Orissa is one of the few pioneering states to reserve 30% jobs for women in all the government departments and public undertakings
 - At the end of year 2006-07 the unemployment was 0.97 million in a total labour force of 14.3 million
-

Social infrastructure in the form of Educational Institutes, though on the Medical Institutions front there is scope for development

Education infrastructure

- During 2004-05, there were 45,700 primary schools with over 5.2 million enrollment
 - Orissa has 9 Universities, 88 Engineering/MCA colleges and 18 Medical colleges
 - The Industrial Policy aims to improve technical manpower and upgrade the skills of local entrepreneurs
-

Social infrastructure in the form of Educational Institutes, though on the Medical Institutions front there is scope for development

Medical Infrastructure

- In 2005, there were 1,701 Government Allopathic Medical Institutions in the State having 13,886 hospital beds.
- By the end of 2004-05, there were 174 Hospitals, 231 Community Health Centres, 120 Primary Health Centres (PHCs), 1162 PHCs (with new facilities) and 14 Mobile Health Units

Health indicators		
	Orissa	All-India
Population served per		
Doctor	7,560*	1,607
Medical institutions	21,638*	26,536
Birth rate**	22.7	24.8
Death rate**	9.6	8.1
Infant mortality rate***	65	63
Life expectancy at birth (years)		
Male	60.1	64.1
Female	61.2	65.4
*As of year 2005		
**Per thousand persons		
***Per thousand live births		

Source: *Economic Survey of Orissa, Statistical Abstract of India*

Orissa presents an opportunity in the Banking sector

- In 2006, Orissa had just 14 Urban cooperative Banks amounting to just 0.8% of all such banks in India
- The average population per bank branch at the end of June 2006 for Commercial banks was 17,000, which was greater than the All-India level of 16,000
- Orissa State Financial Corporation (OSFC) provides soft loans and margin money for rehabilitation of sick industrial units

Financial institutions in Orissa*	
Co-operative Societies	21,230
Primary Agricultural Credit Societies	2,726
Post office saving banks **	7,572
Scheduled Commercial Banks	2,333
Foreign Banks	2
Regional Rural Banks	838

*As on 31st March 2006

**As on 31st March 2004

Source: Reserve Bank of India

Transport infrastructure is adequate and is also being upgraded

Roads

- Orissa has 238,000 kilometres of roads including 3,508 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
-

Transport infrastructure is adequate and is also being upgraded

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
-

Transport infrastructure is adequate and is also being upgraded

Waterways

- Paradeep Port in Jagatsinghpur district of Orissa is a major port of India
 - Paradeep Port handled 38.52 million tonnes of cargo in 2006-07 of which 24.85 million tonnes were exports and 13.65 million tonnes were imports
 - The Port is connected with Broad-gauge Railway system of the south-eastern Railway and is also served by National Highway No. 5A
 - Gopalpur Port in Ganjam district and Dhamra in Bhadrak are other important ports in the state being upgraded
 - The state government is encouraging private firms to step into the port sector to create infrastructure for several upcoming metallurgical projects in the state
-

Transport infrastructure is adequate and is also being upgraded

Railways

- At the end of 2005-06, total railway route length in Orissa was 2340 kms
 - 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
-

The situation in the Power sector and Telecommunications is encouraging

Power

- Orissa was the first state in the country to embark upon reforms in the power sector
 - Distribution and Transmission of power has been separated. Four distribution companies have been created: Western Electricity Supply Company of Orissa Limited (WESCO), North Eastern Electricity Supply Company of Orissa Limited (NESCO) and Southern Electricity Supply Company of Orissa Limited (SOUTHCO) with investments from Reliance Energy Limited and Central Electricity Supply Utility of Orissa (CESU) with investments from AES Corporation
-

The situation in the Power sector and Telecommunications is encouraging

- Hydro Power Corporation Limited (OHPC) has an installed capacity of over 2000 MW hydro-power generation with few more projects in the pipeline
- Orissa still has 21% of the villages to be electrified at the end of 2007 and about 80% of the rural households are yet to be electrified

Telecommunications

- In late 1990s the number of Post offices in Orissa were 228.8 per million of population as against just 181.4 per million at All-India level
 - The number of wireless connections in Orissa 3.8 million and the number of wireline subscribers were 770,000 at the end of August 2007
-

Industrial Infrastructure is being built up

- In order to facilitate these industries and to create an enabling environment to attract national and international investment, government has enacted Orissa Industries (Facilitation) Act, 2004 for implementing the Single Window Clearance System
- Growth centres at Duburi, Chhatrapur, Kalinga Nagar in Bhubaneswar, Jharsuguda and Kesinga has already been sanctioned by Government of India

Industrial zones
Talcher-Angul
Kalinganagar-Duburi
Bhubaneswar-Khurda
Rayagada-Sunabeda
Gopalpur-Chatrapur
Paradip-Jagatsinghpur
Jharsuguda-Brajarajnagar

Infrastructure

Infocity

- The IT Park is spread over 350 acres and houses IT companies like Infosys, Wipro, TCS and MindTree. Equipped with modern infrastructure including a 9-hole golf course, it is one of the biggest IT Park in Eastern India

Fortune Tower

- It has a built-up space of 350,000 sq ft in a hi-tech steel and glass structure equipped with high-speed connectivity

IDCO Tower

- It is a strategically located, 11-storeyed business centre and houses a number of IT, ITeS companies
-

Infrastructure

SEZs

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

Technology Parks

- Software Technology Parks of India (STPI) has developed software technology parks at Bhubaneswar, Rourkela and Berhampur
-

POLICY FRAMEWORK AND INVESTMENT APPROVAL MECHANISM

Key Nodal Agencies in Orissa

Industrial Promotion and Investment Corporation of Orissa Ltd (IPICOL)

- IPICOL is a key promotional institution and was incorporated in 1973 with the main objective of accelerating the pace of industrial development by promoting large and medium scale industries
 - IPICOL has promoted 263 large and medium scale industries by the end of Ninth Plan period (2001-02) with project cost of over US\$ 610 million and created employment opportunities for over 34,000 persons
 - During the first three years of the Tenth Plan period, ten industries have gone into production with project cost of over US\$ 11 million and created employment for 557 persons
-

Key Nodal Agencies in Orissa

Industrial Development Corporation of Orissa Limited (IDCOL)

- IDCOL was set up in 1962 to set up and promote industrial units for utilisation of natural resources available in the state
 - The Corporation, since its inception, has set up 15 industrial units in diverse sectors like cement, ferrochrome, pig iron, spun pipe, etc. under direct management
-

Key Nodal Agencies in Orissa

Orissa Industrial Infrastructure Development Corporation (IDCO)

- IDCO was established with the objective of creating infrastructure facilities in industrial estates and areas identified for accelerated growth of industries, trade and commerce
 - IDCO has established 86 industrial estates and areas all over the state
 - The Corporation is engaged in multifarious activities to foster rapid industrialisation in the state by development of industrial infrastructure
-

Key Nodal Agencies in Orissa

Agricultural Promotion and Investment Corporation of Orissa Ltd. (APICOL)

- APICOL's aim is to strengthen the rural economy by providing financial support for promotion and development of Agro-based and Food-processing industries
 - By the end of March 2005, the Corporation had promoted 59 Agro and Food processing units with an investment of about US\$ 22 million.
 - APICOL also provides subsidy to Agro and Food-processing units in the state
-

Key Nodal Agencies in Orissa

Orissa State Financial Corporation (OSFC)

- OSFC is a premier state level financial institution that came into existence in 1956 to cater to the need of industrial development in the state
 - It provides financial assistance to small and medium scale industries in consortium with state level financial institutions
 - 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
-

Key Nodal Agencies in Orissa

Orissa Pisciculture Development Corporation Ltd. (OPDC)

- Orissa Pisciculture Development Corporation Ltd (OPDC) has launched a number of projects like supply of fishnet, fuel, and fish seeds for the economic development of fishermen
 - During 2004-05, OPDC has supplied 30.5 MT fishnet to fishermen and other supplies at subsidised rates
-

Key Nodal Agencies in Orissa

Directorate of Export Promotion & Marketing (DEPM)

- Directorate of Export Promotion and Marketing has been set up to promote export of goods from the state of Orissa and to provide marketing assistance to SSI units of the state
 - It disseminates market intelligence and overseas tender and trade enquiries among the existing and potential exporters and entrepreneurs of Orissa for their active participation
 - It renders guidance in export processing, pricing of export items and on availability of different incentives for exports, granted by Government of India
-

Key Nodal Agencies in Orissa

Orissa Small Industries Corporation (OSIC)

- As a nodal Promotional Agency, Orissa Small Industries Corporation (OSIC) was established in April 1972, with main objective to aid and assist small-scale industrial units in the state for their sustained growth & development to gear up the industrialisation process
 - The Corporation has been extending marketing support, financial assistance for purchase of raw materials, sub-contracting exchange and rendering various other services to small-scale units
-

Key Nodal Agencies in Orissa

Orissa State Electronics Development Corporation (OSEDG)

- Orissa State Electronics Development Corporation Limited was established in 1981 as the nodal organisation in the state for promotion of electronic industries both in the field of hardware and software
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Industrial Policy Resolution 2007

Aims to create a business climate conducive to accelerate investment in industry and infrastructure projects.

Industrial Policy Resolution 2007 (IPR 2007) envisages to

- Create a business climate conducive to accelerate investment in industry and infrastructure projects
 - Raise income, employment and economic growth in the state
 - Reduce regional disparities in economic development within the state
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Industrial Policy Resolution 2007

- Deregulate the business environment.
 - Implement and make operational single window mechanism for industrial clearances
 - Ensure balanced utilisation of the natural resources for sustainable development
 - Under IPR 2007, new industrial units and existing units in Orissa are eligible for various incentives & concessions, as mentioned in the following sections, subject to certain conditions as stipulated in the policy.
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Industrial Policy Resolution 2007

For the development of the state, the government has identified the following key thrust areas:

- Downstream industries in Steel, Aluminium and Petrochemical sectors
 - Mineral processing and value addition
 - Chemicals and fertilisers
 - Agro and Food Processing industries
 - Handicrafts and Handloom
 - Export oriented industries
 - IT industries
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Orissa Public Private Partnership Policy 2007

It aims to supplement scarce public resources, create a more competitive environment and help improve efficiencies and reduce costs.

The key objective of this policy is to

- Leverage State and Central Government funds, support private investment and to create a conducive environment so as to utilise the efficiencies, innovativeness and flexibility of the private sector to provide better infrastructure and service at an optimal cost
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Orissa Public Private Partnership Policy 2007

- Set up of a transparent, consistent, efficient administrative mechanism to create a level playing field for all participants and protect interest of all stakeholders
 - Prepare a shelf of projects to be offered for PPP and take them forward with assistance of the owner departments through a transparent selection process
 - Put in place an effective and efficient institutional mechanism for speedy clearance of the projects
 - Provide necessary risk sharing framework in the project structure so as to assign risks to the entity most suited to manage them
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Orissa Public Private Partnership Policy 2007

- Create a robust dispute redressal mechanism/ regulatory framework for PPP projects;
 - Provide the required viability gap funding (VGF) where the essential projects are intrinsically unviable
 - Create Orissa Infrastructure Development Fund (OIDF) to facilitate implementation of the objectives of the Policy
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Orissa Tourism Policy 1997

Through the Orissa Tourism Policy, the State Government acts as a promoter and catalyst to create an environment for Planned and Sustained Development of Tourism

According to the policy,

- The developmental approach will concentrate on Thrust Areas and Travel Circuits as identified by the State Government
 - Maintenance and Improvement of the existing roads and planning of new roads to the Tourist Centres will be given priority
 - Operation of Charter Flights will be encouraged while improving the air service to the state
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Orissa Tourism Policy 1997

- Water Sports and Water Transport services will be encouraged
 - Incentives to hotels and other tourism-related activities will continue
 - Efforts are being made to establish a Convention Complex and Golf Course at Bhubaneswar
 - Marketing and publicity of tourism potential and the facilities will be stepped up
 - Liberal hospitality is extended to Travel Writers and Tour Operators visiting Orissa
 - Human Resource Development will be given priority
-

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies

Information and Communication Technology (ICT) Policy 2004

Aims to narrow down the digital divide among the citizens of the state

The objectives of this policy is to provide inexpensive access to Information, Transparency in governance practice, Door step delivery of host of services, Increased employment and High export turnover and Economic growth

Three-tier Single Window Clearance mechanism exists to facilitate speedy implementation of industrial projects

Information and Communication Technology (ICT) Policy 2004

- Government has enacted Orissa Industries (Facilitation) Act, 2004 for implementing the Single Window Clearance System for faster and one-point clearance of industrial projects, single point dissemination of industrial project related information and streamline the inspection of the industries by different agencies/authorities
 - District Level Single Window Clearance Authority under the Chairmanship of Collector for projects involving investment less than US\$ 11.9 million
-

Three-tier Single Window Clearance mechanism exists to facilitate speedy implementation of industrial projects

Information and Communication Technology (ICT) Policy 2004

- State Level Single Window Clearance Authority chaired by the Chief Secretary for projects involving investment of US\$ 11.9 million or more but less than US\$ 238 million
- High Level Clearance Authority chaired by the Chief Minister to examine and consider proposals for industrial and other projects involving investment of US\$ 238 million or above

Concerned Agencies for starting business in Orissa

Approvals/Clearances required	Departments to be consulted
Incorporation of Company	Registrar of Companies
Registration/Industrial licence/Industrial Entrepreneurs 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-Central Electricity Supply Utility of Orissa (CESU), NESCO, SOUTHCO, WESCO Transmission Company- GRIDCO
Water Supply	Water Resources Department
Factory & Boiler clearance	Chief Inspector of Factories & Boilers
Finance	OSFC/Commercial Banks like IDBI, ICICI Limited, SBI etc.
Orissa VAT Act, and Central and State Excise Act	Commercial Tax Department; and Central and State Excise Department

COST OF DOING BUSINESS

COST OF DOING BUSINESS

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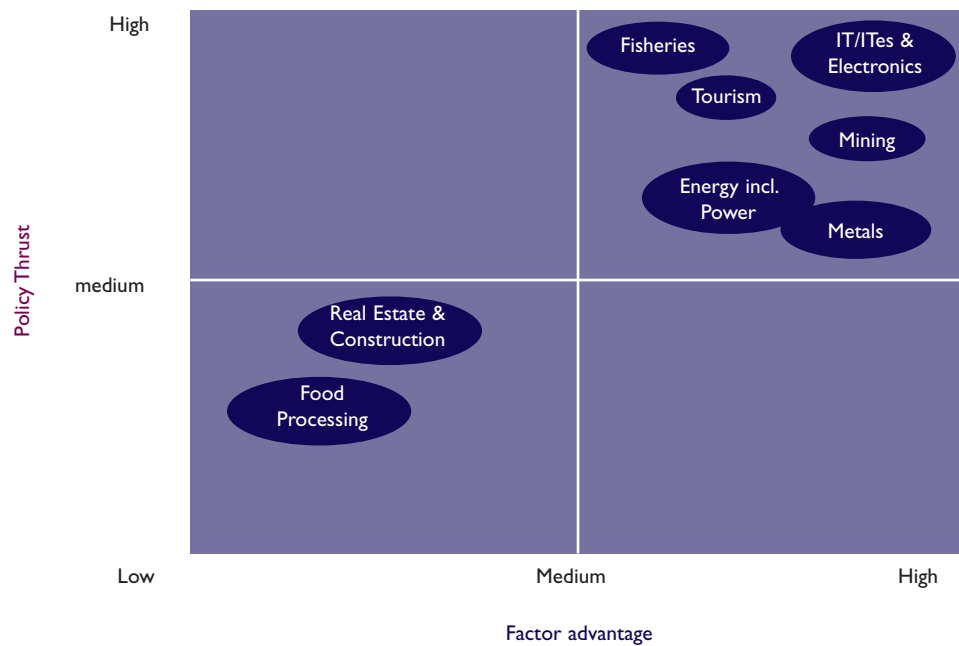
Cost of doing business in Orissa

Cost Parameter	Cost Estimate	Source
Industrial land (per sq mtr)	US\$ 2 to US\$ 10	Team Orissa
Office space rent (per sq ft per month)	US\$ 0.2 to US\$ 1.2	Industry sources
Residential rent (for a 2,000 sq ft house, per month)	US\$ 95 to US\$ 200	Industry sources
5-star hotel room (per night)	US\$ 95 to US\$ 150	Industry sources
Commercial & Industrial Electricity	7.5 cents/kWh to 10 cents/kWh	Department of Energy

KEY INDUSTRIES AND PLAYERS

Key industries that have developed in the State are a result of the policy thrust of the Government and Several Factor Advantages

Industry Attractiveness Matrix



Overview

- Orissa is one of the biggest producers of iron and steel in the country
- The state already accounts for about 32.9% of all the iron ore deposits in India thereby making it the favourite designation for Domestic and International players to set up their Iron and Steel Plants.
- Orissa has substantial reserves of other minerals that go into steel making, like coal, dolomite and limestone
- In addition, there are abundant water resources, surplus availability of power, a reasonably good road and rail network, an existing port facility at Paradip and two more new ports coming up at Gopalpur and Dhamra

Key Players
Tata Steel
Tata Sponge Iron Ltd. (TSIL)
Kalinganagar Integrated Steel Project
Rourkela Steel Plant (RSP)
Orissa Sponge Iron and Steel Limited
Neelachal Ispat Nigam Limited (NINL)
Balasore Alloys Ltd (BAL)
Pohang Steel Company (POSCO) and Arcelor Mittal

Key players in the Iron, Steel and Ferro Alloy Industry

Tata Steel

- Established in 1907, Tata Steel is Asia's first and India's largest private sector steel company
 - Amongst the lowest cost producers of steel in the world and one of the few select steel companies in the world that is EVA+
 - Tata Steel pioneered some other major initiatives in Orissa including employee benefits
-

Key players in the Iron, Steel and Ferro Alloy Industry

Tata Sponge Iron Ltd. (TSIL)

- Tata Sponge Iron Limited (TSIL) was a pioneering effort by Tata Steel to bring industrialisation to a backward area of Orissa by incorporating a very indigenous technology for making sponge iron, which was developed through intensive R&D efforts at Tata Steel
 - 310 acres of land was procured from the Orissa Government and locals for the Plant and building a Modern Township
 - Today, TSIL has 400 employees and has generated indirect employment to 300 others
-

Key players in the Iron, Steel and Ferro Alloy Industry

Orissa Sponge Iron and Steel Limited

- Orissa Sponge Iron was incorporated in 1979 and is promoted and managed by IPICOL and Torsteel Research Foundation India
- It produces sponge iron and steel billets
- The company`s plant is located in Palaspanga in Orissa

Rourkela Steel Plant (RSP)

- One of the largest steel plants of the Steel Authority of India Limited is situated in Rourkela
 - A major producer of flat, tubular and coated steel products, this plant produces annually 1.6 million tonnes of diversified steel items
 - RSP made major improvements in the areas of steel quality, packaging and delivery and customer satisfaction thereby vastly enhancing the acceptability of its products in the highly competitive steel market
-

Key players in the Iron, Steel and Ferro Alloy Industry

Neelachal Ispat Nigam Limited (NINL)

- NINL is a company promoted by MMTC Ltd, IPICOL and other government agencies
 - It is a 1.1 million tonnes Integrated Iron and steel plant at Kalinganagar, Duburi, in Jaipur district
 - Presently the main products are pig iron and LAM coke along with nut coke, coke breeze, crude tar, ammonium sulphate and granulated slag
-

Key players in the Iron, Steel and Ferro Alloy Industry

Balasore Alloys Ltd (BAL)

- Balasore Alloys Ltd, formerly Ispat Alloys Ltd is a member of the renowned Ispat Group of companies owned by Mittals
 - BAL is an ISO 9002 Company and produces various Ferro Alloys
 - BAL has 5 Furnaces that can produce a total of 100,000 MT per annum of various Ferro Alloys
-

Overview of Aluminium Industry in Orissa

Overview

- Orissa has 50 per cent of the Bauxite reserves of India making it an ideal location for setting up Aluminium and Aluminium based companies
- It also has adequate water and power supply to set up those industries
- As a result some of the biggest names in the aluminium industries including National Aluminium Company Limited (NALCO), Hindalco Industries Limited and Vedanta Group

Key Players
National Aluminium Company Limited (NALCO)
Hindalco Industries Limited
Vedanta Group

Key players in the Aluminium Industry

National Aluminium Company Limited (NALCO)

- NALCO is Asia's largest and one of the world's leading and the seventh largest, integrated aluminium complex, encompassing bauxite mining, alumina refining, aluminium smelting and casting, power generation, rail and port operations
 - It has some of the world's finest technology in the aluminium manufacturing industry
 - It has its own section of port facilities at Visakhapatnam
-

Key players in the Aluminium Industry

Hindalco Industries Limited

- A metals powerhouse with a turnover of US\$ 14 billion, Hindalco is the world's largest aluminium rolling company and one of the biggest producers of primary aluminium in Asia.
 - It is owned by the Aditya Birla Group
 - It acquired the Indian Aluminium Company Limited (Indal), a pioneer among the country's aluminium manufacturers, in June 2000 as a subsidiary of Hindalco Industries Limited
-

Key players in the Aluminium Industry

Vedanta Group

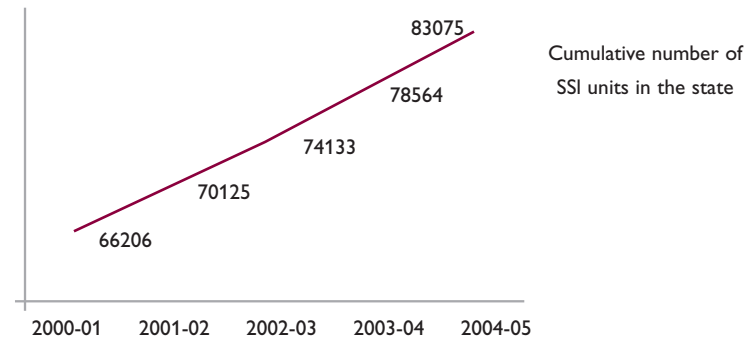
- The Vedanta Resources Ltd, the London-based holding company of Sterlite group, is a key player in the aluminium industry in India
 - Vedanta operates several bauxite mines within the aluminium operations at BALCO and MALCO
 - Vedanta Alumina Limited is setting up a 0.5 million tonne per annum capacity Aluminium Smelter at Jharsuguda at an estimated cost of US\$ 1.6 billion
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Overview of Small Scale Industry and Handicraft/Cottage Industry in Orissa

Overview

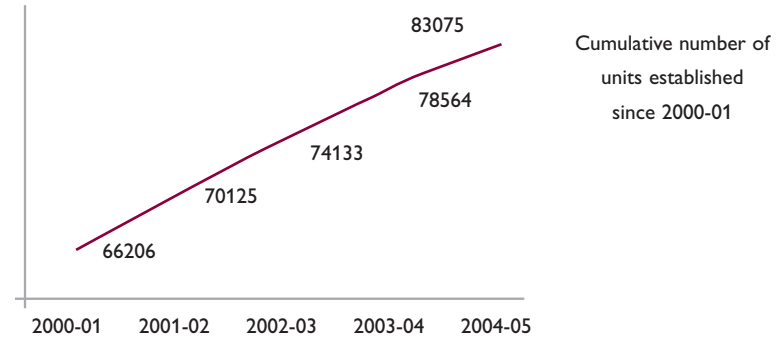
- Small Scale Industry is characterised by low capital investment requirement, low gestation period, high value addition and high export promotion prospects
- The Orissa State Co-operative Handicrafts Corporation is engaged in strengthening the production base, enlarging marketing opportunities, encouraging exporters, and introducing new design and technology in the handicrafts sector
- In order to strengthen the artisan-based enterprises in the handicrafts sector, 20 Handicraft Training Centres are functioning in different districts

Growth of Small Scale Industries



Source: Directorate of Industries, Orissa

Growth of Cottage Industries



Source: Directorate of Handicrafts and Cottage Industries, Bhubaneswar

Overview of Agro-based Industry in Orissa

Overview

- In Orissa, coconut cultivation is done over an area of more than 50,000 hectares
- Orissa's main agriculture products are Rice, Pulse, Oil Seeds, Vegetables, Groundnut, Cotton, Jute, Coconut, Spices, Potato, Fruits, etc.
- 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 and many more Agro based industries
- Orissa state is enriched with vast forest resources
- The sugar industry in Orissa is being given emphasis with several projects underway
- This has given a boost to industries like fertilisers

Key Players
Rourkela Fertiliser Plant
Paradeep Phosphates Limited (PPL)
Oswal Chemicals and Fertilizers Ltd

Key players in Agro-based Industry

Rourkela Fertiliser Plant

- This plant located at Rourkela in Sundergarh District is Public Sector Undertaking
 - The Fertiliser Plant was set up in the year 1964 with a view to utilising the residue of the Rourkela Steel Plant and the reutilization of the chemicals
 - An improved quality of fertiliser called “Sona” (Nitrogen) is being produced from the plant
-

Key players in Agro-based Industry

Paradeep Phosphates Limited (PPL)

- Paradeep Phosphates Limited (PPL) incorporated in 1981 as a joint venture of the Government of India and The Republic of Nauru
 - Currently held by the fertiliser majors Zuari-Chambal Group and OCP of Morocco, is a prime player in the phosphoric fertilizers that have applications in a wide range of crops
 - It produces di-ammonium phosphate with a capacity of 2,400 tonnes per day in first phase. Its second phase produces phosphoric acid and phosphorus pentaoxide
-

Key players in Agro-based Industry

Oswal Chemicals and Fertilizers Ltd

- Established in 1981, the Oswal Group is one of the fastest growing business conglomerates in India
 - It leads the industry in the production of Agro-based products, Petrochemicals, Alcohol chemicals and Nitrogenous fertilisers
 - It leads the way in phosphatic fertiliser and power sectors by setting up the world's largest grass root DAP plant at Paradeep in Orissa
-

Overview of Mining Industry in Orissa

Overview

- Orissa is one of the country's richest state in mineral resources
- The mineral belt is spread over in an area more than 6000 sq km.
- The chief minerals found in the state are: Iron, Coal, Bauxite, Manganese, Nickel, Chromite, Lime stone Dolomite, Graphite, Decorative stones, Beach sand, China clay, Tin ore, etc.

Mineral Resources as a % of National Reserves	
Iron Ore	32.9%
Bauxite	50%
Nickel	95%
Chromite	98%
Coal	24%

Key Players

- Orissa Mining Corporation (OMC)
 - Mahanadi Coalfields Limited
-

Key players in Mining Industry

Orissa Mining Corporation (OMC)

- OMC was established in 1956 as a joint sector with the Government of India to explore and harness mineral wealth of the state
 - Subsequently in 1962, it became a wholly state owned corporation of Government of Orissa
 - OMC possesses a reserve of 400 million tonnes of Iron-ore, 19 million tonnes of Manganese ore, 28 million tonnes of Chromite, 220 million tonnes of Bauxite, 19 million tons of limestone and other minerals
 - OMC is acting as facilitating agent for development of bauxite properties
 - OMC operates 11 Iron-ore mine, 5 Chrome ore mines, 3 Manganese mines and 1 Limestone mine
-

Key players in Mining Industry

Mahanadi Coalfields Limited

- Mahanadi Coalfields Limited (MCL) a subsidiary of Coal India Limited (CIL) was formed on 3rd April 1992
 - It has two coalfields, Talcher & IB Valley in Orissa
 - The total coal production at MCL in 2006-07 was 80 MT against 69 MT in 2005-06
 - It employs over 20,000 people
 - There is continuous growth in the overall productivity with the output per man-shift of the company increasing from 4.69 T in the year 1992-93 to 13.30 T in the year 2005-06
-

Overview of Power Industry in Orissa

Overview

- The state has ten important river systems. Mahanadi River is the fifth largest river in the country in terms of flood discharge (45000 Cusecs) and flows in the centre of the state from west to east
- The Hydro Potential of the state at 60% load factor is assessed to be 2850 MW
- Orissa also has 45000 MT power grade coal deposits in Mahanadi Coal Field and Talcher coal Fields area and can sustain 75,000 MW of power for 100 years

Key Players
Reliance Energy Ltd (REL)
National Thermal Power Corporation (NTPC)
AES Corporation

Overview of Power Industry in Orissa

Reliance Energy Limited (REL)

- In Orissa, REL has invested about US\$ 260 million in three electricity distribution companies namely, Western Electricity Supply Company of Orissa Limited (WESCO), North Eastern Electricity Supply Company of Orissa Limited (NESCO) and Southern Electricity Supply Company of Orissa Limited (SOUTHCO)
 - NESCO caters to a Consumer Base of 0.40 million with an Annual Energy Input of 2,500 MW
 - WESCO caters to a Consumer Base of 0.40 million with an Annual Energy Input of 3,700 MW
 - SOUTHCO caters to a Consumer Base of 0.40 million with an Annual Energy Input of 1,600 MW
-

Overview of Power Industry in Orissa

National Thermal Power Corporation (NTPC)

- National Thermal Power Corporation is India's largest electricity generation company
 - In 2006, it had a share of 19.5% of installed capacity in India, generating 27.7% of total electricity in the country
 - NTPC has two coal based power plants in Orissa at Talcher and at Angul in Kahina
 - The Kahina facility has an installed capacity of 3,000 MW. It also has another power station at Talcher with capacity of 460 MW
-

Overview of Power Industry in Orissa

AES Corporation

- The US\$ 13 billion AES is a leading global power company
 - AES manages the corporation's two-generation units, each with a capacity of 210 MW
 - AES has invested over US\$ 150 million in the power sector in Orissa
 - AES also holds 51% stake in Central Electricity Supply Utility of Orissa (CESU)
-

Overview of IT/ITES and Electronics Industry

Overview

- The IT sector is dominated by Small and Medium enterprises totalling more than 300 units
- The number of software professionals engaged in the state is 12,000
- The state has ample talent pool to cater to the needs of this industry. It produces 20,000 Bachelor of Technology and MCA Graduates, about 3,000 Management Professionals and 50,000 General Graduates every year
- The growth of software export in 2006-07 was 58% against national average of 28%
- The state is targeting software exports of US\$ 1 billion by 2011-12

Key Players
Infosys Technologies Ltd
Satyam Computers Ltd
Tata Consultancy Services Limited

Overview of IT/ITES and Electronics Industry

Infosys Technologies Ltd

- The US\$ 3.1 billion Infosys Technologies is India's leading software services and IT consulting firm
 - In Orissa, it has a world-class development centre at Bhubaneswar with employee strength of over 1200. It has been in Orissa for over a decade
 - The Development Center (DC) at Bhubaneswar anchors Infosys' relationships with multi-million dollar clients from Canada, Europe and North America
-

Overview of IT/ITES and Electronics Industry

Tata Consultancy Services Limited

- TCS Limited is one of the world's largest providers of Information Technology, Consulting, Services and Business-Process Outsourcing
 - As of 2007, it is Asia's largest IT services firm with Annualised Revenues of over US\$ 4 billion and its employee strength has crossed 100,000
 - TCS has operations in Orissa in Bhubaneswar since 2001
-

Overview of IT/ITES and Electronics Industry

Satyam Computers Ltd

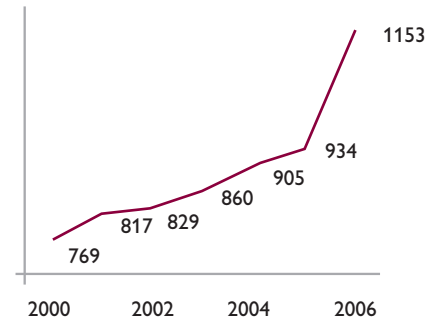
- Satyam Computers is a Global IT services company that offers end-to-end IT solutions
 - Satyam is present in 55 countries, across six continents and employs nearly 45,000 IT professionals
 - It works with over 480 Global companies, including over 150 Fortune 500 corporations
 - In Orissa, Satyam's Bhubaneswar facility is a dedicated development centre for the company's global customers
-

Overview of Tourism Industry

Overview

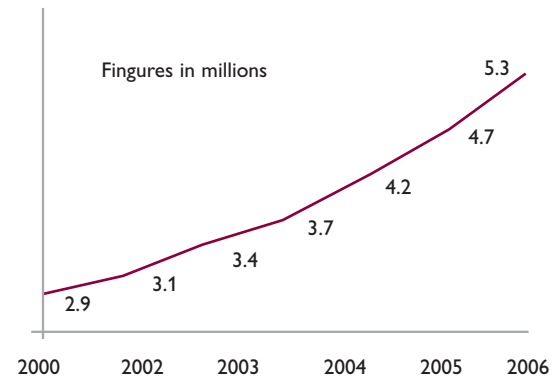
- Orissa has vast potential for development of tourism, which is one of the critical sectors of the state economy in terms of foreign exchange earnings as well as creation of employment opportunities
- Hotel Industry and Tourism are correlated
- Bhubaneswar, the capital city of the state is known as Temple City of India having about 500 temples
- Puri, Bhubaneswar and Konark are the main centres for Religious Tourism
- The tourist inflow in the state has increased from 2.9 million in 2000 to 5.3 million in 2006 representing a CAGR growth of 10.6%
- The corresponding inflow of money through tourist’s expenditure has increased from US\$ 213 million to US\$ 600 million representing a CAGR growth of 19%

Total Number of Hotels



Source: Department of Tourism, Government of Orissa

Total Tourists Arrival in Orissa



Source: Department of Tourism, Government of Orissa

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