2. Economic Scenario

In 1992-93, the Net Domestic Product (NDP) of Karnataka reached INR 291 billion, reflecting an annual growth of 6.4% over a ten year period. The State has a per capita income of INR 6,313 (1992-93) which is just above the national average of INR 6,249. Bangalore and its surrounding areas account for about 21% of State NDP as indicated in Table 4, and Bangalore district accounts for nearly one third of the State manufacturing and service sectors.

Table 4: NDP of Karnataka State, the Contribution of Bangalore, and the Composition of Bangalore's NDP.

Sector	1992-93 State NDP-INR billion	Bangalore district's contribution to NDP	Sectoral composition of Bangalore district's NDP
Agriculture, Forestry and Fishing	107.2	5.1%	8.4%
Mining, Manufacturing & Construction	64.5	32.2%	41.0%
Electricity & Water Supply	8.0	28.6%	2.5%
Transport, Communication & Storage	14.8	28.4%	6.1%
Trade & Banking	57.0	31.1%	27.7%
Other	39.8	21.5%	14.3%
Total	**291.3**	**21.0%**	**100%**

Karnataka's contribution to national production is shown in Annex 2. The State's contribution is most significant in the wood products; paper and machinery production sectors.

Mining & Industry

Mining : Karnataka has abundant deposits of iron ore and the Kudremukh Iron Ore project is one of the biggest mining installations in the country. In addition, Kolar (about 90 km. from Bangalore), is the chief source of gold in India and has one of the oldest and deepest mines in the world. Bauxite and limestone deposits have also helped to develop thriving aluminum and cement industries in the State.

Industry : Karnataka was an Indian pioneer with respect to public sector (100% government owned) and joint sector (51% government owned, balance private investment) projects. As a result, Bangalore has received a disproportionate share of government investment in modern and hi-tech areas like machine tools (Hindustan Machine Tools Ltd.), aeronautics (Hindustan Aeronautics Ltd.), electronics (Bharat Electronics Ltd., Bharat Heavy Electricals Ltd.) and telecommunications (Indian Telephone Industries Ltd.). This has also laid the foundation for a hi-tech industrial base. A brief outline of the public sector companies in Bangalore is presented in Annex 3.

Many large industrial houses also have their head offices in Bangalore. Titan Watches, The UB Group, BPL India, Brooke Bond Lipton India Ltd., Britannia India, Wipro, and MICO Bosch are some of the major companies based in the city. A brief profile of some of these companies is set out in Annex 4 and a list of major foreign collaborations already operating in the State is presented in Annex 5.

Karnataka has over 800 large and medium size businesses, employing close to 300,000 people, which represent an investment of over INR 70 billion. There are also over 150,000 small manufacturing businesses employing 1 million people. Approximately 8% of the country's enterprises are based in Karnataka and Bangalore alone accounts for about 18% of the manufacturing in the State.

The major manufacturing industries are electronics, telecommunications, aeronautics, machine tools, watch making, electrical engineering, software, textiles, steel, aluminum and cement. With the exception of aluminum, steel and cement, the major concentration of manufacturing is in and around Bangalore.

A brief outline of some key industries is presented below:

- **Electronics**
  Bangalore is referred to as the "High-Tech Capital" of India. There are about 250 factories manufacturing electronic items which produce goods worth approximately INR 15 billion. Nearby Mysore produces about INR 2 billion worth of electronic items and, all together, Bangalore, Mysore and Tumkur (70 km. from Bangalore) produce about 20% of the nation's electronics. Products manufactured range from simple diodes and printed circuit boards (INDAL, an associate of Alcan), to equipment for defense and aerospace applications. The State also produces consumer electronics like television sets and computers.