

PRESS MEET AT MEETING HALL OF KCCI AT 12.00 NOON

on

THURSDAY, 17-10-2019

PRESS NOTE

Good afternoon to all of you.

I would like to extend a warm welcome to the Members of the Media, as well as the Directors of the Board of KCCI to today's Press Meet.

The Press Meet aims to share with you the vision of the KCCI for the betterment of our District in particular and the region as a whole for the coming year and the future. The Kanara Chamber of Commerce and Industry has always been very proactive when it comes to taking initiatives for the economic and social development in D.K. The New Mangalore Port, Airport, National Highways, Railways, MRPL and MSEZ, CEOL are examples of our endeavours. Our systematic and relentless efforts have in a large way contributed to the development of our District.

New challenges are looming in every aspect of Trade, commerce and industry. We cannot afford to miss the bus. We need to get onto the driver's seat for the benefit of our people, our trade, commerce and industry. Mangalore is special. We are a very unique people. Historically we have welcomed people from all over the world and have assimilated with them and taken the best from them. In the process we have enriched ourselves and our way of life. We have a unique culture, tradition, our own languages, our own sports, our own cuisine, our own calendar, our own drinks, and a distinct geography. We are different. We should realize this first. We should also realize that we have to carve our own destiny. We cannot entirely depend on the Government to make decisions for us. That will not help us. Rather we should be the catalysts and partner with the Government to make them work for us.

I would now like to brief you on our plans for our district for this year.

Our thrust areas for the coming one year would be the following:

1. Developing KCCI as a recognized Alternate Dispute Redressal Centre.
2. Ensure that our District gets a Commercial Court.
3. Work towards development of Infrastructure for Information Technology and connected Industry in our District.
4. Promoting native startups and Industry - Academia Collaboration.

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5. Giving a push to the Cashew industry for high trajectory growth in the district.
6. Development of Tourism.

1. **KCCI AS A RECOGNISED ALTERNATE DISPUTE REDRESSAL CENTRE**

The Government of India is making an endeavor to implement various legislative measures having economic implications keeping in mind the ease of doing business. In view of the new policy of Government of India to encourage Alternative Dispute Resolution in respect of commercial disputes, the Kanara Chamber of Commerce has taken the initiative to setup a full-fledged Alternative Dispute Resolution [ADR] centre in Mangalore. This centre will be run by a team of professionals to ensure speedy and inexpensive dispute resolution mechanism within the purview of the Arbitration and Conciliation Act, 1996 as amended from time to time.

The centre is going to work in close association with the Indian Council of Arbitration and some of the reputed arbitration centres in India and abroad. The centre is trying to have a tie-up with Institutes of national and international repute. The detailed vision and mission statement will be released soon. Currently the committee for ADR is spearheading this initiative.

2. **COMMERCIAL COURT**

The Commercial Courts Act, 2015, provided for all commercial disputes of value of Rs. 1 crore or more that are pending in District Courts or High Courts to be transferred to Commercial Courts or Commercial division of the High Courts. In 2017, the amendment to the Act has reduced this threshold to Rs. 3 lakhs. The definition of “commercial dispute” is very broad and includes all disputes arising out of transactions between merchants, bankers, financiers, traders, management consultancy agreements, sale of goods, etc. This is a watershed move from the Government as in ease of doing business. In Karnataka, there are three courts of district and sessions judges that have been designated as commercial courts for the entire state, two are in Bangalore and one is in Ballari. The court with jurisdiction of D.K and Mangalore is based in Bangalore.

Given the size of Karnataka, it is important that a commercial court with jurisdiction for DK and surroundings districts is established in Mangalore not Bangalore. KCCI has already taken up the issue with Department of Law and will focus all our energies toward this. This would ensure a more equitable access to justice, while strengthening the ease of doing business.

3. INFRASTRUCTURE FOR IT AND IT-ENABLED SERVICES

It is noteworthy that there are more than 100 IT and ITES companies operating in the City. There is a need to build an IT Park with affordable rentals where all these companies can operate and expand and have enough space for their natural growth in the city. This IT Park would also help larger IT and ITES to set up their Units in Mangalore. Our effort will be to ensure that our talent pool will be retained here. 3.25 Acres of Land for this IT infrastructure is already earmarked by KEONICS at Blueberry Hills, Kuntikana, Derabail besides the STPI. KCCI will work with the Government to take this infrastructure initiative forward.

Apart from this, KCCI will also work with the District Administration to set up adequate leisure infrastructure in the city to support the growing needs of Human Resources in the IT field.

It may not be out of place to mention here that KCCI's efforts in the recent past have resulted in establishment of CEOL - Incubation Centre for IT and ITES services. Our efforts this year will take up the future needs of this center which is operating at its optimum capacity and work with the administration to develop IT infrastructure in the city.

4. PROMOTING NATIVE START-UPS AND INDUSTRY- ACADEMIA COLLABORATION

KCCI is working on setting up a Native Start-up cell to motivate, hand hold and fund entrepreneurs from our District to solve problems facing our district and build them into gainful businesses and industries. A dedicated team is already formed to spearhead this initiative.

KCCI has formed a team of members to work with Academic Institutions on various fronts. This collaboration will help students know and learn what is currently happening in trade and industries and make them employment ready.

5. PUSH THE CASHEW INDUSTRY INTO A HIGH GROWTH TRAJECTORY

Cashew entrepreneurship of the state has played a leadership for the entire country. Every process innovation and marketing initiatives have evolved in our region. The growth in the industry is held back due to a few bottlenecks that need to be cleared by the Government which KCCI will be aggressively following up with the Government.

❖ **SHORTAGE OF RAW CASHEWS:**

Our state grows about 50 to 60 thousand MT of Raw Cashew Nuts per annum. The processing capacity of the industry is

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about 2.5 Lakhs MT per annum. To fill the gap 2 Lakh MT are imported from east and west Africa. The fear is that, if backward integration is not possible the industry may die. Under the current law of our state, cashew industry cannot acquire agricultural land. We need to plan now to overcome this eventuality.

❖ **EXEMPT RAW CASHEW NUTS FROM APMC ACT:**

Under the Karnataka Agricultural Produce Marketing Regulation (KAPMR) Act also known as APMC, raw Cashew attracts 1.5% market fee. APMCs demand market fee even on High Seas Sales (imports) - an interpretation that has resulted in big disputes. Manufacturers who have faced the brunt of this draconian law are contemplating to shift their operations to neighboring states.

❖ **MANGALORE CUSTOMS UNABLE TO UNDERSTAND THE CASHEW MARKET**

Cashew market rate is volatile in nature. Commodity rates fluctuate by 50-100\$ on regular basis. But Customs Department are wrongfully assuming that values are under declared and regularly subject consignments to reassessment. This is stifling the manufacturers who are already reeling under liquidity crisis.

ACTION POINTS:

- a. To reduce dependence on Africa the Government should declare Cashew as a plantation crop to ensure that corporates will take up scientific cultivation on leased land with the scientific methods developed by our research centers on the crop. This way self sufficiency of raw material can be ensured.
- b. The immediate need to delete Raw Cashew Nut from APMC to pave way for our state to become a cashew hub of the country.
- d. Sensitize the Customs Department on the Cashew Market volatility and ensure that they do not look at the entire industry as violators.

6. DEVELOPMENT OF TOURISM

KCCI has put forth the following points to the Ministry of Tourism Government of Karnataka:

- Form a district level single window clearance committee to clear all

tourism related projects so that investors, stakeholders get all permissions done at one point.

- Introduce a PPP Model for all events and tourism projects and initiative. Form a calendar of events for the entire year for the events so that the stakeholders can plan their activities with a state specified budget. The balance amount can be mobilized by the other stakeholders.
- Promote 3 annual events that have made a name in Mangalore - Indian Open of Surfing, International Kite Festival and River festival using the services of existing institutions.
- Declare Sasihithlu Beach as an exclusive beach for surfing. It is a matter of pride to us that the Surfing Federation of India is based in Dakshina Kannada. To ensure that this sport gets it due we are pursuing with the Government to declare Sasihithlu beach exclusively for surfing activity.

These would be the thrust areas of KCCI for the coming year. We will continue working on establishing better connectivity to Bangalore, Bharatmala Pariyojana Projects, Shifting of CRZ Office to Mangalore, establishing a Maritime Board for the State, Bringing more International flights to Mangalore. Our commitment for Establishing new industrial areas, Truck terminal at NMPT, Women Entrepreneurship, Ensuring that the land available at Baikampady is dedicated to SMES will always remain.

We at KCCI, look forward to your enthusiastic support in all our endeavors and active participation and coverage of all the programs of the Chamber, throughout the coming year.

Yours sincerely,

**ISAAC VAS
PRESIDENT.**