



# The Cochin Chamber of Commerce & Industry

**KERALA**

## **REPRESENTATION ON THE DRAFT KERALA INDUSTRIAL & COMMERCIAL POLICY**

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**The Hon'ble Minister for Industries, Law & Coir**  
Government of Kerala,  
Thiruvananthapuram

***Respected Sir,***

***Sub: Draft Kerala Industrial & Commercial Policy 2023-2028***

*Greetings from the Cochin Chamber of Commerce and Industry!*

The Cochin Chamber of Commerce and Industry, established in the year 1857, has completed 165 years of service to the region's commerce, industry, and trade – this year. This Chamber, one of the oldest in the country, is a Promoter Chamber of the Associated Chambers of Commerce and Industry of India (ASSOCHAM), New Delhi, the oldest national Chamber in the country. Despite the fact that we are a chamber of commerce in the conventional sense, we have always sought to improve ourselves and contribute meaningfully to the society in which we reside.

We would like to use this opportunity to express our gratitude to the government for its proactive efforts to promote ease of doing business in Kerala. The efforts have made significant progress in the state's investment environment, evidently clear from the leap made by the state in the recent Ease of Doing Business rankings. Additionally, we applaud the government's choice to make the Draft Kerala Industrial Policy 2023–28 available for feedback.

The government's commitment to promoting business in the State sector wise is clearly outlined in the policy. We are also thankful for the personal interaction with the members of the Chamber on 29th November 2022 and we have incorporated in this memorandum all the points which were highlighted during the discussion along with our other areas requiring Government attention. We are hopeful that this memorandum would merit the due attention. We are glad to furnish any further details which the Government may seek, in this regard:

### **1. Enable 24 Hours Shopping**

Section 10(2) of the Kerala Shops and Commercial Establishment Act, 1960 permits the Government by general or special order, to fix the time at which any establishment or class of establishments shall be opened or closed in any local area. The Tamil Nadu Government vide G.O (Ms). No. 60 dated 28th May 2019 permitted all Shops and Establishments to keep their establishments open 24/7 all days of the year for a period of three years with effect from the date of publication of the notification. The State of Karnataka also declared a similar relaxation in the first week of 2021. A similar notification under section 10(2) can boost the retail trade and tourism potential of the State.

### **2. Reduction of time frames**

The time taken to provide various clearances has hurt the image of the state. This perception has improved over the last few years because of some policy changes. The committee should reduce the existing timelines at least by 50 percent to ensure an improved investment climate in Kerala. For example Consent for Establishment (CFE) from Telangana State Pollution Control Board requires a maximum 7 days in case of industries falling in the green list. The maximum time taken is 14 days and 21 days respectively for orange and red list industries. Kerala on the other hand, takes a minimum of 30 days and up to a maximum of 120 days from the date of submission of the completed application. Let us compare the time taken for NOC from the Fire Services Department. In Telangana, the application is processed within 7 days for

Buildings under 15 metres and other buildings receive a NOC within 14 days. In Kerala, 18 days is the time taken for a building under 15 metres of height. Buildings are not categorised appropriately if they are falling under the above 15 category. The Fire service department takes 26 days (for 16 – 24 metres), 43 days (24 – 45 metres) and 38 days (above 45 metres). These timelines have a huge impact on the mind of the investor. Every time frame in the pre investment and post operation should be reduced to create an investment friendly climate.

In addition to this, Kerala could consider emulating an interesting policy measure that is followed in Andhra Pradesh. In Andhra Pradesh, the AP Public Service Delivery Guarantee Act, 2017 was implemented to showcase the government's commitment in ensuring timely delivery of over 60 services related to businesses. The act imposes penalties on the defaulting official as the official is expected to pay compensation to the investor in case of failure to deliver services to the business player. The Kerala government could consider inserting a similar provision to create a proactive pro industry environment.

### **3. Reduction of penalties**

Section 8 of the Kerala Micro Small And Medium Enterprises Facilitation Act, 2019 impose a 5 lakh penalty for contravening the conditions in self undertaking. This is a very huge sum and can be detrimental for the industrial climate.

### **4. Stakeholder representation in various decision making bodies**

Inclusion of the representatives from industry and trade associations will boost investor confidence. Industry Associations that have been in existence for long periods should be able to render value additions to the investment related decision making bodies. It should be noted that the State Aid to Industries Board, constituted under the Kerala State Aid to Industries Act 1963, had three members from the industry side in addition to the bureaucratic/official members. The presence of relevant stakeholders can improve the quality of decision making.

### **5. Publicize the Industry Law Reforms Commission's Report**

The committee chaired by National University of Advanced Legal Studies Vice-Chancellor KC Sunny included Law Reforms Commission Vice-Chairman K Sasidharan Nair and retired IAS officer T Nandakumar had submitted their report in February 2022. The industries department should make the report available to the public and invite feedback from pertinent parties.

### **6. Amend the objective to mandate more participatory policy-making**

The government may consider replicating the Karnataka government's notification requiring consultations on all business-related policy actions to make "Business Reforms" more inclusive.

Karnataka Circular - <https://kum.karnataka.gov.in/KUM/PDFS/Circular.pdf>

### **7. Promote comprehensive hand-holding assistance for business owners**

Most government activities in Kerala are carried out with little involvement from business owners. A few programs could be changed to encourage more private participation and create a win-win situation for the state's industries and government. The Government of India established "Invest India" as the National Investment Promotion and Facilitation Agency of India, which also serves as the first point of reference for investors in India, drawing inspiration from various experiences developed nations offer. In 2009, Invest India was established under Section 25 of the Companies Act of 1956 to promote foreign investment. At the time, the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry

owned 49% of the company's equity, while FICCI owned 51% of the company. Invest India's present sharing structure is as follows: Industry Associations hold 51% of the company's shares (i.e., 17% of FICCI, CII, and NASSCOM each), and Central and 19 State Governments stake the remaining 49%. The United Nations award for investment promotion was just won by this Invest India team. Similar to this, Kerala's investment promotion efforts should be left in the hands of a single organisation that includes representatives from many industries.

In this context, we have further highlighted some topics that could be considered while finalising the policy. These suggestions are supplemented with justifications to enable informed decision making.

<b><i>SI No</i></b>	<b><i>Theme</i></b>	<b><i>Suggestion</i></b>	<b><i>Justification</i></b>
1.	Entrepreneurship in school curriculum	School and college curriculum should promote student entrepreneurship	Institutions should take proactive measures to promote entrepreneurship through structured engagement with players in the sector. The latest reports on unemployment show that Kerala has the highest Unemployment Rate (UR) of 12.5 per cent. The situation demands a more aggressive approach towards creating a 'State of job creators instead of being a State of job seekers.' Modules on successful entrepreneurs, ways to set up business in the state, sources of funding etc. should be made available to students to understand the window of opportunities in each sector. This will equip them to take informed decisions before taking an entrepreneurial plunge. Kerala can take a cue from the Delhi Government that proposed to introduce "Entrepreneurship Mindset Curriculum", as a mandatory subject for the students of Classes 9 to 12 studying in their Government-run schools.
2.	Supporting Business environment	Industry representation in the Grievance Redressal Committees	The proposed framework comprises Grievance Redressal Committees at State and District levels. The committee in its current form has only representatives of Bureaucracy with no representation from the industry side. The committee should ideally be a neutral combination of members of the executive and industry. Reputed industrial organisations at state

			and district levels should definitely be part of these grievance redressal committees. Inclusion of the representatives from industry and trade associations will boost investor confidence.
3.	Enhancing Kerala Brand Equity	Draft a comprehensive Export Policy in consultation with the exporting community in Kerala	A 2017 research study on Kerala's export competitiveness conducted by the Kerala State Industrial Development Corporation (KSIDC) and the Federation of Indian Export Organisations (FIEO) had emphasised the need to explore new sectors in the export domain. States like Andhra Pradesh and Karnataka have dedicated State specific Export Promotion Policies that have boosted the confidence of the exporter community in those States. Kerala has the potential to become the export facilitation hub in the country with the presence of the International Container Transshipment Terminal (ICTT) Vallarpadam, the Cochin International Airport and the proposed Vizhinjam Port. However, only a strong policy supporting the operations undertaken by the exporting community can trigger a massive growth in this sector.
4.	Creating Sectoral Ecosystems	Draft a 'Logistics Policy' for the State	According to the Ministry of Commerce (Government of India) -Deloitte Logistics Ease Across Different States Report 2018 study on logistics infrastructure in States, Kerala's score on facilitating an operating environment is the lowest in the country. The Report was based on the responses from the operators in the State who highlighted aspects such as road restrictions, labour policy and frequent disruptions by transport unions. High port charges at the DP World operated Cochin Terminal etc. makes exporters prefer other ports like Tuticorin for their business. Subsequently, the

			<p>Kerala Industrial and Commercial Policy 2018 made an attempt to prioritise logistics by envisaging a logistics park in every industrial park, a logistics hub in Kochi, skill development etc. However, the situation in Kerala demands a dedicated 'logistics policy' that addresses the specific concerns raised by the stakeholders. The Government's initiative in controlling hartals is definitely a step worth appreciating. Initiatives have been taken by Maharashtra and the Central Government to prioritise the logistics sector for wooing industrial players and facilitating the ease of doing business.</p>
5.	Ease of Doing Business	<p>Prescribing minimum number of employees for registration of Shops</p>	<p>In Kerala, all shops and commercial establishments have to be registered under the Act irrespective of the number of workers. Recent amendments in states like Gujarat ( Gujarat Shops and Establishments Regulation of Employment and Conditions of Service Act, 2019), Maharashtra (Maharashtra Shop and Establishment Regulation of Employment and Service Condition Act 2017) , Tamil Nadu ( Tamil Nadu Shops and Establishments Amendment Act, 2018) etc. have set 10 employees as the benchmark requiring the employer to seek license and registration under this Act. The Kerala Government can consider providing a relief to the establishments employing less than ten workers.</p>
		<p>MSME Clinic for MSME revival</p>	<p>The Telangana Government in 2017, set up an Industrial Clinic to rehabilitate sick MSMEs by offering them financial and consultancy support. The Telangana Industrial Health Clinic Ltd (TIHCL) was set up as a fintech driven Non-Banking Finance Company (NBFC) with equity participation from the Government of Telangana, the</p>

			Government of India, financial institutions and MSMEs offering managerial, technological and marketing support to revive, rehabilitate and restructure sick but viable MSMEs. Within two years, 104 MSMEs have registered with the TIHCL for revival and 42 units are on the path to revival. A similar clinic-like support ecosystem can boost the confidence of the struggling trading community in Kerala. The existing Vyavasaaya Bhadratha scheme could be expanded on these lines.
		Renewal of registration of Shop licenses	Section 5 A (5) of the Kerala Shops and Commercial Establishment Act, 1960 prescribes a one year validity to the registration certificate granted under this Act, requiring employers to renew the certificate on a yearly basis. States like Maharashtra amended their provisions to increase the period to ten years. The Odisha Government vide the Draft Odisha Shops and Commercial Establishments (Amendment) Rules, 2019 circulated on 13th June 2019 proposes to do away with the requirement to renew registration of shops and commercial establishments; registration will soon remain valid till revoked / furnishing of an undertaking of closure. Taking a cue from these developments, the Kerala Government should also increase the validity period of facilitating the ease of starting and doing business in Kerala.
		Draft Retail Trade Policy for the State	A high per capita income and a consumption driven economy makes Kerala an ideal location for becoming a prominent retail hub in India. The tag of 'popular tourist destination' also favours the State's chances. However, the State hasn't really been able to make major inroads in the retailing sector. The retail trading

			<p>community has struggled a lot during the floods and the subsequent imposition of the flood cess. Requiring the upgradation of the GST system for this has only added to the burden. Currently, a prospective retail entrepreneur has to obtain at least 20-30 licences to start his retail business in Kerala. This makes it difficult to establish and operate businesses here. States like Karnataka, Andhra Pradesh and Maharashtra, have formulated dedicated retail trade policies for their States, envisioning global competitiveness in the retail sector. The existence of a strong community trained in the essentials of supply chain management are also crucial for achieving the retail hub target.</p>
		<p>Best Practices from other States can be adopted  Production Linked Incentive Scheme to encourage foreign companies to find a workforce in the country and thereby generate employment, and encourage domestic and local production to create micro-jobs.</p>	<p>Subsidy Schemes for revival of sick units</p> <p>1.97 lakh crores have been allocated by the central government to boost manufacturing in India. In order to benefit from these areas, numerous international and Indian businesses aim to invest heavily in them. Many states have designated all of these industries as sunrise sectors so that they might benefit from these investments. We will be able to attract a lot of investments if Kerala selects suitable sectors from this list as well.</p> <p>Policies to reduce the burden involved with the process of land conversion.</p> <p>Introduce incentives/ subsidies to foster Women entrepreneurship</p> <p>A process to be introduced / implemented to transfer, expansion or exit from Industrial Parks.</p>
6.	High Tech Farming	Setup USDA's Foreign Agricultural Service like Agency	The United States Department of Agriculture's Foreign Agricultural Service is responsible for releasing reports on markets in

			different countries for different products. This data serves as a resource for researchers in aiding the Government through evidence based policy interventions. A similar governmental or quasi-governmental institution exclusively dedicated to track the market of products, trade barriers, compliance hurdles etc. can play a huge role in improving the import export landscape in Kerala. The data will also enable the exporters in taking informed decisions.
7.	Industry 4.0 Technology Innovation Zone	Innovation as a Policy Priority	We need to facilitate more avenues for local innovations through institutionalised funding. Kerala should take a cue from the Karnataka Government which is planning to set up regulatory sandboxes in the State which will allow companies to test innovative technologies in a controlled environment.
		One MLA One Idea to promote local innovations	Allocate a sum annually to MLAs for promoting innovation at their Assembly Constituency level ( similar to the 'One MP One Idea' scheme in the MPLADS guidelines)
8.	Space sector	Dedicated Space Tech Policy for the state	Telangana Government released its State SpaceTech Framework in April 2022 highlighting the vision of the state. Similar attempts should be made by Kerala which boasts the presence of Thumba centre and Indian Institute of Space Science and Technology.
9.	Investment Promotion & Employment Generation	The new policy draft does not have any sort of endeavour to satisfy the age-old demands raised by the existing industrialists on the distribution of title deeds, conversion of unutilized developed land of State Public Sector enterprises for developing new MSMEs, etc.  The proposed National Industrial Policy does not perfectly coincide with these	Rapid implementation of centrally assisted programs necessitates both administrative and policy changes. Projects under the Central MSME Ministry, the Central Food Processing Ministry, the Technology Board, Projects under Highways, Sea Ports, and Air Ports, Inland Freight Movement, Inland Container Depots, Container Freight Stations, Cold Chain & Refrigeration Schemes, etc. are a few examples of infrastructure

		industrial strategies.	development projects in State-sponsored ID plots that call for prompt follow-up and speedy implementation.
10.	MSMEs	The new policy should provide best practices for supporting MSMEs with digital transformation.	Provisioning of information and expertise to enhance the digital knowledge to select and operate technologies.
			Grants and funding for digitalisation like direct financial support for ICT development.
			Ready-made solutions/platforms – MSMEs without in-house expertise get access to immediately usable digital solutions.
	Policy initiative for MSMEs		This new policy should contemplate the urgent need for creating a comprehensive database of both Micro and Small Industries, medium industries and large industries in the state.
			Along with the meagre financial incentives, the government can provide free insurance and a family health care programme to encourage micro and small-scale industries to register fully.
			A contributive social security scheme may be introduced for entrepreneurs, both existing and new.
			The criteria for classifying micro, small, and medium sizes could be based on capital investment in plant and machinery, land, and buildings if owned, and permanent registration after commencing production and sales.
			The most pressing demand that still exists in the State is for adequately developed industrial land where new industries can be established. This problem was not effectively addressed by the policy.
		If potential business owners might receive industrial land, the state should adopt the acceptable land allocation policies used by the surrounding states of Tamil	

			<p>Nadu, Telangana, Karnataka, and Andhra Pradesh.</p> <p>If a very stringent ESG compliance policy is to be followed in our state, then the medium and large industries may be hesitant to visit us. The sole remaining option in our state is for Micro &amp; Small-Scale Industries.</p> <p>Create a trade portal that provides compensated advertising support for MSME items created in Kerala in order to strengthen the Made in Kerala brand.</p>
11.	Sunrise/ Priority Sectors	<p>It is advisable to include more pertinent sectors for our states.</p> <p>Incentives proposed for SUNRISE/PRIORITY sectors.</p>	<p>Bio organics, Bio Pesticides &amp; Chemicals, Bio fertilizers.</p> <p>Paper Packaging</p> <p>Integrated Ayurveda &amp; Allopathic treatment modes</p> <p>Warehousing, cold chains &amp; Refrigeration</p> <p>Construction equipments &amp; chemicals</p> <p>Value added products from tropical fruits, like Banana, Tapioca, Pineapple etc.</p> <p>Kerala specific Agri fruits, Coffee, Tea, Coconuts, Cashew, Coco etc.</p> <p>Oleoresins &amp; Oils, Honey</p> <p>Gems and Jewelry</p> <p>Wooden furniture and plywood.</p> <p>Pharmaceuticals including surgical gloves.</p> <p>Handicraft &amp; Handlooms</p> <p>Marine products</p> <p>Micro and small-scale units are eligible for investment subsidies under the ESS plan. Imported machinery may also be included in the investment subsidy program.</p> <p>Proposed reimbursement for SGST. The GSTN's guiding principles are at odds with this plan. Unavoidable disruption in the GST system and product costing will result from this inducement. An additional reimbursement program is unnecessary because input credit is permitted in GST-on-GST payment of capital investments.</p>

			<p>Additional incentives to upgrade product and process, and clusters to export standards and to facilitate exports.</p> <p>Special fund to encourage maximum value addition on marine catches from both studied and uncharted species, as well as to develop worldwide standards in processing and testing facilities, traditional fishing methods, and other areas.</p>
12.	Categorisation of Industries	<p>There may be an updated definition for classifying Micro, Small, and Medium Scale Sectors in the New National Policy of the Government of India that is being suggested. As of right now, it is as follows:</p> <p>Micro: Net investment Rs.1 Crore and Rs.5 crore turnover.</p> <p>Small Scale: Net investment 5 Crore – Turn over Rs -50 Crore, minus export.</p> <p>Medium: Investment up to 50 Crores Turnover – 250 crores minus export</p> <p>Large: All units over the above limitation on investments and turnover</p>	State's policy also should be in consonance with the New National Policy.
13.	Industrial Plots	Revamping of Industrial Plots	Industrial plots should maintain the same standard of KSIDC/ KINFRA Parks with modern amenities, Infrastructure etc.
		Mini Industrial Parks	To set up more Mini Industrial Parks with larger involvement from LSGD.
		The minimum land holding limit to start a private industrial park should be reduced to 10 acres	There should be no limit on the maximum area that can be acquired for a private park. This could be useful for small industries.
		Govt. may declare a suitable Voluntary Disclosure Scheme for existing industrial units who do not have PCB clearance	Units may remit a one time fees to get the privilege to renew their licence from the year 2021 and continue working under the law.
14.	Healthcare	Minimum wages fixed for the hospital and diagnostic sector	Request the Government to review the minimum wages fixed

			for the hospital and diagnostic sector. Higher manpower costs will lead to higher costs of delivery for the hospital and allied services sector.
		Industry status to Healthcare sector	The healthcare service is not included in the listed industries mentioned in the draft. Hence it is suggested to include healthcare as an industry and create a sectoral ecosystem.
		Industry Training Centres for Excellence	The state should foster student exchange schemes, which will attract skillful manpower to Kerala and also showcase Kerala as a brand in education and growth, even outside India.
		Reduce the Electricity Tariff for the Medical Services	The patient will ultimately gain from a reassessment of the electricity price for the medical services industry since it will help to keep costs low.
		To have sufficient budget to project Kerala as a Holistic Healthcare destination.	Ayurveda, Allopathy, and other systems combined with a sizable budget to market Kerala as a destination for holistic healthcare will go a long way in boosting health tourism to the state. The government might also take the lead in encouraging businesses to collect and properly dispose of hazardous and biological waste.
		Healthcare grievance cell	Dedicated grievance redressal cells for healthcare specific grievances should be set up, which should ensure participation from the private sector.
		Allocation of healthcare facilities in industrial townships	With regard to the industrial township and industrial smart city, it is suggested either to assign land for hospitals in the private/corporate sector or recommended that the government build health malls.
15.	Hi- Tech Farming	Post-Harvest Infrastructure	Infrastructure for the post-harvest, including pre-cooling, cold chain, and cold storage. Due to a lack of post-harvest infrastructure, we lose more than 30% of farm products, particularly fruits & vegetables.
		PPP Model	The post-harvest infrastructure, including the cold chain, cold

			storage, tissues culture, testing labs, etc., is something that the private sector industries are knowledgeable about and experienced with. The private sector's expertise and knowledge in all fields, including agricultural technologies, should be utilised by the government.
16.	Logistics	Need special package for export / import cargo movers	Logistics costs in India are 1000 times higher than the US, with the US having 1.85% of total costs, while India is with 14 percent of total costs. The major costs incurred for trucks/trailers due to high expensive taxes and oil prices.
		Include shipping and logistics under MSME/Large/Mega industries	Currently only plants & machinery are considered in this category. There is a need to include the service sector majors like shipping and logistics considering the large scale employment opportunities that it generates.
		Enabling infrastructure for the shipping and logistics industry	Land allotment to the industries should be based on the purpose of utilization. Many shipping and logistics companies are working with a low margin and space availability even though they generate huge employment opportunities. In this context, empty container yards and empty truck parking yards should be allocated to companies working in this sector.
		State level stakeholder body for logistics	A committee similar to the Customs Facilitating Committee, should be formed ensuring representation of industry members to ensure evidence based decision making.
		Internships for logistics students	Presently, there are limited organisations permitting logistics students to intern with them, and there are mostly unpaid internships. Since there is a cost factor for the companies to consider internship requests, more companies should be encouraged to engage interns and apprentices in the

		shipping/logistics sector also.
	Interest free loans for logistics projects	Taking into consideration huge investments and employment benefits, the state government should explore the possibility of providing interest free loans to investors.
	Kochi-Mysore-Kochi Industrial Corridor issue needs to be addressed	Evaluating the Kochi Mysore Kochi Industrial Corridor is vital. Irritty Bridge remains a focal point as shipping 20- and 40-ft containers is impractical, customers must route their shipments via Gudalore for 20 ft containers and Bangalore for 40-foot containers. This is also increasing travel distance and duration.
	Setting up of International standard warehouse throughout Kerala	The infrastructure needed for a standardized warehousing system is lacking. There aren't many resources accessible for the storage of frozen foods, fresh produce, fish, and other things. More of these warehouses being built in Kerala will be a huge help for the food manufacturing sectors.
	Development of logistics parks / MMLP	<p>Cochin being a metro and a large consumption area as well as with a high level of Industrial production with SEZ, industrial parks and large industrial units with domestic and international cargo movements, it is an ideal location to have an MMLP. From a demand perspective and with its sea-port, airport, inland waterways and rail connectivity, it can be an ideal choice for the location of the first MMLP in Kerala which can be then bridged to air and sea ports and logistics parks in each district catering to the consumption and manufacturing in the area.</p> <p>Palakkad is another location where an MMLP can be located in Kerala which in addition to the Kerala cargo can cater to the demand of the West-Tamil Nadu region which has large industrial</p>

			clusters, agricultural and animal produce and developed cities with good level of consumption demand.
		Free Trade Warehousing Zones	Free Trade Warehousing Zones (FTWZs) are a special category of Special Economic Zones (SEZs) and are governed by the provisions of SEZ Act 2005. The Government of India has given approval for 18 FTWZ out of which 4 are operational. There are no FTWZ facilities in Kerala. Potential Sectors in Kerala such as raw cotton, electronic appliances, temperature controlled fruits are some of the sectors which have shown interest in FTWZ facilities.
		Development of Kerala's Cold Chain Infrastructure	The overall cold chain market is growing at a CAGR of ~15%. With the large coastline of the state, there are a lot of seafood units for processing and exports, therefore cold chain infrastructure will play a crucial role in the upcoming years. Segments that would directly be benefitted are seafood, meat, poultry, and imported fruits.
		Development of Minor ports and Inland Water Terminals	There are 17 minor ports in Kerala. The coastal traffic potential through the non-major ports in Kerala is estimated to be around 7 million tonnes . The minor ports in Kerala will need to bring in improvements in infrastructure and EODB to be able to play their part. The drafts at Non-Major Ports need to be increased to 6 Metres in order to accommodate up to 8,000 to 10,000 DWT vessels. The working hours at minor ports should be 24 x 7 to complement and support the bigger ports.
		Exclude major ports/logistics park/industrial park from hartals and bandhs	The State Government should take up initiatives to arrive at a political consensus to exclude major ports/logistics park/industrial park from all district /state wide hartal/bandhs etc.,.

		Establish a Plantation Product Quality Accreditation Centre in Kerala	In order to check the quality of the plantation products, traders in Kerala are currently using the services offered by private laboratories. These laboratories' exorbitant testing fees appear to be a significant barrier for the industry. To aid plantation growers, the Kerala government ought to think about establishing an international testing lab, ideally in Kochi.
17.	Food Processing	ODOP Scheme (One District One Product)	Kerala should seize the opportunity for food customization and the One District One Product (ODOP) concept, which gave the Vocal for Local tagline its impetus, to promote convenient and ethnic food chains.
		Opening of Private Industrial Park Exclusive for Food Sector in Kerala	Kerala's food processing industry has strong internal foundations and enormous expansion potential. Therefore, the opening of a private industrial park in Kerala that is specifically for the food industry will be very beneficial for the food industry. The park can only be built on a maximum of 10 to 15 hectares. In Kerala, this park will support the development of a strong food industry ecosystem. Private businesses can simply create facilities like waste management and logistics. It will be simple for authorities to ensure the standard and quality of food products as major food enterprises will move into this park.
		Best Practices from other States can be adopted	More subsidies/ schemes with an aim to attract more investment
18.	PLI Scheme	Central govt has allotted 2600 crores for footwear sector in PLI scheme and Tamil Nādu has already signed MOU with almost 10 large footwear manufacturers (each with investments above 1000 crores) and most probably they will consume the entire amount from PLI scheme for footwear.	The growth potential and export potential of footwear and allied industry is very high. Request the Government to add Footwear and allied industries into the focused sector for Kerala.
19.	Guidance cell	Encouraging startups to foster	A team of young and energetic

		<p>research, development, and innovation in the State of Kerala</p> <p>To promote various Ease of Doing Business initiatives to improve Kerala's economic climate.</p> <p>Encourage, enable, and increase industry-university collaboration to spur innovation and revamp the educational system.</p>	<p>officers to:-</p> <p>(i) Identify and attract investors from all around the world to the selected sectors,</p> <p>(ii) Assistance with identifying and supplying land with infrastructure, and</p> <p>(iii) Legal and support. Separate officers assist them in obtaining approvals from various departments.</p> <p>Chamber Vyavasaaya Mithra proposal attached with this representation.</p>
20.	Exemption in Land Ceiling	<p>Clause No. 5 (ii) of the Revenue Dept, GO invariably disincentives an investor considering the quantum of additional investment required (Rs. 10 crores per acre) to avail exemption under the land ceiling limit. The mentioned suggestion of putting up additional conditions will make it more difficult for investors and discourage them from investing in Kerala.</p>	<p>Request the Government to take necessary action to modify the impractical condition that requires a minimum investment of Rs. 10/- crore per acre and above the ceiling limit to make Kerala an investment friendly destination.</p>
21.	Renewable Energy Parks	<p>Establishment of Renewable Energy Park for achieving the green mission of the State must be just and sustainable.</p>	<p>The establishment of a renewable energy park and allied infrastructure is a land rich endeavour, thereby requiring mandates that enable a just, sustainable acquisition, transfer and rehabilitation of the land and its dependents. In the absence of such a built in agenda, the pathways for the achievement of the Green Mission of the State would remain would be unable to gain legitimacy and the objectives sought from such a mission.</p>
22.	Tourism	<p>Ensure bank support for CM Tourism Working Capital Support Scheme</p>	<p>The Government had announced the 'Chief Minister's Tourism Working Capital Support Scheme' with a provision for interest subvention and the banks were requested to extend the loan facility to the industry. This scheme was envisaged and implemented to mitigate the working capital shortage experienced by the tourism trade.</p>

			<p>But this scheme did not produce any results due to the indifferent and non cooperative attitude of the banks.</p>
		<p>Convene SLBC meeting regularly to support tourism industry</p>	<p>ECGLS 3.0 and ECGLS 3.0 extensions have not been received by most of the tourism stakeholders due to the indifferent attitude from the banks. The travel, tourism and hospitality sectors were put in the red list due to the pandemic and majority of the eligible companies have not availed these facilities.</p> <p>SLBC Kerala meetings should be convened regularly to ensure financial assistance on the Emergency Credit Line Guarantee Scheme (ECLGS scheme). The scheme would be a great help to the ailing tourism sector if it is sanctioned on a time bound manner.</p>
		<p>Marketing brand Kerala globally</p>	<p>Domestic and international marketing should be done immediately in consultation with the travel trade.</p>
		<p>Development of public sector enterprises</p>	<p>The draft policy is silent on the development of public sector enterprises. Some of the PSEs in the State of Kerala are struggling for their existence. Special packages and concessions are required for the sustainable growth of these PSEs. The draft policy should have a dedicated section with a clear focus on the growth of PSEs.</p>
23.	Public Sector Enterprises	Incentives to choose waterways	<p>Even though the draft policy mentions strengthening inland waterways, more incentives are required to encourage the water transport system. Chamber member FACT has switched over to water transportation for major raw materials and is facing problems due to low draft and lack of facilities for the repair of barges. Incentives should be given per MT of quantity transported through waterways and a waiver of K VAT for the diesel (22.76%)</p>

			used as fuel for the barge should be enabled. Also, incentives are to be provided for the construction of the barge.
24.	Environment	Tax concessions to promote ESG adoption	Being a new concept, ESG requires more incentives including tax concessions. Suitable provisions for additional incentives for ESG would give better results.
25.	EV Policy	Incentives for industries for choosing EV	A plan may be developed for industrial units to transition to EVs for vehicles older than 5years, with incentives such as a registration fee waiver or cash incentives.
26.	Infrastructure	Increase building coverage area	Until 2017, there was a ceiling limit of 35% of coverage only permitted for buildings. In 2017, the maximum possible coverage was raised to 50% for Category II Village Panchayats. In 2019, the maximum possible coverage was lowered back to 35% for Category II Village Panchayats. The Government should increase this percentage back to a minimum of 50% at least and ideally to 60%.
		Fee for constructing building	The Kerala government vide notification. S.R.O. 902/2018 imposed a charge of ₹100 per sqft applicable for any construction above 3000 sq ft plinth area. This is a very huge cost if applied to a building to house a manufacturing unit or a warehouse etc.,. This can be categorised to a residential, industrial and warehouse and lower fees should be applied for industrial and warehouse purposes.
		Infrastructure development including parking areas for commercial vehicles:	The roads in Kerala need to be enlarged because they can't support long trucks and containers. Additionally, parking trucks on both sides of the road is a major problem; a centralised truck parking yard is desperately required.

27.	Plantation	Rubber import to India should be regulated	The import of raw unprocessed Cup lumps into the country will have a long term serious and deadly impact on the Agricultural production capacity of the country including spread of diseases which can wipe out cultivation as well as production of other crops too.
		Industry status for Plantations	Plantations should be given the status of industrial estates. The policy support rendered to industrial estates should be extended to plantations.
		Expanding the definition of plantations	The definition of plantations should be expanded to cover a range of crops including silviculture, horticultural tree crops to energy plantations.
		Reskilling to meet demands of the future	The revitalized plantation industry will require different skill sets and calls for serious efforts at skilling and reskilling. The Government should promote skill development and training centers focusing on plantations.
		Set up Center on climate change for climate resilient agriculture	A center on climate change for climate resilient agriculture needs to be set up to promote practices to adapt to climatic changes which are impacting plantation agriculture.
		Financial support for Plantations	Financial support to replace, and renovate infrastructure in plantations is the need of the hour and needs to be addressed. Policy support for employee housing to accommodate workforce in comfortable housing and to meet their needs needs to be evolved .
		Mechanisation of Plantations	Mechanization should be the primary focus while aiming at developing suitable R&D and technological know-how. The establishment of a plantation technology development center could be an important landmark towards the same.
		Auction Centres for Nutmeg, turmeric, pepper etc.	In Kerala, there are several cardamom auction centres. Similar auction sites must be established for other significant crops like nutmeg, turmeric,

			pepper, etc. A replication of the Gujarat Agriculture Market Society model may also be considered.
		Formulate State level policy for Food Processing sector	<a href="#">KINFRA</a> estimates suggest that food processing is a 30000-crore potential industry in Kerala while we are generating only 305 crores (almost 1 percent of the projected potential). To increase the production from the sector, Kerala should take into account state-level legislation akin to the <a href="#">Telangana State Food Processing and Preservation Policy</a> .
28.	Concession of stamp duty for amalgamation, merger, demerger of Companies.	This is in view of the amendments made to Kerala Stamp Act, 1956 by virtue Kerala Finance Act, 2016. The 2016 Act, amended the definition of conveyance as provided in Section 2(d) of Kerala Stamp Act. As per the amended definition amalgamation, merger, demerger of Companies is brought within the purview of definition of Conveyance under Section 2(d)(ii).	Moreover in the 2016 Act inserted, Section 22A to the Kerala Stamp Act, 1956, whereby 5% stamp duty is imposed on conveyance under Section 2(d)(ii). This move will severely affect the Business Houses. Please note that the corresponding rate for similar transactions in Tamil Nadu is 2%. So a concession.....

We take this opportunity to appreciate the Minister who is spearheading the industry reforms in the state. We have compiled a list of interventions focusing on ease of doing business, industry, health and other sectors etc., to aid the Minister in the process. We have tried to supplement interventions with reasons and justifications to help the team form an informed take on the suggestions. We sincerely hope that the team considers our inputs, on merit, before finalising the policy. Our team will assist the Minister and his team with clarifications required, if any.

Thank you in advance for your kind consideration.

Yours faithfully,

P.M. Veeramani  
President



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