



Punjab

The State Profile

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Salil Bhandari
President

Foreword

Punjab is widely acknowledged as the “Granary of India”. Since the land is fertile and its free from physical undulation, agriculture has been undertaken very profitable in the state. Although, the state receives scanty rainfall, the rivers in the region provide respite. Major crops include wheat, rice, sugarcane, cotton and oilseeds. Punjab is the second largest producer of wheat in India. Fodder crops like jowar and bajra are cultivated to a large extent. Oilseed production has a prominent role to play in the state's economy.

Industrial growth in recent years has been a major contributor to the state's economy. The excellent infrastructural framework namely connectivity by road, rail and air has paved way for industrial prosperity. The prime industries are textile, food processing, beverages, sports goods, engineering goods, chemicals, handicrafts, tourism and IT and electronics.

Punjab offers conducive milieu for industrial investments by providing various policy incentives and good industrial infrastructure. The state is abound with rich cultural tradition and heritage coupled with good infrastructure, which makes the state, one of the favorable destination by domestic and international tourists. Tourism is one of the prominent sectors of the state and there lies immense potential to promote traditional tourism.

With the rich agricultural base to its credit, rice remains the prominent export item from the state. Other major principal exports items from the state are ready made garments and hosiery, engineering goods, sports goods, yarn and textiles and hand tools. Ludhiana, Amritsar and Jalandhar accounts maximum share in the state's exports.

On social front, state has performed reasonably well with a very small proportion of people living below poverty line and literacy rate of the state is higher than the national literacy levels. However, the unemployment situation is critical and needs to be addressed with more investment in creating job oriented education system. The economy has undergone several changes which have come about with the collaborative efforts of the government and other stake holders. It is all set to scale new heights to emerge as an economy with sustainable and inclusive growth, going forward.

Salil Bhandari



Susmita Shekhar
Deputy Secretary General

Preface

Punjab: The state profile is an extensive study of the state of Punjab, that the PHD Chamber has come up with and it gives me immense pleasure and honour to present it to our esteemed readers. This study is unique in its kind, which captures the essence of the grass roots of the lush green state of Punjab.

The study is an exhaustive report on the state's economy and its socio-economic scenario. It includes its economic policies like, industrial policy, agro and food processing policies and social infrastructural framework.

The study also brings together latest developments in the state and highlights potential roadmap for its further growth. It has made recommendations to improve the agriculture production scenario, to capitalize on the opportunities emerging from its innovative policies, to explore alternative energy based industries and to strengthen the tourism sector. Finally the study recommends measures to attract investments in the various sectors of the economy.

The PHD Chamber has always aimed to be an important stakeholder to the development of the Northern and Central states of India and the nation. I hope this study helps in further policy formulation in the state, so as to serve as a vehicle for its inclusive growth and socio-economic development. This is one of the studies in the series of state profiles that the chamber is coming out with and we would also be bringing out other state profiles in the coming times.

I commend and appreciate the tireless efforts of PHD Research Bureau, which has come up with this report with their focused approach. I would also like to express my gratitude towards Mr. Rajiv Bali, Chairman and Mr. R.S. Sachdeva, Co-Chairman, Punjab Committee for their support.

I hope that this report serves as a handy and informative readers' guide!

Susmita Shekhar

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Abbreviations

BPL	Below Poverty Line
bn	Billion
CD Ratio	Credit Deposit Ratio
EAG	Empowered Action Group
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GFD	Gross Fiscal Deficit
GSDP	Gross State Domestic Product
IT	Information Technology
ITES	Information Technology Enabled Services
mn	Million
MT	Million Tonnes
NSDP	Net State Domestic Product
PD	Primary Deficit
PHC	Primary Health Centre
PRB	Primary Revenue Balance
PWD	Public Works Department
RD	Revenue Deficit
SEZ	Special Economic Zone
TRAI	Telecom Regulatory Authority of India
IMR	Infant Mortality Rate
MNCs	Multinational Companies
J&K	Jammu and Kashmir

Punjab



Punjab is a state endowed with rich culture, tradition, religion and acknowledged for its self-dependence, self-reliance and glory. It is located in the North-Western region of India and is bounded on the West by Pakistan, on the North by Jammu and Kashmir, on the North East by Himachal Pradesh and on the South by Haryana and Rajasthan.

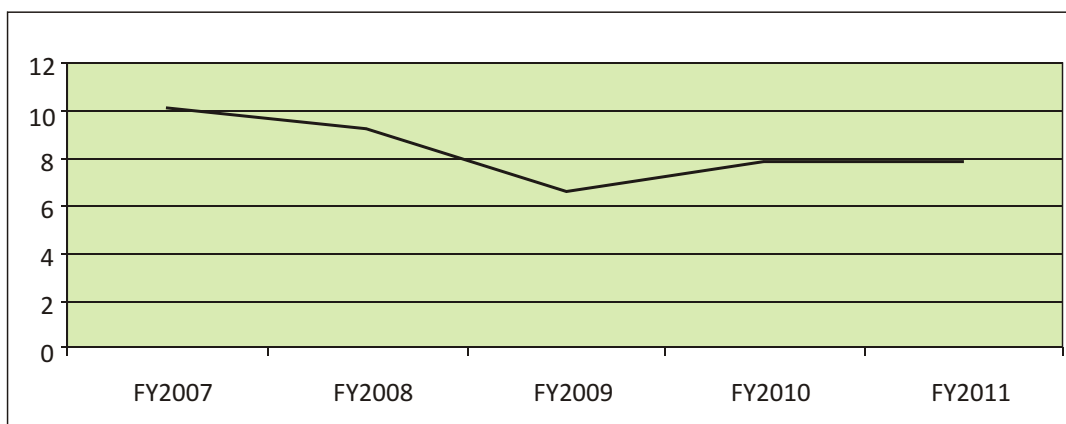
The state is subdivided into three parts namely Malwa, Majha and Doaba. Malwa regions constitutes majority of the region in the state and comprises of cities like Ludhiana, Patiala, Bhatinda and Mohali , whereas Majha embrace modern districts of Amritsar, Gurdaspur and Tarn Taran and lastly, Doaba is one of the most fertile regions of the world and was the centre of the Green Revolution in India, includes biggest cities such as Jalandhar, Hoshiarpur, Adampur, Nawansher and Phagwara.

Punjab is predominantly an agrarian state and more than 60% of the population lives in rural areas. The state is an exquisite land of monuments of historic significance, enchanting scenes of natural beauty, awe-inspiring religious sites and fertile greenery and has enjoyed a prominent position in sports. The state has won numerous awards in athletics, kabbadi, weight lifting, hockey and kho-kho.

1. Structure of the economy

Punjab is one of the fastest developing states in India. The state has posted a steady growth during the last decade. The average real GSDP of the state has grown at around 8% during the last decade (FY02-FY11) and has increased more than twofold from around Rs. 71146 crore in FY2002 to around Rs. 151941 crore in FY2011.

Growth of Real GSDP



Source: PHD Research Bureau, compiled from Department of Planning, Government of Punjab

Tertiary sector contributes a significant share of around 43% in the GSDP followed by the secondary and primary sector at 29% and 28% respectively during FY2011. However, the share of agriculture has declined from around 32% in FY2005 to 28% in FY2011. While share of secondary sector has augmented from around 25% to 29% during the same period.

Gross State Domestic Product and its Composition

Components	FY05	FY08	FY11
GSDP at current prices (Rs crore)	96694	152772	228754
NSDP at current prices(Rs. Crore)	85703	135822	203446
Economic Growth % (GSDP at constant prices)	24.6	9.25	7.78
Sectoral Contribution in GSDP at current prices (%)			
Primary*	32.5	31.2	28.0
Secondary**	24.8	27.6	29.4
Tertiary***	42.7	41.2	42.6

Source: PHD Research Bureau, compiled from Department of Planning, Government of Punjab

*Primary Sector includes Agriculture, Forest & Logging, Fishing and Mining & Quarrying

**Secondary Sector includes Manufacturing, Construction, Electricity, Gas & Water Supply.

***Tertiary Sector includes Transport, Storage & Communication, Trade, Hotel & Restaurants, Banking & Insurance, Real Estate, Ownership of Dwelling & Business Services, Public Administration and other services.

Summary of socio-economic indicators

State Capital	Chandigarh
Area (Sq. km)	50,362 sq. km
Population (Census 2011)	2.77 crore
Population Density(Sq. Km) Census 2011	550
No. of Districts#	22
Important Rivers	Ravi, Beas, Satluj, Indus and Jhelum
Prominent tourist destinations	Golden temple, Wagah Border, Anandpur Sahib, Jallianwala Bagh.
GSDP at Current Prices (FY2010-11)	Rs. 228754 crore
GSDP at Constant Prices(FY2010-11)	Rs. 151941 crore
Growth of GSDP at Constant Prices (FY2010-11)	7.78%
Per capita GSDP (2009-10)	Rs. 61,035
Fiscal Deficit (FY2011)*	3.6%
Poverty (FY2004-05)	8.4%
National Highway length (2009-10)	1749kms
Rail Length (2005-06)	2133 kms
Domestic Airport	Chandigarh, Ludhiana and Pathankot
International airport	Raja Sansi International Airport, Amritsar
Per Capita Health Expenditure (2004-05)**	Rs. 1359
Literacy Rate (2011 Census)	76.7%
Sex Ratio (2011 Census)	893
Key Industries	Agro and food processing, Beverages, IT and knowledge, Textiles, Hoisery,Wollen garments, Tourism, Handicrafts, Automobile, Chemicals, Metal and Light Engineering
Main Industrial Cities	Ludhiana, Jalandhar, Amritsar and Mohali
Investment environment [^]	10th rank
Composite ranking of the state [^]	2nd rank
Agriculture [^]	1st rank
Macro economy [^]	5th rank
Labour laws (2009) ^{^^}	18th rank
Consumer markets [^]	1st rank
Infrastructure [^]	1st rank
Legal system ^{^^}	11th rank
Labour regulation ^{^^}	18th rank
Overall economic freedom index ^{^^}	12th rank

Source: PHD Research Bureau, compiled from Department of Planning, Government of Punjab, Census 2011, Government of India, *RBI, **Annual report to people on Health, September 2010

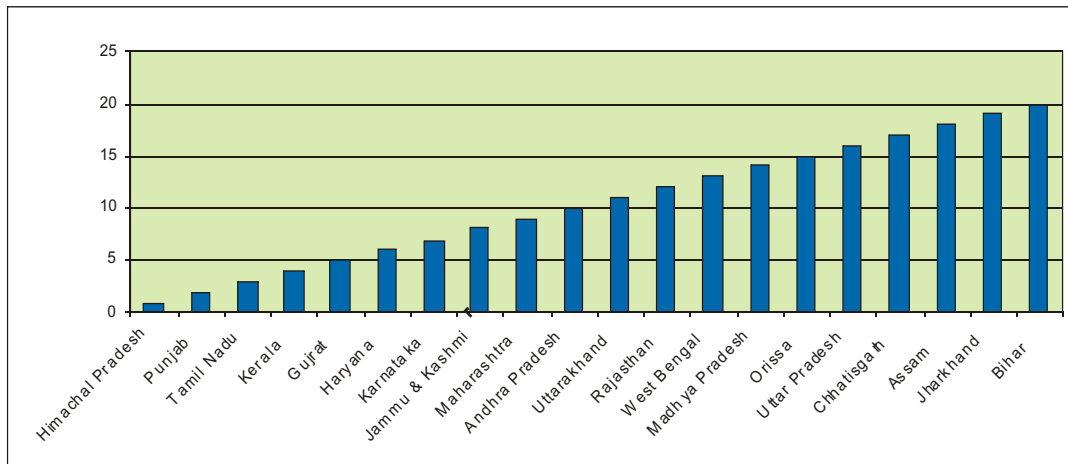
The state of Punjab has 22 districts which comprises of sub-divisions, tehsils and blocks.

[^] India Today, 29th Nov 2010, an article by Bibek Debroy and Laveesh Bhandari, ^{^^}Economic Freedom of the States of India 2011, by Laveesh Bhandari, Bibek Debroy and Swaminathan Aiyar and various policy papers of Government.

Composite ranking of the state

Punjab stands 2nd on the basis of various socio-economic parameters viz. macro economy, investment environment, infrastructure, agriculture, primary education and consumer markets.

Composite ranking of the state

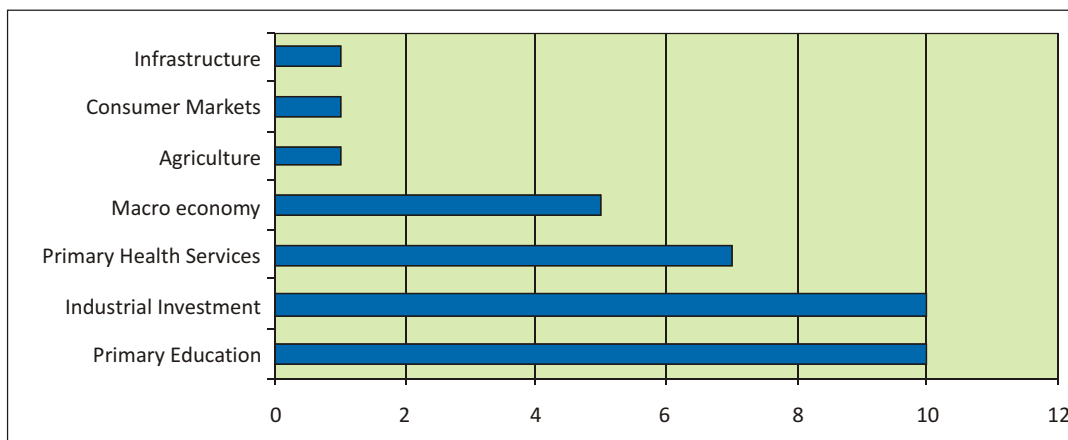


Source: PHD Research Bureau, Compiled from India Today, 29th Nov 2010, an article by Bibek Debroy and Laveesh Bhandari
Note: Only big states have been taken up with area over 35000 sq. km. and with population over five million.

Socio-economic ranking of the state

The state has been ranked 1st in agriculture, infrastructure and consumer markets, 5th in macro economy, 7th in primary health services and 10th in primary education and industrial investments.

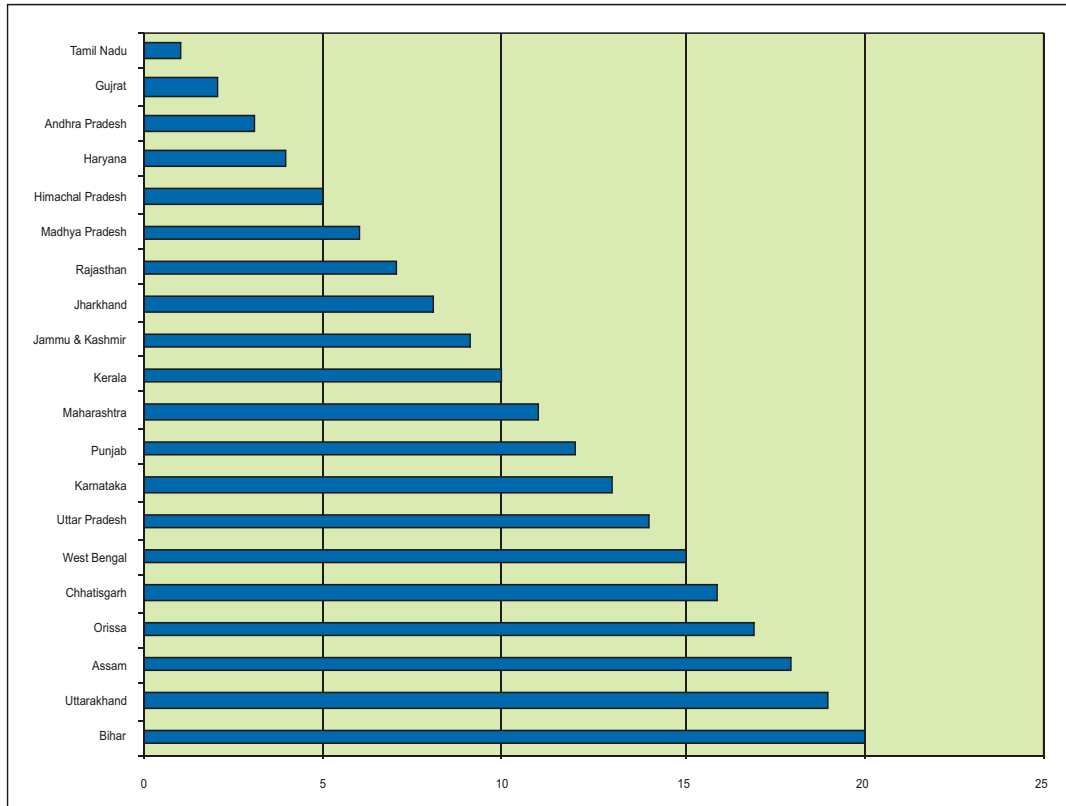
Socio-economic ranking of the state



Source: PHD Research Bureau, Compiled from India Today, 29 November 2010, an article by Bibek Debroy and Laveesh Bhandari.
Chart depicting area with highest rank to the lowest rank

The state has been ranked 5th in terms of size, 11th in legal system, 12th in overall economic freedom and 18th in labour regulation.

Comparison of Punjab with other states in overall economic freedom



Source: PHD Research Bureau, Compiled from *Economic Freedom of the States of India 2011*, by Laveesh Bhandari, Bibek Debroy and Swaminathan Aiyar.

Note: Data pertains to 2009

Competitiveness ranking of the state

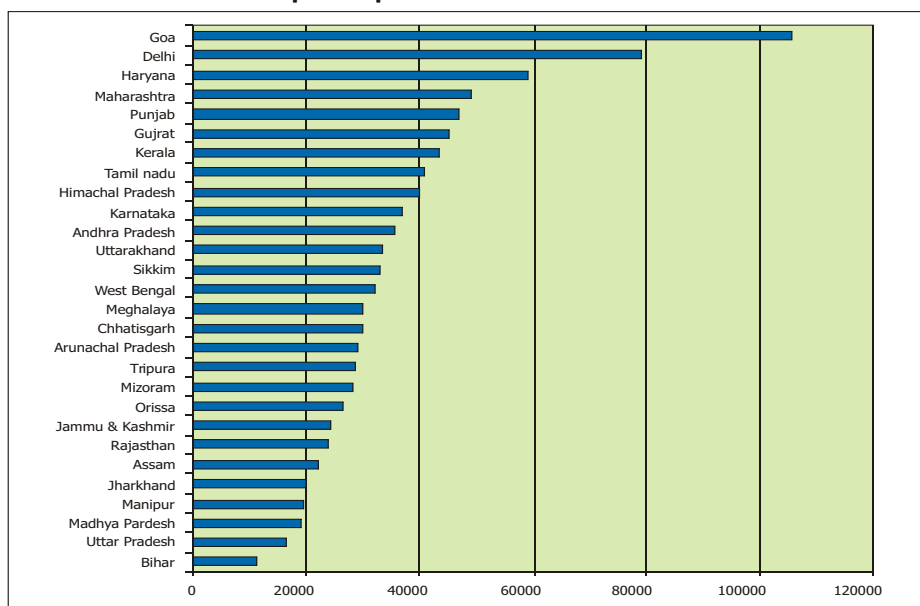
Among the 15 bigger states of India¹, Punjab stands 2nd in overall competitiveness ranking of the states. The state has been ranked 1st in terms of infrastructure, 3rd in terms of human resources and business efficiency, 5th in terms of its economic strength and 6th in governance quality.

¹ Compiled from *State competitiveness report 2004* by National Productivity Council

Per-capita income

Per capita income of Punjab is Rs. 61,035 (FY2010), which is around 38% higher than the national average of Rs. 44,345. As per the latest comparable data² during FY2008, Punjab is ranked at the 5th in terms of per capita income among all the Indian states.

Pattern of per-capita income of the Indian states



Source: PHD Research Bureau, compiled from economic survey of India 2010-11.
Data pertains to FY 2008

Fiscal deficit

Gross fiscal deficit of the state as a percentage of GSDP has increased to 3.6% during FY2011 as compared to the 3.4% in FY2010. Primary deficit as percentage of GSDP has also increased from 0.6% to 0.9% during the same period. The revenue deficit has remained more or less same of around 2% during the same period. Whereas primary revenue balance has declined marginally from -0.6% to -0.5% during the same period.

Fiscal Indicators

(% of GSDP)

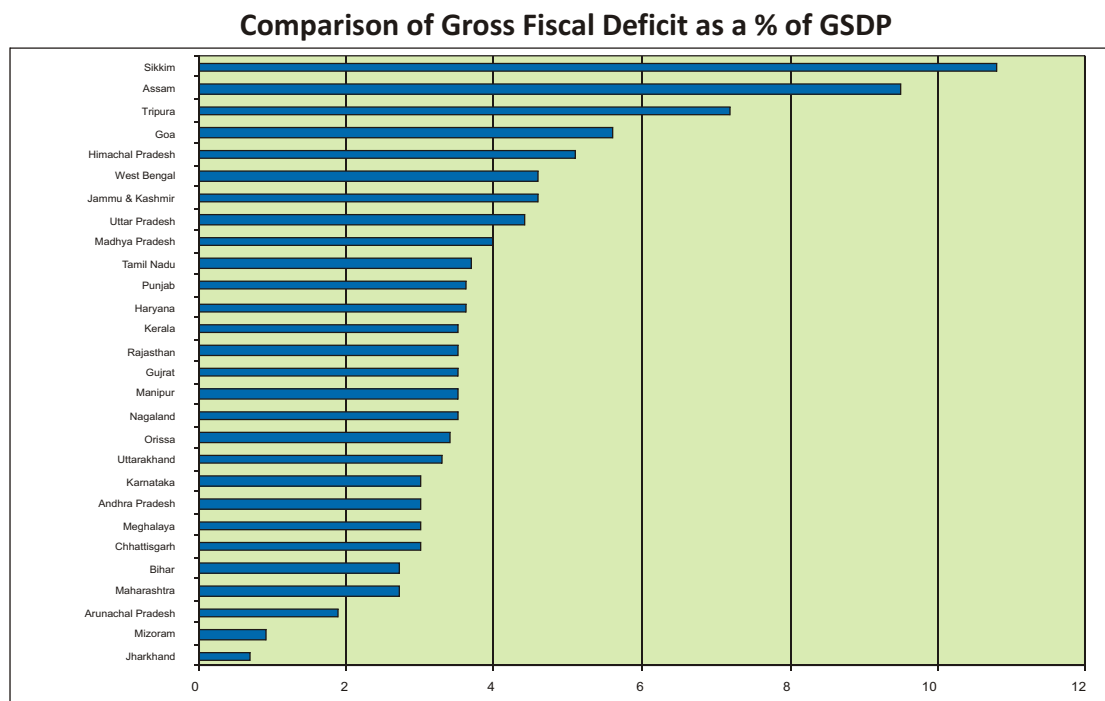
Fiscal components	FY2005- 08 (Average)	FY2009	FY2010(RE)	FY2011(BE)
GFD/GSDP	3.1	4.0	3.4	3.6
RD/GSDP	1.7	2.3	2.2	2.2
PD/GSDP	-0.2	1.1	0.6	0.9
PRB/GSDP	-1.6	-0.6	-0.6	-0.5

Source: PHD Research Bureau, Compiled from RBI.
RD: Revenue Deficit, GFD: Gross Fiscal Deficit, PD: Primary Deficit, PRB: Primary Revenue Balance.
BE: Budgeted Estimates, RE: Revised Estimates, (-) sign refers to surplus.

² Latest Comparable data of states available for 2008, Economic Survey of Govt. of India 2010-11

Comparison of fiscal position with other states

Gross fiscal deficit of state is lower in comparison to states like Himachal Pradesh, West Bengal, J&k, Uttar Pradesh, Madhya Pradesh and Tamil Nadu and higher than the states like Haryana, Rajasthan, Gujarat, Orissa, Andhra Pradesh, Bihar, Maharashtra Chhatisgarh and Jharkhand.



Source: PHD Research Bureau, compiled from RBI.
Data pertains to FY 2011

Industrial investments

Punjab offers conducive milieu for industrial investments by providing various policy incentives and good industrial infrastructure. The state has been able to attract more than Rs. 31000 crore as industrial investment proposals in last four years. However, share of Punjab in India's industrial investment proposals has remained steady at around 0.6% (average 2007-2010) during the recent years.

The state is home to many large Indian companies & MNCs such as Ranbaxy, M&M, HCL, Nestle, Dell, IDS Infotech, Hero Group, Gujarat Ambuja and many more. Ludhiana has been regarded as the best place for doing business in India³ and is acknowledge for its readymade garments, woolen garments and hosiery goods and its is popularly known as Manchester of India. While Jalandhar is widely known for its sports goods, leather products, hand tools, rubber goods, auto parts and electrical goods. Mohali has been developed as IT-ITeS hub in the state.

³ According to World Bank Study 2009.

Industrial investments proposals in Punjab vis-à-vis India

(Rs Crore)

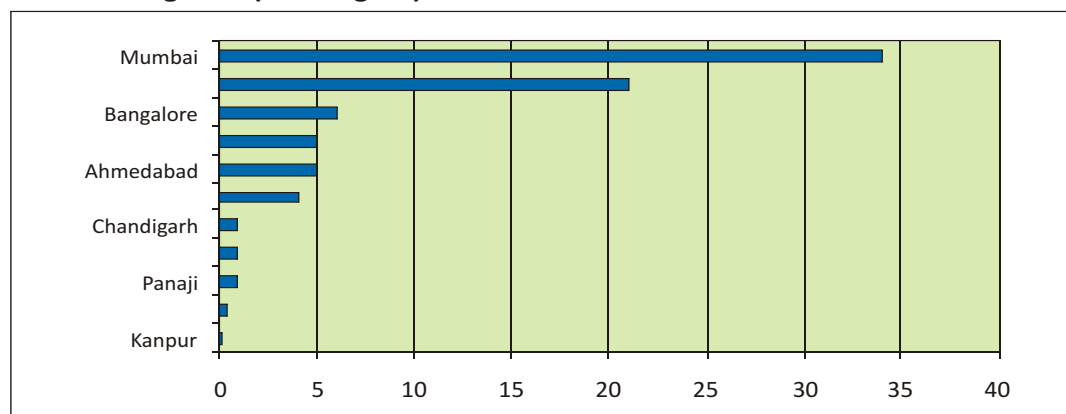
Year	Punjab	India	Share of Punjab in India's total investment proposals
2007	5172	834249	0.62
2008	9482	1523852	0.62
2009	9731	1040259	0.94
2010	6779	1736322	0.39
2011(upto July)	10144	1199856	0.85

Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Govt. of India

FDI inflows

During recent years, the FDI inflows (Chandigarh region)⁴ in the state have posted an impressive growth. However, the region constitutes around 1% of the total FDI inflows in India.

Regional (Chandigarh) share of FDI* in India's total FDI inflows



Source: PHD Research Bureau, compiled from DIPP

FDI inflows in Chandigarh region has increased to US\$416 million during FY2011 from US\$ 224 million during FY2010 marked growth of more than 85%. The cumulative inflows from April'00 to July'11 constitute around US\$1059 million.

Pattern in attracting FDI (equity) inflows: Chandigarh Region

Year	FDI inflows (US\$mn)
FY2009-10	224
FY2010-11	416
Cumulative Inflows from (FY01 to July FY11)	1059

Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Govt. of India.

⁴ Pertains to Punjab, Haryana and Himachal Pradesh

Exports

The major principal commodity export items from the state are ready made garments and hosiery, engineering goods, sports goods, yarn and textiles, machine tools and hand tools. Ludhiana, Amritsar and Jalandhar constitute to be the leading exports hub within the state. The total estimated commodity wise exports⁵ from the state stands at around US\$ 3.5 bn⁶ during FY2010.

The main crops grown in the state are wheat, paddy and sugarcane. The state possesses huge potential in agro exports, due to its extensive presence of agricultural base. Rice accounts as the prominent export item from the state. Punjab has set up a Permanent Perishable Cargo centre at Amritsar international airport to facilitate and boost the export of farm products.

Agriculture

The state economy is predominantly an agrarian economy and it is popularly known as the wheat basket of India. The state contributes a considerable share in national food grain production and thereby aids in ensuring the national food security.

Major crops grown in the state include wheat, paddy and sugarcane. The main fruits grown in state are kinnow, orange, mango, grapes and guava and it is undertaking special efforts to increase cultivation of cotton, maize, oilseeds and pulses as well. Punjab has proposed budget of Rs. 453 crore for agriculture and allied sectors in the annual budget of FY2011-12, which is around 37% higher in comparison to last year.

Summary of agro statistics

Sr. No	Components	Growth/ratio/ production
1	Agriculture GSDP at Current prices (FY2011)	Rs64045 Crore
2	Growth of Agriculture & Allied real GSDP (Avg. from FY2003 to FY 2011)	2.69%
3	Agricultural sector's contribution in GSDP (FY 2011)	27.9%
4	Food Grain production (FY2010)	27224 (Thousand Tonnes)
5	State's contribution to national food grain production (FY2011)	11.26%
6	State's rank in national food grains production (FY2011)	2nd
7	Yield --total food grains (FY2010)	4148 Kg/ Hectare
8	Gross area irrigated (FY2009)	7724000(Hectare)
9	Population dependent on agriculture	Two-third
10	Rice Production (FY2011)	10837 (Thousand Tonnes)
11	Wheat Production (FY2011)	15828 (Thousand Tonnes)
12	Coarse Cereals (FY2011)	540 (Thousand Tonnes)
13	Pulses (FY2011)	18(Thousand Tonnes)
14	Oil Seeds (FY2011)	71 (Thousand Tonnes)
15	Sugarcane (FY2011)	4170 (Thousand Tonnes)
16	Rank in Rice production (FY2011)	3rd
17	Rank in Wheat production (FY2011)	2nd

Source: PHD Research Bureau, Compiled from RBI & Ministry of Agriculture.

⁵ Commodity wise exports from the state are stated in Annexure

⁶ The exchange rate is taken at 1 US\$= Rs. 45.73 pertaining to 2010

Punjab stands at second position at all India level in terms of food grain production. The state's food grain production has grown from 25.32 million tonnes in FY2001 to 27.22 million tonnes in FY2011, marking a growth of more than 7%.

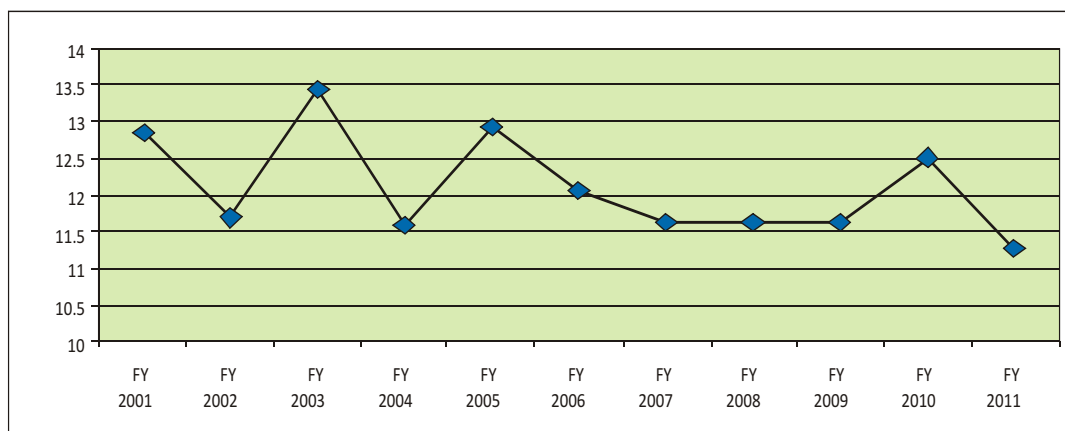
Foodgrain production in Punjab vis-à-vis India

Year (FY)	Punjab (Million Tonnes)	India (Million Tonnes)	Share of Punjab in India (%)
2001	25.32	196.81	12.86
2002	24.88	212.85	11.68
2003	23.49	174.78	13.43
2004	24.72	213.19	11.59
2005	25.67	198.36	12.94
2006	25.18	208.59	12.07
2007	25.31	217.28	11.64
2008	26.81	230.78	11.61
2009	27.32	234.47	11.65
2010	27.32	218.2	12.52
2011	27.22	241.56	11.26

Source: PHD Research Bureau, compiled from RBI, Ministry of Agriculture

Share of Punjab in food grain production has declined over the years. It has come down to around 11% in FY2011 from around 13% in FY2001.

Share of Punjab's food grain production in India's food grain production (% Share)



Source: PHD Research Bureau, compiled from RBI, Ministry of Agriculture

The state is one of the largest producer of two crops i.e. wheat and rice in India. Production of rice in Punjab has grown from around 9 million tonnes in FY2001 to around 11 million tonnes in Fy2011. However, production of wheat has remained stagnant at around 15 million tonnes during the last decade.

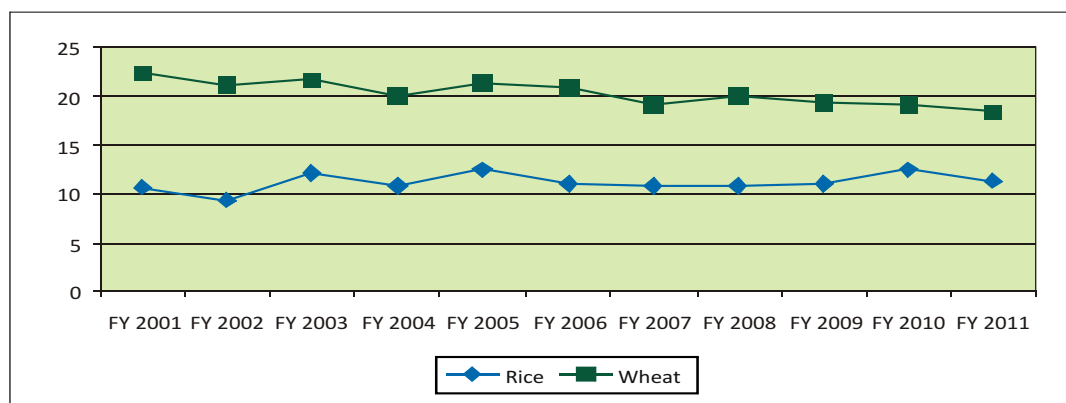
Production of wheat and rice in Punjab vis-à-vis India

Year (FY)	Punjab (Million Tonnes)		India (Million Tonnes)		Share of Punjab in India (%)	
	Rice	Wheat	Rice	Wheat	Rice	Wheat
2001	9.15	15.55	85.06	69.75	10.75	22.29
2002	8.81	15.49	93.43	72.83	9.42	21.26
2003	8.88	14.17	72.66	65.10	12.22	21.76
2004	9.65	14.48	88.61	72.22	10.89	20.04
2005	10.43	14.69	83.13	68.63	12.54	21.40
2006	10.19	14.49	91.79	69.35	11.10	20.89
2007	10.13	14.59	93.35	75.80	10.85	19.24
2008	10.48	15.72	96.69	78.57	10.83	20.00
2009	11.00	15.73	99.18	80.67	11.09	19.49
2010	11.23	15.54	89.30	80.98	12.57	19.18
2011	10.83	15.82	95.32	85.92	11.36	18.41

Source: PHD Research Bureau, compiled from RBI, Ministry of Agriculture

The share of Punjab in the India's total rice production has remained more or less same during the last decade. While share in wheat production of India has declined from around 22% during FY2001 to around 18% in FY2011.

Share of Punjab in wheat and rice production of India (%)



Source: PHD Research Bureau, compiled from RBI, Ministry of Agriculture

2. Economic Policy

Punjab has immense potential to emerge as one of the most economically developed state in India. The state offers wide range of subsidies, fiscal and policy incentives and excellent infrastructure, to provide conducive milieu to foster investments and development for industries.

The state has emerged as a key hub for textile based industries including yarn, readymade garments and hosiery. The state has successfully established Food Park at Fatehgarh district , Electronics Township (ELTOP) at Mohali for promotion and growth of IT and electronics industry in the state and Biotech park in Chandigarh.

The key strategic thrust areas

Agro industries	Rich agricultural base; competitive advantage in wheat, paddy, cotton, potatoes, citrus, chilly. High fertility Agro produce exports Food park
Textile	Textile hub Dominated by small scale units NIIFT has been set up in Mohali for providing qualitative manpower to textile industry Apparel park at Ludhiana.
IT and Electronic	Electronics Township (ELTOP) at Mohali IT SEZ Parks at Jalandhar, Kapurthala and Rupnagar Power tariff to be charge at industrial rate and on actual units consumed 100% stamp duty reimbursement and exemption to developer Exemption from land use zoning regulations and conversion charges
Tourism	Rich cultural tradition and heritage Single window clearances facility for speedy approvals and availability of land for constructing hotels. Immense potential to be a Tourist hub

Source: PHD Research Bureau, compiled from various policy papers.

Punjab has mix of industries such as agro-based industries (food products, and beverages), leather products, wood products, chemicals and chemical products, rubber and plastic products, non-metallic mineral products, paper products, motor vehicles and manufacturing of transport equipments.

New Industrial policy, 2009

The state government announced its new industrial policy in 2009 which focuses on creating favorable destination for investment and to establish synergy between agriculture and industrial sectors and to rejuvenate small scale sector. Some of the incentives provided by the state are mentioned below:

- Special package of incentives and concession are provided for agro based industries and food processing industries, information technology and knowledge based industries, textile industry, hotel and health service industries.
- To enhance more private sector participation under PPP.
- To set up “Udyog Sahayak”, a state level nodal agency for single window clearance approvals for industrial projects.
- To emphasis on revival of sick units and employment generation.
- To boost private investment in the State, 69 mega projects worth Rs. 42,000 crore have been approved during the last 4 years.

Agro Industries policy, 2009

Punjab has been in the forefront of the Green revolution in the late sixties and the seventies, with abundant agro base. With a view to develop agro industries, the state government has announced its agro industry policy in 2009. Major incentives provided by the state are mentioned below:

- Interest subsidy is provided to agro units, infra projects and for modernization and technology up gradation.
- Assistance for developing setting up centre of excellence for development of technologies in area of agro processing industries, international standards certification and for patent registration.
- The state is lowering the threshold limit for investment from Rs. 100 crore to Rs. 25 crore for mega projects related to agro units.
- To increase exports of fruits and vegetables and value added agri products.

Services

During the last decade, the services sector has performed significantly better and has come out to be as a major segment in contributing to its economic growth. Services sector has marked an impressive growth of more than 9% during FY2011. The contribution of services sector in GSDP (constant prices) of Punjab was around 42% during FY2011.

IT/Knowledge industry

The state government announced its IT industry policy in 2009 which focuses on providing conducive environment to foster the growth of IT industry. Punjab provides gamut of incentives in order to make the state a preferred destination for emerging IT business opportunities. Some of the key incentives offered by the state are exemption from electricity duty for five years, statutory power cuts and restriction of peak load hours, reimbursement of stamp duty to IT units, providing capital subsidies and other incentives to IT Units for quality certifications.

The state has extended venture capital fund with corpus of Rs. 20 crore along with a dedicated fund of Rs.150 for extending fiscal support to the IT industries. These industries have been exempted from the purview of pollution and zonal regulation. Mohali has been emerged as an IT and ITeS hub in the state.

Tourism

Punjab Tourism policy of 2003 aims at promoting tourism in the state to enhance employment and economic growth. The state has a rich culture and heritage coupled with good tourism infrastructure, which makes the state, one of the favorable destination by domestic and international tourists. In order to facilitate investments in the state, several initiatives like single window clearances facility for speedy

approvals, availability of land for construction of hotels and provision of loan at easy limits have been undertaken by the state. The state is also striving to promote eco-tourism in the state and thus in this regard, a separate Ecotourism policy, 2009 has been introduced. The well renowned tourist spots in the state are Golden temple, Wagah Border, Anandpur Sahib and Jallianwala Bagh.

Banking

Banks plays significant role in the development of economy. They are not only significant for industrial development but also for social development. The banking sector of Punjab is predominated by nationalized banks with more than 2000 branches of which SBI and its associates have 822 branches, followed by private sector banks with 428 branches, regional rural banks with 251 branches and foreign banks with 8 branches.

Banking scenario in Punjab

Banks in Punjab	No. of offices in Punjab	No. of offices in India	Offices in Punjab as % of total
Nationalised Banks	2268	43908	5.2
SBI and its associates	822	17899	4.6
Private Sector Banks	428	11347	3.8
Regional Rural Banks	251	15658	1.6
Foreign Banks	8	298	2.7
Total	3777	89110	4.2

Source: PHD Research Bureau, compiled from RBI.
Data pertains to March 2011

Punjab provides wide network of banking facilities and offer excellent financial outreach to the dwellers of the state. The high credit deposit ratio represents the effective functioning of banking sector. The state's credit deposit ratio stands at 77.3% (March 2011), which is comparatively higher than the national credit deposit ratio of 75.1% during the same period. However, credit deposit ratio in rural areas stands at around 57%.

Bank's total credit and deposits in Punjab

Components	Punjab			India		
	Deposit	Credit	Credit deposit Ratio(%)	Deposit	Credit	Credit deposit ratio(%)
SBI and its associates	40518	33865	83.6	1171917	902979	77.1
Nationalised Banks	93058	73430	78.9	2875049	2153335	74.9
Foreign Banks	471	275	58.4	236405	197959	83.7
Regional Rural Banks	3031	2102	69.4	163928	98244	59.9
Private Sector Banks	16659	9235	55.4	979212	724351	74.0
Total	153737	118906	77.3	5426510	4076868	75.1

Source: PHD Research Bureau, compiled from RBI.
Data pertains to March 2011

Investment opportunities in Punjab

Agro based, food processing & beverages	Punjab is endowed with rich agricultural base and it is popularly known as wheat basket of India. The state offers rich fertility, gamut of incentives and packages for the growth of agricultural output and carry immense potential for setting up agro based industrial units. The state is one of the leading producers of food grains and contributes significantly to the nation's food grain basket. The state has food park located in Fatehgarh Sahib district. In order to speed up the investments, the state has lowered its threshold limit for investment from Rs. 100 crore to Rs. 25 crore for mega projects.
Auto parts industry	The state is a leading producer of bicycle and bicycle parts and it is also amongst the major producer of tractor , auto and two-wheeler parts . It also caters to the needs of foreign auto market.
Biotechnology	To facilitate biotech industries, state has provided special package of incentives under its Biotech policy, 2006. Provision for setting up new biotechnology institutes for research and development, creation of Punjab Biotech Promotion Board (PBPB) to attract investments are the key initiatives taken up by the state. The state has established Biotech park situated in Chandigarh to provide favorable environment.
Handicrafts	Punjab has a distinguished tradition of art and culture. The state has set up Punjab Small Industries & Export Corporation Limited to provide conducive environment and support to develop small scale industries and to market the handicrafts products, the corporation has opened a chain of emporia named as “ Phulkari” in major cities of Punjab.
Information technology & knowledge industry	State government is highly focused on developing necessary Infrastructure, development of human capital, proactive engagement with investors and effective policy implementation so as to create a conducive milieu for IT industry. The state has offered a gamut of incentives under its IT policy. Special economic zone for IT industry has been set up in Mohali. The state government is encouraging private investments in the knowledge based industries. Land has been already acquired for two self-contained mixed use and integrated information technology and knowledge industry parks spread over 1350 acres at Rajpura and 226 acres at village Jhall Thikriwala in district Kapurthala. Electronics Township (ELTOP) has been established at Mohali for promotion and growth of IT and electronics industry in the state.
Textiles	The state has emerged as a hub for textile industry and has set up Apparel park at Ludhiana. Textile policy of the state offer a gamut of incentives such as creation of infrastructure through cluster development, maximum utilization of Central Government's Technology Up-gradation Fund Scheme (TUFS), reduction of electricity duties and assistance in acquiring land for textile related projects. Northern India Institute of Fashion Technology has been set up in Mohali for providing qualitative manpower to textile industry. Ludhiana is known for its readymade garments, woolen garments and hosiery goods.
Tourism	Tourism industry has been accorded as one of the key thrust areas in the state. With rich cultural tradition and heritage coupled with good tourism infrastructure, the state has emerged as one of the favorable tourist destination. The state has provided various incentives under its Tourism policy such as tax incentives, single window clearance facility and provision of loans for tourism related projects. The government of Punjab has constituted the Punjab Heritage & Tourism Promotion Board under chairmanship of Chief Minister. The state government has allocated grant of Rs. 100 crore, for preservation and maintenance of heritage buildings in annual budget for this fiscal.

Source: PHD Research Bureau, compiled from various policy papers

3. Infrastructure

Infrastructure is a vital sector for the development of the industry and economy. The state offers excellent infrastructure and has been ranked first amongst the big states in terms of infrastructure⁷. Punjab has also been declared as one of the best states in India in terms of rail, road and transport network⁸.

The state government is working towards the development of infrastructure to promote industry, commerce and trade in the state. To facilitate investments in irrigation, roads, urban development, medical education, power, health and other important sectors, an amount of Rs. 916 crore has been allocated for FY2011-12.

Roads - Roads are the major mode of transportation service available in Punjab. The state has an extensive 60881 km network of roads comprising of 1749 km of national highways, 1479 km of state highways, 2112 kms of major district roads, 4482 km of other district roads and 51059 km of village link roads. Several initiatives and road up-gradation projects have been undertaken by the state. A sum of Rs. 986 crore has been allocated by the state for the development of road infrastructure and transport during this fiscal.

Road infrastructure

Category of road	Length in Kms
National Highway	1749
State Highway	1479
Major district roads	2112
Other district roads	4482
Village link roads	51059

Source: PHD Research Bureau, Compiled from Annual Plan, FY2011.

Railways - The railways play a significant role in the state. It connects major industrial units such as oil refining, cement, fertiliser, thermal power and manufacturing sectors to suppliers and markets. Punjab offers good railway infrastructure and its network spans over 2,098 km. The main inter-state railway routes are Amritsar-Ambala-Delhi, Sriganaganagar-Ambala-Delhi, Ferozpur-Ludhiana-Ambala, Pathankot-Roopnagar-fatehgarh Sahib and Sriganaganagar-Bhatinda-Narwana.

Aviation - The state has made considerable progress in the filed of civil aviation. Punjab has three domestic airports which are located in Chandigarh, Ludhiana and Pathankot. The International flights operate from the Raja Sansi International Airport at Amritsar. In the annual budget of FY2011-12, a sum of Rs. 24 crore has been earmarked for up gradation and extension of air terminals and aerodromes.

⁷ Compiled from India today "The State of the State's study, 2010 by Bibek Debroy and Laveesh Bhandari

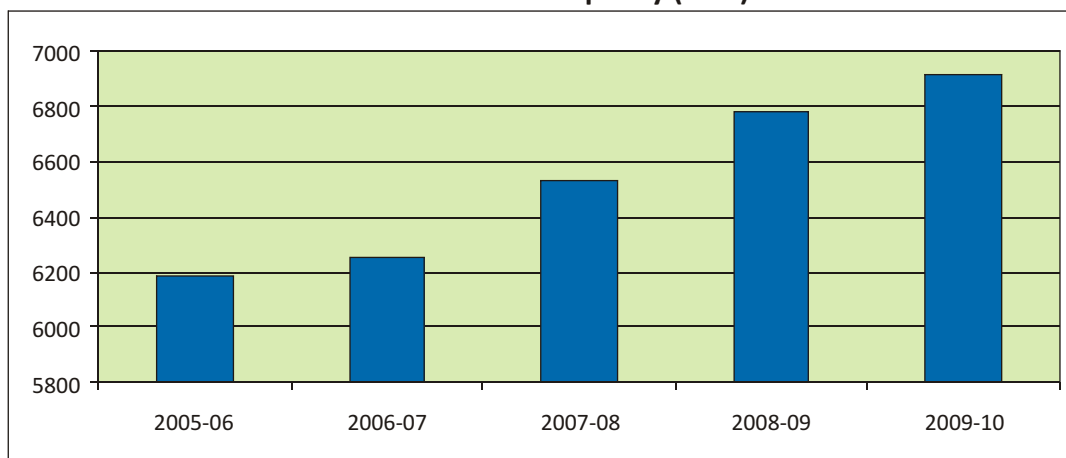
⁸ As per to the National Council of Applied Economic Research (NCAER), 2007

The new Greenfield Ludhiana airport is proposed to be developed by the state as an aerotropolis (a modern-age concept of a township-oriented airport similar to the Singapore and Frankfurt models) with a total outlay of US\$ 3.8 billion. On the other hand, construction of new airports have also been proposed at Mohali, Bathinda and Ludhiana.

Power - Power is a vital infrastructure for economic development of the State. The state has power deficit of 6%* which is lower than the national power deficit of 8.5% during FY2010-11. Whereas per capita consumption of power stands at around 1527 KWH, which is higher than the national figure of 779 KWh (FY2010). Power sector has been earmarked an amount of Rs. 3300 crore in the annual budget of FY2011-12 for the development of power scenario in the state.

The state has increased its Installed power capacity by around 12% between FY2006 and FY2010, however the demand for power in the State is rising sharply on account of rapidly increasing use of electrical energy for agricultural operations, progressive industrialization, high living standard of residents and intensive rural electrification programme. With a view to make the state self-reliant and power surplus, four new thermal plants namely Talwandi Sabo 1980 MW, Rajpura 1400 MW, Goindwal Sahib 540 MW, Gidderbaha 2640 MW have been undertaken. The state has also proposed to set up 1000 MW gas based power plant at Ropar.

Installed Power Capacity (MW)



Source: PHD Research Bureau, compiled from Economic Survey of Punjab, 2011, IBEF.

Urban Infrastructure - Urban infrastructure services (including water supply, sanitation, drainage, solid waste management) are reasonably good in the urban centres of Punjab. The state is focusing on channelising the investments from both within India and abroad to promote urban development in a big way. New town planning norms and quality urban bus services with public private partnership are coming up in big way to offer modern urban infrastructure in the state.

* Annual Load Generation Balance Report (2011-12), Central Electricity Authority

Under JNNURM, city development plans for Amritsar to the extent of Rs.3150 crore and for Ludhiana to the tune of Rs.2054 crore have been approved. Under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), sum of amount Rs. 202 crore has been released for the 17 projects in the 14 towns. While under Integrated Housing & Slum Development Programme (IHSDP), amount of Rs. 23 crore has been released for the construction of 2475 houses in Jalandhar and Rajpura.

Telecom - According to TRAI, the total subscriber base of Punjab was 3.2 crore with a share of 3.59% in India's telecom subscriber base⁹. Punjab contributes around 3.55% in total wireless subscribers in India and around 4.51% in wire line connectivity in India.

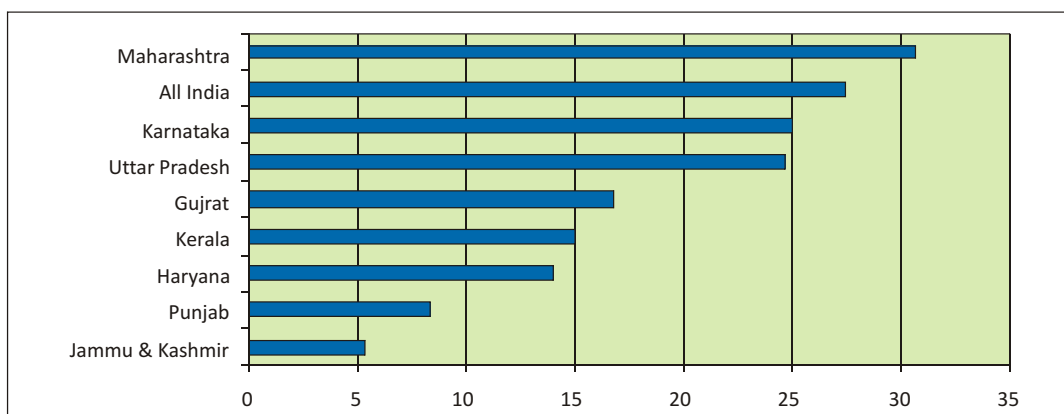
Name of the Region	Wireless subscriber	Wire line subscriber	Total
Punjab	30517574	1543842	32061416
India	858368708	34179478	892548186
Share of Punjab in India (%)	3.55%	4.51%	3.59%

Source: PHD Research Bureau, compiled from TRAI, end July 2011.

4. Social infrastructure

Poverty - Punjab has done reasonably well to reduce its poverty, with only 8.4% of the population living below the poverty line (BPL) as against the national average of 27.5%. However, it is higher than that of hilly state of Jammu & Kashmir with 5.4% population living below the poverty line.

Population Below Poverty Line (BPL): Punjab amongst other states



Source: PHD Research Bureau, Compiled from Annual Report to People on Health, September 2010

Note: Empowered Action Group (EAG) Scheme has been launched by Ministry of Health and Family Welfare and it covers the above eight states.

⁹ Data pertains to end July, 2011

Unemployment - The degree of unemployment in the state continues to be a cause of serious concern. The unemployment rate of Punjab stands at 10.5% as against the national average of 9.4%¹⁰. The number of job seekers (both educated and uneducated) on the live registers of Employment Exchanges during 2009 (as on 31.12.2009) was 3.78¹¹ lakhs, out of which 2.66 lakhs were educated unemployed. Amongst the educated job seekers, 76.93% were non- technical where as 23.07% had technical qualifications.

Education - Education is the single most important input in promoting human resource development. The state government is taking special measures for the up gradation of education level in the state. There are more than 14000 primary schools, 3920 middle schools, more than 5000 high/ senior secondary schools, 234 colleges and 7 universities. A sum of Rs. 1441 crore has been earmarked for various schemes to further develop educational infrastructure in the state.

To support education among girls and increase their participation in schools, a sum of Rs. 75 crore has been allocated under “Mai Bhago Vidya Scheme” in the annual budget of FY2012 .Punjab has also taken an initiative to set up 123 Adarsh schools to provide quality education to the poor and meritorious students, 15 Adarsh schools have already been made functional.

Educational Infrastructure

Type of Institution	Number
Universities	7
Arts, Commerce, Home Science & Science Colleges	234
High/ Senior Secondary Schools	5146
Middle Schools	3920
Primary Schools	14160
Enrolment in school (30 Sep, 2009)*	38.17
Enrolment in colleges (30 Sep, 2007)	271791

Source: PHD Research Bureau, compiled from Punjab State Planning Board.

Note: Data As on 30 Sep 2010

*In lakhs

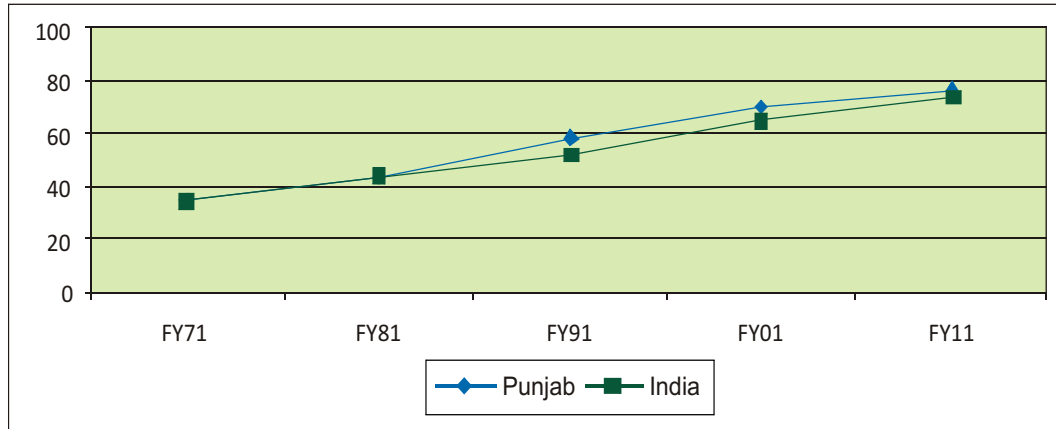
The literacy rate of Punjab has been very impressive over the last two decades and it lies above the national average literacy levels. The state has literacy level at 76.7%¹², which is higher than the national average of around 74%.

¹⁰ Report on Employment and Unemployment Survey, Government of India. (2009-10)

¹¹ This data pertains to only those unemployed persons who register themselves with the employment exchange

¹² According to the Census of India 2011.

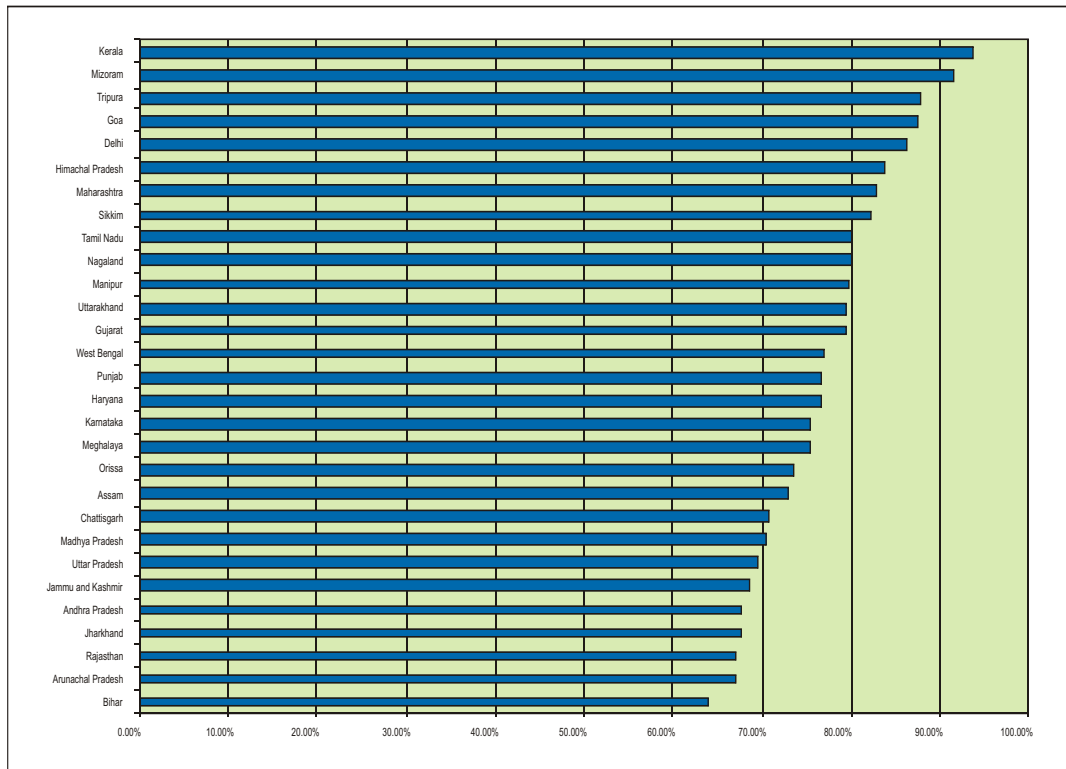
Trend of literacy rate: Punjab vis-à-vis India



Source: PHD Research Bureau, Compiled from Economic Survey of India 2010-11 and Census of India 2011

Punjab ranks 15th in literacy rate among all states of India. It is poor as compared to states like Uttarakhand, Gujarat and Maharashtra, however it is better than States like Haryana, Uttar Pradesh and Rajasthan.

Trend in literacy in comparison with other states



Source: PHD Research Bureau, Compiled from Economic Survey 2010-11

Health - The State Government has given top priority to augment health infrastructure in terms of construction of new buildings, purchase of equipment and recruitment of the required manpower.

A sum of Rs. 720 crore has been allocated for development of health infrastructure in the annual budget FY2011-12. Government of India in its 4th Common Review Mission Report has rated health infrastructure of the state as excellent and placed the state at number one position.

The Health infrastructure in the state comprises of 63 hospitals, 129 community health centres, 1309 dispensaries and 446 Primary Health Centres (PHC). Punjab has 529 Ayurvedic and Unani institutions and 107 Homeopathic institutions. There are 20375 beds in the government hospitals of the state.

Summary of Health Indicators

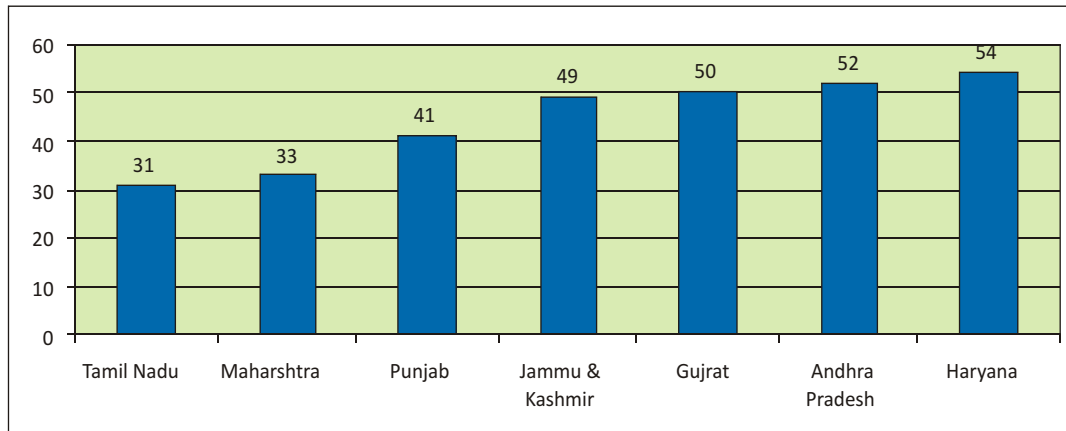
Per Capita Health Expenditure NHA-04-05*	Rs. 1359
Infant Mortality Rate *	41 per 1000 live births
Life expectancy at birth(2002-06)*	69.4 years
Birth Rate	17.3 per thousand
Death Rate	7.2 per thousand
Hospitals (Numbers)	63
Community Health Center (Numbers)	129
Dispensaries (Numbers)	1309
Primary Health Centers (Numbers)	446
Ayurvedic and Unani Hospitals (Numbers)	529
Homeopathic Institutions (Numbers)	107
Bed Installed in medical institution-Allopathy (Numbers)	20375

*Source: PHD Research Bureau, Compiled from Punjab Planning Board, Data pertains to 2010 and *Annual report to people on Health, September 2010*

There is a huge scope to improve the per capita expenditure on health in Punjab; the per capita health expenditure of Punjab stands at Rs.1359 which is marginally above the national average of Rs.1201.

The infant mortality rate of Punjab is also better as compared to the national average of 53 and many other states like Gujarat and Haryana, however it is higher as compared to states like Tamil Nadu and Maharashtra.

Infant mortality rate of Punjab vis-à-vis other states

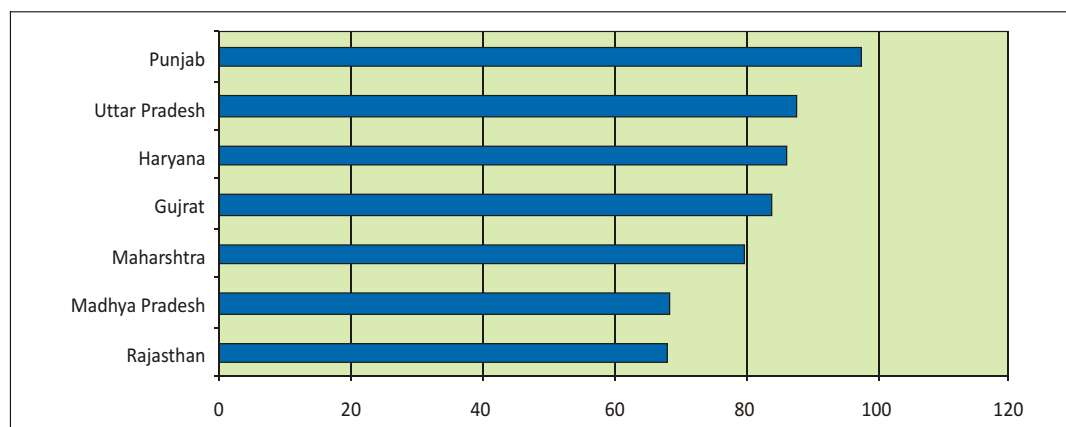


Source: PHD Research Bureau, Compiled from Annual report to people on Health, September 2010

Availability of safe drinking water

The name "Punjab" means "land of five rivers" and derives from the Persian words 'panj,' meaning five, and 'aab,' meaning water. Punjab tops the chart among Indian states in the availability of safe drinking water to 97.6% households in Punjab which is significantly high as compared to the national average of 77.9%.

Availability of Safe drinking water to households



Source: PHD Research Bureau, Compiled from Economic Survey of India 2010-11

5. Performance in the six thrust areas focused by PHD Chamber

The six thrust areas of PHD Chamber are Industry, Infrastructure, Education and skill development, Health, Housing, Agriculture and agribusiness. Punjab is one of the fastest growing states of India and has done fairly well in the areas focused by PHD Chamber.

Performance in six thrust areas

Agriculture and agribusiness	<p>Punjab has rich and productive agricultural base coupled with conducive agro industrial policy, making an ideal destination for setting up agro & food processing industries. The state is one of the leading producers of food grains and contributes significantly to the nation's food grain basket. In order to boost the farm exports, the state has set up a Permanent Perishable Cargo Centre at Amritsar international airport and Agricultural machinery service centres to provide agricultural tools on custom hiring bases. Punjab Agro Industries Corporation (PAIC) has been encouraging private sector investments in agro-processing units. The state has food park located in Fatehgarh Sahib district.</p>
Education and skill development	<p>The state offers good educational infrastructure with literacy level of 76.7%, which is higher than that of national average of around 74%. The state has undertaken several initiatives in regards to the upliftment and development of female population and is progressing towards in achieving 100% literacy.</p>
Health	<p>The state has done fairly well in providing health facilities and has posted an impressive performance on account of reduction of infant mortality rate and improvement in child sex ratio. The state has a good network of hospitals and health centres. Punjab has initiated various schemes to provide health services to the people residing in far flung areas.</p>
Housing	<p>The state government is facilitating in constructing houses for poor by providing gamut of incentives such as purchase of land has been exempted from stamp duty, registration fee and other related licenses fee. Punjab Urban Development Authority constructs houses under various schemes for economically weaker sections of the society and provides them at subsidised rates. However, there is lot to be done in this regard, to provide affordable houses to the dwellers of the state especially to the larger section of the state who reside in rural areas.</p>
Industry	<p>Punjab has a well diversified and stable industrial environment. Textile, Tourism, Handicrafts, Agribusiness and IT industry are the thrust industries of the state in which Punjab has performed very well. The state government has taken special measures for development of industrial sector and is on its way to rapid industrialization through coordinated set of policies, incentives and excellent infrastructure. The state has set up Electronic Township at Mohali for IT industries, Apparel park at Ludhiana and has emerged as a hub for textile industry.</p>
Infrastructure	<p>The state has one of the excellent infrastructure in field of roads, aviation and railways. However, the state is currently crippled with power deficit. Various projects have been undertaken in this regard such as setting up of four new thermal plants namely Talwandi Sabo 1980 MW, Rajpura 1400 MW, Goindwal Sahib 540 MW, Gidderbaha 2640 MW, to make it a power surplus state.</p>

6. Budget Highlights 2011-12

The budget 2011-12 has been formulated to focus and accelerate infrastructure development especially in power, irrigation and human resource development. The amount allocated on road infrastructure and transport, power sector, irrigation and flood control in the annual budget of FY2012 is Rs.986 crore, Rs.3300 and Rs.1030 respectively

With a view to develop agriculture and allied sectors and to promote agricultural research, an amount of Rs. 453 crore has been earmarked in the annual budget for this fiscal.

The state government has earmarked amount of Rs. 10 crore for the up gradation of industrial focal points in the annual budget of FY2012. In addition to this, a sum of Rs. 16 crore has been registered for NIIFT Mohali.

An amount of Rs. 1.50 crore has been allocated for promoting cultural, artistic and literary activities of Punjab Lalit Kala Academy, Punjab Sangeet Natak Academy and Punjab Sahitya Academy.

The social sectors in total have received Rs.3314 for education, higher education, health and social security. A sum of Rs. 15 crore has been provided by the state to establish “Maharaja Ranjit Singh Armed Forces Preparatory Institute”, with a view to generate employment opportunities and skill development in the state.

Greater stress has been laid on welfare of scheduled castes and other weaker sections of the society. An outlay of Rs.275 crore has been earmarked for welfare of scheduled castes/backward classes. The pension of freedom fighters and families has been proposed to increase to Rs. 5000 per month. On the other hand, a sum of Rs.142 crore has been earmarked for sports and youth services.

Budget at a glance

(Rs. Crore)

	Receipts	2011-2012(BE)	Expenditure	2011-2012(BE)
1	Opening Balance	-260.73	Revenue Expenditure	35405.75
2	Revenue Receipts	32026.76	Capital Expenditure	5418.34
3	Public Debt (Gross)	13122.94	Public Debt Repayment	7686.41
4	Loans Recoveries	80.35	Loans and Advances	84.35
5	Public Account (Net)	3408.81	Total	48594.85
6	Capital Receipts (3+4+5)	16612.1	Closing Balance	-216.72
7	Total 1+2+6	48378.13	Total	48378.13

Source: PHD Research Bureau, Compiled from State budget of Punjab 2011-12

7. Conclusions and Recommendations:

Punjab, the state endowed with rich culture and tradition is widely acknowledged for its self-dependence, self-reliance and glory. The land of five rivers is located in the North-Western region of India and is bounded on the West by Pakistan, on the North by Jammu and Kashmir, on the North East by Himachal Pradesh and on the South by Haryana and Rajasthan.

Punjab is one of the fastest developing states in India; the state economy has grown at an average growth of around 8% during the last decade (2000s). Presently the tertiary sector contributes around 43% in the GSDP followed by the secondary and primary sector at 29% and 28% respectively. The state is on its way to rapid industrialization and share of industry is also witnessing an upward trend.

Gross fiscal deficit of the state as a percentage of GSDP is estimated at 3.6 % (FY2011). It is lower in comparison to states like Uttar Pradesh, Tamil Nadu, West Bengal and Madhya Pradesh and higher than Haryana, Maharashtra, Karnataka, Rajasthan and the newly formed states like Chhatisgarh and Jharkhand.

The economic policy of the state mainly focuses on the development of agro & food processing industry, tourism, IT, textile and biotech. The state offers excellent infrastructure and environment for undertaking industrial ventures and has attracted huge industrial investments in the recent years. Ludhiana has been regarded as one of the best place for doing business in India.

Agriculture plays a significant role in state's economy and is popularly known as the wheat basket of India. Punjab contributes a considerable share of wheat and rice to the Central Pool and it stands at second rank at all India level in terms of food grain production. The per hectare yield of food grains in the state (4148 Kg/ Hectare) is highest amongst the Indian states. The agro-industrial policy of the state is very supportive and promote agro units and agri infrastructure related projects.

Industrial policy of the state offers a gamut of incentives to the industries. Punjab has emerged as a key hub for textile based industries including yarn, readymade garments and hosiery. Special economic zones have been set up for IT and pharmaceuticals industries. In addition to this, apparel park is situated at Ludhiana and Biotech Park in Chandigarh.

In services sector, tourism, banking and information technology are the important areas. The state is endowed with rich heritage and is one of the preferred locations in India for pilgrimage tourism. Mohali has been developed as IT and ITeS hub in the state recently.

Punjab boasts of one of the most well knit and dense road, rail and transport network in India. The civil aviation infrastructure of the state is also good.

On social front, state has performed reasonably well with a very small proportion of people living below poverty line while literacy rate of the state and per capita health expenditure is higher than the national literacy levels. However, the unemployment situation is critical and needs to be addressed with more investment in creating job oriented education system. The economy has undergone several changes which have come about with the collaborative efforts of the government and other stake holders. It is all set to scale new heights to emerge as an economy with sustainable and inclusive growth, going forward.

Recommendations

Punjab is one of the fastest growing states of India. The share of tertiary sector in the state's GSDP is most significant followed by secondary and primary sector. In spite of being predominantly an agrarian state, its share has been declining over the years. High usage of fertilizers and chemical has deteriorated the quality of soil and rampant construction of irrigation facilities has depleted the ground water table, which has in turn affected the quality of soil. Diversification in the farm sector, crop rotation and organic farming should be encouraged and promoted in the state to improve the soil quality and to enhance the crop productivity. The state government should promote setting up of low cost rain water harvesting techniques such as check dams, which would help in raising water table levels.

Punjab has to its credit a rich agricultural base and immense potential lies for agro based industries in the state. Therefore, state government should promote and facilitate in setting up special economic zones for agro industrial units and biotech units also. As one of the leading producer of food grains, there is a critical need to provide warehousing facilities in the state to store large scale production. It is also necessary to provide credit to farmers at easy terms to encourage them into diversification of agriculture. In addition to this, government of India should bring more crops under the umbrella of Minimum Support Price, which would help farmers to diversify their crops apart from wheat and paddy.

The industrial sector is mainly dominated by the small scale units in the state, whereas large and medium enterprises accounted for a very minimal share. To attain balanced industrial growth, it is necessary to have small, medium and large industrial units. The state government should encourage more investment for setting up large and medium units coupled with package of incentives and policies.

In the services sector, tourism and banking are the two grey areas which need proper attention. Tourism in the state is primarily religious, however, traditional, wildlife and eco tourism can go a long way in attracting domestic as well as international tourists. The credit-deposit ratio of commercial banks in rural area stands at a modest 57.7%. Thus state government should endeavor to step it up to promote financial outreach to improve imbalances in credit delivery.

There lies huge potential for the exports of handicrafts in the state, which will not only cater to the domestic need, but also reach out beyond national borders. Thus, state government should strengthen backward and forward market linkages to revive and support its wealthy culture. In addition to this, Punjab

should also develop its agro processing zone, to supports it rich agricultural background and exports of agro commodities and facilitate in augmenting IT exports.

The demand for power in the state is rising sharply on account of rapidly increasing use of electrical energy for agricultural operations, progressive industrialization, high living standard of residents and intensive rural electrification programme. There is a vital need for speedy approvals of power projects, project management techniques, rapid up-skilling of manpower, strengthening transmission and distribution system and taking on alterative sources of energy like wind, bio gas, agricultural biomass, would help in meeting the crippling demand and supply gap and to make the state self reliant and power surplus.

The unemployment situation in the state is crucial and demands attention. Punjab should promote setting up training centres, skill development centres and should initiate job oriented education system, which will in turn resolve the alarming situation of unemployment. It is necessary to promote agricultural allied activities, such as livestock, to provide source of livelihood in the state. In this regard, more emphasis must be laid on up gradation of the development of veterinary infrastructure to protect livestock from deadly diseases and increasing their productivity. Employment can be generated in allied activities like fisheries and many others, which carry high potential in the state.

Annexure

Summary of economic indicators

Geographical area	50362 sq km
Population (Census 2011)	2.77 crore
GSDP at constant prices (FY2011)	Rs. 151941 crore
GSDP at current prices (FY2011)	Rs. 228754
Economic growth (FY2011)	7.78%
Per capita income (FY2010)	Rs. 61035
Growth of agriculture sector*	2.1%
Growth of secondary sector *	12.8%
Growth of services sector*	8.4%
Composition of primary sector in real GSDP^	23.49%
Composition of secondary sector in real GSDP^	32.32%
Composition of services sector in real GSDP^	44.19%
Literacy rate(Census 2011)	76.7%
GFD/GSDP^	3.6%
RD/GSDP ^	2.2%
PD/GSDP^	0.9%
Industrial investment intentions^^	Rs. 6779 crore

Source: PHD Research Bureau, compiled from various policy papers

GFD: Gross Fiscal Deficit, RD: Revenue Deficit, PD: Primary Deficit.

* Average real growth over FY06-FY11, ^ Data pertains to FY2010-11, ^^ Data pertains to 2010

Commodity wise exports from Punjab

(Rs. Crore)

S. No.	Commodity	FY2009	FY2010
1	Rice	1253	1808
2	Readymade garments & Hosiery	1977	2584
3	Cycle and cycle parts	993	951
4	Food products	103	182
5	Engineering goods	1023	1137
6	Sports goods	457	1196
7	Yarn and textile	3673	3545
8	Handicrafts	6	21
9	Carpets	5	5
10	Leather goods	218	234
11	Hand tools	713	949
12	Machine tools	389	343
13	Auto spares	696	348
14	Diesel engine	73	91
15	Sewing machine	231	14
16	Electrical accessories	0	92
17	Drugs	234	814
18	Others	1845	1660
	Total	13888	15972

Source: PHD Research Bureau, compiled from Department of Industries & Commerce, Punjab

Note: These figures are presented as round-off.

Punjab: Key contacts

Sector/Area	Key Contact
Industry	Hon'ble Minister of industries & commerce Department of industries & Commerce 951, Sector-39A, Chandigarh Ph: 0172- 2740788
Infrastructure	Chairman, Punjab Infrastructure Development Board, Punjab Floor 2, Pb. Civil Sectt. , Sector 2, Chandigarh Ph: 0172- 2740325, 2740769
Department of Water Supply & Sanitation	Secretary, Department of Water Supply & Sanitation, Mini Secretariat, Sector-9, Chandigarh Ph: 0172-2742307
Tourism	Director, Punjab Tourism, Punjab Archive Bhawan, Plot No 3, Sector 38 A, Chandigarh Ph: +91-172-4663140
Labour	Assistant Labour Commissioner, Department of Labour Commissioner, Punjab, SCO No. 47-48, Sector - 17 E, Chandigarh 160017 Ph: + 91-172-2702486
Information Technology	Principal secretary, SCO 193-195, sector 34A, Chandigarh Ph: 0172-2604892, 0172-2600971
Health & Family Welfare	Minister of Health & Family Welfare , Civil Secretariat , Chandigarh Ph: 0172-2740199
Energy	Chief Executive , Punjab Energy Development Agency Solar Passive Complex, Plot. no. 1 & 2, Sector-33D, Chandigarh, Pin code :160020

About the PHD Chamber

PHD Chamber is a vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest for over a century. This apex regional organization plays a active role in India's development and acts as a much needed link between government and industry, serving as a catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

With its base in the National Capital, Delhi, the Chamber has Regional offices in States of Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand, Chhattisgarh and the Union Territory of Chandigarh.



PHD Research Bureau

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