

KERALA ECONOMY

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| <ul style="list-style-type: none"> ▶ Service industry dominates the Kerala economy. ▶ Kerala's Human Development Index is the best in India. ▶ Kerala's economic progress is above the national average. ▶ In 2008-09, Kerala did somewhat better than the national economy, with a GSDP growth rate of 6.98 percent compared to the GDP growth rate of 6.7 percent for the country as a whole. ▶ At current prices the Gross State Domestic Product is estimated at Rs. 1,89,840.82 crore (quick estimate) during 2008-09 is Rs. 49316 as against Rs. 43104 during 2007-08 recording a growth rate of 14.41 percent in 2008-09. ▶ During 2008-09 the contribution from primary sector, secondary sector and tertiary, sector 12.42%, 25.02% 62.56% respectively to the GSDP at constant prices (1999-2000) constitutes. ▶ At current prices 14.47%, 24.59%, 60.94% respectively to the GSDP during 2008-09. ▶ Highest percapita income in Kerala-Ernakulam district. ▶ Lowest percapita income in Kerala-Malappuram district. ▶ The State Planning Board was set up in 1967. ▶ Chairman of the State Planning | <p>Board - Chief Minister - V.S.Achuthanandan</p> <ul style="list-style-type: none"> ▶ Vice Chairman of the State Planning Board - Prabhat Patnaik. ▶ Around 30 lakh Keralites are working abroad mainly in Persian Gulf; migration to where started with the Kerala Gulf boom. So the Kerala Economy is largely dependent on remittances. ▶ Kerala has the highest literacy rate in India. ▶ More than one third of the marine product exports of India is from Kerala. ▶ Kerala has opted for commercial agriculture more than food crops. ▶ Malappuram district has a higher number of unemployed persons in Kerala. ▶ Wayanad district has least number of unemployed persons in Kerala. ▶ Monozite is largely produced in the state of Kerala. ▶ The district having highest birth rate - Malappuram <p>Agriculture in Kerala</p> <ul style="list-style-type: none"> ▶ Kuttanadu is known as the Granary of Kerala. ▶ The contributing share of agriculture in GSDP was 56% in 1960-61 and 15% in 2006-07 ▶ The largest producer of Paddy in Kerala is Palakkadu. | <ul style="list-style-type: none"> ▶ Coconut reached Kerala from Sri Lanka. ▶ Red Chilli was brought to Kerala by the Portuguese from Brazil. ▶ Travancore Agricultural Department was organised by Sri Moolam Thirunal. ▶ Largest producer of Pepper in India is Kerala. ▶ Largest producer of Tapioca in Kerala is Thiruvananthapuram district. ▶ Central Plantation Crops Research Institute (CPCRI) in Kasargode was started in 1970. ▶ Waynad is the largest producer of coffee seeds and ginger in Kerala. ▶ Kasargode district is the only tobacco cultivating district in Kerala. ▶ Coconut is the most important agricultural product of Kerala. ▶ World coconut day is September 2. ▶ Chingam 1 is the Kerala farmer's day. ▶ Kerala cultivates 30% of its area with coconut, 16% with Rubber and 13% with Paddy. ▶ Kerala accounts for about 60% of the total production of coconut in India. The annual yield of coconut in Kerala is approximately 450 crores. Kozhikode district stands first in producing coconuts in Kerala. |
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Agriculture Related Awards

- ▶ Best coconut farmer - Kerakesari
- ▶ Best milk producer - Ksheeradhara
- ▶ Best from Journalist - Karshakabharati
- ▶ Best Agricultural Labourer - Srama Sakti
- ▶ Best SC-ST farmer - Karshakajyoti
- ▶ Best Agriculture Scientist-Krishi Vigyan
- ▶ Best Farmer - Karshakothama
- ▶ Best young farmer - Yuvakarshaka
- ▶ Best farmer who engages in soil protection - Kshonimithra
- ▶ Best Vegetable Farmer - Haritha Mithra

- ▶ About 90% of India's rubber production is from Kerala.
- ▶ Idukki and Wayanad are the spice districts of the state.
- ▶ Kerala is popularly known as the Spice Garden of India.
- ▶ Kuttanad is the place in Kerala where rearing of ducks is most popular.
- ▶ Two crop insurance schemes are currently in operation, viz, The State Crop Insurance Scheme and The National Agricultural Insurance Scheme.
- ▶ Central Plantation Crops Research Institute, Kasaragod (CPCRI) developed 4 new varieties of coconut trees namely Kalpa Prathibha, Kalpadenu, Kalpa Mithra and Kalpa Raksha.
- ▶ Tropical Botanic Garden and Research Institute is an autonomous Institute established by the Kerala Government.
- ▶ Indian Institute of Spices Research situated in Kozhikode.
- ▶ Central Tuber Crops Research Institute is established in 1963 with its headquarters at Sreekariyam, TVM.
- ▶ Kerala Agricultural University (KAU) is situated in Mannuthy, Thrissur.

Industry in Kerala

- ▶ The contributing share of industry in GSDP was 15% in 1960-61 and 26.8% in 2006-07.
- ▶ Cashew industry is the major traditional industry in Kerala.
- ▶ Largest number of industrial units are located in Ernakulam district. Wayanad has the least number of industrial units.
- ▶ Public sector undertakings in Kerala comprises of 72 units. The number of profit making units has gone upto 15 during the period April 2007 to september 2007.
- ▶ Cashew and coir are two Traditional Industries of Kerala.
- ▶ The manufacture of mats and mattings was 1st introduced in 1859 by Mr. James Durragh, an American who founded the firm M/S Durragh Smail Ltd, at Alappuzha with offices in London and New York.
- ▶ Coir Board was formed in 1954.
- ▶ The Coir Board was established by the central Government under the provisions of the Coir Industry Act 1955. There is a Coir Research Institute functioning at Kalavoor.
- ▶ Coirfed was formed in 1979 at Alappuzha.

Agriculture Related Industries

1. Kerala Agro Industries Corporation (KAMCo) - Athani (Ernakulam)
2. Kerala Live Stock Development Corporation - Pattom (Thiruvananthapuram)
3. National Seed Corporation - Karamana (Thiruvananthapuram)
4. Oilpalm India Limited - Kottayam
5. Command Area Development Authority (CADA) - Perukavu (Thrissur)
6. Coconut Development Board -Cochin
7. Bureau of India Standards - Agmark - Thathamangalam (Palakkad)
8. Central Soil Test Centre - Parottukonam (Thiruvananthapuram)
9. Central State Farm - Aralam (Kannur)
10. Central Integrated Pests Management Centre - Cochi
11. Farm Information Bureau - Kowdiar (Thiruvananthapuram)
12. Kerala State Horticulture Development Corporation - Vellayambalam (Thiruvananthapuram)
13. Milma - Thiruvananthapuram
14. Sugandhabhavan - Cochi (Palarivattam)
15. Marketfed - Cochi (Gandhibhavan)
16. NABARD Trivandrum
17. Kerafed - Trivandrum
18. Beefed - Pappanamcode (Thiruvananthapuram)
19. Serifed - Pattom (Thiruvananthapuram)
20. Bamboo Corporation - Angamali (Ernakulam)

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| <ul style="list-style-type: none"> ▶ The National Coir Training and Designing Centre was also established at Alappuzha in 1965. ▶ Kollam district has the largest number of Cashew Industry Units. ▶ Largest producer of cashewnut in Kerala is Kannur. ▶ Capex - Kerala Cashew Workers Apex Industrial Co-operative Society). Headquarters: Kollam (registered in 1984) ▶ First Textile Industry was started in 1881 at Kollam. ▶ KSIDC is Kerala State Industrial Development Corporation. It was set up in 1961. ▶ KINFRA is Kerala Infrastructure Development Corporation. It was set up in 1993 with Thiruvananthapuram as its headquarters. ▶ SISI is small Industries Service Institute. It is located at Trichur. ▶ KITCO is Kerala Industrial and Technical consultancy Organisation. It is situated at Ernakulam. ▶ RIDF is Rural Infrastructural Development Fund. It was formed by NABARD in 1995-96. ▶ SIDCO is small Industries Development Corporation. ▶ Kerala Khadi and Village Industries Board was set up in 1957. All India Khadi and Rural Development Board was formed in 1953. ▶ Aluva in Ernakulam district is the most important Industrial centre in Kerala. FACT is located there. Making of Ammonium Sulphate for the first time in India was done by the FACT. | <ul style="list-style-type: none"> ▶ Hindustan Machine Tools is located at Kalamassery. ▶ Kerala State Drugs and Pharmaceuticals is at Kalavur, Allepey. ▶ Cochin Export Processing Zone (CEPZ) is a Central Government owned institution. ▶ Cochin Stock Exchange was established in 1978. ▶ The purpose of the Industrial Single Window Boards is to streamline the process for obtaining clearances for setting up industries, reduce delays and cut red tapism. ▶ Lack of infrastructure facility is the major cause behind Kerala's Industrial backwardness. ▶ The first ship built in Cochin Shipyard, Rani Padmini was launched on January 27, 1980. ▶ Travancore Rayons is at Perumbavoor. ▶ Travancore Plywood Industries is at Punalur. ▶ Trivandrum Spinning Mills is at Balaramapuram. ▶ Mavoor Rayons was at Kozhikode. It was closed down recently. ▶ Kerala Automobiles is at Neyyatinkara. ▶ Newsprint factory is at velloor in Kottayam. ▶ The important radio active substance found in the coastal plains of Kerala are Ilmenite and Monozite. ▶ K.P.Gopalan was the first Industries Minister of Kerala. ▶ Kerala State Handloom Weavers Development Corporation was found in 1968. ▶ Keltron Electro Ceramics Limited started in 1974, is located Kuttipuram. | <ul style="list-style-type: none"> ▶ Kallayi near Kozhikode is one of the most important centers of world wood Industry. ▶ Greater Cochin Development Authority came into existence in 1976. ▶ Kerala ceramics in Kundara was founded in 1940. ▶ Travancore Rubber Factory founded in 1935 at Thiruvananthapuram was the first Rubber Factory in India. ▶ Keltron Equipments complex is situated at Karakulam in Thiruvananthapuram. ▶ Travancore Cement Factory was founded at Nattakam. ▶ Kerala Fisheries Corporation was founded in 1966. ▶ First Malayali to become director of Travancore Industries Department was I.C. Chacko (1921). ▶ Malabar cements Limited was started in 1978. ▶ Forest Industries Travancore is located in Taikkattukara near Aluva. ▶ FACT was started by Sheshasai brothers. ▶ FACT became a public sector institution in 1960. ▶ FACT is the first fertilizer, plant in Kerala. ▶ Mannam Sugar Mill is situated in Pandalam (Pathanamthitta) ▶ Cochin Refinery began to purify oil from Bombay High from November 1977. ▶ Cochin Refinery is situated at Ambalamukal in Cochin. ▶ Earlier the crude oil refined in Cochin Refinery was from Iran. ▶ Cochin Refinery was the fourth oil Refinery in India. |
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Tertiary Sector

- ▶ Service sector includes transportation, banking, education, health, tourism etc.
- ▶ The State Bank of India (SBI), Canara Bank and Syndicate Bank are the principal nationalised banks in Kerala.
- ▶ The State Bank of India offers around 228 branches and the syndicate Bank has 115

branches in the fourteen districts of Kerala.

- ▶ Tourism's contribution to state GDP is Rs. 7.70%
- ▶ First registered bank in Kerala - Thiruvithamkoor Permanent Fund (1910)
- ▶ Nedungadi Bank was the first private bank started by Appu Nedungadi in 1899.
- ▶ It was merged with Punjab Na-

tional Bank in 2003 due to acute financial problem.

- ▶ First floating ATM in the world was started by State Bank of Travancore (SBT) in between Cochin and Vypin.
- ▶ At the end of March 2008, the total number of commercial bank branches in Kerala was 3843, an increase of 163 branches from the previous year.

Kerala Model of Development

What is Kerala Model?

Kerala model is defined as the Kerala's high standard of living (comparable to US or Europe) at very low per capita income which is only 1/80th of US citizen's per capita income.

This model refers to a set of economic practices developed in the state of Kerala. These practices have resulted in the state attaining

a high level of standards in human development, despite having a very low industrial development. This anomaly of high social development despite economic backwardness, is variously known as the Kerala model, or the Kerala phenomenon. The unique demographic profile of the state as well as historical factors associated with the state's intervention have been considered

to be responsible for this phenomenon.

The Paradox of Kerala model

Kerala, a small state is one of the poorest regions in the world. Its per-capita GNP, at less than one eightieth that of the United States, is low even in comparison to those of other lesser developed countries.

In spite of this extreme poverty, Kerala is known for free universal health care and education, and an overall standard of living that is the envy to the Third World. Its citizens enjoy life expectancies and literacy rates nearly comparable to those in highly industrialized and wealthy nations such as the U.S. Though they have not disappeared, caste and gender divisions have faded to an impressive extent. Infant mortality and birth rates have dropped.

Demographic Indicators (2008)

Index (Per 1000 person)	Kerala	India
Birth rate	14.6	22.8
Death rate	6.6	7.4
Infant mortality rate	13.0	55.0
Life expectancy	74.0	63.5

Source: Economic Survey 2009.