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PRESS RELEASE

KCCI Reaction to Karnataka Budget 2025

The Kanara Chamber of Commerce and Industry (KCCI), Mangaluru, appreciates the Karnataka Budget 2025 presented by Hon'ble Chief Minister Siddaramaiah. While the budget demonstrates a commitment to infrastructure, industry, and social welfare, we believe a more balanced approach is needed to ensure equitable growth across Karnataka, particularly in the Coastal region.

Key Observations and Concerns:

1) Infrastructure & Connectivity:

We welcome the ₹8,000 crore allocation under the Chief Minister's Infrastructure Development Program (CMIDP), but the budget lacks specific provisions for improving connectivity in Coastal Karnataka. The Mangaluru-Karwar Coastal Highway expansion and modernization of New Mangalore Port require urgent attention to support regional trade and tourism.

The ₹30 crore allocation for developing fishing link roads is a step forward, but further investments in logistics, hinterland connectivity, and railway freight facilities are crucial for economic growth.

The Water Transport Policy, which includes plans for an international cruise terminal and a water metro in Mangaluru, is a positive step. However, its effective implementation and financial allocation remain unclear.

2) Industrial & Economic Growth:

The state's push for investment and job creation in MSME, tourism, and IT/BT sectors is commendable. However, we urge the government to extend these incentives to Tier-2 cities like Mangaluru to decentralize economic growth beyond Bengaluru.

The ₹13,692 crore financial assistance for industries and ₹13,500 crore for services sector growth should include targeted incentives for Coastal Karnataka's export-driven businesses and fisheries sector.

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While the aviation fuel tax reduction is welcome, we request further reduction at Mangaluru International Airport to promote regional air connectivity.

KEONICS' plan to establish a Global Technology Centre in Mangaluru is a progressive move. We urge the government to provide further incentives for IT and fintech industries to invest in the region.

3) Tourism & Coastal Development:

The ₹1,800 crore 'Brand Bengaluru' initiative should be complemented by a 'Brand Coastal Karnataka' initiative, leveraging our region's tourism potential in beach, cruise, and cultural tourism.

The development of a Water Transport Museum and Experience Centre in Mangaluru can promote tourism, but additional funding is needed to improve hospitality infrastructure.

Coastal tourism and wayside amenities in Dakshina Kannada need significant improvement to attract high-value tourists.

While ₹200 crore is allocated for sea erosion mitigation, we urge the government to take proactive measures to prevent further coastline degradation and ensure sustainable coastal development.

4) Agriculture & Fisheries:

The ₹51,339 crore allocation for the farming sector is encouraging. However, while the government has proposed a new Fisheries Policy, targeted subsidies for deep-sea fishing, modern cold storage, and fish processing units need to be prioritized.

The doubling of student strength at the College of Fisheries, Mangaluru is a welcome move, but additional funding is required for research and innovation in sustainable fisheries.

The relaxation of fishing boat length restrictions will boost deep-sea fishing. However, further investment is required in marine safety equipment and fish export logistics.

5) Urban Development & Governance:

The government's focus on AI-enabled traffic management in Dakshina Kannada is a progressive step, but broader urban development plans for Mangaluru are missing.

Rs. 3 crore allocated for a district stadium in Dakshina Kannada is a positive move, but more funds are required for comprehensive sports infrastructure development.



The multi-level parking facility at Malpe Fishing Harbour is a good initiative. A similar facility is needed for Mangaluru's commercial hubs to ease congestion.

6) Disaster Management & Environment:

Rs. 200 crore allocated for landslide prevention in Malnad and coastal districts is a necessary intervention. We urge the government to focus on long-term ecological conservation and climate resilience projects for the region.

Conclusion:

KCCI acknowledges the government's efforts in driving economic growth while maintaining fiscal prudence. However, the budget does not adequately address the specific needs of Coastal Karnataka. We urge the government to introduce targeted policies to develop Mangaluru as a regional economic hub, focusing on infrastructure, industrial growth, and tourism. KCCI remains committed to working with policymakers to advocate for the business community's interests and ensure holistic economic development.

Thanking You.

Yours faithfully,
For KANARA CHAMBER OF COMMERCE & INDUSTRY

ANAND G. PAI
DIRECTOR / PRESIDENT
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Confederation of Indian Industry (Southern Region), Bengaluru/Chennai. | Bangalore Chamber of Industry & Commerce, Bengaluru. | Indian Merchants' Chamber, Mumbai.

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