

8.1 Background

Sambalpur is an agrarian economy and it is not mineral rich. Rice milling and sponge iron dominate the industrial sector. There are, however, developments which will give fillip to its industrial growth.

8.2 Mining

Sambalpur is not a significant mining area of Orissa, as is evident from the following.

There is one coal mining lease in Sambalpur amounting to over 170 ha. Sambalpur accounts for 1.32% and 4.6% of mining leases in Orissa in terms of number and area respectively. There is some china clay mining in Sambalpur. The mining activity profile of the district is as follows.

Traders : 210

Storage Depots : 9

Processing Units : 14

Mineral based Industries : 130

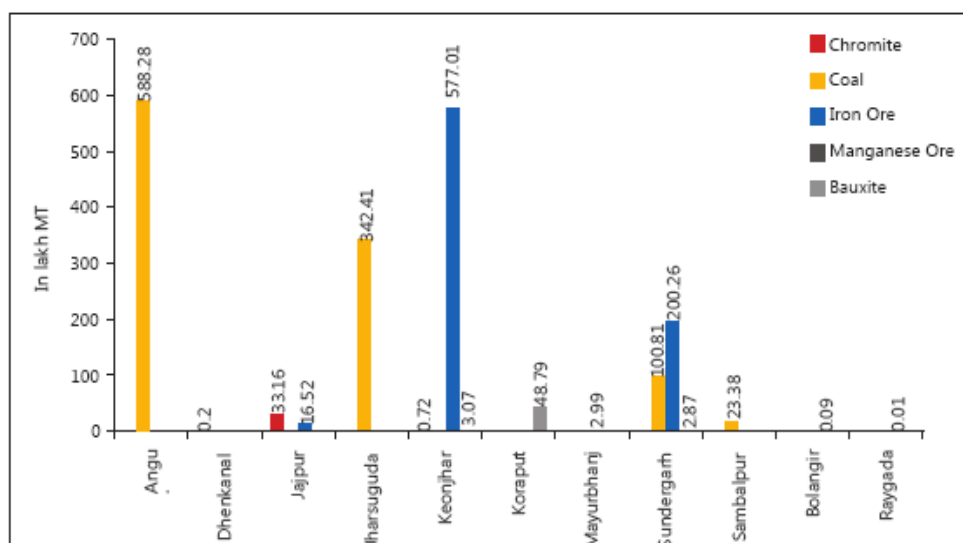
Total Enterprise : 363

Sambalpur is the headquarters of Mahanadi Coalfields Limited (MCL). It is one of the eight subsidiaries of Coal India Limited. It has its coal mines spread across Orissa. It has total seven open cast mines and three underground mines under its fold.

MCL has two subsidiaries with private companies as a joint venture. These are MJSJ Coal Limited & MNH Shakti Ltd. The net operating revenue of MCL during 2010-11 was Rs. 9359 crores. It employed 21425 persons (**Chart 8.1**).

Chart 8.1

Mining Status: Sambalpur



8.3 Medium And Large Industry

Sponge iron dominates the medium and large industry sector. There are 10 sponge iron industries; which have a direct reduction kiln capacity of 5000 tons per day. The share of Bhushan Ltd in this is 40%; Viraj Steel and Energy and Shyam DRI Power being the other significant players (14% each). 58% of gross capacity is concentrated at Rengali.

Table 8A

Sponge Iron Industries in Sambalpur District

Name & Location	DRI Kiln No/ Capacity in TPD
Aryan Ispat & Power Ltd, Bamaloi, Rengali	200
Bhusan Ltd, Thelkoloi, Regali	2000
Maa Samaleswari Sponge Iron Ltd., Katarbhaga, Rengali	2100
Maa Samaleswari Industries (P) Ltd, Lapanga,	2100
R.B. Sponge Iron (P) Ltd., Kenghati, Jayanpur	150
Rathi Udyog Ltd., Near Chipilima	500
Samaleswari Ferro Metals (P) Ltd,Bisal Khinda,Sasan	100
Shyam DRI Power Ltd., Pandaloi	700
T.R.Chemicals ltd., Belpada	3100
Viraj Steel & Energy, Gurupali, Rengali	700
Total	5000

The other major industries located at Sambalpur are:-

- Hindalco – Aluminium Ingot
- Hirakud Industrial Works – Galvanising

8.4 Small Industry

The small scale industries in the district are either resource-based, viz., rice mills and oil mills or demand based– cement products, stone crushing, bricks, agricultural implements, detergent, furniture and fabrication. They are concentrated in Dhankauda, Maneswar, Kuchinda, Bambara and Rengali blocks. Given availability of such minerals as fire clay, quartz, soap stone, mineral processing units have come up.

There are 10 ancillary units making spun pipe, tyre retreading, wire nails, coal tar and casting. These cater largely to Mahanadi Coalfields Ltd.

Until 2000, there were 486 SSI units in the district and 253 of these were located within Sambalpur municipality. Dhankauda block was another important location (60 units). Between 2000-01 to 2004-05, 832 new SSI units came up; entailing an investment of Rs. 3334 lacs and employment for 2548 persons. 155, 80 and 72 of these are located in Sambalpur municipality, Dhankauda block and Maneswar block respectively.

On the whole, small industry growth is not so brisk; the average annual growth being approximately 100 units, an investment of Rs. 6 crores and employment for 500 persons.

Table 8B
Small Industries Location, Sambalpur District

No.	Name of the Block/NAC/ Municipality	No. of units Set-up (upto 1999-2000)
1	Sambalpur Municipality	253
2	Hirakud (NAC)	18
3	Burla (NAC)	17
4	Rairakhol (NAC)	04
5	Kuchinda (NAC)	--
6	Kuchinda Block	12
7	Dhankauda block	60
8	Rengali block	36

9	Maneswar block	40
10	Jujumora block	28
11	Bamra block	04
12	Jamankira block	11
13	Naktideul block	03
	TOTAL :	486

TABLE 8C
Small Industries: Activity

No.	Category	Working (No)
1	Rice Mill	53
2	K.B.Bricks	18
3	Stone crusher	41
4	Cement based units	95
5	Fly ash bricks	02
6	Petro based units	03
7	Chira Mill	--
8	Soap & Detergent	04
9	Printing Press	15

8.5 Rice Mill Cluster

Sambalpur and Bargarh districts presently own 150 numbers of rice milling units. The processing/milling capacity of these units ranges from 2MT/hour to 8MT/Hour. The units are located in various blocks and villages of Sambalpur and Bargarh districts. Capacity wise rice milling unit of Sambalpur and Bargarh district

Table 8D

Rice Milling Units in Sambalpur & Bargarh District, 2001-05

Sl. No.	Year	No of units working	Production in kac MT	Value (Rs. Crores)	Installed capacity in lac MT on single shift basis
1.	2001-02	96	3.79	354.40	6.91
2.	2002-03	110	4.32	411.30	7.92
3.	2003-04	135	5.30	504.61	9.72
4.	2004-05	150			

The share of Sambalpur in above exceeds 35%.

8.6 Employment Generation Activity

The Prime Ministry Rozgar Yojna is an employment promotion scheme. In Sambalpur, it has promoted largely the following activities.

Industry: Fabrication, cement products, soap & detergent making, terracotta products, agarbati manufacturing, spices grinding etc

Service: Honey processing, pump set repairing, body building garage, Xerox centre, laundry, dry cleaning, radio & tv repairing, auto cassette repairing, tailoring, rice huller and attachaki etc

Business: Mil & product parlour, daily needs shop, mobile book stall, utensil stall for weekly haat, egg and allied shop, daily, poultry, readymade garment, ice cream parlour etc

Over 1993-94 to 2003-04 period, 2595 enterprises were set up under PMRY. These entailed an investment of Rs. 1938 lacs and generated employment for 4253 persons. Nearly half of these enterprises were established in Sambalpur Municipality area.

8.7 Cottage Industry

There are 116 cottage industry style activities identified by Khadi and Village Industries Commission. During 2000-05, 68 KVIC units entailing an investment of Rs. 47 lacs and employment for 122 persons came up.

There exists a bamboo cluster at Jhakabahali of Manswar block (60 families). NABARD has supported a handicraft cluster (212 families) at Rengali.

A satellite training and design centre for training in apparel work, with assistance @ Rs. 30 lacs plus 8000 to 10,000 sq.ft space from the state govt- is being set up by Apparel Export Promotion Council.

There are 1500 weaver families in Sambalpur district; who own 2000 looms. The Sambalpur style of weaving enjoys national brand equity. Despite growth of handloom, sericulture has not developed in the district. A small beginning has been made in Kuchinada block.

There are 1200 artisans engaged in art textiles, cane and bamboo, dhokara casting, brass and bell metal, leather and sisal fibre work. The existing networks are located as follows.

- Art Textiles - Kardola, Huma, Charpali
- Brass and Bell metal - Ganesh Nagar, Chaul-depot of Renglai village
- Terracota - Sahajbahal, Chakuli, Jharabaga
- Dhokra castings - Chaurpur, Mahulpali
- Cane and Bamboo works - Kilasama, Khinda, Gochhara, Rengali, Jhankerbahali
- Sisal fibre weaving – Gaudapali, Bamra
- Leather works - Dhama.
- Wood Works- Themra
- Bee Keeping – Jamankira
- Goolden Grass – Maneswar, Rengali, Dhankauda

There is an industrial estate each at Sambalpur and Rengali.

8.8 Major Developments And Outlook

Sambalpur accounts for 4.64% of total investment approved in Orissa.

The Orissa govt plans to develop an industrial corridor from Paradeep to Rourkela via Choudar, Talcher and Sambalpur. It will pass through National Highway No. 42 and No. 5(A) under the project, road and rail-both-corridors will be developed. The industrial units and downstream units would be developed over 25 km are on both sides of the corridor. The industrial corridor follows a plant to develop rail-road-water supply corridor over Choudwar to Rourkela. The corridor is expected to bolster the industrial and commercial growth of Sambalpur.

Orissa Government has set up Western Orissa Development Council. The council is launching many development programmes. The Council has approved Rs. 3.5 crores for

financing the Sambalpuri Bastralaya in form of equity share.

There is a 210 acre aluminium SEZ being developed at Lapanga by Hindalco. There is a 530 acre steel SEZ being promoted by Bhushan. These SEZ's will accelerate the industrial growth of Sambalpur. 224 acre aluminium SEZ being set up at Jharsuguda will also have a salutary impact on Sambalpur economy.