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MARC Insights

Hubballi – Dharwad: An Emerging Industrial Powerhouse

September 2024



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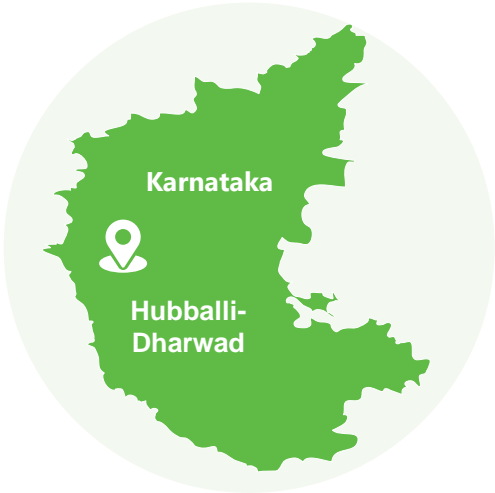
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Overview of Hubballi - Dharwad

Overview of Hubballi – Dharwad (1/2)

- Hubballi & Dharwad are two cities in the state of Karnataka, **separated by a distance of 20 km** and together known as the ‘twin cities of Karnataka’.
- The **history** of the twin cities dates back to the 12th century and has witnessed the rule of various dynasties.
- **Hubli–Dharwad Municipal Corporation** is a municipal corporation for the twin cities.



1,337,000

Estimated Population - 2024
(Hubballi – Dharwad combined)



213 sq. kms.

Total Area
(Hubballi – Dharwad combined)



6277 people per sq. kms.

Estimated Density
(Hubballi – Dharwad combined)

Ranks



2nd Largest Municipality in Karnataka in terms of the combined area and population.



3rd Fastest growing & developing industrial hub in Karnataka

Known For

- Industries
- Tourism
- Educational Hub
- Cultural Heritage

Famous Places

Religious Tourism: Chandramouleshwara Temple, Siddharoodha Math

Tourist Attractions: Unkal Lake, Indira Gandhi Glass House Garden, Nrupatunga Hill

Source : [Hubballi-Dharwad Wikipedia](#) & [census2011.co.in](#)

Overview of Hubballi – Dharwad (2/2)

Transportation System

Roadways

The region is well connected by a network of national highways (NH 48, NH 63, NH 218)



The Hubballi-Dharwad Bus Rapid Transit Services (HDBRTS) is managed by the North-West Karnataka Road Transport Corporation (NWKRTC).

Headway Metrics of BRTS

- **Express Services** – Headway of less than 10 minutes during peak hours
- **Regular services** – Headways ranging from 10 to 30 minutes depending on the route and time of day.

HDBRTS corridor spans: **22.5 km**

Fleet : **100** standard 12m Buses

99,000 passengers per day

Railways

Approx. 25 railway stations exist in the region



The two major ones are :

- **Hubballi Junction Railway Station**
2nd Busiest railway station in Karnataka & has the longest railway platform globally
- **Dharwad Railway Station**
Underwent INR 40 crore revamp with new terminal and additional platforms



Light Rail Transit (LRT) is an upcoming rail project to commute within the twin cities which will be completed by mid - 2025

Airways

Hubballi Airport established in 1947, serves the twin cities of Hubballi and Dharwad. It is connected to major cities like Bengaluru, Chennai, Hyderabad, Mumbai, New Delhi, & Pune.



Approx. 6 to 7 Flights Daily

Easy access via taxi, buses and private vehicles

Nearest Railway Stations

**Unkal (7.5km away)
Hubli Junction (8 km)**

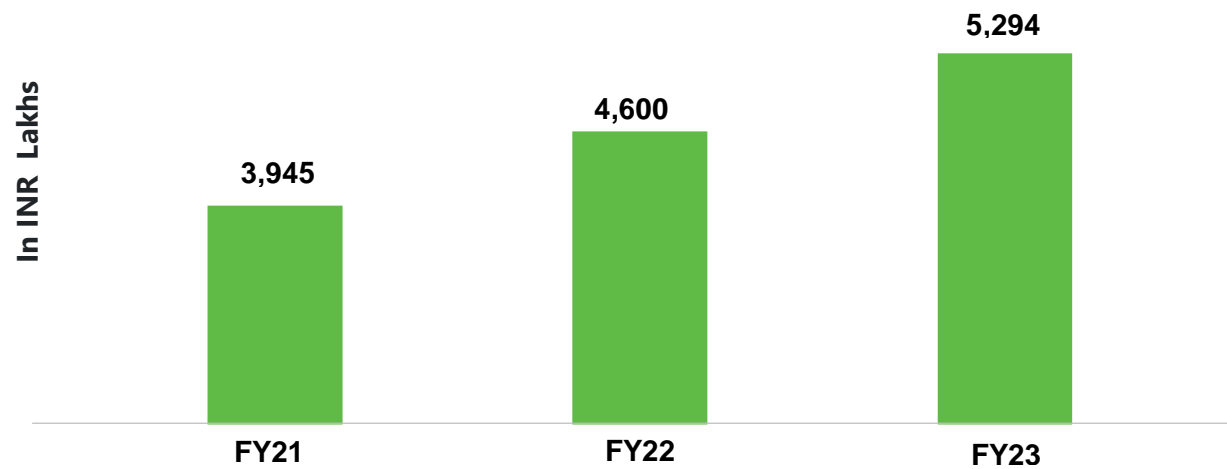
Source : hubballidharwadinfra.com, Ministry of urban development, Dharwad.nic.in, & Hubballi-Dharwad Wikipedia

Economic Highlights

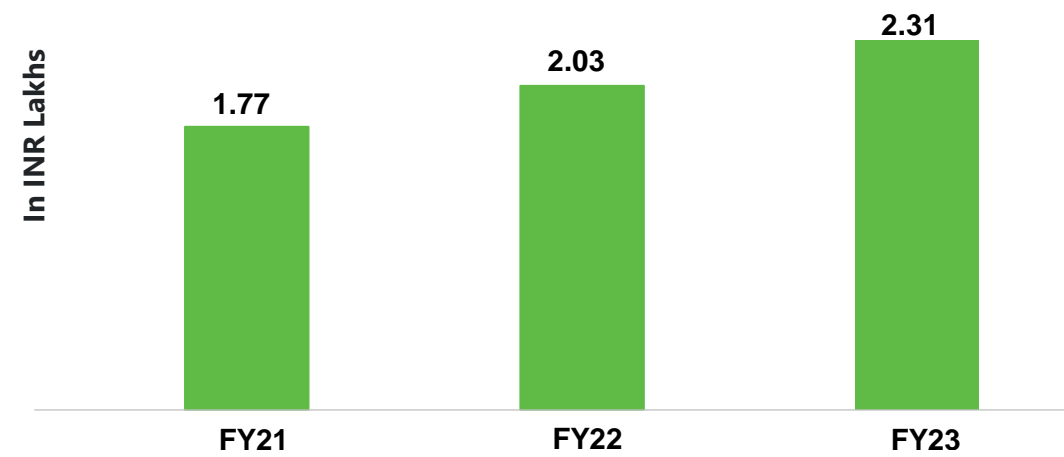
Economic Overview

The GDDP of Dharwad has been growing at an average **CAGR of 16%** whereas the per capita NDDP of Dharwad has been growing at a **CAGR of 14%**.

***Gross District Domestic Product (GDDP) at Current Prices:
Dharwad**



***Per Capita Income (Per Capita NDDP at Current Prices):
Dharwad**



 **INR 1,491 Cr**

Budget Estimate for FY25

 **#10**

**Dharwad's GDDP Rank among
Karnataka Districts in FY23**

 **3.2%**

**% growth in *CPI Index for
Industrial workers in FY24**

 **#6**

**Rank for services contribution
among Karnataka Districts in FY23**

Note: The economic activity data presented here is for Dharwad district, as Hubballi is a part of this district and specific data for Hubballi is not available separately.

**CPI-IW tracks price changes to show how inflation impacts industrial workers' real income.*

Source : [GOK Economic Survey 2022-23](#) & [Economic Survey 2023-24](#), [HubballiDharwadCityCorporation](#)

Key Economic Drivers

The region is focusing on inclusive growth and empowering citizens through **location advantage, technology, infrastructure and its skilled workforce.**



Strategic Location

The region's strategic location **along major transportation routes** enhances its connectivity to key markets, making it an attractive destination for businesses.



Agricultural Market

Serves as a major trading center for agricultural produce with a large **Agricultural Produce Market Committee (APMC)** market.



Infrastructure Improvements

Significant investments in infrastructure, **including road connectivity and public transport systems**, are being made.



Industrial Development

Home to 30+ large scale industries & 29,000+ small scale industries and ancillaries, it is one of the **49 metropolitan clusters** selected by McKinsey & Company as growth hotspots in India.



Educational Hub

The region is known as "**Shikshana Kashi**" & the presence of prestigious institutions like ***IIT Dharwad, *IIIT Dharwad and 6 universities** contributes to a skilled workforce.



Government Support

The Karnataka government is **actively promoting investment** in the region through various incentives and initiatives.

**Indian Institute of Technology*

**Indian Institute of Information Technology*

Source : Hubballi-Dharwad Wikipedia & The New Indian Express

Pillars of Hubballi-Dharwad's Industry (1/2)

Industrial Clusters present & factors driving their growth



Automobile and Auto Ancillaries

Auto Clusters

Industrial valve cluster

- Vast local market with a strong customer base
- Proximity to India's southern (Tamil Nadu, Karnataka, and Andhra Pradesh) and western (Gujarat and Maharashtra) auto clusters



Pharma and Biotech

Biotech Institution Clusters

- Favourable infrastructure
- Strong focus on research and innovation



Clean Energy

Wind Cluster

- Private Sector Participation
- Technological advancements
- Government's focus on sustainability



IT, ITES and electronics

*IT Parks / SEZs, Brownfield
ESDM Cluster*

- Government Incentives for IT/ITES
- Technology Parks and Incubation Centers



Construction

*Bengaluru Mumbai
Industrial Corridor (BMIC)
Dharwad Node*

- Urban Development Projects
- Investment in infrastructure



Textile & Garments

Apparel Parks

- Skilled Labour Force
- Increasing Investment
- Rich traditional textile legacy



Start-Ups

Hubballi-Dharwad-Belagavi

- Growing culture of entrepreneurship
- Supportive environment for startups

Source : [Deloitte Report – Karnataka : Powering India's growth March 2024](#)

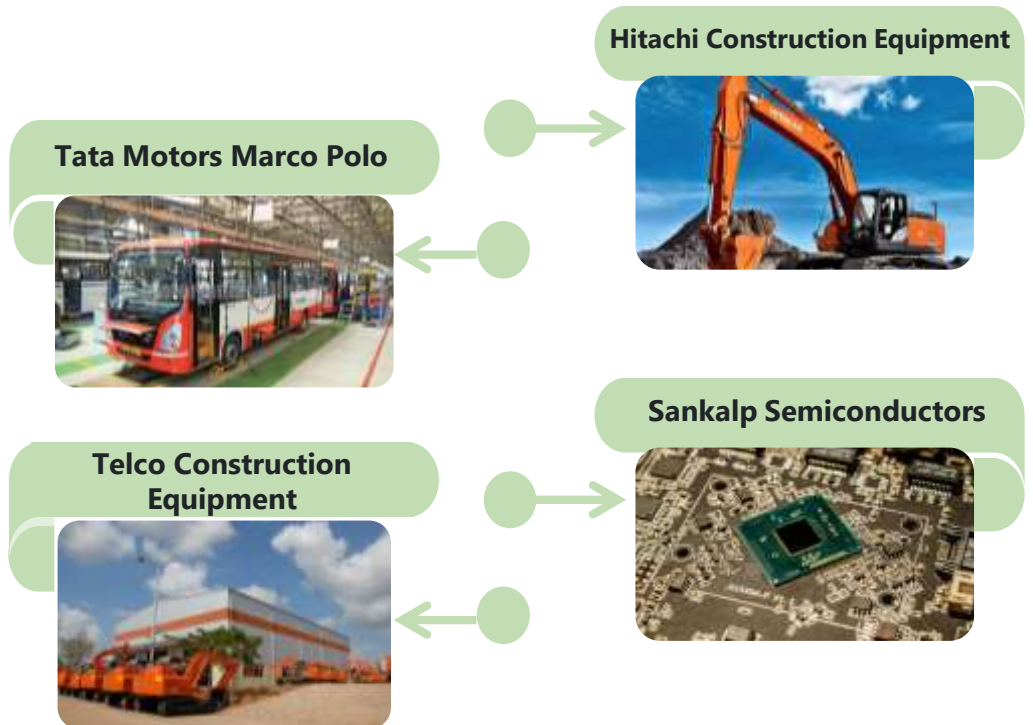
Pillars of Hubballi-Dharwad's Industry (2/2)

Data of the Industrial Areas & Estates		
Sr. No.	Industrial Areas	Areas in Acres
1	Belur Industrial Area, Dharwad	1479
2	Belur Single Unit Complex (SUC), Dharwad	647
3	Rayapur Industrial area, Dharwad	326
4	Gamanagatti Industrial Area (Stage 1), Hubballi	245
5	Tarihal Industrial Area, Hubballi	238
6	Gamanagatti Industrial Area (Stage 2), Hubballi	205
7	Lakamanahalli Industrial Area, Dharwad	71
8	Sattur Industrial Area, Dharwad	59
Sr. No.	Industrial Estates	Areas in Acres
1	Gokul Village Industrial Estate, Hubballi	102
2	Gamanagatti Industrial Estate, Hubballi	64
3	MT Sagar Industrial Estate, Hubballi	21
4	Belur Industrial Estate, Dharwad	17
5	Lakamanahalli Industrial Estate, Dharwad	3.5

Source: [PaiHotels](#), [HubballiDharwadInfra](#)

Giants Shaping Hubli's Industrial Landscape

Several renowned companies, alongside numerous medium and small-scale industries, have established operations in Hubballi, driving the city's industrial growth.



Government Support & Initiatives

Government Support and Initiatives

1

Beyond Bengaluru Initiative

The **Beyond Bengaluru program** of Karnataka Digital Economy Mission (KDEM) launched in 2020 aims at proliferating the growth of the digital economy in clusters beyond Bangalore such as areas of Mangalore, Mysuru, and Hubballi-Dharwad-Belagavi, by steering towards getting investments and generating employment in the State.

Collaboration with the Department of Electronics, IT, and KDEM to execute the initiatives

Provides funding through a cluster seed fund for startups

The 'Hubballi-Dharwad-Belagavi' Cluster

400+ Startups

80+ Funded Startups

90+ IPs filed

4500+ Jobs added
between 2020-2023

3+ Acquisitions worth
INR 1,500 Cr

65+ Trademarks registered

30%+ Women Entrepreneurs

01

Industry Focus

AI, machine learning, IoT, advanced manufacturing enterprises, Edtech & Agritech

02

India's first EV Industrial Zone

This zone will cover 500 acres in the HBD Cluster.

03

Karnataka Start-up Hub

An iconic world-class infrastructure will house 5,000 start-ups.

04

Future Projections

By 2030, the cluster is expected to contribute approx USD 10 billion to the tech industry

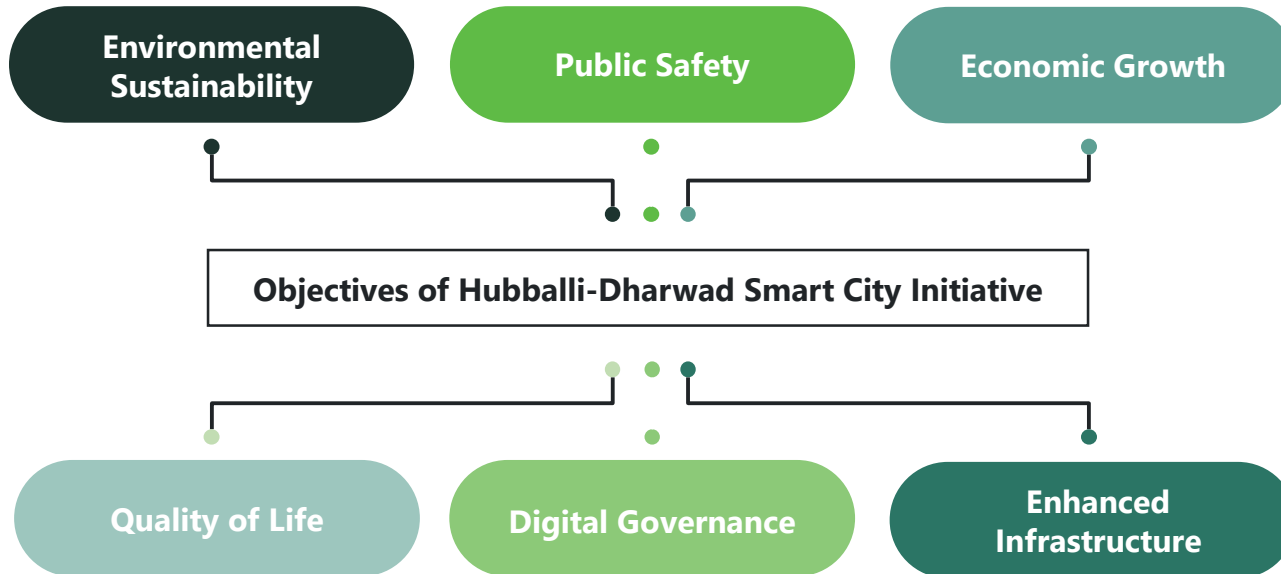
Note : The data is extracted from the most recent KDEM report published in 2023.

Source : [Deloitte Report – Karnataka : Powering India's growth March 2024](#), [businessstoday.in](#) & [karnatakadigital.in](#)

Government Support and Initiatives

2

Hubballi-Dharwad Smart City Initiative



The Hubballi-Dharwad Smart City Initiative is a transformative project aimed at enhancing livability, sustainability, and economic viability of the twin cities of Hubballi and Dharwad in Karnataka, India

This initiative is a part of the broader ongoing **Smart Cities Mission** which was started in the year 2015 by the Government of India, seeking to develop 100 smart cities across the country.

As of today, Hubballi-Dharwad has achieved ~**10 completed projects** and various other projects ongoing, reflecting significant progress in urban development and infrastructure enhancement.

Approximate Investment :

(For Hubballi-Dharwad Smart City)

INR 1,417 Cr

For Area-based development

INR 245 Cr

* For Pan-City ITC-driven components

* "Pan-City ITC-driven components" refers to integrated technological solutions that enhance urban living through Information Technology and Communication (ITC)

Source : [squareyards.com](https://www.squareyards.com) & [magicbricks.com](https://www.magicbricks.com)

Government Support and Initiatives

3

Some Other Initiatives

Dharwad Special Investment Region (SIR)

The first Special Investment Region (SIR) will be established in Karnataka, covering Dharwad, Gadag, Haveri, and Belagavi districts.

Brownfield ESDM Cluster

The Brownfield ESDM Cluster is established in Hubballi's Sandbox Start-ups, a government initiative with Deshpande Foundation & IESA.

Promotional Activities Organized by VTPC

Visvesvaraya Trade Promotion Centre (VTPC) has established Export Information Centres at Dharwad & Mysuru to facilitate exporters of the State. It also conducts various capacity building programs.



Akka Café

Akka Café initiative is all set to empower women entrepreneurs in Hubballi-Dharwad, with officials identifying locations for the project soon.

Very Large-Scale Integration (VLSI) Incubation Centre

The VLSI Incubation Centre has been established at Bhoomaraddi College of Engineering and Technology, Hubli in association with IESA.

Micro, Small enterprises – Cluster Development Programme (MSE-CDP)

The Ministry of MSME, Government of India (GoI), uses the Cluster Development approach to enhance MSE productivity and competitiveness.

Source : [Times of India](#), [GOK Industrial Policy 2020-25](#) & [Deloitte Report – Karnataka : Powering India's growth March 2024](#), `

Future Prospects, Key Challenges & Conclusion

Future Prospects

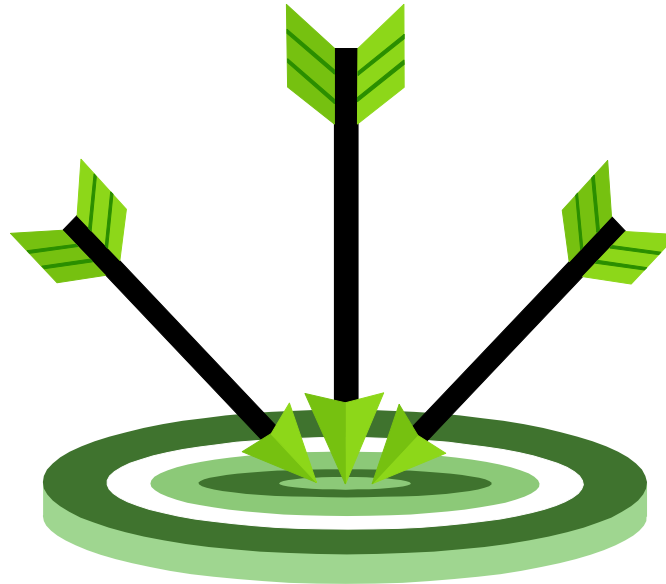
***“Technology, infrastructure and smart governance will take the Hubballi-Dharwad region to new heights”** – Prime Minister, Shri Narendra Modi made this remark while he dedicated and laid the foundation stone of key development projects in Hubballi-Dharwad, Karnataka on 12th March 2023.*

Major Investments in Manufacturing

Japan based Nidec has committed an additional **INR 600 crore** to expand its facility in Hubballi-Dharwad, bringing its **total investment to INR 1,050 Crore**. This facility will produce alternators, motors, and drivers for critical sectors such as EV's.

Development of Bengaluru-Mumbai Economic Corridor (BMEC)

The **Dharwad node** on BMEC will be developed on **6,042 acres** to make it globally competitive in heavy engineering, automobiles, auto and engineering ancillary, aerospace, and defense sectors.



Emergence of Specialized Cluster

The region is set to develop specialized industrial clusters, including a **Fast-Moving Consumer Goods (FMCG) cluster**, with plans of achieving 35% economic growth by 2025.

Source : [GOK Industrial Policy 2020-25](#), [Economic Times](#) & [The Hindu](#)

Key Challenges

Lack of Basic Amenities

Some prominent Industrial areas in Dharwad such as areas in Rayapura, Gamanagatti, and Gokul are struggling with issues like inadequate street lighting and poorly maintained roads

Long-term vision and Planning

The region should focus on devising long-term plans since currently, it is focusing more on achieving short-term plans that span across a budget-to-budget or election-to-election tenures.

Workforce Development

The region must focus on workforce training and skill development to meet the demands of new industries, particularly in high-tech sectors like AI and IoT.

Transport Connectivity

The existing transport infrastructure requires significant upgrades to support industrial activity.

Infrastructure Planning

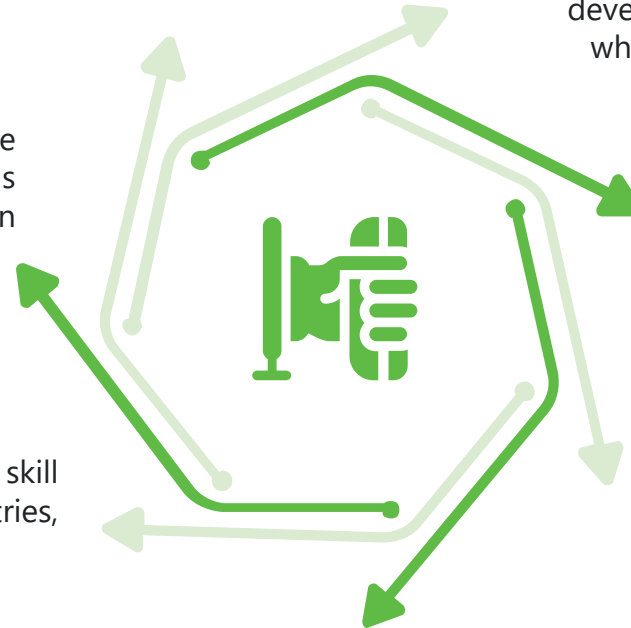
The rapid growth of the region could lead to haphazard development similar to what has been experienced in Bengaluru, where infrastructure has not kept pace with population growth.

Environmental Concerns

Proactive measures in waste management and pollution control should be in place to ensure that industrial growth does not come at the expense of the environment.

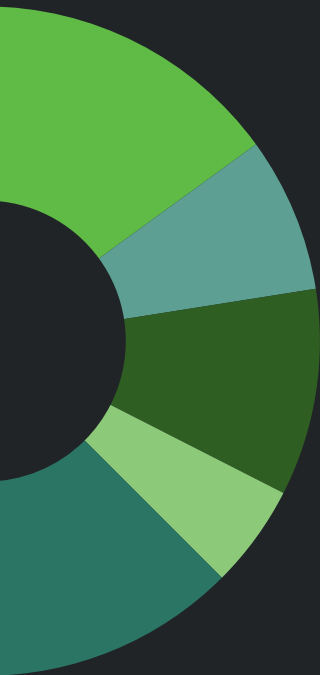
Bureaucratic Hurdles

Delays in addressing infrastructure maintenance and the slow response to industrialists' needs can hinder business operations and deter potential investors.



Source : [Times of India](#), [The New Indian Express](#), & [Tax management India](#),

Conclusion



Promising Industrial Future

Hubballi – Dharwad’s transformation into a thriving industrial hub is evident in the significant investments, diverse industries, and supportive government initiatives.

Entrepreneurial Spirit

The region has a strong entrepreneurial culture with over 29,000 small-scale enterprises and ancillary units contributing to the industrial ecosystem.

Supportive Government Policies

The Karnataka government’s proactive approach to industrial development, through initiatives like the Invest Karnataka Conference and the development of industrial nodes, has created a conducive environment for businesses to thrive

Robust Infrastructure & Connectivity

The region’s well-developed infrastructure, including the Hubballi Airport, national highways, and the upcoming Bengaluru-Mumbai Industrial Corridor, provides excellent connectivity and facilitates seamless economic growth.

Collaborative Approach to Development

By fostering collaboration and inclusive growth, the region can ensure that the benefits of industrialization are shared equitably and contribute to the overall well-being of its citizens.

Source : MARC Analysis



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