



# Haryana

## The State Profile

### Bolstering Industrialization

May 2015



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**Mr. Alok B Shriram**

## From President's Desk

Haryana has witnessed a significant growth path over the years. The state has observed an annual (average) growth rate of around 8.5% during the period FY2006-FY2014.

Although the state is predominantly an agrarian state, the industrial sector has also emerged as a significant contributor in the economic and social development of the state.

The state offers favorable environment for attracting industrial investments through user friendly policies and better infrastructural support. The industrial infrastructure is being strengthened in the state through development of new industrial model townships, industrial parks and expansion of the existing industrial estates.

The state has huge potential in the sectors such as automobile & auto components, light engineering goods, IT & IT enabled Services (ITeS), textile & apparels and electrical & electronic goods.

Panipat is a well known centre for the handloom products in the international markets while Gurgaon - Manesar belt has emerged as the centre for manufacturing and export of ready-made garments. The state has done very well in the field of information technology with the emergence of Gurgaon as the third largest hub of IT Industry after Bangalore and Hyderabad.

During the last decade, the services sector of the state has performed significantly and emerged to be as a major contributor to the economic growth of Haryana. Services sector of the state has marked an impressive growth of about 9% during FY2014. The contribution of services sector in GSDP (current prices) of Haryana stands at 53% during FY2014.

I am sure that the state will continue its proactive measures so as to tap the emerging investment avenues in the state by exchanging views and success stories in the coming times.



**Mr. Mahesh Gupta**

## From Senior Vice President's Desk

Haryana is one of the prosperous states of India which is blessed with rich natural and agricultural resources. The state is mainly an agrarian economy and a significant contributor to country's agricultural output. Haryana is one of the key contributors to the national food basket. The state enjoys first position in the production of basmati rice and productivity in pearl millet, rapeseed and mustard.

The state is undertaking special efforts for the better cultivation of fruit as per its climatic and soil conditions. The state has huge potential for the production of higher income generating segments like horticulture, poultry etc. Haryana has taken significant initiatives to provide effective and modernized irrigation facilities to the farmers. The state has pioneered in adopting Sprinkler Irrigation Technology in the country which has helped farmers in utilizing water saving methods.

On the socio-economic front, Haryana has performed well with a small proportion of people living below poverty line and literacy rate of the state is higher than the national literacy level. Further, Haryana should promote employment opportunities by skilling the youth, encouraging women entrepreneurship and job oriented education system.

The state possesses huge potential in agro exports owing to its rich agricultural base. Hence, there is a lot of scope for the development of agro based and food processing industry in the state.

We believe that diversification in the farm sector, well developed research and development system and upgrading infrastructure as per international standards should be encouraged in the state to harness the emerging opportunities. PHD Chamber is actively involved in the development of agriculture sector and assures government to act as a catalyst in supporting policy formulation and implementation.



**Mr. Gopal Jiwrajka**

## From Vice President's Desk

Quality infrastructure is a prerequisite for the development of all sectors of economy. Haryana has taken significant steps in order to provide better and modernised infrastructural facilities for the overall economic development of the state. The state boasts of having better infrastructure in terms of road, railways and transport network in the country.

The state has undertaken various steps to boost investment opportunities in infrastructure sector. New economic hubs are being established such as DMIC and global economic corridor along the KMP Expressway to generate employment opportunities in the state.

Public Private Partnership mode is also being encouraged by the state to tap the vast potential of this sector.

The state has observed hike in power demand over the years. The per capita consumption of electricity has also marked an increase from 700 units in 2006-07 to 1378 units in 2013-14. Hence, there is a need to harness alternative sources of energy like wind, biomass, solar energy in order to meet the growing energy requirements of the state.

On the social front, the state has given high priority to upgradation of education, imparting job specific vocational skills and improving the health infrastructure in the state.

Going ahead, the state is all set to achieve high growth trajectory with its sustainable and inclusive growth model.



**Mr. Vikram Kapur**

## From Chairman's Desk -Haryana Committee

Haryana is one of the prosperous states of India endowed with rich natural and agricultural resources. The state has witnessed a significant economic growth during the recent years. The real GSDP of the state has increased from about Rs. 104608 crores in FY2006 to about Rs. 199657 crores in FY2014.

The state is one of the leading producers of food grains and contributes significantly to the nation's food grain basket. Major crops grown in the state include rice, wheat, pulses, cotton, sugarcane, pearl millet and rapeseed and mustard.

Haryana has given importance to the development of agriculture and allied sectors in the state. It is emerging as one of the leading states in the field of horticulture. The main horticultural crops of the state having good potential are cauliflower, onion, potato, tomato, chillies, guava and kinnow. Further, various crop insurance schemes have been launched so as to protect farmers from losses in the state.

Haryana has also shown rapid industrialisation through development of small, medium and large scale industries. The state has accorded lot of emphasis to the development of MSMEs sector in order to achieve faster rate of industrial and economic growth.

Going forward, MSMEs sector of the state has potential to drive growth of manufacturing sector and boost employment in the state. The state should make efforts to impart entrepreneurial skills so as to promote the growth of MSMEs in the state. Further, it is essential for the state government and industries to join hands and work in the development of the state.



**Mr. Pranav Gupta**

## From Co-Chairman's Desk -Haryana Committee

Haryana is one of the most progressive states in the country with fast growing economy. The state has given thrust to develop all sectors of economy through quality infrastructure, meeting future demands of entrepreneurs and enhancing skillsets.

In order to make Haryana a preferred investment destination the state is encouraging public private partnership in industrial infrastructure, power, roads and bridges, health, tourism, education sectors.

The state has adopted various initiatives to drive the economic growth in the state. Haryana State Agriculture Policy has been drafted to harness the vast untapped growth potential of agriculture in the state. Further, Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) are engaged in development of industrial infrastructure in the state.

Tourism is also a significant sector in the economy of the state. The state has observed an increase in the number of domestic and foreign tourist visits over the years. In order to give an impetus to the tourism sector, a comprehensive land policy has been adopted for the development of tourism sector of the state in the Public Private Partnership mode. Going ahead, the state should promote eco-tourism to promote sustainable development of the state.

In view of the remarkable achievements made by the state over the recent years, Haryana economy is all set to emerge as one of the most preferred investment destinations for IT sector in the coming times. I am hopeful that the state will emerge as a leading state which drives national development going ahead.



**Mr. Saurabh Sanyal**

## From Secretary General's Desk

The study 'Haryana-The state profile: Bolstering Industrialization' highlights the latest socio-economic developments in the state. This study includes current state of economy, infrastructural developments performance of various social indicators in Haryana and analyses the impact of various policy measures on the economic growth of the state.

The state has emerged as one of the preferred investment destinations. The state has been progressive in industrial and services sector while agriculture sector continues to play a major role in the state's economy.

Further, the major export items from the state are software, handloom products, scientific instruments, garments, automobiles etc. Although the state has been instrumental in encouraging exports through various policy measures, however, there exists a lot of scope for expanding the reach of these policy initiatives.

Going ahead, the state should adopt innovative policy measures to diversify its exports so as to meet the global competitiveness.

PHD Chamber has always aimed to be an important stakeholder in the development of the Northern, Central and Eastern states of India and the nation. Hence, I hope we will be able to take the state forward to achieve new heights with our collaborative work in this direction in the coming times.

I commend and appreciate the tireless efforts of PHD Research Bureau team led by Dr. S P Sharma, Chief Economist and Ms. Megha Kaul, Senior Research Officer & Ms. Huma Saif Qazi, Research Assistant, PHD Research Bureau for producing this study of analytical value.

## Acknowledgements

At the outset we congratulate the new government for a sweeping victory at the State Assembly Elections 2014. We are confident that under the new government, state will gain growth momentum and achieve strong, sustainable and an all-inclusive growth.

PHD Chamber has come up with a report on 'Haryana: The state profile with special reference to Suggestions for Bolstering Industrialisation'. This study includes current state of economy, infrastructural developments performance of various social indicators in Haryana and analyses the impact of various policy measures on the economic growth of the state.

We take this opportunity to express our gratitude and respect to our office bearers Shri Alok B Shriram, President, Shri Mahesh Gupta, Senior Vice President and Shri Gopal Jivarajka, Vice President for their constant support in formulating suggestions to the new government in the state.

We express our sincere thanks to Shri Vikram Kapur, Chairman of Haryana Committee, PHD Chamber and Shri Pranav Gupta, Co-Chairman of Haryana Committee, PHD Chamber for their profound suggestions.

Last but not the least, we would like to appreciate the efforts of Mr. Dalip Sharma, Regional Director, Mr. R C Pahooja, Additional Resident Director, Ms. Surjit Kaur, Deputy Resident Director and Ms. Rimneet Kaur, Resident Manager, PHD Chamber, Chandigarh for providing support to complete the study. We would also like to thank Ms. Nidhi Gautam, Former Research Associate, PHD Research Bureau, for assisting in the first draft of this study.

We would also like to place on record the support of members of Haryana Committee and the services of Mr. Hariom Kuthwaria, Graphic Designer, PHD Chamber who collaborated in producing this work.

PHD Research Bureau  
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## Abbreviations

BPL	Below Poverty Line
Bn	Billion
CD Ratio	Credit Deposit Ratio
CSO	Central Statistics Office
CCSHAU	Chaudhary Charan Singh Haryana Agricultural University
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GFD	Gross Fiscal Deficit
GSDP	Gross State Domestic Product
HSIIDC	Haryana State Industrial & Infrastructure Development Corporation Ltd
HSDC	Haryana Seeds Development Corporation Limited
HAFED	Haryana State Cooperative Supply and Marketing Federation Limited
HLRDC	Haryana Land Reclamation & Development Corporation Limited
HAIC	Haryana Agro Industries Corporation Limited
IT	Information Technology
IMR	Infant Mortality Rate
ITeS	Information Technology Enabled Services
IEMs	Industrial Entrepreneur Memoranda
KWh	Kilowatt-hour
MSME	Micro Small and Medium Enterprises
MW	Megawatt
NNI	Net National Income
NSDP	Net State Domestic Product
PD	Primary Deficit
PHC	Primary Health Centre
PPP	Public Private Partnership
PRD	Primary Revenue Deficit
RD	Revenue Deficit
R&D	Research & Development
SEZ	Special Economic Zone
TRAI	Telecom Regulatory Authority of India
USD	United States Dollar
WBCIS	Weather Based Crop Insurance Scheme
MNAIS	Modified National Agriculture Insurance Scheme

## Executive Summary

“Haryana-The State Profile: Bolstering Industrialisation” pertains to focus on socio-economic developments in the state of Haryana. The study highlights current state of economy, infrastructural developments performance of various social indicators in Haryana and analyses the impact of various policy measures on the economic growth of the state. Further, the study provides comprehensive suggestions for bolstering industrialization in the state.

Haryana is a state known for its rich cultural and heritage strengths. The state is acknowledged for its famous legends and vedic references. The economy of Haryana has witnessed a significant growth path during the recent years. The real GSDP of the state has increased from about Rs. 104608 crores in FY2006 to about Rs. 199657 crores in FY2014. The average real GSDP of the state has grown at around 8.5% during the period FY2006-FY2014. Services sector contributes a significant share of around 53% in the GSDP of the state followed by the industry and agriculture at 27% and 20% respectively during FY2014. Per capita income of Haryana stands at Rs. 133427 (FY2014), which is significantly higher than all India per capita NNI (Net National Income) of Rs. 88533. Gross Fiscal deficit as a percentage of GSDP has been estimated at 3.1% for the year FY2016 which is reported to show a decline from 3.5% in FY2015.

We believe the state should achieve a sustainable 10% GDP growth in the next five years and thereafter strive for 12% GDP growth. Hence, to achieve this, it would be imperative for the government to focus on improving quality of infrastructure, agriculture, rural development, industry, education, services sector and tourism to boost economic development in the state.

The state has diverse agro-ecology and cropping pattern. The state enjoys first position in the production of basmati rice and productivity in pearl millet, rapeseed and mustard. Major crops grown in the state include rice, wheat, pulses, cotton, sugarcane, pearl millet and rapeseed and mustard. The state is also emerging as one of the leading states in the field of horticulture.

Going ahead, state needs to increase agricultural productivity by initiating reforms in case of land settlement rules and procedures, boosting capital investments for developing agri-infrastructure, improving environmental services, risk management, providing agricultural credit, insurance and agro-advisory services to the farmers in order to enhance growth trajectory in the coming times. Further, the state should promote diversification in the farm sector, improve research and development system and upgrade infrastructure as per international standards to harness the emerging opportunities in the agriculture sector of the state. Farmers should be motivated to adopt latest technology to increase the farm sector output for which easy credit should be made available to them.

On the industrial front, Haryana is an emerging manufacturing hub for Indian economy having immense scope for the development of the micro, small and medium enterprises (MSMEs) sector. The state has laid emphasis on strengthening the state’s manufacturing sector and enlarging the scope for future investments. The industrial policy of the state emphasizes on knowledge based & high tech industries, efficient use of energy, conservation of resources and pragmatic environmental policies for sustainable development.

Reforms in the manufacturing sector should be initiated to facilitate its growth and generate significant employment opportunities in the state. Implementation of GST, promotion of alternate sources of energy for industrial sector, single window clearance mechanism for MSMEs, flexibility in labour laws would be critical to enhance the share of industrial sector in the GSDP of the state.

## Haryana: The State Profile

During the last decade, the services sector of the state has performed significantly better and has emerged as a major segment contributing to economic growth of the state. The state has done very well in the field of information technology with the emergence of Gurgaon as the third largest hub of IT Industry after Bangalore and Hyderabad. Over the years, Haryana has observed an increase in the number of commercial banks and regional rural banks. The state should harness its financial infrastructure by providing financial support in terms of tax holidays, implementing innovative schemes so as to cover large population under financial inclusion, diversification of services export basket in order to improve the fiscal situation of the state.

Haryana boasts of having good network of road and railway infrastructure. The state has made considerable progress in the field of civil aviation and is focusing on enhancing air connectivity with other states and countries. The per capita consumption of electricity has also marked an increase from 700 units in 2006-07 to 1378 units in 2013-14. Hence, there is a need to harness alternative sources of energy like wind, biomass, and solar energy in order to meet the growing energy requirements of the state. Emphasis should be laid on allocation of power out of unallocated pool and allocation of gas to meet the peak demand of the state, speedy environmental clearances and strengthening road, railway infrastructure to go a long way in developing infrastructure in the state.

On the social front, state has done reasonably well with a small share of people living below poverty line while literacy rate lying above the national average. Further, Haryana should promote employment opportunities by skilling the youth, encouraging women entrepreneurship and job oriented education system.

In a nutshell, Government must focus on improving quality of infrastructure, enhancing agriculture productivity, addressing inflexibilities in labour markets, reforming manufacturing sector to bolster industrialisation.

The government should focus on improving the quality of education, attracting investments in health sector, strengthening rural development and developing skills sets in order to enhance the social infrastructure in the state. These reforms will not only boost the socio-economic segments but will also uplift the living standard of the masses.

Going ahead, we look forward to the effective policy interventions and strong reform initiatives that would pave the way to achieve a high and sustainable economic growth in the state in the coming times.

## Haryana

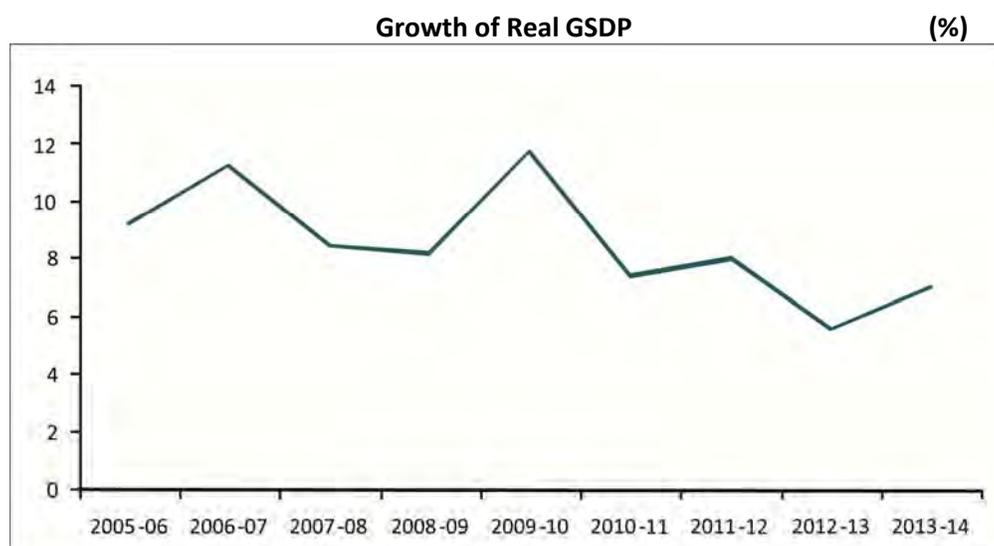


Haryana is a state known for its rich cultural and heritage strengths. The state is acknowledged for its famous legends and vedic references. The state holds strong footprints in the great epic of Mahabharata. The state is a land where saint Ved Vyas wrote Mahabharata which is one of the famous Indian epics. Haryana is a land locked state located in the northern part of India. The state shares its boundary with Uttar Pradesh in the East, Punjab in the West, Himachal Pradesh in the North and Rajasthan in the South. The state also surrounds national capital of Delhi from three sides. It is one of the prosperous states of India endowed with rich natural and agricultural resources. Haryana is mainly an agricultural state with abundant fertile land. The agriculture sector of the state has benefited by the Green Revolution which took place in the state. Further, the state is home to many species of flora and fauna.

Haryana has witnessed fast pace of industrial development over the years. The state is famous for its handicrafts and handlooms which are exported to various parts of the world. Phulkari embroidery is a prominent art work of Haryana.

## 1. Current state of economy

The economy of Haryana has witnessed a significant growth path during the recent years. The real GSDP of the state has increased from about Rs. 104608 crores in FY2006 to about Rs. 199657 crores in FY2014. The average real GSDP of the state has grown at around 8.5% during the period FY2006-FY2014.



Source: PHD Research Bureau, compiled from CSO.

Services sector contributes a significant share of around 53% in the GSDP of the state followed by the industry and agriculture at 27% and 20% respectively during FY2014. However, the share of industry has declined from around 30% in FY2008 to 27% in FY2014, while share of services has scaled upwards from 47% in FY2008 to 53% in FY2014.

### Gross State Domestic Product and its Composition

Components	FY2008	FY2011	FY2014
GSDP at current prices (Rs. crore)	151596	260621	388917
NSDP at current prices (Rs. crore)	136584	237163	353714
Economic Growth % (GSDP at constant prices)	8.5	7.4	6.9
Sectoral Contribution in GSDP at current prices (%)			
Agriculture	23	21	20
Industry	30	29	27
Services	47	50	53

Source: PHD Research Bureau, compiled from CSO.

## Haryana: The State Profile

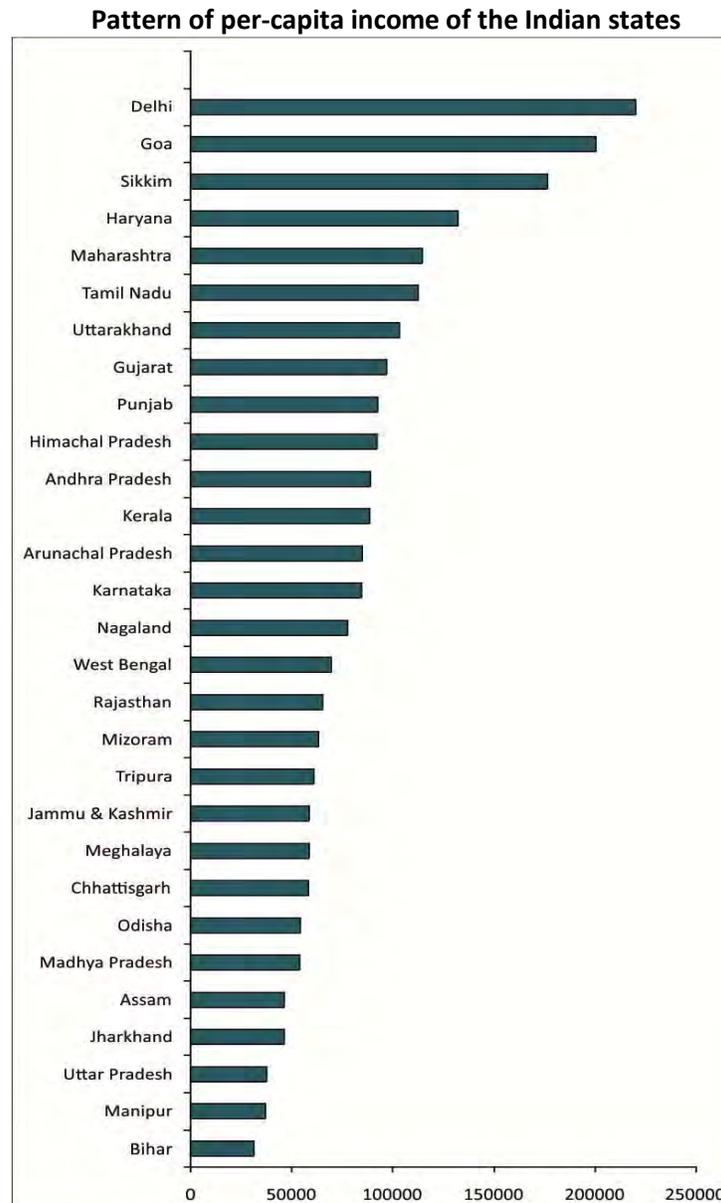
### Summary of socio-economic indicators

State Capital	Chandigarh
Hon'ble Governor of Haryana	Prof. Kaptan Singh Solanki
Hon'ble Chief Minister of Haryana	Shri. Manohar Lal Khattar
Area (Sq. km)	44,212
Land under agriculture (Hectare)	1,92,980
Productivity of Food Grains during 2013-14 (Thousand tonnes)	16974
Poverty	11.2%
Population (Census 2011)	25,351,462
Population Density (persons/Sq. Km) Census 2011	573
Male population	13, 494,734
Female population	11,856, 728
No. of districts	21
Principal Language	Hindi
Important rivers	Yamuna, Ghaggar, Markanda
Prominent tourist destinations	Surajkund International Craft Mela, Kurukshetra, Morni Hills
GSDP at Current Prices (FY2015)	Rs 435310.05 Crore
GSDP at Constant Prices (FY2015)	Rs 215145.73 Crore
Growth of GSDP at Constant Prices (FY2014)	7.8%
State per capita income (2014-15 at constant prices)	Rs 71,493
State per capita income (2014-15 at current prices)	Rs 1,47,076
Gross Fiscal Deficit /GSDP (FY2015)	3.1%
Total road network (Kms)	25825
National Highways (Kms)	1957
State Highways (Kms)	2128
Railway Stations	Kalka, Ambala, Kurushetra, Panipat, Rohtak, Jind, Hisar and Jakhhal
Per Capita Health Expenditure	Rs 1078
Literacy Rate (2011 Census)	75.6%
Sex Ratio (females per 1000 males) (2011 Census)	879
Key Industries	Automobiles & auto components, light engineering goods, textiles & apparels, handicrafts and handloom, horticulture, IT & ITeS

Source: PHD Research Bureau, compiled from Economic Survey of Haryana 2014-15, Census 2011, Economic Survey of India 2014-15 Government of India, RBI, Annual report to people on Health, December 2011

## Per-capita income

Per capita income of Haryana stands at Rs. 133427 crores (FY2015), which is significantly higher than all India per capita NNI (Net National Income) of Rs. 88533 crores. As per the latest comparable data during FY2015, Haryana is ranked at 4<sup>th</sup> in terms of per capita income among all the Indian states.



Source: PHD Research Bureau, compiled from Ministry of Statistics and policy implementation  
 Note: Comparable data is available for FY2015 at current prices, however the data for Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Maharashtra, Manipur, Mizoram, Punjab, Rajasthan, Sikkim, Telangana and Tripura pertains to FY2014.

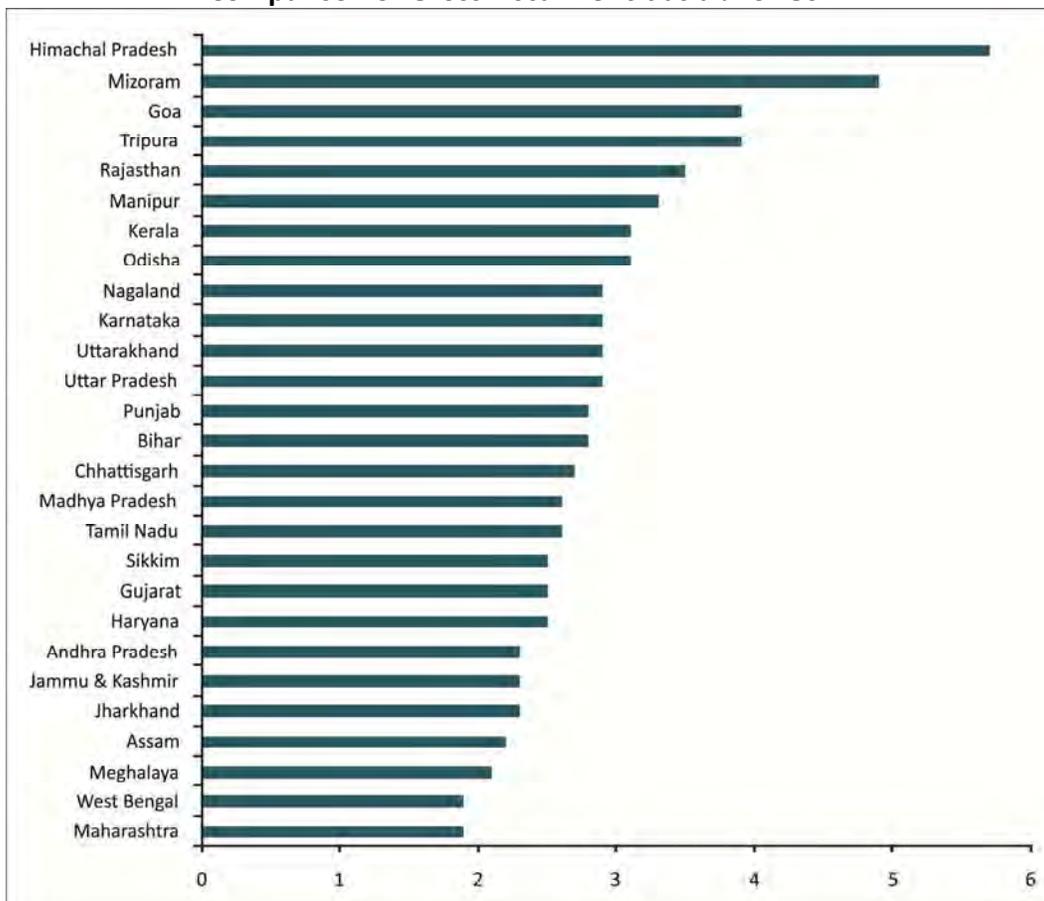
## Fiscal Deficit

Gross Fiscal deficit as a percentage of GSDP has been estimated to decline to 3.1% in FY2016 from 3.5% in FY2015. Primary deficit as percentage of GSDP also decreased to 0.9% in FY2015 from 1.4% during FY2014. The revenue deficit as a percentage of GSDP has declined from 1.4% in FY2014 to 1.1% in FY2015. Primary revenue balance declined further from (-)0.1% in FY2014 to (-)0.5% in FY2015.

## Comparison of fiscal position with other states

Gross fiscal deficit of Haryana is lower in comparison to states like Himachal Pradesh, Mizoram, Tripura, Goa, Assam, Uttar Pradesh, Chhattisgarh and Rajasthan and higher than the states like Gujarat, Sikkim, Jharkhand, Jammu and Kashmir, Andhra Pradesh, Assam, Meghalaya, Maharashtra and West Bengal.

**Comparison of Gross Fiscal Deficit as a % of GSDP**



Source: PHD Research Bureau, Compiled from RBI, Note: Data pertains to 2014-15(Budget Estimates)  
Note: NCT of Delhi has fiscal surplus of 0.4% of GSDP

## Industrial investments

Haryana offers sound industrial and infrastructural base through its various policy measures. The industrial infrastructure is being strengthened in the state through development of new industrial model townships, industrial parks, and expansion of the existing industrial estates. The state has made efforts to create and maintain conducive environment for attracting industrial investments through investor friendly policies and procedures coupled with timely and smooth delivery of services.

The state provides favorable environment to sectors like automobile & auto components, light engineering goods, IT & IT enabled Services (ITeS), textile & apparels and electrical & electronic goods. In order to facilitate industrial investors in the state, Haryana has enacted Industrial Promotion Act 2005, introduced self-certification schemes and made provision for outsourcing of the authority to provide enabling environment for investors. Further, Haryana State Industrial & Infrastructure Development Corporation Ltd (HSIIDC) has been set up in order to support development of industrial infrastructure in the state. The state has been able to attract more than Rs. 31000 crore as industrial investment proposals in the last five years (2009-2013). However, share of Haryana in India's industrial investment proposals has remained steady at around 0.6% (average 2009-2013) during the recent years.

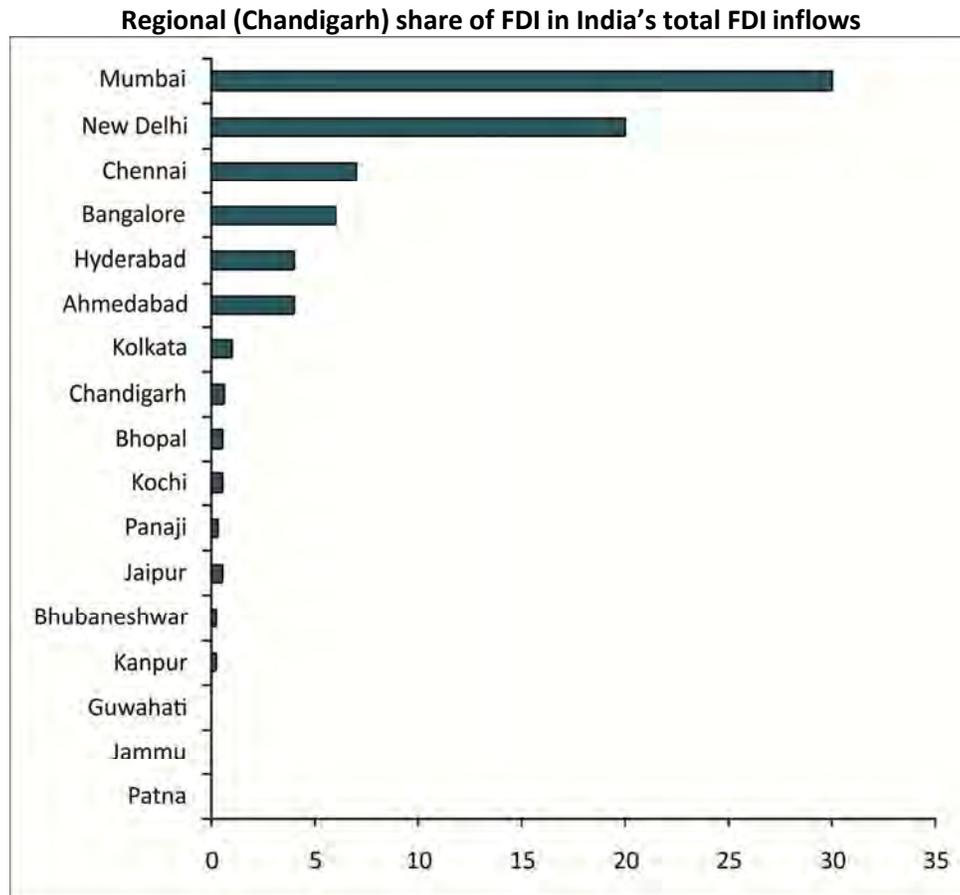
Year	Haryana	India	Share of Haryana in India's total investment proposals
2009	2423	1040259	0.23
2010	10436	1736322	0.6
2011	8700	1539728	0.57
2012	5894	567868	1.04
2013	4172	530086	0.79
2014 (Jan- Dec)	2681	405027	0.66
2015(Feb)	366	75509	0.48

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

The state has emerged as one of the preferred investment destination. Haryana continues to maintain its lead in the country in terms of rate of implementation of the pledged investment. During the period 2005-2013, a total of 1,141 IEMs (Industrial Entrepreneur Memoranda), catalysing an investment of Rs 43,663.59 crore with employment potential for 3,45,783 persons has been filed with the Government of India, out of which 907 IEMs have been implemented with an investment of Rs 29,182.02 crore providing employment to 2,17,077 persons. The state has been able to catalyze investments worth Rs 64000 crore during last 8 years and investment of about Rs 1,00,000 crore is in the pipeline.

## FDI inflows

During recent years, the FDI inflows (Chandigarh region)<sup>1</sup> in the state have posted an inspiring growth. However, the region constitutes around 0.6% of the total FDI inflows in India.



Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Govt. of India.  
Note: Data pertains to Apr'00-Jan'y'15 and represents FDI equity inflows

Despite the volatile global economic environment during the recent years, the FDI inflows in the state have observed a remarkable growth. FDI inflows in Chandigarh region has increased to US\$91 million during FY2014 as compared to US\$47 million during FY2013, thereby marking a growth of about 94%. The cumulative inflows of the region from April 2000 to January 2015 constitute around US\$ 1331million.

<sup>1</sup> Pertains to Chandigarh, Punjab, Haryana and Himachal Pradesh

## Haryana: The State Profile

### Pattern in attracting FDI (equity) inflows: Chandigarh Region

Year	FDI inflows (US\$mn)
FY 2013	47
FY 2014	91
FY 2015 (April-January 2015)	39
Cumulative Inflows (April 2000–January 2015)	1,331

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

### Exports

Exports play a vital role in the economic growth of Haryana as the state's performance on the export front has been excellent. The total exports from the state have increased from Rs 54,991 crore during 2011-12 to Rs 59,806 crore during 2012-13 registering an increase in the growth rate of more than 8%. The major export items from the state are software, handloom products, scientific instruments, garments, automobiles and automotive components, electrical appliances, rice, pickles, etc. Software exports from Haryana has been estimated to be 6% of total national exports of Rs 4, 10,999 crore (excluding IT/Electronics Hardware Exports) during the year 2012-13. Haryana is one of the biggest contributors of foodgrains to the Central Pool. The state boasts of contributing a share of more than 60% in the export of Basmati Rice. In order to encourage exports from the state, the state government has taken several policy measures to harness entrepreneurial efforts in the state.

The state government has also launched a scheme of State Export Awards in the year 1996 with a view to acknowledge and recognise the contribution of exporting units. The export performance of the state has increased during the last few years. The State Government emphasizes on tapping the potential of Special Economic Zones (SEZ) in driving industrial/ economic growth and facilitating exports. The State has come out with Haryana Special Economic Zones Act, 2006 for facilitating development of SEZs in the state. There has been a significant hike in the exports from Special Economic Zones (SEZs) in Haryana. Exports from Special Economic Zones during 2008-09 were worth Rs 278 crore which has been improved to about Rs 2807 crore during 2010-11.

Exports from Special Economic Zones (SEZs) in Haryana			(Rs Crore)
State	2008-09	2009-10	2010-11
Haryana	277.92	1018.78	2807.01
India	99689	220711.38	315867.85

*Source: PHD Research Bureau, Compiled from IndiaStat.com*

## 1.1 Agriculture

Haryana is an agricultural state with nearly 80% of the state's total geographical area under cultivation. The state has diverse agro-ecology and cropping pattern. There are mainly three agro-ecoregions in the state which have better irrigation facilities and quality infrastructure. Haryana is one of the key contributors to the national food basket. The state enjoys first position in the production of basmati rice and productivity in pearl millet and rapeseed & mustard. Major crops grown in the state include rice, wheat, pulses, cotton, sugarcane, pearl millet and rapeseed and mustard. The main horticultural crops of the state having good potential are cauliflower, onion, potato, tomato, chillies, guava and kinnow. The state is well known for Murrah buffaloes which are exported to other states of the country and even abroad.

### Summary of agro statistics

Sr. No	Components	Growth/ratio/ production
1	Agriculture & allied GSDP at Current prices (FY2014)	Rs 78,605 Crore
2	Growth of Agriculture & Allied real GSDP ( Avg. from FY2006 to FY2014)	4%
3	Agricultural & allied sector's contribution in GSDP (FY 2014)	20%
4	Food Grain production (FY2014)	16150 (Thousand tonnes)
5	State's contribution to national food grain production (FY2014)	6.4%
6	State's rank in national food grains production (FY2014)	7 <sup>th</sup>
7	Net area sown to total geographical area	79.46%
8	Net Area Sown (FY2012)	3513 (Thousand hectares)
9	Rice Production (FY2015)	3941 (Thousand tonnes)
10	Wheat Production (FY2015)	11117 (Thousand tonnes)
11	Coarse Cereals (FY2014)	1051 (Thousand tonnes)
12	Pulses (FY2014)	107 (Thousand tonnes)
13	Oil Seeds (FY2014)	968 (Thousand tonnes)
14	Sugarcane (FY2014)	7426 (Thousand tonnes)
15	Rank in Rice production (FY2014)	10 <sup>th</sup>
16	Rank in Wheat production (FY2014)	4 <sup>th</sup>
17	Yield – Wheat (FY2013)	4452 kg/hectare
18	Yield – Rice (FY2013)	3268 kg/hectare
19	Yield –Bajra (FY2013)	1925 kg/hectare
20	Yield – Sugarcane (FY2013)	7426 kg/hectare

Source: PHD Research Bureau, Compiled from RBI, Economic Survey of Haryana 2014-15

## Haryana: The State Profile

The state has shown immense growth in agricultural sector over the years. Haryana has been awarded by Krishi Karman award during 2010-11 and 2011-12 for better performance of wheat production. Further, Commendation award has also been presented to the state for 2012-13 for continuous achievements in wheat and rice production.

Haryana is emerging as one of the leading states in the field of horticulture. Horticulture crops covers about 6.94% of the gross cropped area of the state. During 2013-14, the state has produced 62.95 lakh tonne of horticultural crops. The state is encouraging cluster approach for the better development of fruit cultivation as per the climatic and soil conditions of the state. This has resulted in an increase in area and production of fruits to 50,595 hectare and 5,54,900 tonne respectively during the year 2013-14.

Haryana has taken various policy measures in order to develop its agriculture sector. The state has launched various crop insurance schemes so as to protect farmers from losses. Weather Based Crop Insurance Scheme (WBCIS) has been started in the state during Rabi 2009-10. The scheme is based on several weather parameters such as deficit rainfall, excess rainfall, temperature and dry days instead of yield parameters. Further, Modified National Agriculture Insurance Scheme (MNAIS) has been started in the state during Kharif 2011 on pilot basis in Karnal and Kaithal districts for paddy crop. The scheme provides a provision of 40-75% subsidy depending on various premium slabs from 2-15%.

The state has also taken initiatives to provide effective and modernized irrigation facilities to the farmers. Haryana has pioneered in adopting Sprinkler Irrigation Technology in the country which has helped farmers in utilizing water saving methods. The state boasts of having effective network of canal system. In order to reduce the losses in carriage of water, rehabilitation of canal network has been taken up in a phased manner in the state. Further, in order to ensure timely availability of certified seeds to the farmers, Haryana Seeds Development Corporation Limited (HSDC) has setup a network of 74 sale counters, besides sale outlets of Institutional Agencies such as MINIBANKS, HAFED (Haryana State Cooperative Supply and Marketing Federation Limited), HLRDC (Haryana Land Reclamation & Development Corporation Limited) and HAIC (Haryana Agro Industries Corporation Limited) in the state. In order to address the needs and problems of the farmers, various measures have been undertaken in the state. CCSHAU (Chaudhary Charan Singh Haryana Agricultural University) has been setup to undertake the teaching, research and extension in the field of agriculture.

The state has drafted Haryana State Agriculture Policy to harness the vast untapped growth potential of agriculture in the state. The policy aims to focus on agriculture and its allied sectors ensuring enhanced investments, increased production, productivity, sustainability and profitability. The policy proposes to attain goal of inclusive growth through sustainable agriculture, productive agriculture, secondary agriculture and innovative agriculture. Haryana stands at seventh position at all India level in terms of food grain production. The state's food

### Haryana: The State Profile

grain production has grown from about 13 million tonnes in FY2001 to more than 17 million tonnes in FY2014, marking a growth of around 28%.

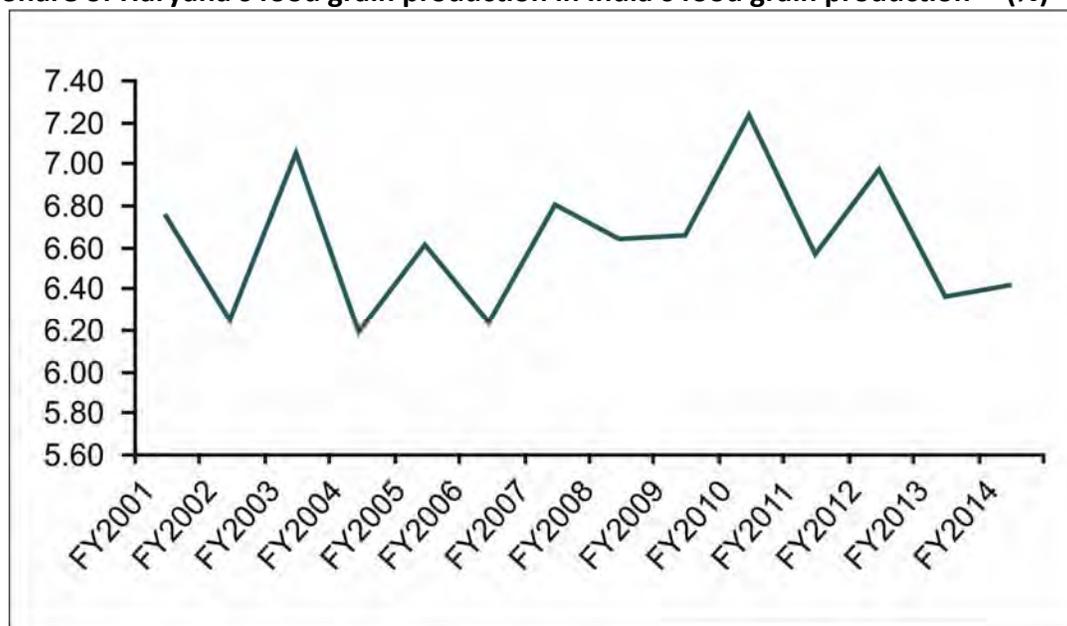
**Foodgrain production in Haryana vis-à-vis India**

Year (FY)	Haryana (Million Tonnes)	India (Million Tonnes)	Share of Haryana in India (%)
2001	13.29	196.81	6.75
2002	13.29	212.85	6.24
2003	12.32	174.78	7.05
2004	13.19	213.19	6.19
2005	13.11	198.36	6.61
2006	12.99	208.59	6.23
2007	14.76	217.28	6.79
2008	15.31	230.78	6.63
2009	15.61	234.47	6.66
2010	15.77	218.20	7.23
2011	16.04	244.49	6.56
2012	17.95	257.44	6.97
2013	16.22	255.36	6.35
2014	16.97	264.77	6.41

Source: PHD Research Bureau, compiled from RBI

Share of Haryana in India's food grain production has remained steady over the years. It was around 6.8% in FY2001 which has observed a slight decline to 6.4% in FY2014.

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



Source: PHD Research Bureau, compiled from RBI

### Haryana: The State Profile

Production of rice in Haryana has grown from around 2.7 million tonnes in FY2001 to around 4 million tonnes in FY2013, while the production of wheat has also witnessed a slight growth from around 10 million tonnes in FY2001 to about 12 million tonnes in FY2013.

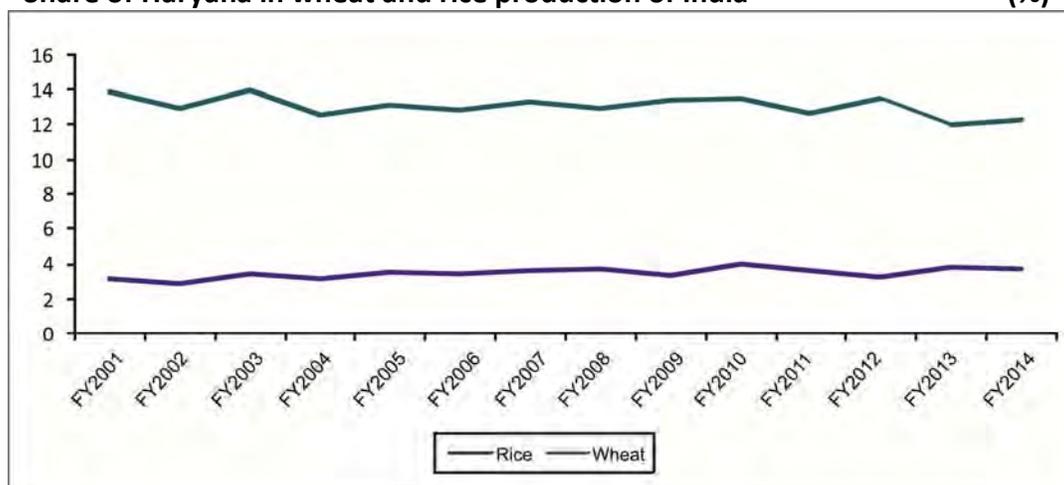
**Production of wheat and rice in Haryana vis-à-vis India**

Year (FY)	Haryana (Million Tonnes)		India (Million Tonnes)		Share of Haryana in India (%)	
	Rice	Wheat	Rice	Wheat	Rice	Wheat
2001	2.7	9.7	84.98	69.68	3.18	13.92
2002	2.7	9.4	93.34	72.77	2.89	12.92
2003	2.5	9.2	71.82	65.76	3.48	13.99
2004	2.8	9.1	88.53	72.16	3.16	12.61
2005	3.0	9.0	83.13	68.64	3.61	13.11
2006	3.2	8.9	91.79	69.35	3.49	12.83
2007	3.4	10.1	93.36	75.81	3.64	13.32
2008	3.6	10.2	96.69	78.57	3.72	12.98
2009	3.3	10.8	99.18	80.68	3.33	13.39
2010	3.6	10.9	89.09	80.80	4.04	13.49
2011	3.5	11.0	95.98	86.87	3.65	12.66
2012	3.7	12.7	105.31	94.88	3.5	13.43
2013	4.0	11.1	105.24	93.51	3.83	11.87
2014	4.0	11.8	103.04	95.76	3.88	12.32

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

The share of Haryana in the India's total rice production has remained more or less same during the last decade. On the other hand, state's share in wheat production of India has declined from around 14% during FY2001 to about 12% in FY2014.

**Share of Haryana in wheat and rice production of India (%)**



Source: PHD Research Bureau, compiled from RBI

## Haryana: The State Profile

The state is giving thrust on livestock development through supportive policies and balanced emphasis on buffalo, cattle, poultry, fish and dairy sector. Beside thrust on genetic improvement of local breeds like Murrah, Haryana and Sahiwal, greater benefits can be harnessed by production of A2 milk, unique in these breeds, by value addition of milk products and by production of Mozzarella cheese from Murrah buffalo milk. Further, emphasis is also laid on the good management and improved feed and fodder resources which could lead to the faster growth of live stock sector in the state.

### Key highlights of Haryana State Agriculture Policy

The policy aims to promote technically sound, economically viable, environmentally friendly and socially acceptable use of state's natural resources-land/soil, water, energy, agro-biodiversity and climate. The policy aims to address various issues to improve agricultural growth of the state.

**Land Related Issues:** Good cultivable land will be protected from non-agricultural uses, diversion of only waste and less productive land for non- agriculture uses, emphasis on organic recycling and balanced use of nutrients will be given. Rules and procedures for land reforms will be revisited and scientific land use will be done to ensure sustainability.

**Improving Water Use Efficiency:** Water harvesting practices will be promoted by adopting "Khet-ka-pani-khet-me" approach. Strict enforcement of Ground Water Draft Bill 2008 and Preservation of Sub-soil Water Act 2009 will be ensured.

**Bio-resource Management:** The policy aims to provide uninterrupted electricity supply, reasonable pricing of different forms of energy, establishment of organized timber markets and protecting valuable agro-biodiversity.

**Meeting Crop Productivity Challenges:** The state shall minimise the existing yield gaps through breeding high yielding stress tolerant hybrids, varieties, production of good quality seeds, increased investment in research for development and promoting crop diversification.

**Farming System Approach:** The state shall promote dairy based farming system, use of certified bulls, establishment of fodder banks and giving priority for training dairy technicians.

**Ensuring Credit Supply:** The policy aims to provide KCCs to all farmers within a specified period, adequate and timely supply of credit at lower interest rates, provision for short term credit against produce.

**Reforms in the Marketing System:** The state aims to amend APMC Act, encourage direct sale by farmers to the consumers through kisan bazars, strengthening terminal markets with all modern facilities linked with international markets, promoting quality control and pledged storage facilities.

## 1.2 Infrastructure

Infrastructure is an important growth driver and its development is essential for long term growth prospects of an economy. Quality infrastructure is a prerequisite for the development of all sectors of states' economy. Haryana has also focused on providing better and modernised infrastructural facilities in the state. In order to build a strong infrastructure base in the state, participation of private sector is highly encouraged by the state government through public private partnerships (PPP).

### Delhi Mumbai Industrial Corridor (DMIC)

Dedicated Freight Corridor is being established by Government of India between Delhi and Mumbai, with its terminals at Dadri in the National Capital Region of Delhi and Jawaharlal Nehru Port near Mumbai. The Corridor covers a length of around 1500 kms and will pass through the states of Uttar Pradesh, National Capital Territory of Delhi, Haryana, Rajasthan, Gujarat and Maharashtra. The corridor is expected to offer high-speed connectivity for high axle load wagons through high power locomotives.

The DMIC influence area covers more than 66% of the geographical area across 13 districts of the state. DMIC boasts of having investment regions with minimum area of 200 square kilometers and Industrial Areas (IAs), with minimum area of 100 square kilometers. DMIC promises to include self-sustained industrial townships with world-class infrastructure served by multi-modal connectivity for freight movement/ logistic hubs, domestic/ international air connectivity, reliable power, quality social infrastructure and globally competitive environment.

The state government offers "Early Bird Projects" for development of identified stand alone projects and to capitalize on existing potential :

1. Regional MRTS between Gurgaon-Manesar-Bawal with feeder service to enhance connectivity between Delhi and the up-coming manufacturing areas.
2. Logistics Hub in Rewari district
3. Exhibition-cum-Convention Centre at Pachgaon Chowk, Gurgaon

### Global Economic Corridor along the KMP Expressway

Haryana State Industrial and Infrastructure Development Corporation has undertaken the development of Kundli-Manesar-Palwal (KMP) Expressway. The project holds unprecedented potential for development of economic hubs at strategic locations along the expressway. The corridor has provision of establishment of various theme cities like Knowledge City, Cyber City, Bio-sciences and Pharma City, Medi-City, Fashion City, Entertainment City, World Trade City, Leisure City, Dry Port City, Eco City, Sports City etc. These cities are expected to boost large scale employment opportunities in the region.

*Source: PHD Research Bureau, Compiled from various sources*

**Roads**— Roads are the major mode of transportation services available in Haryana. The state has a total roads network of 25825 kms comprising 1957 km of national highway, 2128 km of state highway, 1425 km of major district roads and 20315 km of other district roads. Further, the state government has laid emphasis on the improvement/up gradation of existing road network, construction of bye passes, bridges/Railway Over Bridges (ROBs) and completion of road construction works to strengthen the road network.

## Haryana: The State Profile

### Road infrastructure

Category of road	Length in Kms
National Highway	1957
State Highway	2128
Major district roads	1425
Other district roads	20315
<b>Total</b>	<b>25825</b>

*Source: PHD Research Bureau, Compiled from Economic Survey of Haryana, 2014-15*

**Railways** - The railways play a significant role in the state. Railways play an important role in carrying both inter-state and intra-state passengers. The main inter-state railway routes are Kalka, Ambala, Kurushetra, Panipat, Rohtak, Jind, Hisar and Jakhhal are important railway stations. Further, in order to facilitate and increase the safety of passengers, master plan for construction of Railway Over Bridges has been done. Nearly 19 Railway Over Bridges are under construction in the state.

### Railway Over Bridges (ROBs) identified in Master Plan

Description	Nos.
ROBs completed and opened to traffic	3
ROBs under construction	21
ROBs likely to be taken up	19

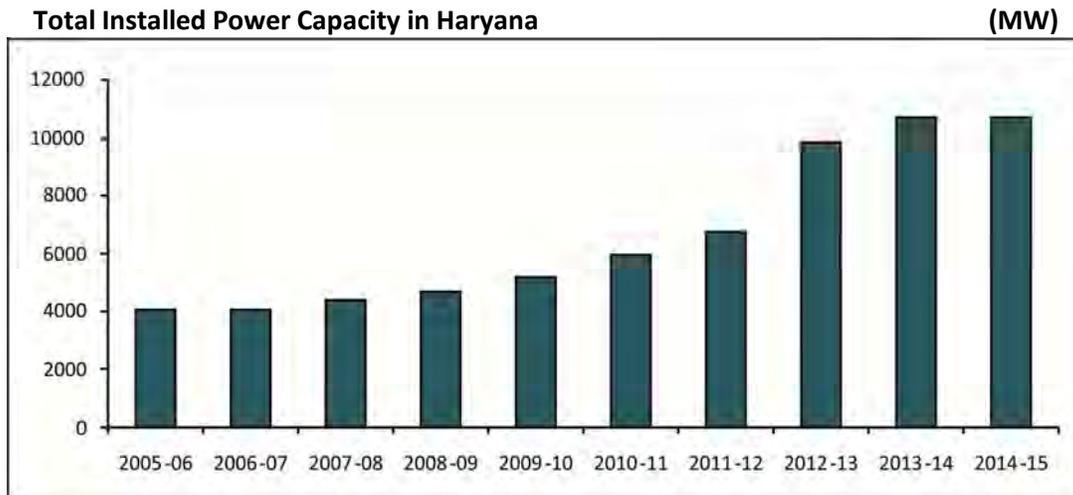
*Source: PHD Research Bureau, Compiled from Economic Survey of Haryana, 2014-15*

**Aviation** – The state has made considerable progress in the field of civil aviation and is focusing on enhancing air connectivity with other states and countries. Haryana has three domestic airports which are located in Chandigarh, Ludhiana and Pathankot. The state has planned to establish an International Cargo Airport along with provision of Aircraft Maintenance Hub in North India. The proposal has been taken up with the Ministry of Civil Aviation and the Airport Authority of India. The project is estimated to open new areas of development in the State, in particular in the areas located in close vicinity of the proposed project.

**Power** – Perennial supply of power is significant in order to achieve sustained economic growth. Although Haryana has limited availability of natural sources of energy, however, the state has taken several initiatives in this regard.

The state has a total installed capacity of 10729.04 MW which includes 3230.20 MW from State's own stations, 829 MW from jointly owned projects and the balance as share in central projects and independent private power projects. Haryana has observed an increase in power availability from these sources over the years. The power availability during the year 2006-07 was 25125.3 Million Units (MUs) which has increased to 40,277.9 MUs during 2013-14. Further, Haryana has witnessed an increase in its total installed capacity by around 144% during the period 2005-06 to 2012-13. However, the total number of electricity consumers in the State has increased from 35,44,380 in 2001-02 to 53,81,129 in 2013-14. Total electricity consumers in the State during 2014-15 (upto November 2014) are 5498797.

## Haryana: The State Profile



Source: PHD Research Bureau, compiled from Economic survey of Haryana 2014-15

The per capita consumption of electricity has also marked an increase of more than 97% from 700 units in 2006-07 to 1,378 units in 2013-14. The state has made a new record on 4<sup>th</sup> July, 2013 by supplying 1,730.30 lakh units of electricity. With a view to maximize the power availability in the state, various short and long term measures such as addition in capacity generation, improvement in operational efficiency, rehabilitation and extension of distribution network etc. have been taken up by the state.

**Urban Infrastructure**—Haryana is highly committed to provide urban infrastructure services in the state as more than 34.79% of state’s population lives in urban areas<sup>2</sup>. The state government endeavours to improve connectivity of its towns with National Capital of Delhi in order to facilitate smooth and uninterrupted flow of goods and passengers both within the urban centres in the state as well as with National Capital of Delhi. The state government has launched the Rajiv Gandhi Urban Development Mission (RGUDMH) for Urban Infrastructure Development Programme on a mission mode approach in all the urban local bodies of the state. Under the Mission, Rs. 470.58 crore was released to the municipalities during 2013-14. During the current financial year 2014-15, a budget provision of Rs. 717.52 crore has been made, out of which Rs. 584.05 crore has been released to the municipalities till date.

Under the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), nine DPRs for integrated solid waste management and sewerage system & sewerage treatment plants for seven towns (Bahadurgarh, Charkhidadri, Karnal, Yamunanagar, Ambala, Narnaul and Rohtak) costing of Rs 201.27 crore were approved by the Government of India. Further, Sonipat has been selected as the Satellite town under the centrally sponsored scheme of Urban Infrastructure Development in Satellite Towns around mega cities. Around Rs 32.82 crore has

<sup>2</sup> As per Census 2011

### Haryana: The State Profile

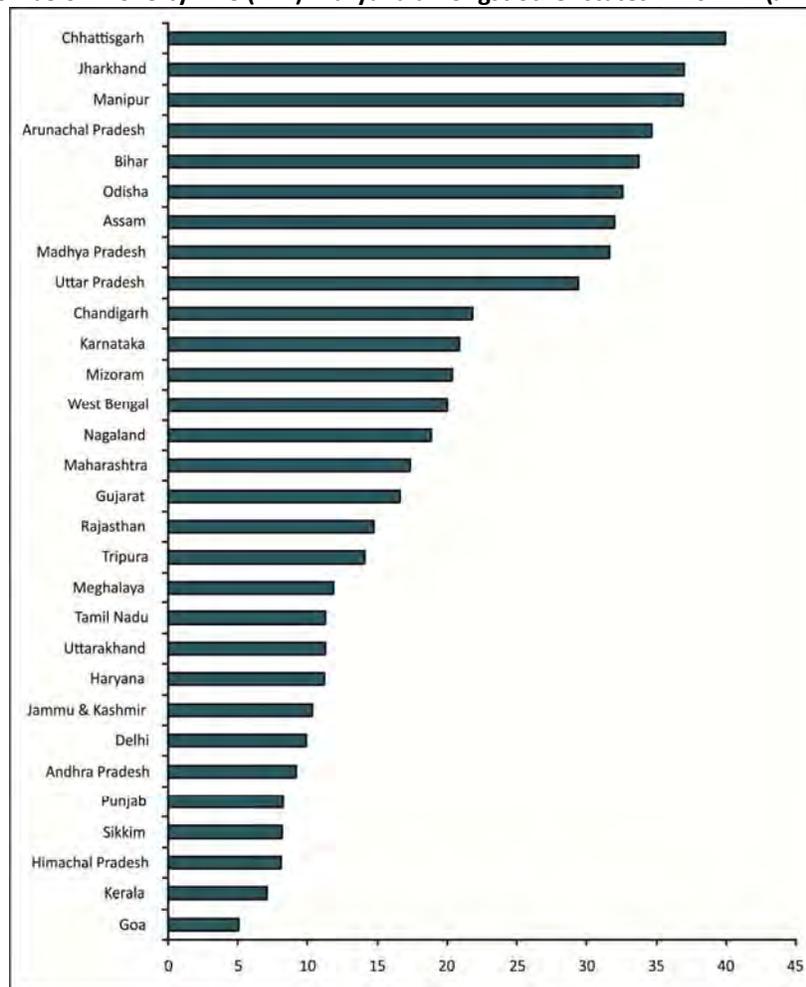
been released as central share and Rs 4.11 crore as state share to the municipal council has been released for this purpose.

**Telecom** – According to Telecom Regulatory Authority of India (TRAI), the total subscriber base of Haryana was 2.03 crore with a share of 2.27% in India’s telecom subscriber base. Haryana contributes around 2.27% in total wireless subscribers in India and around 1.75% in wire line connectivity in India.

### 1.3 Social infrastructure

**Poverty**–Haryana has done reasonably well to reduce its poverty, with only 11.2% of the population living below the poverty line (BPL) as against the national average of 21.9% during 2011-12. However, population below the poverty line is higher as compared to Goa, Kerala, Himachal Pradesh, Sikkim and Punjab.

**Population below Poverty Line (BPL): Haryana amongst other states FY2012 (% Population)**



Source: PHD Research Bureau, compiled from Planning Commission, Note: Data for 2011-12

## Haryana: The State Profile

**Unemployment**—The unemployment rate<sup>3</sup> of Haryana stands at 4.8% which is marginally lower than the national average of 4.9%. The state has made serious efforts to enhance the employability of the youth by imparting job specific vocational skills. The state has given priority to the formulation and implementation of development programmes for unemployed persons. The state had declared 2013 as the ‘Year of Industry & Employment’ and various employment generated measures have been initiated in the state. Industrial Training Department has imparted skill development trainings in the state so as to generate new avenues for self-employment in the state.

### Employment Scenario

Employment	Number
Total No. of Employment Exchanges (December 2012)	56
Employment in Public Sector/PSUs (2012-13)	375106
Employment in Private Organized Sector	394767
Total Employment (2012-13)	769873
No. of Haryana Govt. Employees (March, 2012)	335945

*Source: PHD Research Bureau, Compiled from Economic Survey of Haryana, 2013-14 and 2014-15*

**Education**—Haryana has accorded high priority to this sector. The state government is taking special measures for the up gradation of education level in the state. The state has developed the ‘Rajiv Gandhi Education City’ near Rai-Kundli over an area of about 2000 acres (Phase-I) in close proximity to Delhi where plots have been allotted for establishment of higher education institutions.

### Educational Infrastructure

Type of Institution (2012-13)	Number
Primary/Pre-Primary Schools	14025
Middle Schools	3483
High/Secondary Schools	7060
Enrolment (2011-12)	Number
Primary/Pre Primary Schools	25,45,537
Middle Schools	13,78,800
High/Secondary Schools	15,23,303

*Source: PHD Research Bureau, Compiled from Economic Survey of Haryana, 2014-15*

In order to promote and encourage higher education among girls/ women, the state government has started the scheme of Education Loan to girls/ women through Haryana Women Development Corporation under which interest subsidy of 5% per annum is provided

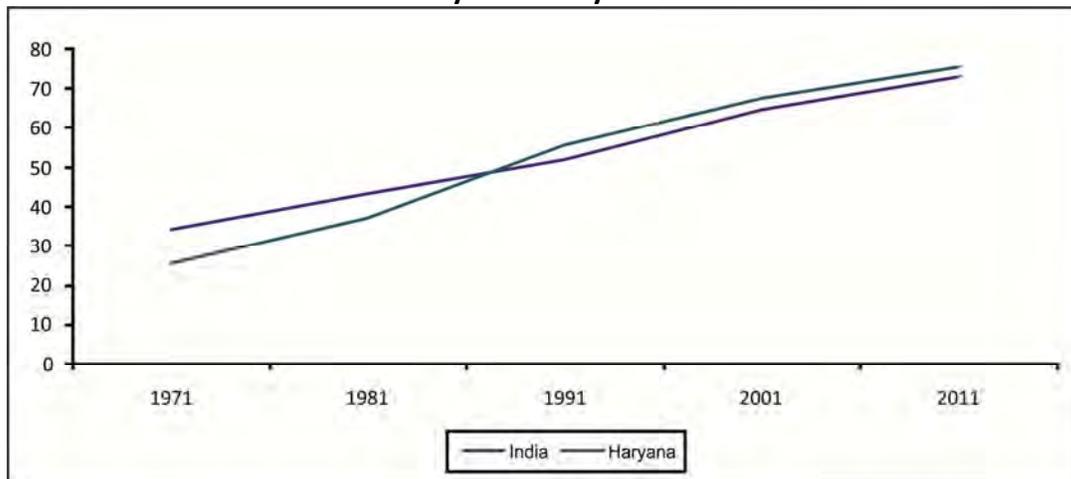
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<sup>3</sup> Unemployment Rate (per 1000) for persons aged 15 years & above according to usual principal status approach (ps) for each State/UT. Source: Fourth Annual Report on Employment & Unemployment Survey (2013-14), Ministry of Labour & Employment, Government of India

### Haryana: The State Profile

to girls to pursue higher education at Graduate/Post Graduate/Doctorate/Post Doctoral level in the country and abroad. The literacy rate of Haryana has been very impressive over the last two decades and it lies above the national average literacy levels. The state's literacy level<sup>4</sup> stands at 75.6%, which is higher than the national average of 73%.

**Trend of literacy rate: Haryana vis-à-vis India**



*Source: PHD Research Bureau, Compiled from Economic Survey of India 2013-14*

Haryana ranks 16<sup>th</sup> in literacy rate at all India level. The state's literacy rate is lower as compared to states like Uttarakhand, Punjab, Gujarat and Himachal Pradesh, however it is better than states like Karnataka, Madhya Pradesh, Uttar Pradesh, Rajasthan etc.

Recently, the Hon'ble Prime Minister, Shri Narendra Modi ji launched the "Beti Bachao, Beti Padhao" Program in January 2015 from Haryana with the objective of ensuring the safety and security and empowerment of women. The campaign seeks to correct the imbalance in the gender ratio which is a major cause of concern.

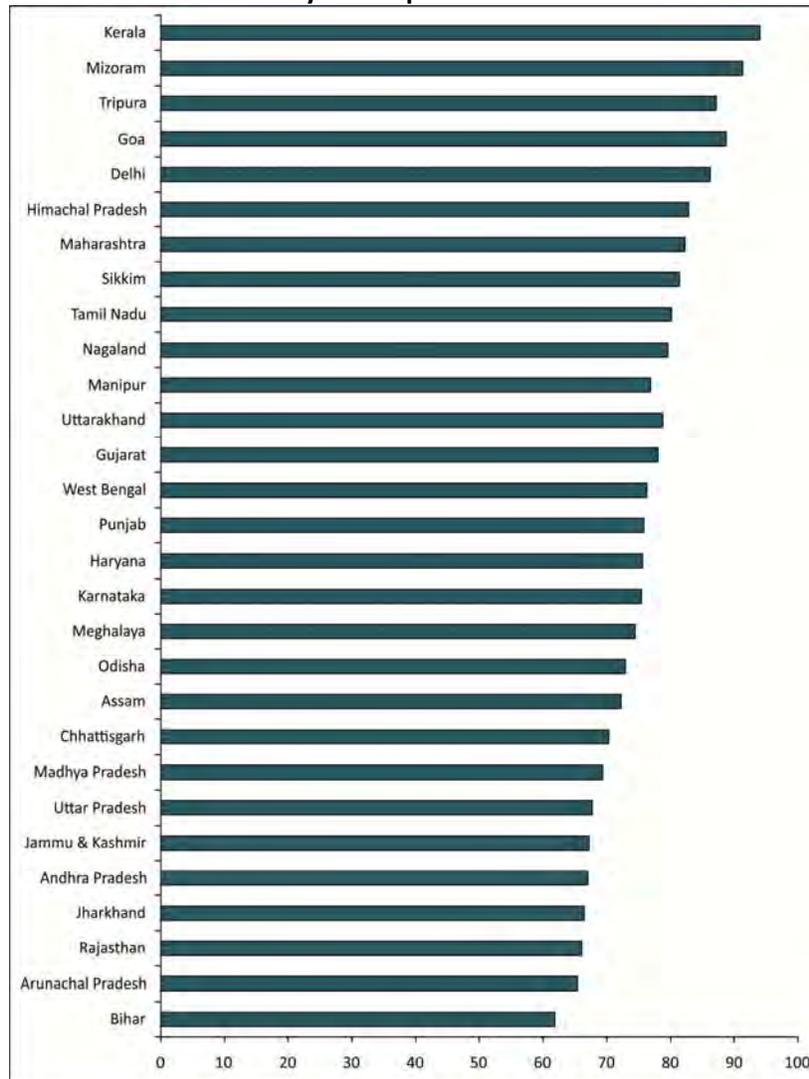
Further, it would also aim at ensuring stricter implementation of existing laws preventing gender determination tests. The scheme will be initially implemented in 100 districts across the country, including 12 in Haryana which may reflect positively on the literacy rate in the coming times.

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<sup>4</sup> According to the Census of India 2011.

## Haryana: The State Profile

**Trend in literacy in comparison with other states**



*Source: PHD Research Bureau, Compiled from Economic Survey of India 2014-15, Data pertains to 2011*

**Health**—The state government seeks to encourage private sector investment in health and healthcare sector in order to facilitate establishment of quality healthcare institutions within the state.

Online drug procurement system has been implemented for the procurement and drug demand generation system. Further, the state has identified seven drug warehouses at Ambala, Karnal, Kaithal, Gurgaon, Bhiwani, Rohtak and Hisar while there is a proposal to create two new drug warehouses at Sonipat and Faridabad. Haryana is the leading state in implementing Rashtriya Swasthya Bima Yojana and was awarded “Commendation Certificates” by Government of India for outstanding performance for four successive years.

### Haryana: The State Profile

Health infrastructure in the state comprises of 57 hospitals, 112 community health centres, 485 Primary Health Centres (PHC), 2630 Sub Centres, 7 Trauma Centres, 15 District T.B. Centres/clinics, 90 Urban RCH Centres, 473 Delivery huts. In addition, 11 polyclinics, 4 dispensaries and 11 urban health centres have been operationalized in 2013-14. Haryana has launched free drug purchase policy in 2009 with an intention to provide free and uninterrupted supply of good quality medicine to all OPD patients/causality cases and delivery cases in all the government health facilities in the State.

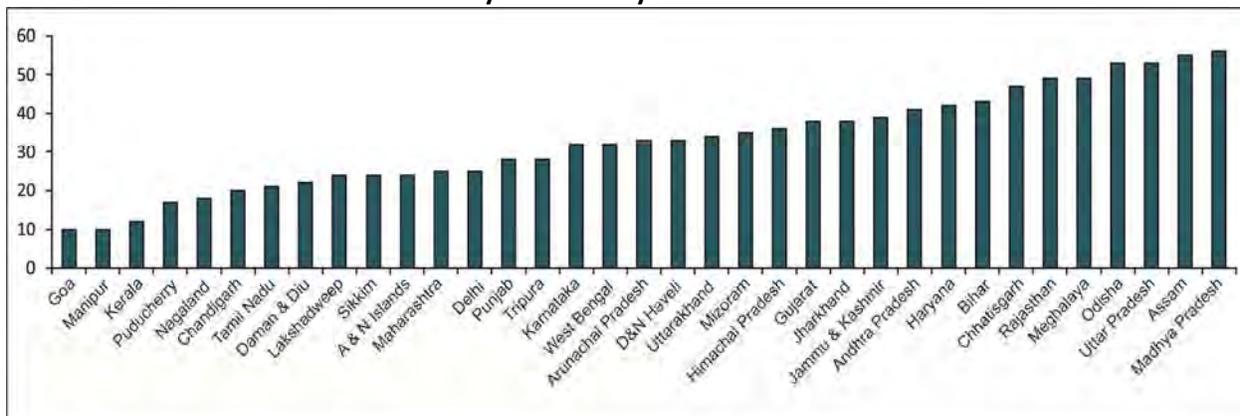
#### Summary of Health Indicators

Birth rate (2012 per thousand)	
(i) Combined	21.3
(ii) Rural	22.4
(iii) Urban	19.0
Death Rate	
(i) Combined	6.3
(ii) Rural	6.7
(iii) Urban	5.3
Maternal Mortality Ratio (MMR) (2007-09) Death per lakh live birth	146
Hospitals (Numbers)	57
Community Health Center (Numbers)	112
Dispensaries (Numbers)	4
Primary Health Centers (Numbers)	485
Urban RCH Centres (Numbers)	90

Source: PHD Research Bureau, Compiled from Economic survey of Haryana 2014-15

The infant mortality rate of Haryana has improved over the years. Infant mortality rate of Haryana is 42 which is equal to the national average of 42. It is better than many other states like Bihar, Chhattisgarh, Rajasthan, Meghalaya, Uttar Pradesh etc. However it is higher as compared to states like Goa, Kerala, Tamil Nadu, Maharashtra and Punjab.

#### Infant mortality rate of Haryana vis-à-vis other states



Source: PHD Research Bureau, Compiled from Economic Survey of India 2014-15



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- ▶ Baby Food Formulation Plant
- ▶ Sweetened Condensed Milk Plant
- ▶ Whey, Casein & Lactose Processing Plant



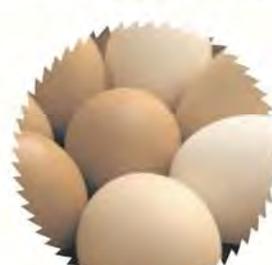
## FOOD PROCESSING INDUSTRY

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- ▶ Instant Tea Plant
- ▶ Coffee Creamer Plant
- ▶ Egg Powder Plant
- ▶ Malt Extracts Plant
- ▶ Honey Processing Plant
- ▶ Herbal Extraction Plant
- ▶ Starch, Glucose & Its Derivatives
- ▶ Spirulina Algae Powder Plant
- ▶ Refined Iodised Free Flowing Salt Plant



## FRUIT & VEGETABLE INDUSTRY

- ▶ Fruit Processing & Concentration Plant
- ▶ Fruit / Vegetable Dehydration Plant
- ▶ Coconut Milk Processing Plant
- ▶ Tomato Paste / Ketchup Plant
- ▶ Fruit Juice Powder Plant
- ▶ Soya Milk / Powder Plant



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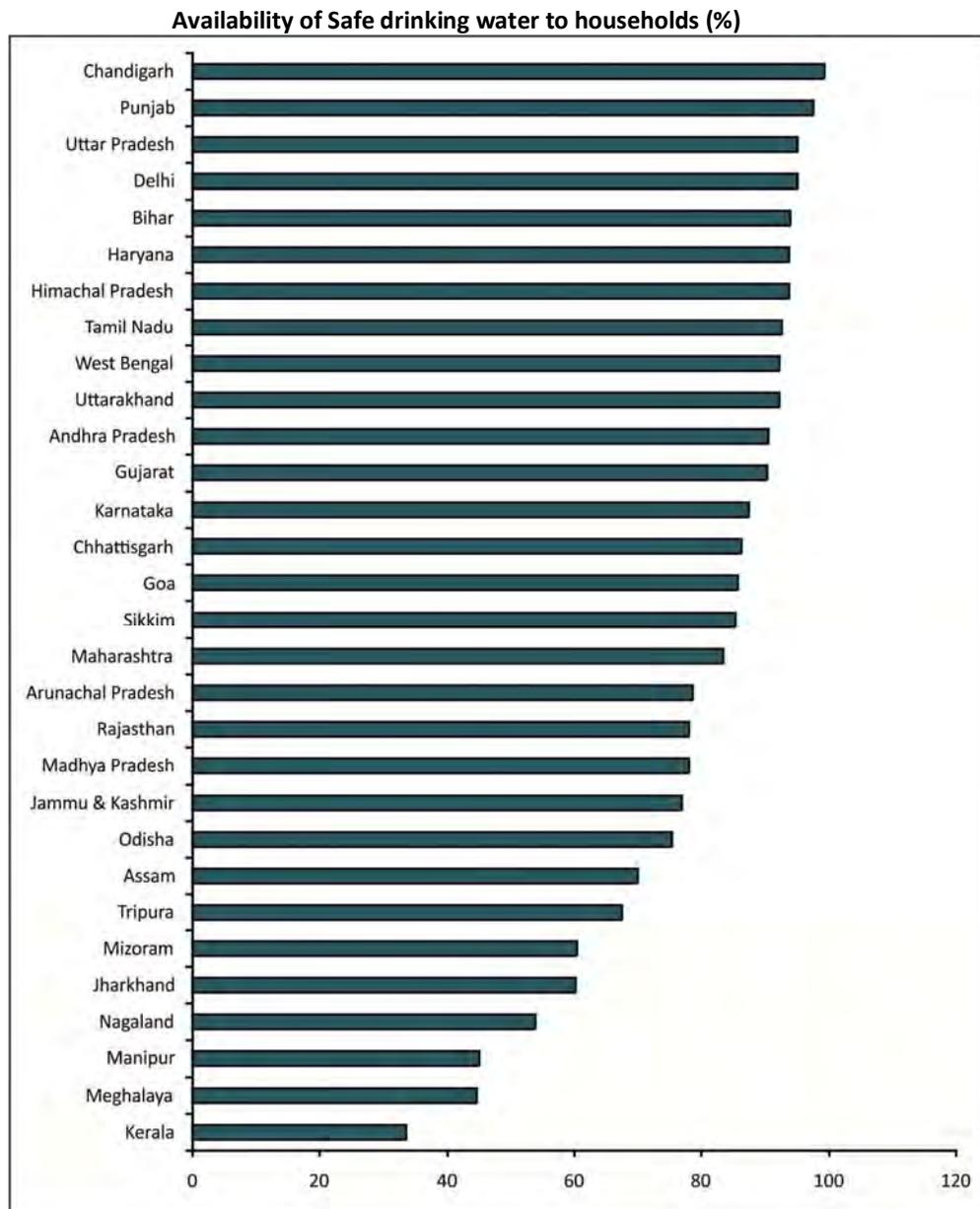
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## Haryana: The State Profile

### Availability of safe drinking water

Haryana has significantly higher access to safe drinking water as compared to other states. The availability of safe drinking water in Haryana is 93.8% households as compared to the national average of 85.5%.



Source: PHD Research Bureau, Compiled from Economic Survey 2014-15, Note: Data pertains to 2011

## 2. Policy Environment

Haryana has emerged as a preferred destination for investments over the years. The state has provided favourable investment environment in terms of policy measures so as to attract large scale industrial investments in the state. The state offers various advantages including proximity to the national capital of Delhi, planned quality infrastructure, conducive policy environment, harmonious labour relations, trained & skilled manpower, responsive administration, etc. Haryana encourages investments in the sectors such as agro based, food processing, automobile and auto components, electronics, footwear etc.

In addition the state also offers planned industrial infrastructure to attract industrial investments. The state has introduced a 'Land Pooling Scheme' since August, 2012 whereby the landowning farmers have been given an opportunity to become partners in the development process. Under the scheme, for each acre of land acquired, a landowning farmer has been given the choice to opt for a developed industrial plot of 1,200 sq. yards.

Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) is engaged in development of industrial infrastructure in the state. A number of infrastructure development initiatives have also been planned under the Delhi Mumbai Industrial Corridor project, for which HSIIDC is the Nodal Agency.

### **New Industrial Policy 2015**

To attract fresh investments and revival of the existing units, Hon'ble Chief Minister Shri Manohar Lal Khattar ji recently announced that the state would come up with new policy in the coming months<sup>5</sup>. Online registration of SMEs and single window system would be facilitated. E-registration, e-filing and e-payment would also be introduced with effect from May 2015. Skill development sector would also be the focus areas of the policy. Simplification and transparency of procedures, ease of doing business along with inclusive and comprehensive development across state would also be given attention.

### **Industrial and Investment Policy 2011**

Haryana announced the industrial policy 2011 taking into account the current economic scenario and prospective developments in the state. The policy has laid emphasis on strengthening the state's manufacturing sector and enlarging the scope for future investments. In addition, the industrial policy of the state lays emphasis on knowledge based & high tech industries, efficient use of energy, conservation of resources and pragmatic environmental policies for sustainable development. The state has recognized the increased role of Public-Private Partnerships; accordingly the policy has laid a well-defined roadmap in this direction.

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<sup>5</sup> Economic Times dated May 7<sup>th</sup> 2015

## Haryana: The State Profile

### Ease of doing business in Haryana

<b>Industry infrastructure</b>	Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) is the nodal agency of the state for development of industrial infrastructure. The HSIIDC aims to put in place a mechanism to assist the allottees in an estate in decision-making process for operation and maintenance services in the industrial estates developed and managed by it. The HSIIDC would also be responsible for need-based development of industrial infrastructure outside the Controlled Areas.
<b>Industry facilitation</b>	The State Government intends to lay greater focus on 'facilitation' along side its 'regulatory' functions. It envisages to introduce modern management practices, electronic delivery of services, e-procurement and citizen access to public information within a defined time-frame. Haryana Investment Promotion Board (HIPB) has been set up to attract domestic as well as foreign direct investment in the State.
<b>Investment Promotion Centre (IPC)</b>	Two Investment Promotion Centres have been set-up in Delhi and Chandigarh so as to act as a Single Point Contact Agency to provide information, guidance and hand-holding services for venture location by prospective entrepreneurs particularly with regard to various sanctions/approvals required for implementation of the projects, availability of land and present level of infrastructure in the state. The centre will also assist entrepreneurs in submission of applications for approvals/registration to different organizations.
<b>Industry-cum-Service Centres</b>	To facilitate development of micro, small & medium industry and facilitate economic development in industrially backward areas, HSIIDC plans to set up Industry-cum-Service Centres at various locations in the state.
<b>Grievances Redressal Committee</b>	State Level Grievances Redressal Committee headed by Principal Secretary, Industries, has been set up to handle grievances and to address the issues and bottlenecks in order to smoothen the process of industrialization in the state.
<b>Enhancing Investor Facilitation</b>	The state has simplified rules and procedures to enhance investor facilitation. Industrial Promotion Act, 2005 has been enacted for providing time bound clearances and approvals to the investors.
<b>Key advantages</b>	The state offers one of the highest work force productivity, excellent human resources and availability of manpower, all towns and villages are covered with telecom infrastructure, every village of the state is connected with metal roads, decent per capita bank deposits and motor vehicle density.

*Source: PHD Research Bureau compiled from Industrial and Investment Policy 2011, Government of Haryana*

In order to facilitate the development of Special Economic Zone in the state, Haryana Government has enacted a Haryana Special Economic Zones Act, 2006. The state has incentivised setting up of SEZs in Haryana. Apart from facilitation through land acquisitions interventions, the EDC (External Development Charges) rates for the SEZs would be applicable as follows:

**Facilitation for Special Economic Zones in Haryana**

S.No.	Category of SEZ	EDC (External Development Charges) Rates applicable
(a)	Multi-Product SEZs involving an area of 1000 hectares or more	15% of the applicable EDC
(b)	Multi-services and other SEZs involving an area of 100 hectares or more but less than 1000 hectares	35% of the applicable rates of EDC
(c)	Single Product SEZs having area between 10 hectares to less than 100 hectares	50% of the applicable rates of EDC in respect of the area forming part of the Processing Zone and 100% in case of the area under non-processing zone.

*Source: PHD Research Bureau, compiled from Industrial and Investment Policy 2011, Government of Haryana*

The state has received about 100 proposals for setting up of various Special Economic Zones in the state, out of which about 31 have been notified by the Government of India while 35 have been accorded formal approval.

**Incentives for Agro-based, Food Processing and Allied Industry**

Haryana is an agrarian state with abundant fertile land. The state has large agro base in terms of milk and dairy production, food grain production etc. The state offers immense potential for the development of agro based and food processing industries. With a view to harness this sector, the state government has taken various initiatives in order to give a thrust to the agro based industries which can lead to more employment generation, value addition and increase income of rural workforce. In order to strengthen the infrastructure to facilitate the growth of this sector food park at Rai (Sonapat) and Saha (Ambala) have been developed by HSIIDC. Industrial plots have also been allotted to the food processing industries in the state.

Industrial and Investment Policy 2011 of the state offers huge potential for the establishment of agro-based and food processing industries in Haryana. The policy focuses to develop industrial plots in the industrial estates for the manufacturing units, cold chain warehousing and logistics facilities for this sector. Further, in order to facilitate capacity building and cater to the needs of skill development for this sector, the HSIIDC has allotted 100 acre of land at Kundli (Sonapat) for the establishment of National Institute of Food Technology, Entrepreneurship and Management (NIFTEM), being set up by the Ministry of Food Processing, Government of India.

Haryana State Agricultural Marketing Board (HSAMB) has been set up to provide modern marketing infrastructure, improving market accessibility and to provide better opportunities to the farmers to achieve maximum value for their produce. The Board has taken up an ambitious project of ultra modern post harvest management support system on the pattern of Rungis Market near Paris for which about 537 acre land with a total outlay of Rs 1500 crore has been

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acquired at Ganaur. Further, the board has planned to develop Agro Malls in various mandis of the state in order to promote marketing and selling of farmer's produce.

### Incentives for Food Processing Industries

In order to encourage agro food processing industry, the state government has announced several incentives attracting investments in this sector.

**Interest Free Loan--** Interest Free Loan at a rate of 75% of the tax paid on the sale of goods produced in such industrial units would be given under the Haryana Value Added Tax Act, 2003 for a period of 5 years from the date of start of commercial production. This would be repayable after a period of 5 years

**Change of land use (CLU)Support--**The industrial policy proposes that charges for food processing units would be levied @ 50% of normal rates in respect of units established in the 'B' and 'C' Category Blocks

**Market fee exemption—**Market fee has been exempted on the vegetables and fruits grown in the State, whether under the contract farming arrangement or otherwise, and consumed as raw material by the food processing industry located within the State. Further, no market fee would be charged on agriculture and horticulture produce used as raw material by Food Processing Industries within the State except wheat, paddy, oil-seeds, guar, sun-flower seed, till, toria, taramira and cotton.

**Exemption from Electricity Duty --** Exemption from payment of electricity duty for a period of 5 years from the date of commercial production

**Concession on Stamp Duty —** Enterprises established in 'B' & 'C' Category Blocks will be entitled to 50% concession in the stamp duty in respect of the land purchased or taken on lease for the said purpose

**Excise Duty Exemption—** Wines/Liquors/Brandy etc. made from 100% fruits and barley produced in the State will be exempted from the Excise Duty in 'B' and 'C' Category Blocks

*Source: PHD Research Bureau, compiled from various sources*

**Large, medium and small scale units—**The state is an emerging manufacturing hub for Indian economy having immense scope for the development of micro, small and medium enterprises (MSME) sector. The state has more than 1,347 large and medium industrial units and 80,000 small-scale industrial units having foreign collaborations. The state has presence of many manufacturing clusters in the cities of Ambala, Panipat, Karnal, Kaithal, Yamunanagar, Sonapat, Rohtak among others which has boosted industries such as IT, textiles, food and handlooms. Further, 2013 was declared as the 'Year of Industry and Employment' with a view to boost industrial growth and employment opportunities in the state.

As micro, small & medium enterprises (MSMEs) are recognised for their imperative contribution in driving growth of manufacturing sector, boosting large scale employment opportunities, the state government has taken various policy measures to harness the potential of this sector. Common facility centres under public private partnership mode have been

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developed in the state under the cluster development approach in order to support the MSME sector and generate employment opportunities. A total of 29 such clusters have been identified for establishment of Common Facility Centres in the state.

Further, Diagnostic Study Reports (DSRs) have been prepared in respect of 19 clusters and submitted to the Government of India for their appraisal, of which 6 clusters (one each at Bahadurgarh, Panipat, Sonapat and three at Karnal) have been approved by the Government of India. These clusters are envisaged to put into place an institutional support mechanism to facilitate growth and competitiveness of the MSMEs sector and would address their common needs in the areas of research & development, technology up-gradation support, standardization of products, quality testing and marking facilities, marketing initiatives with promotion of branding of products etc.

The state has incentivised MSMEs through various policy measures. The new Micro and Small Scale Industrial Units set up in the backward areas (Category 'B' and 'C' Blocks) would continue to be extended the facility of financial assistance in the shape of Interest Free Loan to be quantified at 50% of the tax paid on the sale of goods produced in such industrial units under the Haryana Value Added Tax Act, 2003 for a period of 5 years from the date of start of commercial production to be repayable after a period of 5 years. While MSMEs set up in Category 'B' and Category 'C' areas in the state are exempted from electricity duty for a period of 5 years from the date of release of regular electricity connection.

The handloom and handicraft industry of the state has emerged as one of the important industry of the state. Panipat is already a well known centre for the handloom products in the international markets while Gurgaon - Manesar belt has also emerged as the centre for manufacture and export of ready-made garments. In order to incentivise handloom and textile sector of the state, a Textile Park has been set up at Barhi by HSIIDC. Various incentives such as FAR (Floor Area Ratio) up to 250% is permissible for apparel units in the new industrial estates and expansion phases of the existing industrial estates are provided to promote textile sector of the state. Further, an International Trade and Convention centre would be set up at Panipat to promote handloom products of the state.

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### Key incentives for MSMEs of the state

MSME outlook of the State	Institutional support system	Measures
<p>The state endeavours to adopt a comprehensive approach to assist the MSME sector in order to become globally competitive</p>	Cluster development	<ul style="list-style-type: none"> <li>Cluster approach has been recognised most suitable to provide institutional support to MSMEs sector</li> <li>Various clusters in partnership with the industry will be established</li> <li>Steps have been initiated to set up such clusters for the scientific instruments at Ambala, Light Engineering Goods at Faridabad, and Handloom Industry at Panipat</li> </ul>
	Technology up-gradation support	<ul style="list-style-type: none"> <li>State aims to upgrade technology in a cost effective manner</li> </ul>
	Incubation centres and entrepreneurship development	<ul style="list-style-type: none"> <li>The state emphasizes the need for incubation as a catalyst for MSMEs sector</li> <li>Incubation centres in collaboration with universities and other state development agencies</li> </ul>
	Market Development Assistance	<ul style="list-style-type: none"> <li>The state aims to utilise the schemes for MSMEs so as to address the issue of marketing under common brand name, bar coding, creating data bank for market intelligence and market development access</li> </ul>
	Design clinic scheme	<ul style="list-style-type: none"> <li>Efforts would be made to bring the manufacturing centre and design professionals on a common platform to provide expert advice and cost effective solutions on real time design problems</li> <li>National Institute of Design, being set up in the State, will be encouraged to support DPRs (Detailed Project Reports) /design clinics of MSMEs of Haryana State</li> </ul>
	Quality standards	<ul style="list-style-type: none"> <li>Strengthening MSMEs standards by quality marking centres and heat treatment centres, preferably in PPP mode</li> <li>Government to sensitize MSMEs regarding adoption of introduction of Clean Development Mechanisms (CDMs) and lean manufacturing processes</li> </ul>

*Source: PHD Research Bureau compiled from Industrial and Investment Policy 2011, Government of Haryana*

### Services sector

During the last decade, the services sector of the state has performed significantly and emerged to be as a major contributor to the economic growth of Haryana. Services sector of the state has marked an impressive growth of about 9% during FY2014. The contribution of services sector in GSDP (current prices) of Haryana stands at 53% during FY2014.

## IT/Knowledge Industry

Haryana has emerged as home to a large number of multinational companies and corporate houses. The state has done very well in the field of information technology with the emergence of Gurgaon as the third largest hub of IT Industry after Bangalore and Hyderabad. Haryana accounts for about 6.8% of the employment in the IT sector throughout the country. The industrial and investment policy 2011 of the state focuses on creation and development of 'ready to move' space for this industry.

The State Government has notified a comprehensively revised 'Communication & Connectivity Infrastructure Policy 2013' in order to pave the way for establishment and augmentation of telecom and connectivity infrastructure in the state. The Policy seeks to encourage the use of latest technology advancements in the telecom sector such as Fibre to the Home (FTTH) and innovative business models such as the Open Access Network (OAN) where physical access to the network is separated from the delivery of services.

### Key incentives for Information Technology (IT) & IT Enabled Services (ITES)

**Focus on e-education**—Specialised appreciation courses in computers have been launched to train officers/officials of Haryana Government through 80 e-education centres throughout the state. Haryana Knowledge Corporation Limited (HKCL) has been set up in joint collaboration with the Maharashtra Knowledge Corporation Limited (MKCL) to develop a new educational paradigm in the state.

**Haryana e-Seva**—The state has notified Haryana e-Seva for Citizen Centric Services so as to ensure hassle free delivery of citizen services.

**Implementation of State Wide Area Network**—Under this initiative, state headquarter has been connected with all the district headquarters, 126 Blocks/ Sub-Divisions/ Tahsils /Sub-Tahsils, Haryana Civil Secretariat and Haryana Bhawan, New Delhi for providing facilities such as inter and intra data transfer/sharing voice over internet protocol, video etc. Further, State Data Centre (SDC) has been set up in the state.

**Launching various Mission Mode Projects**—Under the National e-Governance Plan (NeGP), various Mission Mode Projects have been launched under which computerization of Commercial Taxes of Excise & Taxation Department, Hospital Management System of the Health Department, Integrated Financial Management Systems (IFMS) of the Finance Department and projects of Transport, Revenue, Panchayats and Treasury Departments at different stages have been implemented in the state.

*Source: PHD Research Bureau compiled from various sources*

## Tourism developments

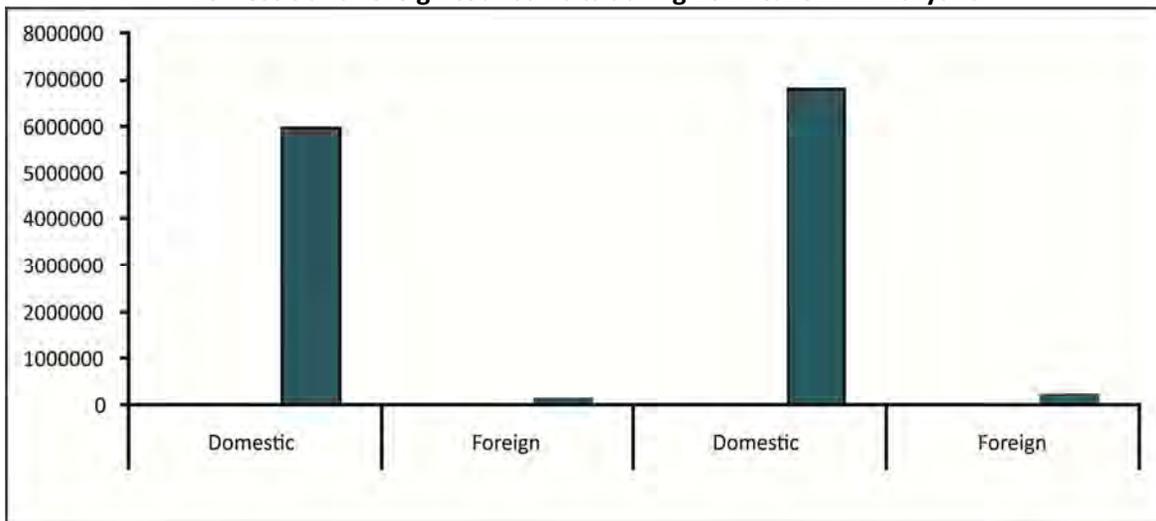
The rich cultural and vedic importance of Haryana offers immense potential for the growth of tourism sector in the state. The state has taken various measures in order to boost tourism. The state aims to develop its tourism infrastructure so as to harness its tourism potential. A

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comprehensive land policy has been drafted for developing tourism in the Public Private Partnership under which Government lands can be given on lease for short term (upto 11 years) and for long term (upto 33 years).

Haryana has observed an increase in the number of domestic tourist visits from around 5988062 in 2011 to 6799242 tourist visits in 2012 showing a growth of about 14% in domestic tourist visits during the same period. The number of foreign tourist visits in Haryana has also marked an increase from 130435 in 2011 to 233002 in 2012 witnessing a significant hike of about 79% during the same period. Haryana ranks at 20<sup>th</sup> position in domestic tourist visits and stands at 14<sup>th</sup> position in foreign tourist visits during 2012 and has accounted for a share of 0.66% in domestic tourist visits while a share of 1.12% in foreign tourist visits among different states/ UTs in India.

**Domestic and foreign tourist visits during 2011 & 2012 in Haryana**



*Source: PHD Research Bureau, compiled from India Tourism Statistics 2012, Ministry of Tourism, Government of India*

Haryana Tourism Corporation has implemented “Hunar Se Rozgar” scheme from the year 2013 at various tourist complexes so as to generate employment opportunities through tourism sector. A total number of 5,801 candidates have been imparted training under this scheme till now. The state also organizes Surajkund International Craft Mela which is one of the famous tourist attractions of the state. Haryana also has vast potential for the development of medical tourism. Further, the state aims to promote health tourism for which projects involving an investment of Rs 100 crore and above would be given the status of industry for the purpose of incentives.

The state also strives to promote eco-tourism for which an eco-tourism project is being implemented in the forests of Kalesar, Morni Hills and Sultanpur National Park for which an amount of Rs 4 crore has been proposed on this scheme during the current financial year.

## Banking

Banks are a significant indicator of the industrial and social development of any economy. Over the years the total number of Commercial Banks (CBs) and Regional Rural Banks (RRBs) working in Haryana has increased from about 3559 in 2013 to about 4025 as on September 2014. The total deposits of commercial banks and regional rural banks have grown to Rs 203698 crore in September 2014 from Rs 159453 crore in September 2012. Further, the state has also observed an increase in the total advances. The total advances in the state have increased from Rs 125436 crore in September 2012 to Rs 165349 crore in September 2014. Haryana has witnessed a hike of 81% in the CD Ratio in September 2014 as compared to 80% during the corresponding period of last year.

**Banking scenario in Haryana during 2014-15**

S.No.	Bank	
1	No. of Scheduled Banks	4025
2	Deposits (Rs Crore)	2,03,698
3	Credits (Rs Crore)	1,65,349

*Source: PHD Research Bureau compiled from Economic Survey of Haryana 2014-15*

Haryana has facilitated its agriculture and MSMEs sector with wide network of banking facilities. The state has achieved 44% in credit lending to agriculture sector by lending Rs 23396.58 crore upto September 2014 against the target of Rs 53170.80 crore. In case of MSMEs, banks have disbursed Rs 7126.91 crore against the target of Rs 12339.25 crore marking a level of 57.8% of the target. Further, in other priority sector, banks have disbursed Rs 5416.56 crore against the target of Rs 11651.43 crore achieving 46.5% of the target.

**Advances by Commercial and Regional Rural Banks and Co-operative Banks during 2014-15**

Sector	Commercial and Regional Rural Banks			Co-operative Banks		
	Target (Rs Crore)	Achievement (Rs Crore)	Percentage (%)	Target (Rs Crore)	Achievement (Rs Crore)	Percentage (%)
Agriculture & Allied	40761.19	18802.08	46.1	11970.94	4520.85	37.8
Micro & Small Enterprises	11536.21	6911.05	59.9	495.33	35.86	7.2
Other Priority Sector	11020.26	5196.65	47.2	563.59	212.81	37.8
<b>Total</b>	<b>63317.66</b>	<b>30909.78</b>	<b>48.8</b>	<b>13029.86</b>	<b>4769.52</b>	<b>36.6</b>

*Source: PHD Research Bureau compiled from Economic Survey of Haryana 2014-15*

*Note: Data is upto September 2014*

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### Investment opportunities in Haryana

<b>Agro based, food processing &amp; allied sector</b>	Haryana is a major contributor to the national food grain pool. The state has its own base for production of vegetables and fruits. The state plays a significant role in transporting fruits from Jammu and Kashmir and Himachal Pradesh. Its proximity to national capital region serves as an added advantage. The state has taken various measures in order to strengthen the infrastructural base for this sector. Further, in order to enhance the skillsets needed for this sector, 100 acre of land has been allotted at Kundli (Sonapat) for establishment of National Institute of Food Technology in the state.
<b>Automobiles &amp; automotive components</b>	The state has presence of large number of national and international industry players. Haryana envisions growth of this sector so as to boost development of this industry in the region. The state aims to encourage establishment of a logistic centre in PPP mode in IMT Manesar. It is also proposed to create a railway siding facility in IMT Manesar to facilitate smooth transportation of manufactured goods from out of the IMT area for export purpose.
<b>Biotechnology</b>	To facilitate biotech industries, state plans to set up a high profile Biotechnology Park under the PPP mode. Such projects will be incentivised by according the status of industry under the Industrial Policy of the state. The Department of Science and Technology has set up a Centre of Excellence on DNA Testing & Diagnostics facility for research & application in Haryana at Centre for Plant Biotechnology, Hisar at a cost of Rs 233.85 lakh
<b>Handloom, hosiery, textile and garments</b>	Haryana has a distinguished tradition of art and culture. Gurgaon - Manesar belt has also emerged as the centre for manufacturing and export of ready-made garments. The state has provided a number of incentives to promote this sector. The state plans to set up international trade centre having global market information data and design centre to develop handloom and garments industry.
<b>Information technology (IT) &amp; IT Enabled Services</b>	The state government has accorded high priority to IT and IT enabled services in the state. IT sector of the state has been recognised for its significant contribution in employment generation, exports, wealth creation and growth of the services sector. The state has given incentives in setting up of IT Specific Special Economic Zones. Under the Information and Communication Technology (ICT) scheme, Computer Faculty has been provisioned in more than 3,122 Government schools for which Rs 28.59 crore has been released by the State Government. The Government has granted licenses to 48 proposals for establishment of IT/ Cyber Parks at various places in the State. Out of this, building plan of 23 proposals and zoning plan of 37 proposals have been approved by the Town and Country Planning Department and remaining are under process.
<b>Infrastructure</b>	The state has undertaken significant steps in order to tap investment opportunities in infrastructure. New economic hubs are being established such as DMIC and global economic corridor along the KMP Expressway to generate employment opportunities in the state. Public Private Partnership mode is encouraged by the state government to tap the vast potential of this sector. . The expeditious completion of the Satluj Yamuna Link Canal and the linking of the BML- Hansi Branch-Butana Branch multipurpose link channel are a priority of the Government.
<b>Tourism</b>	Haryana has excellent network of tourist complexes. Tourism department of the state has initiated several activities so as to promote tourism infrastructure. PPP mode of investment is encouraged to boost tourism opportunities in the state. An Eco-Tourism project is being implemented in the state in Kalesar, Morni Hills and Sultanpur National Park.

Source: PHD Research Bureau, compiled from Industrial and Investment Policy 2011, Government of Haryana

## Haryana Budget for 2015-16 (Brief Summary)

As per Budget Estimates, total receipts are projected at Rs 68,985.87 crore, including Rs 52,312.10 crore revenue receipts and Rs 16,673.77 crore capital receipts. The total expenditure (excluding the repayments) under the Budget Estimates 2015-16 is projected at Rs 69,140.29 crore, of which Revenue Expenditure is Rs 61,869.62 crore and Capital Expenditure is Rs 7,270.67 crore. The Fiscal deficit is estimated at 3.1% of state's GSDP.

The focus of the budget is mainly on capital expenditure and infrastructure development. A significant priority has been given to skill development and job creation. The emphasis on social sector has been on priority. Removal of VAT on bio-fertilisers has been proposed as bio-fertilizer use needs to be promoted for the sake of environment and soil health. The Budget estimates do not contain any proposal either for imposition of new taxes or any upward revision of existing tax rates. The Revenue Deficit is 1.83% of state's GSDP.

The state government has earmarked an amount of Rs. 219.74 crore for industries and minerals. State budget has announced to allocate Rs 3291.76 crore for roads and buildings and transport sector has been allocated Rs 2249.38 crore in the budget. Budget has proposed to allocate Rs 3409.37 crore for urban development for the year 2015-16. Further, the budget has proposed a sum of Rs 2734.71 crore for rural development in 2015-16.

A total outlay of Rs 3028.61 crore has been proposed for the health, medical education and family welfare in the budget 2015-16. Further, Rs 2671.55 crore has been allocated for public health engineering in the budget 2015-16. Education, Sports, Art and Culture has been allocated a sum of Rs 11907.09 crore.

### Budget at a glance

(Rs. Crore)

S. No.	RECEIPTS	2015-2016(BE)	EXPENDITURE	2015-2016(BE)
1	<b>Revenue Receipts</b>	52312.10	<b>Non Plan Expenditure</b>	43396.83
2	Tax Revenue	38929.40	On Revenue Account of which	43208.62
3	Non Tax Revenue	13382.70	Interest Payments	8563.75
4	<b>Capital Receipts</b>	16673.77	On Capital Account	188.21
5	Recoveries of Loans	392.11	<b>Plan Expenditure</b>	25743.46
6	Misc. Capital Receipts	12.50	On Revenue Account	18661.00
7	Public Debt. (Net)	16269.16	On Capital Account	7082.46
8			Revenue Expenditure (2+6)	61869.62
9			Capital expenditure (4+7)	7270.67
10				
11	<b>Total Receipts (1 + 4)</b>	68985.87	<b>Total Expenditure (8+9)</b>	69140.29

Source: PHD Research Bureau, Compiled from Budget at a Glance, Haryana Government

### 3. Suggestions for Bolstering Industrialisation

#### 1. Economy

Haryana has observed significant economic developments over the years. The state has achieved remarkable growth trajectory of around 8.5% (annual average) during the period FY2006-14. However, economic growth of the state has decelerated from around 12% during FY2009-10 to around 6% during FY2013-14.

**State should achieve a sustainable 10% GDP growth in the next five years and thereafter strive for 12% GDP growth.**

To achieve the desired growth trajectory, it would be imperative for the new government to focus on the following critical areas.

#### Suggestions

- Improve the quality of infrastructure, clean up the public distribution system and eliminate leakages.
- Government departments should be made transparent with usage of latest technology in system.
- State should lay emphasis on key focus areas of agriculture, rural development, industry, education, services sector, youth, women, tourism to boost economic development.
- Appropriate fiscal measures should be taken by the state to accelerate economic growth in the non performing sectors of the state's economy.

#### 2. Agriculture & Food Processing

The share of Agriculture & Allied Sector of the state in the National GDP has decreased from around 19% in 2004-05 to around 14% in 2013-14. Agriculture sector of the state is facing various challenges such as decreasing size of farm holdings, decreasing cultivable area, increasing soil salinity, imbalanced use of fertilizers, low forest cover (3.52%), lack of required processing and value addition facilities, storage constraints and off late shortage of labour for farming operations.

Going ahead, the growth of agriculture and allied sectors would be crucial for the economic development of the state as it plays a major role in the state's economy contributing about 20% to its Gross State Domestic Product (GSDP) as well as providing employment to 51% of the work force.

**Optimising available opportunities and new reforms in the agriculture sector would be important for raising rural incomes, enhancing productivity and making farming efficient and sustainable.**

### Suggestions

- State needs to initiate reforms in case of land settlement rules and procedures, boost capital investment for infrastructure development, marketing, improved environmental services, risk management, agricultural credit, insurance and agro-advisory services to the farmers.
- Lack of storage should be addressed by establishing primary processing units and cold chain facilities in the state.
- Priority should be given to the natural resource management so as to accelerate and sustain agricultural growth in Haryana.
- Emphasise on scientific land use through adoption of conservation agriculture practices in the state.
- Encourage best crop production practices like incorporation of legume crops in rice-wheat system, proper crop rotation, incorporating crop residues in the field instead of burning, tree plantation in the state.
- The energy consumption in agriculture should be reduced by about 10% in the next 5 years through efficient planning and utilization of bio-energy resources. Hence, state should harness its alternative sources of energy like using animal power for farm operations like sowing, hoeing, bio-gas, solar, wind and geothermal energy, etc.
- Availability of easy credit facilities to small and marginal farmers to invest in advanced farm techniques.

### 3. Industry/Manufacturing

Industrial sector of the state has witnessed a slow growth period over the years. The growth of industrial sector fell from 8.5% in FY2005-06 to 3.6% in FY2013-14. Manufacturing sector of the state has also observed a slowdown from 7.7% in FY2005-06 to 2.5% in FY2013-14.

Though Industrial Policy (2011) has been formulated in order to strengthen industrial and manufacturing base in the state, the sector is impacted by several factors.

**It is crucial for industrial sector of the state to grow in upward trajectory as it contributes a significant share of about 27% in the state's GSDP.**

## Suggestions

- Efficient use of waste land and water should be encouraged vis-à-vis promoting usage of alternate sources of energy in the industrial sector.
- Technology upgradation should be promoted by providing special incentive schemes for the industry players. Focus on environmental friendly technologies will enable sustainable development of the state.
- Initiate labour reforms to provide flexible and uniform labour laws so as to facilitate manufacturing firms in the state.
- GST should be implemented as it will reduce the taxation burden on the firms.
- Sound financial infrastructure should be provided in the state so as to meet the financial requirements of the sector.
- Private sector initiative should be boosted in order to uplift the industrially backward regions of the state.

### Suggestions for Ease of Doing Business for Industry in Haryana

1. HSIIDC should become a facilitator for industry and push policies related to industrialization of Haryana for ease of doing business in the state and to attract not only the domestic industries but also foreign investors.
2. There is an urgent need for simplifying the policies of HSIIDC to the extent that the plot allotted by HSIIDC should only be used for the purpose of industry/manufacturing and not for any other purpose. This will facilitate ease of doing business in the state.
3. To attract investments in the state, the government must consider making state industry friendly by making dynamic reforms in the 'New Industrial Policy' of the state as also the 'Estate Management Procedures 2015' of HSIIDC which will not only facilitate industrial development but also create employment opportunities.
4. HSIIDC should make zones for industrial land which will provide cheap land, especially for start ups. This will enhance the business environment in the state facilitating ease of doing business.
5. Initiate labour reforms to provide flexible and uniform labour laws so as to facilitate ease of doing business and increased manufacturing sector growth trajectory.
6. Though the increase in minimum wages by the government is well appreciated, this would have an impact on the cost of doing business in the state which should be reviewed. Minimum wage rates in Haryana at Rs 5812.7 per month for unskilled labour are higher than the wage rate in Rajasthan (Rs 5670 per month for unskilled labour), Himachal Pradesh (Rs 5100 per month for unskilled labour) and Jammu and Kashmir (Rs 4500 per month for unskilled labour).

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7. The increase in power tariffs in the states will also have an impact on the sentiments for production vis-à-vis unfavorable price cost margins of the producers. The electricity tariff rates of Haryana (peak industry rates at Rs 6.75/kW) are not comparable with the other industrial states such as Uttarakhand (Rs 4.55/kW), Himachal Pradesh (Rs 4.95/kW), Madhya Pradesh (Rs 4.7/kW), Rajasthan (Rs 6.5/kW) and Punjab (Rs 6.71/kW) which may adversely impact the industrialization in the state. Thus, the tariff hike should be rolled back for promoting industrial growth and development in the state.
8. Restriction of entry of large trucks will affect transportation in the state as small trucks will linger on the transaction process and increase the transportation cost and overall cost of doing business. Further, there are issues connected with the Truck Unions which are quite active in some of the industrial belts exploiting the industry which hires trucks from open market which should be addressed by the government.
9. State Government should form a Committee of Secretaries headed by Chief Secretary of the State to meet quarterly/half yearly to address issues connected with industry.
10. Agri and Food Sector should be taken out from the purview of APMC Act or Market Committees for better supply of agricultural commodities from farm gate to consumers' doorsteps.
11. Technology upgradation should be promoted by providing special incentive schemes for the industry and state of the art products with enhanced competitiveness in the domestic and international markets.
12. Efficient use of waste land and water should be encouraged vis-à-vis promoting usage of alternate sources of energy in the industrial sector to reduce the cost of doing business in the state.
13. GST implementation from April 2016 is a potential game changer which will enhance our growth trajectory at least 2 percentage points. The implementation of the GST will not only reduce the taxation burden on the firms but also would go a long way to reduce the transportation and transactional cost to the businesses which are significantly higher at this juncture.
14. Sound financial infrastructure should be provided to the industry particularly to the MSMEs so as to meet the financial requirements of the sector for better growth opportunities.
15. Private sector initiative along with state of the art PPP projects should be initiated in order to uplift the industrially backward regions of the state. Involvement of the private sector is expected to lead to resolution of various issues in the implementation process.
16. Lots need to be done at the ground level where there is no visible effect so far of dynamic reforms undertaken at the broader level. We believe your dynamic reforms process must be implemented from the grass-root level to experience the wonderful outcomes.
17. We believe the reforms process will continue to improve the ease of doing business and to foster a higher and sustainable growth trajectory in the coming times.
18. Sentiment boosting announcements will wide industry growth trajectory and lead to achieve potential rate of economic growth in the state.

### 3.1 Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprise (MSME) sector has emerged as a significant contributor to the economic development of the state. There are more than 1,347 large and medium industrial units and 80,000 small-scale industrial units having foreign collaborations in the state. The sector is crucial as it provides employment to a large population in the state.

**MSME sector constitute the backbone of the manufacturing sector as it has potential to boost employment and achieve inclusive growth in the long term.**

#### Suggestions

- Awareness drive should be organised within the state to spread information about various government schemes for MSMEs.
- MSMEs sector should be assisted with easy loans at low interest rates.
- Single window clearance mechanism should be devised to streamline the approval process for setting up of new projects in the state.
- Initiatives should be taken to encourage private participation in order to streamline the supply of essential raw materials to MSMEs in the state.
- The MSMEs sector of the state can be facilitated by providing easy availability of land through creation of a land bank.
- Extensive marketing support in terms of setting up of modern exhibition cum trade cum convention centre should be provided in the state.
- Online registration of small and medium scale units should be introduced.
- For the benefit of traders, e-registration, e-payment, and e-filing process should be adopted.

### 3.2 Labour Laws

In view of the changing market dynamics, there is an urgent need for labour reforms in Haryana. The current scenario requires flexible labour laws which can boost industrial efficiency and competitiveness in the coming times. The existing inflexibilities and institutional rigidities impede the labour markets in the state.

**Amendment in labour laws by the state would be critical to generate large scale employment and achieve higher growth trajectory in the coming times.**

## Suggestions

- Regulation and liberalization of labour laws should be initiated in order to attract investors in the employment generating sectors of the state.
- Facilitate dispute resolution processes which are presently hindering the industrial production in the state.
- There is a need to set up a transparent legal framework that is easy to regulate, provides sufficient flexibility to producers and reasonable protection and compensation to workers.
- Allow greater flexibility in making layoffs, hiring contract workers and regulating working hours in factory.

### 4. Infrastructure (Road, Rail, Port & Airport)

Infrastructure plays a major role in driving economic growth, attracting industrial investments and facilitates quality of life. Physical infrastructure in terms of road, rail, port and airport has a direct impact on quality of life. It is widely acknowledged that inadequate and inefficient infrastructure can pose a challenge to the state's economy from realising its full growth potential.

**Development of well planned infrastructure holds the key to overall future economic growth in the state.**

## Suggestions

- Priority should be given to allocation of power out of unallocated pool and allocation of gas to meet the peak demand of the state.
- Environmental clearances for minor minerals need to be delegated to the state authorities.
- Set up an expert group committee in order to monitor the expansion and improvement of road networks in the state.
- Major national highways and state highways should be made four lanes.
- Power producing capacity of the state should be enhanced so as to meet the growing power demand. Financial restructuring of power utilities should be addressed.
- Road infrastructure should be strengthened by making it more efficient as per growing traffic requirements, upgradation of existing road network, construction of bye passes, bridges/Railway Over Bridges (ROBs).
- Air connectivity of the state should be enhanced through establishment of airports.

## 5. Foreign Trade & Investment

State level exports play an important role in boosting economic growth of a state. Although Haryana has done relatively better on export front despite sea ports, hence, the state has to improve its infrastructure in order to boost exports.

**Reforms in trade and investment environment would give impetus to the industrial sector in Haryana which will boost competitiveness and enhance productivity.**

### Suggestions

- Trade facilitation centres should be established in the state which will provide their expert advice and promote trade of various products by the industrial sector.
- Awareness programmes should be started in the state to spread awareness about the government incentive schemes. Industry chambers can be involved in promoting small exporters and traders to avail advantages of government run schemes.
- MSMEs sector of the state should be promoted by providing extensive marketing support in terms of setting up of modern exhibition cum trade cum convention centre in the state. In addition, marketing assistance should be provided by giving subsidies on space rent and shipment for exhibitions in order to enable local firms to participate in national and international fairs.
- Digitalisation and simplification of custom procedures should be done to reduce the human interface and increase the use of information technology so as to enhance transparency in the system.
- Investor friendly policies must be designed and implemented to encourage foreign and private investment in the state.
- GST should be implemented at the earliest so as to overcome the problem of multiple taxes on exporters.

## 6. Services

Services sector of the state registered a growth rate of 9% in FY2014. The share of services has witnessed continuous increment from about 47% in FY2008 to around 53% in FY2014. Information technology (IT) and IT Enabled Services accounts priority in the service sector of the state, Gurgaon being recognised as preferred investment destination in northern India for IT/ITES industry.

However, in the fast changing economic scenario, it is crucial for the state to preserve its prominent place in IT and ITES industry.

**As the services sector has largest contribution in the GSDP of the state, it becomes important to expand the scope of this sector through effective policy measures.**

### Suggestions

- Need to enlarge the scope of scheme on IT and IT related areas in the state.
- State should implement e-governance through public distribution system which will be transparent, confidential and user friendly.
- E-library should be established in every district of the state.
- Diversification of services export basket should be done so as to harness the full service potential of the state which is presently dominated by IT and ITES exports.
- Tourists flow in the state should be increased through formulation of innovative tourist schemes and packages, identifying new tourism hubs and developing them.
- New business ventures in the services sector should be encouraged by the state for which easy availability of loans and simplification of regulatory process should be done.

## 7. Education

Education is one of the important yardsticks of social sector development. Although Haryana has accorded priority to education sector, there is a need to encourage quality of higher education and skillsets in the state.

**Quality of education has become crucial not only for social but also for the economic development of the state.**

### Suggestions

- Private sector should be attracted to harness their human resource requirement thereby making the industry more productive, profitable and quality driven.
- Mechanism should be set up to assess emerging skill requirements in the state which can be harnessed through specialised courses. Industry should partner with the state government so as to upgrade skills and impart short term training courses.
- Information Technology skills should be harnessed among job seekers.
- In view of the fact that state is rich in livestock population, Veterinary and Live Stock Science Diploma Course should be started in all the districts of the state.
- Mid day meal scheme should be revitalised in terms of delivery and management.

## 8. Skill development

Skill development has emerged as an important driver for boosting productivity and to generate sources of sustainable livelihood. Haryana needs to create sizeable pool of technical and skilled manpower to harness full potential of the state's resources.

The key thrust areas of the state are automobile & auto components, light engineering goods, IT & IT Enabled Services (ITES), textile & apparels and electrical & electronic goods where shortage of skilled manpower may emerge in the coming times.

**Appropriate skill development measures will increase the employability of the youth and boost employment opportunities in the state.**

### Suggestions

- Gap analysis of the minimum skills required by the industry type must be assessed and upgradation of required skillsets should be done accordingly.
- Potential areas of development should be identified such as medical tourism and accordingly, training and skill development should be imparted in the state.
- Allocation under plan outlay on skill development should be enhanced to help training and developing skill sets among the youth.
- Vocational training programmes should be conducted for prisoners in the district jails.
- Artisans' Regulatory Board should be setup to implement entrepreneurship programmes in the state.
- Separate budget allocation, training and new technological support should be provided to the artisans belonging to weaker section of society namely SC, ST and OBC in order to upscale the skills of people engaged in traditional occupations in the rural areas.

## 9. Employment

In order to achieve inclusive growth, employment intensity of the state needs to be increased. Although the state has made serious efforts to enhance the employability of the youth by imparting job specific vocational skills, large population is still locked in low productivity jobs in unorganized sectors. Hence, the state needs to take policy initiatives to encourage job creation.

**There is a need to encourage people for taking up jobs in manufacturing and services sector.**

## Suggestions

- New sectors should be harnessed in the state which can provide new employment opportunities for youth.
- Availability of loans at low interest rates should be provided to encourage self employment in the state.
- Efforts must be made to provide jobs to the registered unemployed people with the employment centres of the state.
- Adequate support should be given to promote and strengthen employment intensive industries to ensure job creation in the state.
- Demand constraints should be eased out in the manufacturing sector through labour reforms in order to ensure future job growth in the state.

## 10. Rural development

A significant size of population of the state resides in villages. Hence, upgrading rural infrastructure of the state is important to uplift the overall quality of life of the people living in rural areas.

**Focus on strengthening social infrastructure in the rural areas will be crucial for rural population of the state.**

## Suggestions

- The total developmental expenditure of rural sector should be enhanced.
- Farmers (individually, through self help groups or cooperatives) should be encouraged to establish rural based small scale primary processing facilities in the state.
- Rural infrastructure should be strengthened by upgrading agro tourism hubs connected to well define rural hinterland for promotion of travel and stay, trade, rural arts and crafts, unique ethnic foods, culture and tradition.
- JNNURM should be extended to Gurgaon, Greater Panchkula, Kaithal, Rohtak & Sonipat.
- Rural drinking water supply schemes should be implemented to provide water security in rural areas.

## 11. Health

Haryana has taken several initiatives so as to improve its health infrastructure over the years, however, the state needs to work in the direction to provide access to improved healthcare delivery equipped with latest technologies.

**Investments in health sector should be encouraged to address the increasing demand for quality health facilities.**

### **Suggestions**

- There is an urgent need to increase the breadth and quality of affordable and assured health services in the state.
- The Government should encourage private sector investments in health & healthcare sector in order to facilitate establishment of quality healthcare institutions within the framework of set standards and norms.
- The state should harness its potential for development as a centre for medical tourism.
- Efforts should be made to set up Centres of Excellence among research institutions, which should be incentivised through financial support for installing equipment and employing requisite manpower.
- State Liquor Policy should be reformed keeping in mind the general health of the society.
- Land allocated for the construction of private hospitals at lower cost should be asked to impart 25% concession on the medical expenses to expand the reach.
- Women, child and senior citizens should be provided health cards and funds so as to address the issues of malnutrition in the state.
- Focus should be given on imparting knowledge regarding health, hygiene, nutrition, reproduction health and child care in the rural areas of the state.

## **12. Women empowerment**

Over the years, women have marked an increased contribution in almost every aspect of society. Women have become equal participants in many respects in all levels of society. Women in Haryana are significantly contributing to the economic development of the state. However, declining sex ratio has emerged as a challenge for the state.

The state has constituted a State Mission Authority (SMA) under the chairmanship of the Chief Minister, Haryana with the objective of empowering the women socially, economically and educationally.

**State needs to effectively combat the problem of female foeticide and declining sex ratio in the coming times.**

## Suggestions

- Awareness drive should be run to create awareness about the government schemes for women so that larger population can avail benefits.
- State should focus on the problem of female foeticide and strictly implement the laws related to it.
- Special schemes should be run to encourage adolescent girls for self development and empowerment, upgrading their life skills and vocational skills.
- Easy availability of education loans at low interest rates for women should be promoted by the government.

### 13. Urban Development and Housing

Haryana has launched many projects to upgrade its urban infrastructure and to offer inclusive and equitable cities in the state. Nonetheless, it is imperative to fuel the process of urban development in the state through better access to basic civic and decent shelter.

**Long-term attention must be paid to ensure development in the rural areas so that the rural residents are not forced to seek shelter in urban centres for survival or advancement in the state.**

## Suggestions

- Urban Infrastructure namely urban roads, water supply, solid waste management, sewerage, sanitation should be upgraded in the state.
- In order to boost investment in urban development and housing, a Public Private Partnership model should be adopted under which the private developer should be provided liberal concession in CLU (Change of Land Use) & EDC (External Development Charges) charges, licence fee, additional FAR and facilities of transferable development rights.
- State should focus on creating special provision for infrastructure development particularly in the areas of connectivity, drinking water & sanitation.
- Development of new cities enabled with latest technology and infrastructure adhering to concepts like sustainability, walk to work etc.
- Expert Committee should be set up for construction and expansion of road network in the state.
- Focus should be given on meeting the power needs of the state. Power generation mechanism should be enhanced so as to meet the industrial, agri and domestic power demands of the state.
- Environment concerns should be addressed efficiently while seeking urban development in the state.

## Haryana: The State Profile

- Mining policy should be reformed so that mining operations can be restarted in the state.
- District level schemes should be initiated to improvise the state of sanitation, basic physical infrastructure in the state.

### 4. Conclusions and Recommendations

Haryana is a state known for its rich cultural and heritage strengths. The state is acknowledged for its famous legends and vedic references. Haryana is a land locked state located in north India. The state shares its boundary with Uttar Pradesh in the east, Punjab in the west, Himachal Pradesh in the north and Rajasthan in the south. The state also surrounds national capital of Delhi from three sides.

The economy of Haryana has witnessed a significant growth path during the recent years. The real GSDP of the state has increased from about Rs. 104608 crores in FY2006 to about Rs. 199657 crores in FY2014. The average real GSDP of the state has grown at around 8.5% during the period FY2006-FY2014. Services sector contributes a significant share of around 53% in the GSDP followed by the industry and agriculture at 27% and 20% respectively during FY2014.

Per capita income of Haryana stands at Rs. 133427 (FY2014), which is significantly higher than all India per capita NNI (Net National Income) of Rs. 88533. Gross Fiscal deficit as a percentage of GSDP has been estimated at 3.1% for the year FY2016 which is reported to show a decline from 3.5% in FY2015.

Going ahead, the state has every potential to achieve a sustainable 10% GDP growth in the next five years and thereafter strive for 12% GDP growth. To achieve this, it would be imperative for the government to focus on improving quality of infrastructure, agriculture, rural development, industry, education, services sector and tourism to boost economic development in the state.

On the industrial front, the state presents a promising outlook for the growth of industry as Haryana offers sound industrial and infrastructural base through its various policy measures. Haryana has laid emphasis on strengthening the state's manufacturing sector and enlarging the scope for future investments. The industrial policy of the state emphasises on knowledge based & high tech industries, efficient use of energy, conservation of resources and pragmatic environmental policies for sustainable development. The industrial infrastructure is being strengthened in the state through development of new industrial model townships, industrial parks, and expansion of the existing industrial estates. The state has been able to attract more than Rs. 31000 crore as industrial investment proposals in the last five years (2009-2013). The state provide conducive environment to sectors such as automobile & auto components, light engineering goods, IT & IT enabled Services (ITeS), textile & apparels and electrical & electronic goods.

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The state of Haryana is an emerging manufacturing hub of the Indian economy having immense scope for development of the micro, small and medium enterprises (MSMEs) sector. To attract investments in the state, the government must consider making state industry friendly by making dynamic reforms in the 'New Industrial Policy' of the state as also the 'Estate Management Procedures 2015' of HSIIDC which will not only facilitate industrial development but also create employment opportunities.

Reforms in the manufacturing sector should be given top priority by the government so as to facilitate its growth and generate significant employment opportunities in the state. Implementation of GST, promotion of alternate sources of energy for industrial sector, single window clearance mechanism for MSMEs and flexibility in labour laws would be critical to foster manufacturing sector growth.

The export performance of the state has picked up pace during the last few years. The total exports from the state have increased from Rs 54,991 crore during 2011-12 to Rs 59,806 crore during 2012-13 registering an increase in the growth rate of more than 8%. The state should adopt innovative policy measures to diversify its exports so as to meet the global competitiveness. The major export items from state are software, handloom products, scientific instruments, garments, automobiles and automotive components, electrical appliances, rice, pickles, etc.

The State Government has laid emphasis on tapping the potential of Special Economic Zones in driving industrial/ economic growth and facilitating exports. Further, the state has come out with Haryana Special Economic Zones Act, 2006 for facilitating development of SEZs in the state.

The state has diverse agro-ecology and cropping pattern. There are mainly three agro-eco-regions in the state which have better irrigation and good overall infrastructure. Haryana is the key contributor to the national food basket. The state enjoys first position in the production of basmati rice and productivity in pearl millet and rapeseed & mustard. Major crops grown in the state include rice, wheat, pulses, cotton, sugarcane, pearl millet and rapeseed and mustard. State needs to increase agricultural productivity by initiating reforms in case of land settlement rules and procedures, boosting capital investments for developing agri-infrastructure, improving environmental services, risk management, providing agricultural credit, insurance and agro-advisory services to the farmers in order to enhance growth trajectory in the coming times.

The state is also emerging as one of the leading states in the field of horticulture. Horticulture crops covers about 6.9% of the gross cropped area of the state. Going ahead, the state should promote diversification in the farm sector, improve research and development system and upgrade infrastructure as per international standards to harness the emerging opportunities in

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the agriculture sector of the state. Farmers must be motivated to adopt latest technology to increase the farm sector output for which easy credit should be made available to them.

During the last decade, the services sector of the state has performed significantly better and has emerged as a major segment contributing to economic growth of Haryana. The state has done very well in the field of information technology with the emergence of Gurgaon as the third largest hub of IT Industry after Bangalore and Hyderabad. Tourism sector of the state has attracted large number of national and international tourists.

Over the years, Haryana has observed an increase in the number of commercial banks and regional rural banks. The state has witnessed an increment in the CD Ratio to 79% in September 2012 as compared to 73% during the corresponding period of in 2011. The state should harness its financial infrastructure by providing financial support in terms of tax holidays, implementing innovative schemes so as to cover large population under financial inclusion and diversification of services export basket in order to improve the fiscal situation of the state.

Haryana boasts of having good network of road and railway infrastructure. Although Haryana has limited availability of natural sources of energy, however, the state has taken several initiatives in this regards. The per capita consumption of electricity has also marked an increase from 700 units in 2006-07 to 1378 units in 2013-14. Hence, there is a need to harness alternative sources of energy like wind, biomass, and solar energy in order to meet the growing energy requirements of the state.

Emphasis should be laid on allocation of power out of unallocated pool and allocation of gas to meet the peak demand of the state, speedy environmental clearances and strengthening road and railway infrastructure which will go a long way in developing infrastructure in the state.

On the social front, state has done reasonably well with a small share of people living below poverty line while literacy rate well above the national average. The state had declared 2013 as the 'Year of Industry & Employment' and various employment generated measures have been initiated in the state. Further, Haryana should promote employment opportunities by skilling the youth, encouraging women entrepreneurship and job oriented education system.

The government should focus on improving the quality of education, attracting investments in health sector, strengthening rural development and developing skills sets in order to enhance the social infrastructure in the state.

In a nutshell, the Government must focus on improving quality of infrastructure, enhancing agriculture productivity, addressing inflexibilities in labour markets, reforming manufacturing sector to bolster industrialisation.

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The government should focus on improving the quality of education, attracting investments in health sector, strengthening rural development and developing skills sets in order to enhance the social infrastructure in the state. These reforms will not only boost the socio-economic segments but will also uplift the living standard of the masses.

These reforms in the industry sector and socio-economic sector will go a long way to enhance state's overall economic growth trajectory. Going ahead, we look forward to effective policy interventions and strong reform initiatives that would pave the way to achieve a high and sustainable economic growth in the state in the coming times.

**Haryana: The State Profile**

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40. Bihar: The State Profile (June 2012)
41. Himachal Pradesh: The State Profile (June 2012)
42. Madhya Pradesh: The State Profile (August 2012)
43. Resurgent Bihar (April 2013)
44. Life ahead for Uttarakhand (August 2013)
45. Punjab : The State Profile (February 2014)

## PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers.

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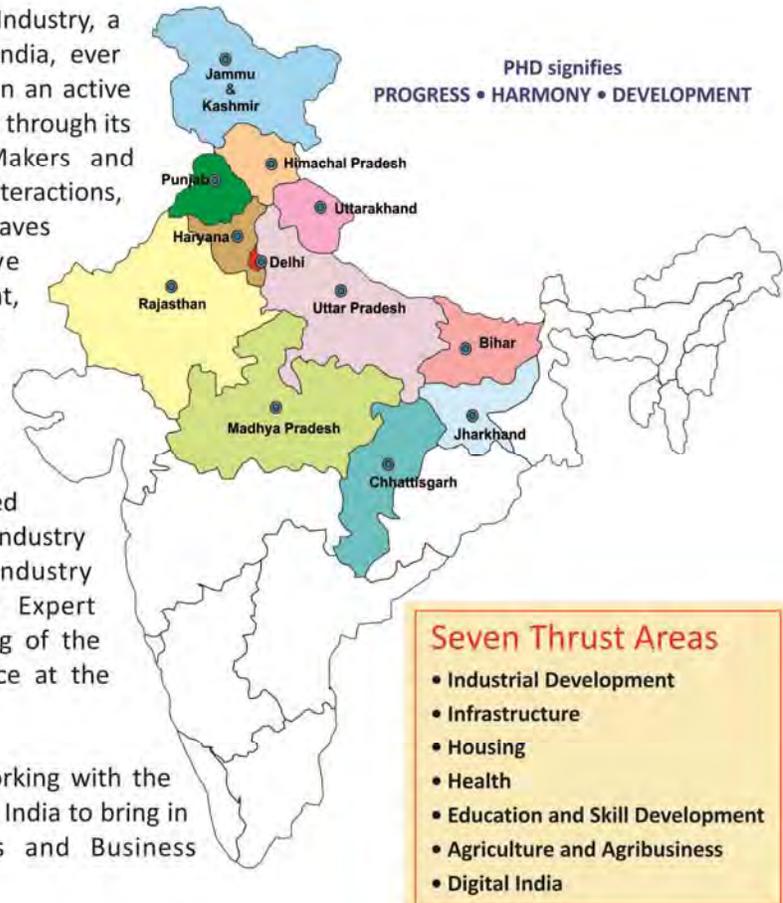
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## About the PHD Chamber

**P**HD Chamber of Commerce & Industry, a leading Industry Chamber of India, ever since its inception in 1905, has been an active participant in the India Growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country. Regular interactions, Seminars, Conference and Conclaves allow healthy and constructive discussions between the Government, Industry and International Agencies bringing out the Vitals for Growth. As a true representative of the Industry with a large membership base of 48000 direct and indirect members, PHD Chamber has forged ahead leveraging its legacy with the Industry knowledge across sectors (58 Industry verticals being covered through Expert Committees), a deep understanding of the Economy at large and the populace at the micro level.

At a Global level we have been working with the Embassies and High Commissions in India to bring in the International Best Practices and Business Opportunities.



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## Haryana: The State Profile

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