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Kerala should create 30 lakh jobs: ASSOCHAM

KOCHI: Kerala should aim to create about 30 lakh jobs and attract investments worth up to Rs six lakh crore to attain a double digit economic growth during the course of next five years, apex industry body the associated chambers of commerce and industry of India (ASSOCHAM) has said.

ASSOCHAM has unveiled a ‘sustainable action plan,’ for LDF government in Kerala to achieve double digit growth in the state that clocked a compounded annual growth rate of over seven per cent during 2004-05 to 2013-14.

“Kerala’s contribution to Indian economy declined from four per cent in 2005-06 to 3.8 per cent in 2011-12 but again gained pace to reach 3.8 per cent in 2012-13 and 3.9 per cent in 2013-14,” highlighted the ASSOCHAM paper titled ‘Action Agenda for New Government of Kerala.’

On the investment front, Kerala has recorded robust 14 per cent compounded annual growth rate (CAGR) during 2006-07 to 2015-16 thereby attracting investments worth about Rs three lakh crore.

“Considering that growth of industries and services sector in Kerala has been hampered by high labour costs, the new state government needs to ensure appropriate growth of industries with a potential to generate employment opportunities,” said Mr D.S. Rawat, national secretary general of ASSOCHAM while releasing the chamber’s paper.

Kerala’s industrial sector performance during the course of past few years paints a grim picture as industry’s contribution to the state’s economy declined from 22.5 per cent in 2004-05 to about 20 per cent in 2013-14.

Even the workforce dependability on industrial sector has declined from about four per cent to just over two per cent during the aforementioned period. This trend is similar on the national level too as workforce employed in industrial sector had declined from 4.2 per cent in 2001 to 3.8 per cent in 2011.

In its paper, ASSOCHAM has thus highlighted various issues concerning industrial sector in Kerala like – dearth of land availability for setting up new industries, inadequate power supply for industries, poor transport infrastructure, failure in attracting new private investors, struggling traditional and core industries, finance related problems for small, medium enterprises and other such areas.