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Karnataka aerospace policy to boost aviation projects has a potential to provide over 10,000 jobs

Bengaluru: The Karnataka government has amended specific rules in the aerospace policy of the state to ensure clarity for recently approved projects in the space which has a potential to provide over 10,000 jobs.

The state government has already approved 33 proposals in the aviation sector totalling Rs.14,520 crore-signed during Invest Karnataka 2016 (earlier known as Global Investors Meet)-the biennial summit held in February.

“We wanted to have a policy projection. There were some things that were getting clubbed into the industrial policy, so we have clarified things here. People wanting to look at investment into aerospace sector in the state need not look into industrial policy; they can have a look at our aerospace

policy,” T.B.Jayachandra, law and parliamentary minister said that the changes were required to bring clarity that companies operating in aerospace.

The cabinet meeting held on Wednesday has also proposed to bring in investment promotion subsidy, reimbursement of land conversion fees, interest subsidy, water harvesting subsidy and technical upgradation subsidy under the existing policy.

Most of the investments into Aerospace in Karnataka is in and around Bengaluru. Jayachandra said that the reason for providing incentives will be to encourage setting up of more such units in the state but said that the incentives will be in line with concessions to other sectors.

With almost 65% share of all aviation related investments in the country and home to some of the biggest aerospace companies, Karnataka’s move to fast track approvals and provide incentives comes in the wake of criticism over long gestation period between signing and approvals of the projects as well policy bottlenecks.

The Karnataka aviation policy 2013-2023 was announced in February 2013 to attract investments in the space and develop the ecosystem which

already has established players like Hindustan Aeronautics Limited (HAL), Airbus and Boeing among others.

“All concessions given under industrial policy will be given to aviation policy,” Jayachandra said.

He added that other districts like Mysore and Belgaum have also been identified for aviation projects. The state has also developed an 1,000 acre aerospace park in Devanahalli, in the outskirts of Bengaluru to attract investments.

He said that the government is trying to attract investments into maintenance and repair organisation (MRO), designs, components, research and development areas.