

"I hate privilege and monopolies. I reject everything that cannot be shared with the rest of the people."

- Mahatma Gandhi

EDITORIAL



K. Altaf

Editor-in-Chief

Email: ksit.editor@gmail.com



No justification will be satisfactory on the POSCO fiasco. There were ample signals, issue getting messy leading to a point of no return. This all could have been avoided if think tank of Karnataka would have visualized the likely disaster. The investor's confidence in Karnataka is shaken with this episode. There are lots of lessons to be learned from POSCO and Mangalore projects.

Karnataka State Industrial Times

The Weekly Voice of Karnataka Entrepreneurs

Investment in Karnataka-a dream

POSCO-India Private Limited is a subsidiary of POSCO, the world's fourth largest steel producer and one of the most competitive steel companies in the world (World Steel Dynamics 2006). POSCO-India's proposed investment is the highest ever Foreign Direct Investment in India.

Owing to the unique nature of the steel industry, which requires large equipment facilities, the project is envisaged keeping in mind sustained advancement over decades. The project as a foundation to industrialization and growth in the state will create enormous opportunities for developing subsidiary and downstream industries. It will be a true locomotive for advanced growth of industries and innovations.

The project was kept in front of the central government by Koreans. This project to set up a steel plant was a huge development project for India in terms of uplifting small scale industries. Especially, this project meant a lot for Karnataka as in developing small scale industries which lost their identity in the techno market. Karnataka government on Wednesday dropped the plans for land acquisition, for POSCO steel plant.

Pejawar matt seer owned fasting as sole weapon to chase SEZ from Mangalore. The Pejawar pontiff claimed that Chief Minister B.S. Yeddyurappa had "promised" him three days back that he will withdraw the notification for land acquisition in Mangalore by July 10. "It has not been done. Hence, I will start the fast at Mangalore Wednesday," he said.

As per the SEZ plans, Takeover of land from Mangalore was nearly 2,000 acres and about 350 km from Bangalore. But the indefinite fast threat by head of Pejawar Math Sri Vishweshwara Tirtha Swamiji forced the government to drop the land acquisition process.

The SEZ, approved by the central government, will now come up on 1,721 acres already acquired for it. Yeddyurappa, who is in New Delhi to discuss the state's power problems with the central government, sent a letter to the Pejawar pontiff on Wednesday informing him about his government's decision.

The move comes even as the Congress and the Janata Dal-Secular (JD-S) leaders trooped into this north Karnataka town, about 400 km from Bangalore, to express support to religious leaders and farmers opposing acquisition of over 3,500 acres for the POSCO steel plant.

JD-S state president and former chief minister H.D. Kumaraswamy and leader of the opposition in the assembly Siddaramaiah of the Congress separately met Sri Siddalinga Swami of Thontada Math here Wednesday and backed the agitation against land takeover for POSCO.

"The agreement allows POSCO to export iron ore to South Korea which will result in a loss of Rs.100, 000 crore to India," the JD-S leader claimed, demanding a Central Bureau of Investigation (CBI) probe to bring out the truth. He said the JD-S would join the religious leaders and farmers to launch a state-wide agitation against the Yeddyurappa government's land acquisition drive.

Siddaramaiah said "fertile lands are being acquired and our party will fight against it". On reports in a section of the media in Karnataka that Congress general secretary Rahul Gandhi, who has just ended a 'padayatra' against land acquisition in Uttar Pradesh, would visit Gadag soon, Siddaramaiah said: "We have not talked to him about this problem. If needed, we will discuss with him."

Beside these when it comes to economy, the living condition of people in Karnataka is very bad. The interest rates in banks, the hike in fuel price, unemployment, etc are mounting to peak. Keep all these factors in mind "Do you think government did the right thing by withdrawing the POSCO project?" the project owned by the central government for 4 acres of land in Karnataka, was budgeted to 500 corers. This project was a very good chance for small scale industries to prove themselves and create a stand in

Publisher S. Manigandan	Editor-in-Chief K. Altaf	Head - Marketing & Circulation Seshadri Perur - 9341353551
Editorial Team Manu Sharma - Asst. Editor Vineetha Jha - Asst. Editor Ramesh Yelagachin - Reporter Vijaya Lakshmi. P - Reporter Sri Krishna Bhat - Co-ordinator S. Paramesh - Photo Journalist		Advertisement Amith Kumar - 9742395115 Ramesh - 9141597790 B.N. Santhosh - 9731910657
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Email: info@karnatakastateindustrialtimes.com sales@karnatakastateindustrialtimes.com		
Editorial Office: #1, Temple Road, Malleswaram, 8th Cross, B - 03 Ph: 080-2334 2334		
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market.

On the other part of the state, the Opposition parties were trying to cash in on the protest by farmers and religious leaders too lending support to the farmers, Chief Minister B S Yeddyurappa has decided not to acquire land for the controversial Posco steel plant in Gadag as well.

On the whole what does all these actions of existing government indicating to. Is it the end of small scale industries in Karnataka, are the people in Karnataka going to be unemployed forever or is the existing ruling government giving more prominence to religious words. The questions never end here, because it's our development of livelihood which is clogged in between seers and seats (political seats).

Spotlight

Developing India

- VANITHA JHA

The most important advantage of tiny industries is that it generates employment in the rural sector which reduces the migration of youth to urban area.

The economic gap between the urban and the rural sector is increasing exponentially. Success stories of fresh economic trends such as micro financing and increase in number of tiny industries in the rural sectors suggest that there is a huge untouched market at the foundation of the economic pyramid.

The rural and cottage industries which constitute the indigenous sector of our industries are spread through out the length and breadth of our country. Various designs to sustain, modernize and further develop these industries are being taken today. Small scale industry is playing a pivotal role for in balancing the regional economic development. It contributes almost 40% of the gross industrial value added in the Indian economy.

It has been projected that a million Rs. of investment in fixed

assets in the small scale sector produces 4.62 million worth of goods or services with an approximate value addition of ten percentage points.

The most important advantage of tiny industries is that it generates employment in the rural sector which reduces the migration of youth to urban area in hunt for bread and butter. Non-metallic products contributed 22.7% to employment generated in rural areas. Food Products account for 21.1%, Wood Products and Chemicals and chemical products share between them 17.5%.

Prospect in tiny industries

Government of India is trying all possible methods to create favorable environment for tiny industries. Below are listed few of the initiatives.