CHAPTER - VIII

PROBLEMS AND PROSPECTS
CHAPTER VIII

PROBLEMS AND PROSPECTS

PROBLEM AND PROSPECTS:

Manufacturing activity is a function of the risk taking organising abilities of the people. Before Independence the British masters contrived to keep India as a source of traditional raw materials and a market for their products, therefore there was little scope to develop their genius for undertaking manufacturing activities on the scale and pattern now called for to make out industrial structure robust and resilient. The grip of British hangover appears to be very much present in the not so urban region like Kolar district. After Independence, the central and State Governments have been relentlessly pursuing policies designed to correct this economic aberration.

8.1 PROBLEMS OF THE INDUSTRIES IN KOLAR DISTRICT

Problems differ from time to time, place to place and entrepreneur to entrepreneur but unfortunately such a vital sector with so much protection and encouragement is not free from problems. The problems are severe and consequences are disastrous i.e. closure of units. It is rather distressing to note that, one, out of every thirteen units is said to be sick. The problems are:
1) The existing match units facing shortage of raw materials like red phosphorus, sulphur, potassium chloride and splints due to scarcity of soft wood. Since, it has to be transported over long distance from Tamil Nadu, it adds to the cost of production.

2) Ancillaries to Bharath Earth Movers Ltd., K.G.F., are facing innumerable problems like inadequate work load, pricing, payment etc. Many a times components supplied to BEML are not up to required standards.

3. There are two - D - type and two - mini sheds at Muddenahalli Industrial Estate. These are occupied by wood working, printing and binding, wire nail manufacturing units, since this estate is situated in rural area, the units have to incur additional expenditure on transport of raw material and finished goods, therefore these units have become sick, and few have closed down. The units are pleading with Karnataka State Small Industrial Development Corporation (KSSIDC) for concession in rent to revive these units.

4). The Industries of Kolar district suffer very much from the market uncertainties due to absence of information about quantity, quality and demand of the market.

5. Units in the district are unable to get skilled workers because they migrate to Bangalore to get better jobs.

6. Due to the capital-intensive nature of production, it appears that availability of finance play a crucial role. The non-availability of credit to finance these projects proves to be a major constraint.
7. There is lack of promotional activities such as intensive campaigns, identifying candidate, industries etc.

8. Lack of co-ordination among the various development agencies in the district.

9. Agro industries involve some elements of risk taking. In case of change in the cropping pattern, the existing units may be affected. In such cases meaningful and effective guidance should be given to entrepreneur, so that, they can for see and assess these types of uncertainties. Keeping in touch with other departments and evolving some policy may minimise the risk because the failure of monsoon may hit the raw material supply. But, unfortunately in most cases, proper guidance, training for modern and sophisticated agro-industries are not available.

10. Appropriate technology is not always followed due to multiplicity of farm produce and absence of suitable methodology to select items to concentrate upon. Seasonal supply of agricultural produce like, sugarcane may result under utilisation of the capacity of the units, as the unit may not be working throughout the year. Industries based on fruits and vegetables may not get the same variety throughout the year, but they may get other variety. The technology should be such that the units can diversity their production based on some other raw materials.

To sum up the main reasons for the tardy rate of industrial development in the district area a) lack of knowledge on the part of the people regarding various concessions and incentives being
made available by the Central and State Government for the setting up of industries. b) Shyness on the part of entrepreneurs to take risk and invest in industries. c) Non-availability of developed plots and sheds. In a situation like this District Industries Center (DIC), Kolar, Small Industries Service Institute (SISI) have a vital role to play in educating entrepreneurs through intensive campaigns training courses, Industry clinics and workshops d) Shortage of power supply etc.

8.2 PROSPECTS OF THE INDUSTRIES IN KOLAR DISTRICT

Present Industrial structure of Kolar district has been discussed earlier. Now, an attempt has been made to discuss the scope for setting up new industries in the district. Two main criteria adopted in indentifying the candidate industries are resource base and demand based.

An analysis of resources show that Kolar district is rich in horticulture, livestock, minerals and sericulture resources. Therefore, a number of industries based on the these resources have been suggested. Since the district is poor in forestry and fisheries, there is not much scope for setting up industries based on forest and fishery resources.

A number of industries based on demand for various products required by the district have also been suggested. Apart from these two main criteria factors like availability of skilled labour, capital, locational advantages and aptitude of the people of the district have also been taken into consideration.
There is scope for ancillary industries for Bharat Earth Movers Ltd., and Gouribidanur Sugar factory, which can play a vital role. Various components and parts for replacement in Gouribidanur sugar factory are obtained from Uttar Pradesh and Harayana. If the factory obtains locally or from within the district the cost will be less. Hence, there is lot of demand for such ancillary units in the district.

A ragi malt manufacturing unit can be set up in the district. Ragi is one of the major food crop grown in Kolar district. It is nutritious food for children and adults alike. It is cheaper than other beverages. Kolar and Chickballapur taluks are the major producers of potato in Kolar district, it is being sent to Bangalore, Bombay and Hyderabad. As the product has demand in and outside the district, a potato chip manufacturing unit may be set up in the district. The soil of Chickballapur is suitable for growing citronella grass. A citronella oil extracting unit has to set up. This oil is used in soap, perfumery, cosmetics and pharmaceutical industries. There is export potential also.

There is considerable quantity of high yielding varieties of maize available in the district. The use of popcorn/cornflakes becoming popular among the people of urban areas. Therefore, few units could come up in big towns like Bangarpet, Chintamani and Kolar taluk.
Kolar district is a major producer of fruits and vegetable in Karnataka and Malur taluk is the major center of fruits and vegetables cultivation, which are now being sent to Bombay, Bangalore and Madras. There is scope for setting up units for canning and preserving of fruits and vegetables as well as making tomato ketch up.

Slime is available in Kolar and KGF, which can be used to function as filter in vegetable and mineral oil refining. Bricks can be manufactured from slime.

Kolar district abounds in China clay feldspar, which are the main raw materials for manufacturing Larsen & Tubro Insulator, its demand is increasing the state, therefore, there is scope for Larsen & Tubro Insulator units in Kolar District.

Kaolin is available in the district, the quantum of deposit is adequate to set up a unit for china clay washery. A mixed fertilizer unit, bone meal unit, may be set up in Kolar district by utilising the livestock resources, units like leather tanning may be set up, so that there is raw hides, skins, available are made use of.

There are innumerable agro raw materials available in the district which have lot of scope for setting up of number of units like tamarind starch, dehydration of potato, Oleoresin from chillies, baby oil expellers, tooth powder from paddy husk, beaten rice, spun silk from silk waste, Jams, Jellies and Marmalades caster oil etc.
Other demand based industries having scope are crockery, mosaic tiles, cement, stone, ware pipes, refractories leather tanning.

Thus, the small scale sector is considered as elixir for all the ills of a backward region like Kolar district. Small scale industries in general and agro-based units like sericulture, fruits and vegetable and oil extraction in particular has been assigned vital role to play in the study area.