



BUILDING COMPETITIVENESS,

SKILLING & SUSTAINABILITY FOR

GOA'S ECONOMIC DEVELOPMENT AND GROWTH



CII GOA

Vision Document

State Profile:

Goa, the smallest state of India situated on the west coast, is a renowned tourist paradise celebrated for its breath taking natural scenery, unique beaches, and vibrant cultural diversity. The state boasts well-developed social, physical, and industrial infrastructure, along with reliable virtual connectivity. Its international airport caters to its status as a globally recognized leisure destination, and it possesses significant port infrastructure.

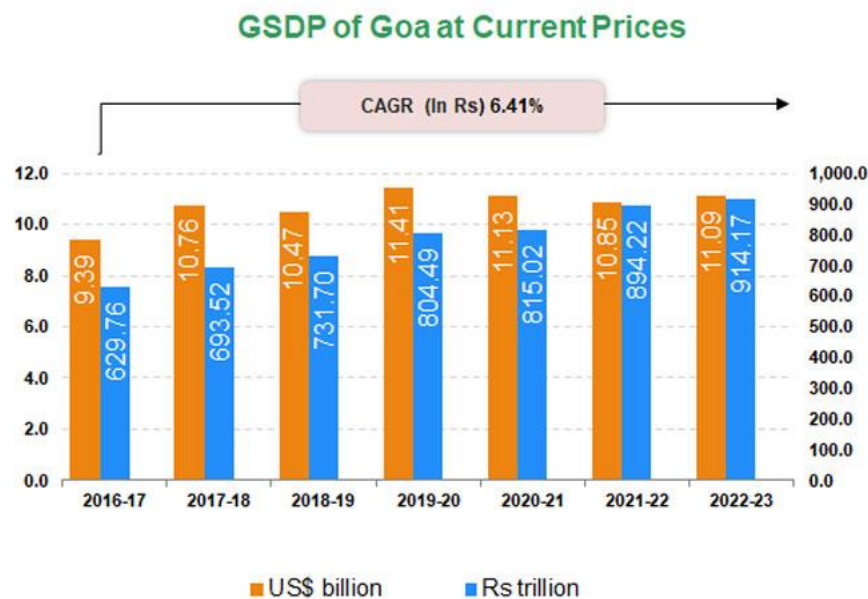
Goa's economic growth is driven by various thriving sectors, including fishing, agriculture, tourism, pharmaceuticals, and mining. The state has also established itself as a prominent hub for the pharmaceutical industry and is rapidly emerging as a destination for knowledge-based sectors such as biotechnology and information technology.



State Economy:

Goa, has achieved commendable strides in economic growth and prosperity. In the fiscal year 2021-22, its Gross State Domestic Product (GSDP) soared to ₹82,603.7 crores. Notably, Goa proudly holds the distinction of possessing the highest per capita income among all states in the country. Witnessing a substantial increase, the per capita income in Goa rose from ₹4,54,172 in 2017-18 to ₹5,27,146 in 2021-22, underscoring the region's growing affluence.

Furthermore, Goa's economy sustained an impressive growth rate of 9.11% in 2022-23, underscoring its steadfast expansion and development.

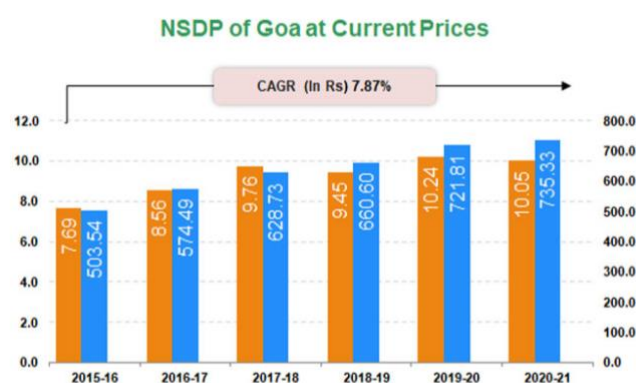


Note: Exchange rates used are averages of each year
Source: Directorate of Economics and Statistics Goa, Economic Survey 2018-19

The Goan economy is poised for a 10.33% growth during 2023-24. Key factors contributing to this include opening of the Manohar International Airport at Mopa, establishing higher education institutions, important policy introductions, and the anticipated resumption of mining activities.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), foreign direct investment (FDI) inflow in Goa from October 2019 to December 2021 amounted to an impressive US\$ 112.27 million.

With a coastline spanning 104 km and inland waterways stretching 250 km, Goa benefits from its strategic geographic location. The Mormugao Port, located in Vasco da Gama, serves as a multipurpose general cargo berth and efficiently handles both local and international maritime cargo traffic.



State's Vision: "Building Competitiveness, Skilling, and Sustainability for Goa's Economic Development and Growth".

CII Goa is committed to fostering a favourable business environment that promotes the advancement of the state. In line with its vision of "Building Competitiveness, Skilling, and Sustainability for Goa's Economic Development and Growth," it recognizes the need to assess the business landscape from both a state and regional perspective. By closely collaborating with all stakeholders, particularly the State Government and its esteemed members, CII Goa aims to synergize its plans in specific sectors to support the overarching vision.

Goa, with its rich blend of resources and inherent potential, presents a hot basket of simmering opportunities. CII recognizes the untapped possibilities and endeavours to foster monumental progress in various sectors within the state. Industries such as manufacturing, logistics, technology, IT-ITes, education, and maritime trade are poised to experience significant advancements under the strategic guidance of CII.

Goa has emerged as a frontrunner among states in various sectors such as education, healthcare, and tourism. The state's exemplary hospitality and adherence to the rule of law have contributed to its reputation as one of the safest regions in the country. Now is the opportune moment for Goa to shine and lead the nation across multiple domains, setting an example for others to follow. This is exemplified by the recent privilege of hosting the G20 summit, which signifies the state's determination to chart a path of progress.

To truly become a beacon of economic prowess, sustainable development, and ecological consciousness, Goa must not only inspire other states but also command global recognition. It is imperative for the state to shift gears and propel itself towards accelerated progress. CII Goa is poised to intensify its engagement with diverse stakeholders, leveraging its resources to augment the endeavours of all parties involved. By strategically aligning its initiatives with the

vision, CII Goa seeks to pave the way for the realization of a thriving and sustainable economic landscape in Goa, characterized by inclusivity, innovation, and excellence.

In this paper, we have given an analysis of various sectors and the action point required for realizing the vision of "Building Competitiveness, Skilling, and Sustainability for Goa's Economic Development and Growth".

ENVIRONMENT & SUSTAINABILITY

The past couple of years included rising incidents of abnormal climate events, apart from the pandemic, which underscored the need for mitigation of carbon emissions. Likewise, environmental degradation requires containment at a faster pace as the economy accelerates. With industry playing a vital role in addressing environmental needs, enterprises must take more actions for sustainable solutions and CII in Goa would assist them through audits and capacity building.

Recognizing the need & importance for Goa to meet the challenges of global change and transition to a circular economy, CII will work through a business-led alliance to propagate the principles and practice of circular economy, from micro (firm-level) to macro level (nation-wide).

Action Plan:

- CII would work towards encouraging EV adoption in Goa, CII in Goa to also submit draft policy recommendations for EV sector as well.
- Encouraging industries, real estate and citizens to initiate consumption of renewable energy and also encourage installation of Rooftop Solar for domestic & commercial establishments of CII members.
- CII shall prepare a white paper on best practices followed in other states and regions for promoting renewable energy for submission to all the related stakeholders especially state govt.
- CII shall advocate on following with the state government:

- Announcing special subsidies/benefits for the usage of renewable energy.
- Implementing a comprehensive policy for Open Access, boosting renewable energy adoption.
- Provide subsidies for rooftop projects using non-DCR panels to encourage high efficiency and maximize capacity.

TOURISM

Goa, with its rich culture and heritage, has earned a reputation as one of the premier beach and nightlife destinations in India. In 2019 alone, it attracted approximately 8 million tourists, highlighting its immense popularity.

As we are still coming out of the Pandemic, there is a continued need for a large promotional push to attract foreign tourists once again, to Goa and India. To further enhance the tourism sector and recover from the setbacks caused by the pandemic, there is a lot more work to do consistently which could grow these numbers and compete with other international destinations in the coming years.

The state government's commitment to sustainable tourism development sets the stage for a prosperous future. Government of Goa is proactively developing and promoting tourism infrastructure in an environmentally sustainable manner. Establishment and commencement of second greenfield international airport in Mopa, capacity to handle 30 million passengers annually, has significantly enhanced state's connectivity and capacity to accommodate the growing influx of tourists.

Goa has full potential to flourish as a world-class destination while preserving its unique identity and natural splendor. Focussed efforts need to be made for developing tourism infrastructure while maintaining ecological balance and minimizing the impact on the environment.

Action Plan:

- CII shall work towards promoting the state as an international base for luxury yachts and sail boats by leveraging the intrinsic characteristics of state and developing nautical tourism of state.
- CII shall promote Hinterland Tourism in state by encouraging destination resorts & spas which would offer alternate attractions / experiences and attract quality tourism in state.
- CII shall also work towards creating sustainable tourism infrastructure which would ensure minimizing changes to the natural landscape and operations compatible with the existing environment.
- CII shall work towards promoting Goa as a destination for medical tourism, focusing on Ayurveda along with promoting opportunities for sports tourism in state.
- Aligning the "Goa Tourism" brand with the "Incredible India" campaign to enhance its global recognition and attract a wider audience.
- Establishing a chain of hotels and tourism residencies through public-private partnerships (PPP) in locations of educational, cultural, and religious significance for attracting quality tourism.
- Align the "Goa Tourism" brand with the "Incredible India" campaign to enhance its global recognition and attract a wider audience.
- CII shall submit recommendation to State Govt. advocating following:
 - Developing infrastructure for nautical tourism in the state, including necessary facilities and services to support activities such as boating, sailing, and yacht charters.

- Establishing a domestic and international cruise terminal at Mormugao Port with world-class facilities aiming at enhancing the cruise tourism in state.
- Incentivizing chartered flights to and from key source destinations, such as the UK, Russia, Ukraine, Poland, Finland, and other Commonwealth of Independent States, to stimulate quality tourism in state.

MANUFACTURING & MSME'S

Goa has a significant presence of Micro, Small, and Medium Enterprises (MSMEs) form the majority. These MSMEs play a crucial role in the state's economy, with a high employment-to-output ratio and the potential to generate exports. The state benefits from a large pool of cost-effective industrial labour, making it an attractive destination for a wide range of industries.

As the state stabilizes after the deep ravages of the pandemic on the economy of state, the imperative ahead for the industries in manufacturing sector is to enhance their competitiveness and compete with the global players to drive future growth.

A unique service-delivery event called Synergy MSME has already been established in state to provide customized solutions to meet the diverse business needs of MSMEs in the state, bringing various services under one umbrella.

However, one of the major challenges faced by the sector is the scarcity of skilled manufacturing labour, highlighting the need for increased awareness and skilling programs to attract the youth towards the manufacturing sector.

Action Plan:

- CII shall leverage upon its Centre of Excellence and promote application of Emerging Technologies in Manufacturing sector & 'Low-Cost Automation' with special focus on Artificial Intelligence & Robotics
- New industrial clusters must be created to meet the requirements of planned development of the state. CII shall submit suggestions and recommendations to the Government for creating Cashew & Food processing Clusters in the state.
- CII shall leverage its CO and support Govt. for establishing 'Entrepreneur Development Centers' in each cluster of state for providing cluster specific skill development and business incubation assistance.
- CII shall promote and connect the 'CII Finance Facilitation Centre' amongst MSMEs of state for which would help them in understanding the available financial schemes offered by banks and financial institutions.
- Leveraging the power of MSME sector to spread development amongst locals, rural as well as other economically underprivileged sections of society.
- Infrastructure and land requirements to be addressed on an immediate basis.
- CII shall assist Govt. and other stakeholders in establishing and promoting Private Industrial Estates / Parks on PPP by adopting best practices from other states like Maharashtra, Gujarat, Chennai, Bengaluru, Hyderabad etc.
- CII shall submit recommendation to State Govt. advocating following:
 - Moving Services Applications etc. online, Goa Online is a good portal but the processes needs to be streamlined further. Currently one has to also follow up with concerned officials both at Goa Online and the department involved.

- Generating revenue based on industry's growth and not by increasing costs at regular intervals to meet department expenses. Departments can optimize efficiency and The departments should be made accountable and efficient and not rely solely on industry for funds.
- Appointing professional Chairman for Public Corporations dealing with Industry in the interest of Ease of Doing Business.

EASE OF DOING BUSINESS:

The Ease of Doing Business is a crucial aspect for the economic growth and development of any region or state. It refers to the level of ease or difficulty encountered by businesses in starting, operating, and expanding their operations within a particular jurisdiction.

Goa's ranking of 24th out of the 28 states in India highlights the challenges it faces in creating a conducive environment for industry growth. Several factors contribute to this situation.

One significant obstacle is the requirement for multiple department clearances and licenses to start a business in the state.

The government of Goa has recognized the importance of enhancing the Ease of Doing Business and has taken several steps to facilitate a business-friendly environment. Some of the measures implemented include:

- Single-Window Clearance System (SWS).
- District-level Committee.
- Sector-specific Focus:
- Adoption of Industry-Friendly Rules and Regulations.

By implementing these measures, the government of Goa has created an enabling environment for businesses, reducing hurdles, simplify procedures,

and enhance transparency upto a very large extent. These efforts will contribute to improving the Ease of Doing Business in the state, attracting investments, and promoting sustainable economic growth.

Action Plan:

- Industry needs to partner with the state government in improving Goa's score / ranking on EoDB, annually prepared by DPIIT.
- CII shall work towards dissemination of benefits of various policies and schemes introduced by Central & State govt. to support business growth for an effective implementation of the same.
- Submitting recommendation on minimizing the multiple permissions and approvals which often leads to delays and also resulting in revenue loss for the state. CII shall also work towards increasing the time duration of permissions and licenses.
- CII shall work towards focusing on Creation of land bank at successful clusters for industrial development, and also support state government towards enacting a comprehensive regulatory reform in conjunction with the industry in order to make the state more attractive destination.
- Create a Joint Task Force / committee with Govt. & Industry under the chairmanship of the Chief Secretary, with secretaries from all departments concerned and representatives from banks and financial institutions as members, to facilitate speedy clearances for mega projects.
- In February 2021, Goa proposed to establish a medical device park, which will boost pharmaceutical exports. Urgent need to improve the state infrastructure by upgrading the Mormugao Port Trust and the airport.
- CII shall support all the stakeholders in developing facilities to provide low-cost solutions for certification / testing / audits etc which are mandated by the authorities, and are presently conducted through

external / private approved agencies from outside the state at exorbitant costs.

IT, START-UPS & ENTREPRENEURSHIP

The startup ecosystem in Goa is showing promising growth, supported by various initiatives by the state government. The emergence of coworking spaces, incubators, and accelerators has created a conducive environment for startups in sectors such as technology, tourism, hospitality, food processing, and renewable energy.

To boost innovation-driven entrepreneurial culture and to inculcate the spirit of innovation among the immensely talented youth of Goa, it is important to make efforts towards creating a conducive environment to promote entrepreneurship in the state.

There is a need to steer youth-led innovation and to generate maximum employment and connect start-ups, investors, incubators and other stakeholders for creating a vibrant start-up ecosystem in Goa.

Goa's Start Up Policy gives special impetus to new technologies, particularly IT-based R&D companies and those involved in the "Internet of Things" and the state govt. is also offering other schemes, incentives, and funding opportunities to foster collaboration among start-ups and entrepreneurs.

While Goa has room to catch up in the ICT and e-commerce space compared to other states, the state's advantage of work-life balance and ongoing technological and infrastructural changes, the future outlook for Goa's startup ecosystem appears promising.

Action Pan:

- CII to take initiatives for linking Goa start-ups with large organizations for funding as well as mentorship.

- CII would also take initiatives to strengthen industry-academia partnerships to support new start-ups by conducting student entrepreneurship programs at colleges to foster local youth as job providers rather than job seekers.
- CII would support stakeholders in promoting the upcoming Electronics Hardware Cluster in the state.
- CII shall bring various stakeholders of the IT sector on a common platform to ensure high-quality and stable Internet connectivity and enhance infrastructure backup for power, worker security, and efficient public and private transportation capacity.
- CII shall also create a platform to sensitize stakeholders on opportunities in promising sectors such as the food industry, agritech, and cleantech.
- CII shall submit the recommendation to State Govt. advocating the following:
 - Expanding e-governance to encompass all aspects of public service delivery.
 - Providing funding support through the establishment of a state government fund of funds, offering grants up to 15 lakhs to startups over the next two years.

MINING

The mining industry in Goa faces challenges related to infrastructure and logistics, including transportation, connectivity, and port facilities, which directly impact its efficiency and competitiveness. Additionally, the industry's operations have socio-economic implications, such as community displacement, loss of livelihoods, and unequal distribution of benefits, requiring attention for inclusive growth and sustainable development.

In terms of the iron ore deposits in Goa, they are predominantly of low-grade quality, with iron content ranging from 45 to 55%. While beneficiation techniques can enhance their value, the resulting product does not meet the requirements of the domestic market. Consequently, exports have been the primary avenue, contributing to foreign exchange earnings and generating revenue for both the State and Central Government.

Despite the lifting of the mining ban and the resumption of operations in Goa, illegal mining has proliferated during the ban period. The scale of illegal mining in Goa has been portrayed as a larger scandal than the one witnessed in Bellary. While the revenue losses from illegal mining have been estimated at approximately Rs 3,000 crore, the true extent of environmental damage and the loss of livelihoods remain unquantified.

Action Plan:

1. **Transparent and Efficient Regulatory Framework:** Establish clear and transparent regulations for the mining sector, ensuring that they are effectively implemented and enforced. This includes providing clarity on mining licenses, environmental compliance, and operating guidelines.
2. **Sustainable Mining Practices:** Encourage and enforce sustainable mining practices that prioritize environmental conservation, land reclamation, and responsible waste management. Promote the adoption of technologies and processes that minimize the industry's environmental footprint.
3. **Community Engagement and Benefit Sharing:** Foster meaningful engagement with local communities and address their concerns regarding land rights, livelihoods, and social impact. Ensure fair and equitable benefit sharing from mining activities, promoting inclusive growth and sustainable development.
4. **Investment in Infrastructure:** Invest in the development of robust infrastructure, including transportation networks, ports, and logistics facilities, to enhance the efficiency and competitiveness of the mining industry. This will help reduce operational costs and facilitate the smooth movement of minerals.
5. **Research and Development:** Encourage research and development activities to promote innovation in the mining sector. This includes exploring new technologies, processes, and techniques to improve operational efficiency, mineral extraction, and environmental sustainability.
6. **Skill Development and Training:** Invest in skill development programs and vocational training for the local workforce to enhance their employability.

in the mining sector. This will ensure that local communities can actively participate in and benefit from mining activities.

7. **Regulatory Stability and Consistency:** Provide a stable and predictable regulatory environment for the mining industry. Avoid sudden policy changes and ensure consistency in the implementation of regulations to instil investor confidence and attract long-term investments.

AGRI & FOOD PROCESSING

The agricultural and allied sectors in Goa play a relatively modest role in the state's economy, contributing 6.42% to the Gross Value Added (GVA) at current prices, according to provisional estimates for the year 2019-20. Meanwhile, the fisheries sector has a more significant impact, accounting for 2.32% of the total GVA and 35.86% of the agriculture and allied sectors, with a gross value added of ₹1,51,136 lakh in 2018-19.

Goa boasts a substantial fish catch and approximately 4000 hectares of marshy Khazan land suitable for shrimp farming. Marine and coastal fisheries make a significant contribution, accounting for 97% of the total fish production in the state.

However, considering the sharp decline in agricultural and food processing activities and the cultivable land remains underutilized, the focus is required on the adoption of modern techniques to increase yield and quality, with the ultimate goal of revitalizing the agricultural sector.

Action Plan:

- CII shall work with various stakeholders of the sector to prioritize the creation of a robust cold chain infrastructure and strengthen storage facilities for both perishable and non-perishable marine and agricultural commodities.
- CII shall work towards promoting balanced and integrated fertilizer use, farm mechanization, better input management, and post-harvest technology.

- Creating an improved procurement and distribution infrastructure and an enabling environment conducive to attracting investment in agro-based industry to accelerate the revival of agricultural production and animal husbandry activities.
- Support in providing remunerative price to the farmers, and generate employment opportunities in rural areas. Environmentally friendly processing of agro-products that add value to the agricultural, fish and animal husbandry produce and open up the export potential of the produce.
- Promoting Farmers' Training and Capacity Building with special emphasis on scientific farming methods and techniques and promoting cooperative farming to mitigate the issue of marginal land holding enabling farmers to use HYV seeds, irrigation, farm machinery etc.
- Cashew in Goa, unlike other states, is unique as the cashew fruit is not plucked from the trees in Goa unless it is fully ripe. The ripe cashew apple is utilized for the production of "Feni" and the cashew nuts are further processed. CII shall work towards protecting the land-holdings for cashew cultivation in the state which is rapidly disappearing for other forms of development.
- The following commodities hold potential for exports from the State which can be harnessed through proposer strategies:
 - Rice: Goan rice is of good quality but there exists a problem of aggregation of produce and milling.
 - Legumes: Local Cowpea (Alsando) is also grown, but as of now, production is low (around 4000-5000 tonnes). The surplus can be generated by adopting practices like micro irrigation but adequate marketing practices need to be adopted.
 - Spices: Black pepper and Nutmeg. Around 280 tonnes of pepper is being produced. The State has less number of large spice farms. The production of Kokkum is scattered in State but there is scope for it

as it has medicinal properties. Annual production of Kokkum is estimated to be 1000 tonnes.

- Flowers: Orchids, Anthuriums have export potential from State.
- Fruits: There is demand for mangoes in Asia Pacific market.
- Vegetables: Climatic condition in Goa is ideal for Bhindi, cluster beans, bottle gourds, and green chilli. Organic jackfruit
- Coconut: Coconut oil, derived from Coconut has a very different aroma and taste as compared to Karnataka and Kerala.

EDUCATION & SKILL DEVELOPMENT

Self-reliant Goa shall require an ecosystem where every citizen is educated & skilled, and for which it requires a well-established skilling ecosystem which aligns with the demands of various industries. To keep pace with the changing scenario in the skilling sector across the globe, the state needs to adapt to blended learning models and skilling infrastructure to deal with unforeseen challenges.

Action Plan:

- In collaboration with major stakeholders including Govt. and leading industry members, CII to work on strengthening its Model Career Centre in the state.
- Conduct skill gap analysis amongst industries, and attempt to get trades updated in ITIs and Professional courses run by Universities in the state.
- Promote industry-academia collaborations to expose students to the latest industrial processes and technologies and establish Innovation Clubs at the college level to nurture innovative thinking and encourage research and development.
- CII to support stakeholders of the education sector in implementing the New Education Policy 2020 effectively at all levels of education.
- Support private and Govt. universities in involving industry experts who have taken sabbaticals in teaching undergraduate courses.
- Focus on developing an industry-ready workforce through a multi-level approach, including improving the quality of education and training,

implementing dual vocational education and training programs, strengthening industry-institute partnerships, and enhancing train-the-trainer initiatives.

- Support the formation of Innovation Clubs at the college level to nurture innovative thinking and promote entrepreneurship by fostering industry tie-ups for relevant course offerings and internships.

INFRASTRUCTURE

Infrastructure is important for Goa's faster economic growth and poverty reduction. For the growth of the state's economy, it is required to integrate with other economies across the world with appropriate infrastructure in the shape of roads and railways, ports, power, and airports, along with the efficient operation of the same.

Goa has a well-developed infrastructure in terms of the Rail & Road network playing a crucial role in facilitating the movement of people and goods across the state. However, in terms of air and sea connectivity, there are some areas that require attention. Presently, most industries in Goa rely on Mumbai Airport for imports and exports, resulting in increased costs and coordination challenges.

Action Plan:

- CII shall work on developing air cargo infrastructure in Goa and improve direct flight connectivity with freight services.
- CII shall work towards the establishment of coastal shipping and barge services for container movement which would enhance sea connectivity and reduce dependence on JNPT Port for container transportation.
- CII would promote the concept of dry ports to facilitate export activities and streamline logistics operations.

- CII shall work towards addressing the state of infrastructure facilities in various industrial estates and enhancing the facilities in the establishments.
- CII shall work on strengthening customs operations which could smoothen trade and business activities in the state.
- Creation of Multi-Modal Logistics hub in state equipped with state-of-the-art warehousing and transportation facilities which would facilitate efficient movement of goods and support industries.
- CII shall submit recommendation to State Govt. advocating following:
 - Addressing the issue of high rentals and wharfage at Goa Port to encourage businesses to stay in the state.
 - Improving water supply infrastructure especially in Industrial areas to meet the growing demand.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.



Confederation of Indian Industry

Goa State Office (Western Region)

**1st Floor, Salgaocar Centre, Next to Mary Emaculate Girls High School,
Rua de Ourém, Panaji, Goa 403001**

Phone: 0832 242 2790. E-mail: cii.goa@cii.in