

CHAPTER 8

INDUSTRIES

Industry can be defined as an economic activity concerned with the processing of raw materials and manufacture of goods in factories. The industrial sector is the leading segment that is producing employments at a quicker pace as our populace is increasing. Hence the rate of unemployment can be reduced and also, the standard of living of the

people can be raised. Industries will contribute to the development of tertiary sector, i.e. trade, transport & communication, banking, insurance etc.

This chapter deals with the present status of industrial development in Kannur Municipal Corporation area and its problems and potentials.

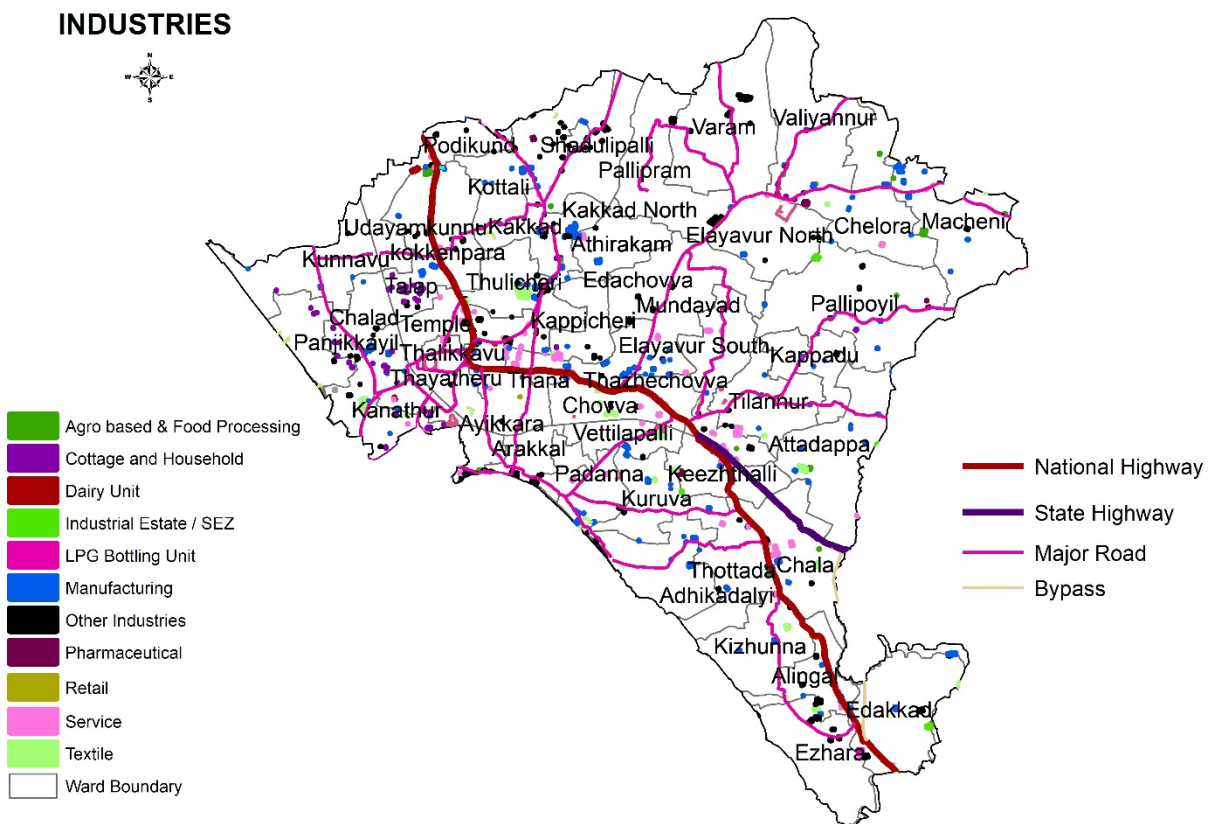


Figure 8.1 Location of different industrial units in Kannur Corporation area

8.1 EXISTING STATUS

For the purpose of categorization of industrial sectors, "Range of Pollution Index", is used as the basic criteria. Industrial sectors having pollution index score of 60 and above are grouped under red category while score of 41 to 59 grouped under orange category. Pollution Index score of 21 to 40 is in green category and 0 to 20 is in white category. In the Corporation area, all the industries are under either orange or green category. Location of different industrial units in the planning area is shown in Figure 8.1.

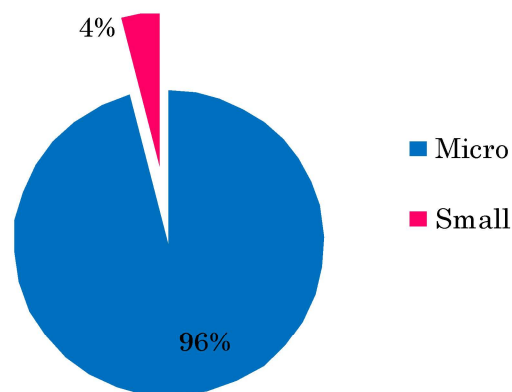
According to MSME Act 2006, manufacturing and service enterprises are classified mainly into three categories; micro, small and medium industries on the basis of investment and the classification is shown in Table.8.1.

Table.8.1 Categorization of industries based on the investment

| Category | Micro | Small | Medium |
|---------------------------|----------------|----------------------|-----------------------|
| Manufacturing enterprises | Up to 25 lakhs | 25 lakhs to 5 Crores | 5 Crores to 10 Crores |
| Service enterprises | Up to 10 lakhs | 10 lakhs to 2 Crores | 2 Crores to 5 Crores |

The distribution of Micro, Small and Medium Enterprises (MSME) in

the planning area is shown in Figure.8.2 which indicates that 96% of the industries mainly fall under micro category (694 nos.). Only 4% are small scale industries (29 nos.). There are no medium scale industries in the Corporation area.



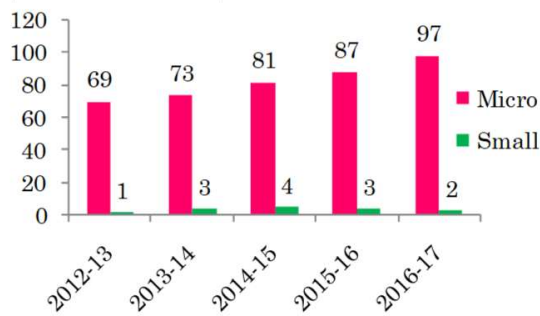
Source: Industrial potential survey, 2016-2017

Figure.8.2 Distribution of Micro, Small and Medium Enterprises

Graphical representation of year wise growth of MSMEs from 2012 to 2017 is shown in Figure.8.3 which reveals that the number of MSMEs registered per year in the town shows an increasing trend in the case of micro industries while there shows a decreasing trend during the period from 2015 to 2017 for small scale industries.

Industries in the planning area are again categorised based on the type of raw material used for their manufacture as well as the type of goods or service either they produce or provide. On that basis, the details of

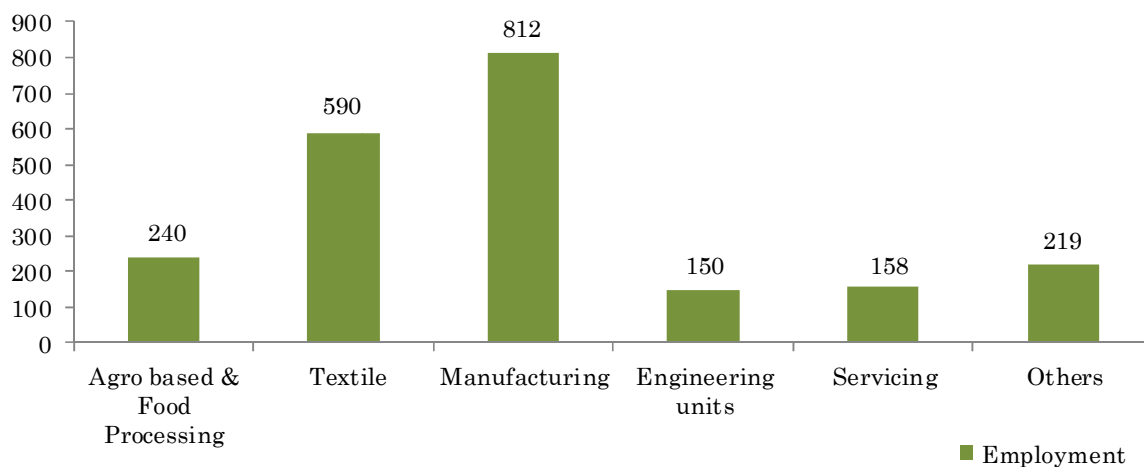
existing MSMEs in Corporation area are shown in Figure.8.4 which depicts that, most of the industries are manufacturing (25%) and textile (21%) type.



Source: Industrial potential survey, 2016-2017

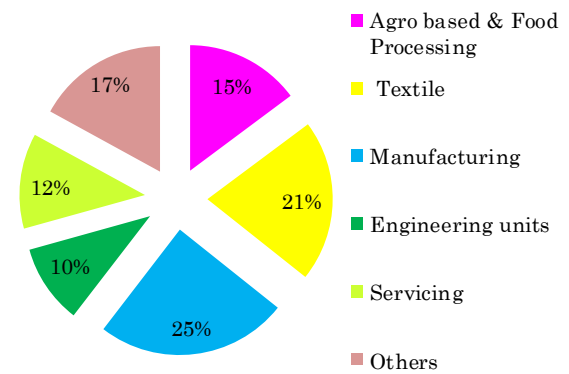
Figure.8.3 Year wise growth of MSMEs

Number of labourers engaged in various industrial units in the planning area is illustrated in the Figure.8.5. The figure reveals that the total number of workers involved in industrial activities are 2169 and



Source: Industrial potential survey, 2016-2017

Figure.8.5 Number of labourers engaged in different MSMEs



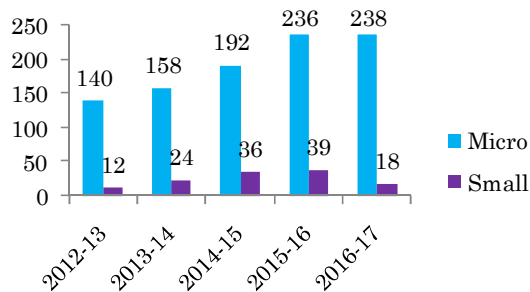
Source: Industrial potential survey, 2016-2017

Figure.8.4 Types of industries

among these, most of the workers are engaged in readymade garments and embroidery, followed by paper (282) industries.

The employment growth of MSMEs from 2012 to 2017 is shown in Figure.8.6. While analysing the figure, it becomes clear, from 2015 to 2017, only a meagre increase of labours can be seen in both categories.

The total number of persons employed in traditional industries like handloom and beedi units are 396 (Vikasana Report, 2017-2022).



Source: Industrial potential survey, 2016-2017

Figure.8.6 Year wise employment growth of MSMEs

At present, the Kannur Municipal Corporation area has two mini industrial estates, which are at Marakkarkandi (Kannur zone), and at Edakkad (Edakkad zone). Also, there are two mini industrial centres in Chelora zone (Mini industrial centre, Kappadu and Women mini industrial centre, Chelora). Apart from these, three large scale industries are also there in the planning areas which are Kerala State Handloom Development Corporation Limited, Cannanore Co-operative Spinning Mills Limited and Milma.

According to Vikasana Report 2017-2022, prepared by the Municipal Corporation, the project proposals include local economic development, establishment of more industrial estates and providing of training in production.



Kannur Dairy

8.2 DEVELOPMENT POTENTIALS AND PROBLEMS

The study of existing status of industries in Kannur Municipal Corporation area shows that industrial activities are minimum. Only 0.593 km² (0.76%) of total area is occupied by industrial land use.

Since the Municipal Corporation area is blessed with a variety of factors such as good soil, favourable climate, enormous fishing potential, sufficient water availability and good infrastructure facilities like roads, rail, electricity etc., there is a scope for the development of industries. The new international airport KIAL as well as the Azhikkode seaport will be a great fortune for the industries in future. Thottada has recently launched many automobile ventures of various companies resulting in the demand of automobile technicians. A large number of textile industries are also spread over the surroundings of Polytechnic College at Thottada.

Also, there is a potential for the development of micro enterprises like agro and food processing unit, garments, embroidery unit, paper industries and automobile engineering units etc. Spinning mill industries still have a significant position in the industrial picture of the planning area. Excess vehicular volume tends to increase the number of automobile workshop and service units. Moreover, there is a rise in the manufacturing units. The mini industrial estates at Marakkarkandy and Edakkad as well as the industrial centres at Chelora and Kappad can be developed into major industrial areas.

Major problem in the planning area is the unavailability of vacant lands for developing new industrial units. Shortage of skilled labourers is another problem in the industrial sector. Improper marketing facilities of the products of micro scale industries adversely affect their development. Large scale industries are very less in number and there are no medium scale industries. Also, some of the industries were shutdown within the Corporation area. Better trade centres are to be provided, in order to have a permanent market for industrial products. There is lack of availability of raw materials essential for the development of small scale industries.

8.3 INFERENCE

Kannur Municipal Corporation area is an industrially backward area in the district. Only three large scale industries are there in the planning area. Kerala State Handloom Development Corporation Limited, Cannanore Co-operative Spinning Mills Limited and Milma are the large scale industries. The Corporation area shows backwardness in medium industrial category. There are no medium scale industries. But two mini industrial estates and two mini industrial centres are there in the planning area.

The industries of Handloom and Cotton textiles, Timber and Plywood, Milma, Fibre foam, Splints and Veneers, Bricks and Tiles, Beedi and Cigarette, Coir etc. are set up in and around the Corporation area.

Shortage of experienced labourers, which is the major issue of the industrial sector, can be tackled by conducting training programs in different fields. Banks and other financial institutions should come forward with loans of low interest rate for promoting entrepreneurs.

Land cannot be made available for establishing new industrial units in the planning area due to its high population density and higher land cost. But projects like the extension of built up area of the existing industrial estates at its maximum extremities, conducting proper awareness and

training programmes, awareness seminars, workshops, providing financially supporting schemes for local people, creating good platforms for the marketing of industrial

products, etc. should be implemented. This can attract the people and become the way to setting up of more start-ups in this sector.