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Smart Infrastructure Summit 2016

Transforming Uttar Pradesh

August 2016



PHD CHAMBER OF COMMERCE AND INDUSTRY

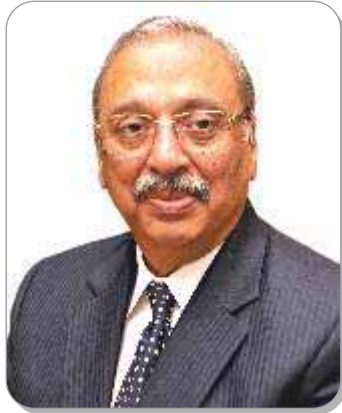
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From President's Desk



Dr. Mahesh Gupta

We congratulate the state government's efforts for enhancing and improving the condition of infrastructure in the state. The state government has undertaken various reform measures to provide state of the art infrastructure to the people.

Uttar Pradesh has been an agrarian economy and is the second largest producer of vegetables in the country. It is also the largest milk producing state, accounting for nearly 17 per cent of the total milk produced in the country.

During the recent years, industry and services have also contributed significantly to the economic growth of the state. The state has been witnessing growing service sector in the recent times, industry contribution is also steady over the years.

Uttar Pradesh is one of the most attractive destinations for investors and entrepreneurs. The state has set up several industrial estates. Owing to the state's large base of skilled labourers, it has emerged as a key hub for IT and ITeS industries, including software, captive Business Process Outsourcing (BPO) and electronics.

The economy of Uttar Pradesh has undergone several changes which have come about with collaborative efforts of the government and other stakeholders. The State is set to scale new heights to emerge as a strong economy with sustainable and inclusive growth.

Going ahead, I believe, there exist tremendous potential in the state to re-embark on the path of accelerated infrastructure growth supported with effective and strong reforms.

I am sure the 'Smart Infrastructure Summit 2016: Transforming Uttar Pradesh' will be a useful platform for industry stakeholders to tap the emerging investment avenues in the infrastructure sector and at the same time coming out with innovative solutions to push economic growth trajectory to the next level.

From Senior Vice President's Desk



Mr. Gopal S Jiwarajka

Uttar Pradesh, the fastest growing economy is widely acknowledged for its multicultural society, religion, natural resources and variety of geographical land. The state has shown a decent growth rate during the last three years, with a rapidly growing industry and services sector which has made it an attractive state for trade and investments.

The state's resources, policy incentives, infrastructure and climate are best suited for investments in diverse sectors such as Information Technology (IT), agro-based and food processing, light engineering goods, sports goods, textiles, leather-based, tourism and biotechnology.

The state has a well-developed social, physical and industrial infrastructure. It also has good connectivity through 48 national highways, six airports and rail links to all major cities. The state has witnessed a high rate of infrastructure growth in the recent years.

The state government is making efforts to attract investments in the state and facilitating ease of doing business so as to attract not only domestic but foreign investors as well.

There has also been a considerable rise in the number of industrial clusters/hubs and Public-Private-Partnership (PPP) projects in the infrastructure domain. The scenario of industrial investments in the state is quite encouraging and Uttar Pradesh has become one of the most attractive destinations for investors and entrepreneurs.

I wish all the best to distinguished participants at the Summit.

From Vice President's Desk



Mr. Anil Khaitan

Uttar Pradesh has taken significant steps in order to provide better and modernized infrastructural facilities for the overall economic development of the state. The state boasts of having better infrastructure in terms of road, railways, aviation, power, transport and IT network in the country in the coming times.

Uttar Pradesh has a well-developed telecom infrastructure, with all the major players providing services in the state. The state has undertaken various steps to boost investment opportunities in infrastructure sector. Besides, the government is determined to supply power for at least 16 hours in rural areas and 22- 24 hours in urban areas from October 2016.

Uttar Pradesh has the highest share of number of cities to be transformed into smart cities as around 13 out of the 100 smart cities are from Uttar Pradesh. The smart cities mission would promote adoption of smart solutions for efficient use of available assets, resources and infrastructure in the coming times. This initiative would certainly make the state of Uttar Pradesh a world class state in the coming times.

Accordingly, the state budget for 2016-17 has accorded high priority to roads, railways, infrastructure and employment generation etc. Public Private Partnership mode is also being encouraged by the state to tap the vast potential of this sector.

I wish the Summit a great success which would be a platform for great minds to come ahead and take up issues to upscale infrastructure development in the state thereby pushing growth to high road.

From Chairman's Desk Uttar Pradesh Committee



Dr. Lalit Khaitan

With half the world's population living in cities, the Central Government has recently launched 100 Smart Cities Mission. In the list, Uttar Pradesh has the highest share of 13 cities to be transformed into smart cities.

As the growing population in Uttar Pradesh is putting the increasing strain on energy, transportation, water, building and public spaces, therefore there is an increasing need for “smart” city solutions which are both efficient and sustainable on one hand and can generate economic prosperity and social wellbeing on the other.

With this view in mind, the smart cities mission would promote adoption of smart solutions for efficient use of available assets, resources and infrastructure in the coming times. This initiative would certainly make the state of Uttar Pradesh a world class state in the coming times.

I am confident that this Summit would touch upon issues of topical importance to be highlighted to the State Government that will ensure smooth and speedy infrastructure development in the state.

I wish all the very best to all stakeholders of this Summit.

Acknowledgements



Mr. Saurabh Sanyal
Secretary General

PHD Chamber has come up with a report on 'Smart Infrastructure Summit 2016: Transforming Uttar Pradesh'. This study includes infrastructural developments in the state and various reform measures announced by the state government in the recent times. The study highlights an important fact that the infrastructure development in the state will boost the economy on a strong and sustainable growth path.

Infrastructural developments will lead to the facilitation of ease of doing business and attract investments in the state, thereby leading to creation of jobs and improvement in the standard of living of people.

We take this opportunity to express our gratitude and respect to our office bearers Shri Mahesh Gupta, President, Shri Gopal Jiwarajka, Senior Vice President and Shri Anil Khaitan, Vice President for their constant support. We also express our sincere thanks to Dr. Lalit Khaitan, Chairman of Uttar Pradesh Committee, PHD Chamber for his profound suggestions.

I commend and appreciate the tireless efforts of PHD Research Bureau team led by Dr. S P Sharma, Chief Economist & Director-Research, Ms. Rashmi Singh, Associate Economist, Ms. Surbhi Sharma, Senior Research Officer & Ms. Smriti Sharma, Research Assistant for producing this study.

We would like to appreciate the efforts of Mr. R K Sharan, Regional Director, UP, and his team for providing his support to complete the study.

Last but not the least, we would also like to place on record the support of members of Uttar Pradesh Committee and the services of Mr. Hariom Kuthwaria, Graphic Designer, PHD Chamber who collaborated in producing this work.

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Executive Summary

Uttar Pradesh is emerging as a rapidly growing economy over the past few years. The Gross State Domestic Product (GSDP) of Uttar Pradesh (at current prices) has grown from around Rs. 8,12,210 crore in 2012-13 to about Rs. 10,41,997 crore in 2014-15. The average GSDP growth of the state stands at 13.1% during 2012-13 to 2014-15.

Uttar Pradesh has posted an inspiring trend in terms of raising its per capita income level. The per-capita income of the state has increased from Rs. 35,358 in 2012-13 to Rs. 44,197 in 2014-15 representing an average growth of 11.5% during three years period. The per capita income of the state is projected to increase to more than Rs. 65,000 by 2019-20.

To give boost to infrastructural development in the State, Rs. 14721 crore has been allocated for construction of roads and bridges and their maintenance under the PWD, Rs. 4003 crore has been allocated for the construction of Agra-Lucknow Expressway, Rs.1500 crore for Lucknow-Azamgarh-Ballia Samajwadi Poorvanchal Expressway and arrangement of Rs. 40 crore for electronic manufacturing clusters to be established on Yamuna Expressway.

The state has a robust industrial infrastructure, including 15 industrial areas, 12 specialised parks, four growth centres and industrial infrastructure development centres (IIDC). As of March 2015,

the state had 18 notified special economic zones (SEZs). As per the 12th Five-Year Plan, the state's industrial growth rate is expected to average 11.2 per cent per annum.

A congenial industrial ambience with the availability of large pool of skilled and unskilled labor force, investor friendly environment, more rationalized and simplified procedure for undertaking industrial investments; make the state one of the favourable destination for undertaking industrial ventures. Proximity of the state to national capital, Delhi is an additional advantage. The state has attracted more than Rs. 37,000 crore industrial investment proposals in the last four years (2012-2015). The share of Uttar Pradesh industrial investment proposals in India's total industrial investment proposals have increased from 0.02% in 2012 to 3.7% in 2015 and 3.72% till June 2016.

The state offers various fiscal incentives, subsidies, marketing support and has established the Export Promotion Bureau to facilitate exports from the state. The key export products from the state are handicrafts, gems and jewellery, electronics, computer hardware and software, marble products, art pieces, bags, apparel, leather, silk carpets, etc. Exports of Uttar Pradesh are projected to increase from about USD 14 billion currently to about USD 20 billion in 2019-20.

Executive Summary

The state also boasts of its railways infrastructure and it is well connected to other parts of the country. Intra-state rail network is also well developed, connecting the towns and districts. The major sectors and industries served by the railways include agriculture, cement, coal, fertilizer and manufacturing.

The state is also making serious endeavours to improve the quality of life of the people. Uttar Pradesh infant mortality rate has declined significantly from 74.3 per thousand live births during 2001-2005 to 58.2 per thousand live births in 2011-2015 and it is estimated to decline further to 46 per thousand live births in 2021-2025.

The life expectancy at birth of Uttar Pradesh has improved from around 61 years during 2001-05 to about 64 years in 2009-13. In the category of male, it has scaled up from about 61 years to more than 62 years and for female it has also increased from 61 years to more than 65 years during the same period.

The percentage of population living below the poverty line in UP has declined from 32.8% in 2004-05 to 29.4% in 2011-12. The decrease in percentage of population living below poverty line poverty has declined in both rural and urban areas.

Uttar Pradesh has the highest share of number of cities to be transformed into smart cities as around 13 out of the 100 smart cities are from Uttar Pradesh. Under the Smart Cities Mission, cities which qualify to be developed as Smart city would get a Central assistance of Rs. 500 crore over a period of five years with Rs. 100 crore to be given each year for the development of public and civic amenities and to plan their growth oriented activities.

The state government has announced Information Technology and Start Up Policy 2016 with an objective of promoting Uttar Pradesh as an attractive investment destination for IT/ITeS companies by providing congenial, industry friendly and proactive climate, development of IT Cities/IT Parks for IT Infrastructure Development.

1. Uttar Pradesh: A State of Opportunities



Uttar Pradesh, the most populous state of India is well known for its multi- cultural society, and wide variety of geographical land. The state accounts for 16.4% of the country's population and also the fourth largest state in geographical area covering 9% of the country's geographical area. The area of Uttar Pradesh is bequeathed with all the marvels of nature such as dense woodlands to ample agricultural lands, from emerald blue rivulets to magniloquent knolls, minerals, flora and fauna.

The state is known for its magnificent architecture and rich arts and crafts. Uttar Pradesh is located in the Northern part of India and is surrounded by Bihar in the East, Madhya Pradesh in the South, Rajasthan, Delhi, Himachal Pradesh and Haryana in the West and Uttarakhand in the North and Nepal to its Northern borders.

The state has numerous golden chapters of Indian history to its credit and has contributed to rich Indian mythology and tradition. The state is one of the most favoured tourism destinations as the Taj Mahal, one of the Seven Wonders of the World, is located in Agra. It is also one of the world's oldest living cities with numerous Old temples, Hindu monks, and the ghats of the holy river Ganges at Varanasi are the major attractions of the place. Lucknow, which is the capital city of the State, is home to nawabi palaces, imamabaras and traditional handicrafts.

It has two religious rivers of Indian mythologies - Ganga and Yamuna. Uttar Pradesh is a wonderful land of monuments of historic significance, renowned forts, museums, and enchanting scenes of natural beauty, wildlife sanctuaries and inspiring religious sites. Consequently, the state ranks 2nd in terms of domestic tourists arrival among all states and ranks 3rd among all states in terms of number of foreign tourists received in 2014.

Uttar Pradesh has an economy that is well divided between industrialization and agriculture. Most of the occupational groups within the population of Uttar Pradesh are involved in agriculture and service industries, which contribute to the largest parts of the state's economy. It is the largest producer of food grains among all states in India and accounted for about 19 per cent share in the country's total food grain output.

Unskilled laborers form a major portion of the work force. Skilled labors are sought after in the urban centers of the state which are experiencing a tremendous growth especially in the Information Technology (IT) and the Telecommunications sector. The state also offers excellent investment opportunities for industrial development. The state also offers a diverse agro climatic condition which is conducive for agricultural production.



Summary of socio-economic indicators

State Capital	Lucknow
Hon'ble Chief Minister of Uttar Pradesh	Shri Akhilesh Yadav
Area (Sq. km)	2,40,928
Population(Census 2011)	19,95,81,477
Density (persons per sq. km.)	828 per thousand
No. of Districts	75
Prominent tourist and historical destinations	Piparhava, Kaushambi, Shravasti, Sarnath (varanasi), kushinagar, Chitrakoot, Lucknow, Agra, Jhansi, Meerut , Allahabad etc.
Important Rivers	Ganga, Yamuna, Gomti, Ram Ganga, Ghagra, Betwa, Ken
Main Fruits	Mango, Guava
GSDP at current prices (FY2015)	Rs. 1041997 crore
Growth of GSDP at current prices (FY2015)	10.1%
Per capita income (FY2015)	Rs. 44197
Percentage of population below poverty line (2011-12)	29.4%
Principal Crops	Paddy, Wheat, Barley, Millet, Maize, Urad (Black Gram), Moong (Green Gram) Arhar etc.
Principal Minerals	Lime-Stone, Dolomite, Soap Stone, Gypsum, Bauxite, Glass-sand, manganese, Non-plastic fire clay etc.
Key Handicrafts	Chikan-work, Embroidery, wood work, wooden toys and furniture, Clay -toys, carpet weaving, Silk & Brassware work.
Folk Dances	Charkula, Karma, Pandav, Pai-danda, Tharu, Dhobia, Raai, Shaira etc.
Literacy Rate (2011 Census)	67.7%
Domestic Airport	Agra, Allahabad, Gorakhpur, Kanpur, Lucknow and Varanasi
International Airport	Chaudhary Charan Singh International Airport, Lucknow and Lal Bahadur Shastri Airport, Varanasi
Key Industries	Agro processing, Mineral based industries, textiles, handloom and handicrafts, leather-based industry, Sports goods, food processing, Biotechnology, Cement, Vegetable oils, Cotton Yarn, Sugar, Jute, Carpet, Brassware, Glassware & Bangles, IT& ITES, Tourism, etc.

Source: PHD Research Bureau, compiled from various official documents of Government of Uttar Pradesh, Economic Survey 2015-16, Government of India, India Brand Equity Foundation (IBEF) and Ministry of Statistics and Programme Implementation (MOSPI)

Rising growth trajectory

Uttar Pradesh is emerging as a rapidly growing economy over the past few years. The Gross State Domestic Product (GSDP) of Uttar Pradesh (at current prices) has grown from around Rs. 8,12,210 crore in 2012-13 to about Rs. 10,41,997 crore in 2014-15. The average GSDP growth of the state stands at 13.1% during 2012-13 to 2014-15.

“

'I had been to other countries - in Europe, Asia and the Middle East - but none of them had provided even half as much variety, or so much to see and experience and remember, as this one State in northern India. You can travel from one end of Australia to the other, but everywhere on that vast continent you will find that people dress in the same way, eat the same kind of food, listen to the same music. This colourless uniformity is apparent in many other countries of the world, both East and West. But Uttar Pradesh is a world in itself.' - Ruskin Bond.

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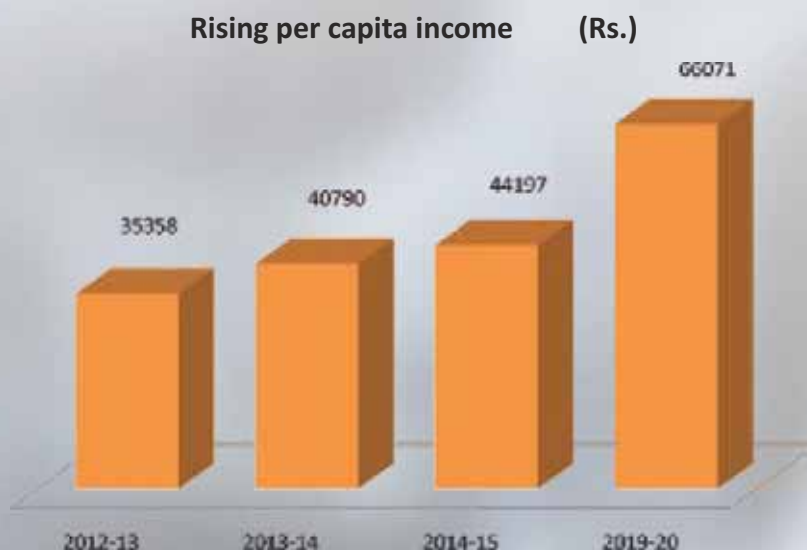
**Average Economic growth of Uttar Pradesh stands at
13.1% during FY2013 to FY2015**





Growing income trajectory

Uttar Pradesh has posted an inspiring trend in terms of raising its per capita income level. The per-capita income of the state has increased from Rs. 35,358 in 2012-13 to Rs. 44,197 in 2014-15 representing an average growth of 11.5% during three years period. The per capita income of the state is projected¹ to increase to more than Rs. 65,000 by 2019-20



Source: PHD Research Bureau, compiled from Ministry of Statistical and Programme Implementation (MOSPI) . Note: The data pertains to per capita NSDP (Net State Domestic Product) at current prices. The projections for 2019-20 are given by PHD Research Bureau, PHDCCI

¹ PHD Research Bureau, PHDCCI projections

2. State's Economic Scenario: Steady Growth, Strong Progress

Uttar Pradesh has shown a decent rate of growth of 13.1% over the period (FY13-FY15), with a rapidly growing industry and services sector has made it an attractive state for trade and investments. Agriculture and service industries form the largest parts of the state's economy. The state's resources, policy incentives, infrastructure and climate are best suited for investments in diverse sectors such as Information Technology (IT), agro-based and food processing, light engineering goods, sports goods, textiles, leather-based, tourism and biotechnology.

The state has become a hub for the semiconductor industry with several major players having their offices and research and development (R&D) centres in Noida. The state has witnessed a high rate of infrastructure growth in the recent past. There has been a considerable rise in the number of industrial clusters/hubs and

Public-Private-Partnership (PPP) projects in the infrastructure domain.

The state has a robust industrial infrastructure, including 15 industrial areas, 12 specialised parks, four growth centres and industrial infrastructure development centres (IIDC). As of March 2015, the state had 18 notified special economic zones (SEZs). As per the 12th Five-Year Plan, the state's industrial growth rate is expected to average 11.2 per cent per annum.

The service sector comprises travel and tourism, hotel industry, real estate, insurance and financial consultancies. The state is the second largest producer of sugarcane in the country. Uttar Pradesh is one of the most favoured tourism destinations and was ranked second and third in terms of domestic and foreign tourist's arrival, respectively, in 2014.



Over the last three years (FY13-FY15), the GSDP of the state has increased from about Rs. 812210 crores in FY2013 to about Rs. 1041997 crores in FY2015.

Gross State Domestic Product and its composition

Components	FY2013	FY2014	FY2015
GSDP at current prices (Rs. crore)	812210	946508	1041997
Sectoral Share in GSDP at current prices (%)			
Primary	27%	26%	25%
Secondary	24%	23%	23%
tertiary	44%	43%	44%

Source: PHD Research Bureau compiled from MOSPI

Note: Values are based on GSVA at basic price.

Taxes on products and subsidies on products are not added.

3. Promising reforms lead to prosperity

The state government of Uttar Pradesh has taken various initiatives to create an environment that is conducive to development of infrastructure, industry and trade and commerce.

The state budget for 2016-17 has accorded high priority to roads, agriculture, infrastructure, employment generation, and irrigation. Rs. 541 crore for strengthening and widening of state highways and new works of constructing and strengthening the link road, small bridges, major roads and other district roads. Rs. 14721 crore has been allocated for roads and bridges construction, Rs. 1574 crore for irrigation schemes and Rs. 13,842 crore for new schemes.

Further, on the socio-economic front, Rs. 15,397 crore for Sarva Shiksha Abhiyan, Rs. 9,168 crore for various schemes of secondary

education, Rs. 35 crore made for the establishment of a research centre and also development of basic amenities at Lucknow University, a target of training 3 lakhs youths in various trades through vocational education and skill development mission set for the next fiscal.

Aa target of covering 55 lakh beneficiaries under Samajwadi Pension Yojna for the year 2016-17 has been set and for this Rs. 3327 crore has been allocated. Rs. 40 crore made for Samajwadi Yuva Swarozgar Yojna in the budget which would uplift the economic status of the cane growers.

The state government has been motivated to attract investments in the state. The Agra-Lucknow expressway which is under construction is expected to provide vast opportunities for food processing industry. The state government has been developing clusters in Noida and Greater Noida for the manufacturing of electronics.

The state has well-drafted, sector specific policies for IT and biotech. The state government has set up Udyog Bandhu to facilitate investment in industrial and service sectors. The organisation has a three-tier structure with presence at district, divisional and state levels. The government of Uttar Pradesh has sanctioned 22 SEZs across the state, such as IT and ITeS, electronic hardware and software, handicrafts and agro-based industries.

The state has proposed 40 IT/ITeS parks (apart from IT SEZs), two biotech zones and a knowledge park. Development of integrated agro/food processing zones has been proposed at Hapur, about 54 km from Delhi. An apparel park at Tronica City, Ghaziabad, and a textile and hosiery park at Rooma, Dist., Kanpur, have been set up by UPSIDC to promote the apparel industry.

To give boost to infrastructural development in the State, Rs. 14721 crore has been allocated for construction of roads and bridges and their maintenance under the PWD, Rs. 4003 crore has been allocated for the construction of Agra-Lucknow Expressway, Rs.1500 crore for Lucknow-Azamgarh-Ballia Samajwadi Poorvanchal Expressway and arrangement of Rs. 40 crore for

electronic manufacturing clusters to be established on Yamuna Expressway. The projects will accelerate the improvement of infrastructure in Uttar Pradesh. The development of this stretch will also help in uplifting the socio-economic conditions of the adjoining districts of the state and would also increase employment potential for local labourers.

The state government of Uttar Pradesh has also signed agreements with private companies for undertaking the construction work. To bolster manufacturing sector, the state government has simplified the land acquisition process under which land could be sold through a simple agreement between the seller and the buyer. The move would certainly pave the way for the development of infrastructure projects which were stalled due to stringent laws.

In order to facilitate ease of doing business in the state, the state government has launched a website on IT policy. The government has also incorporated industrial services in the Janhit Guarantee Act which not only sets deadlines for delivery of services but also set up an appellate system in case deadlines are not met. The state government is also in the process of tweaking its 'single window' clearance system for large sized investment proposals.

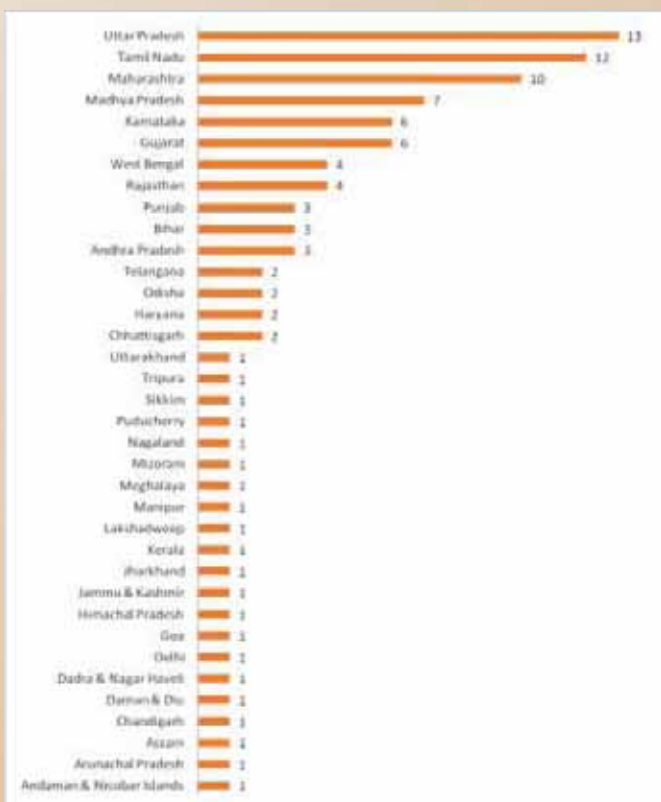
For the conservation of environment, the government has launched the Green Belt Development Scheme under which initiatives will be taken to increase the total forest cover in the state. Going ahead, these reforms are expected to bring out desired strong outcomes which would pave the way for high and sustainable economic growth of the state in the coming times.

Roadmap for Smart Transformation of Cities

The Central Government has recently launched three mega urban schemes viz., 100 Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All in urban area. Also, Uttar Pradesh has the highest share of number of cities to be transformed into smart cities as around 13 out of the 100 smart cities are from Uttar Pradesh.

Under the Smart Cities Mission, cities which qualify to be developed as Smart city would get a Central assistance of Rs. 500 crore over a period of five years with Rs. 100 crore to be given each year for the development of public and civic amenities and to plan their growth oriented activities.

Number of cities selected from states for transformation into Smart Cities



Source: PHD Research Bureau, compiled from Ministry of Urban Development, Government of India

Major announcements

- Rs. 541 crore for strengthening and widening of state highways and new works of constructing and strengthening the link road, small bridges, major roads and other district roads.
- Rs. 310 crore for strengthening and widening of an identified "Core Road Network" of important roads and Rs. 75 crore for beautification/upgradation of the roads important from tourism point of view.
- Keeping in view the top most priority accorded by the government to link district headquarters with 4-lane roads, a provision of Rs. 1111 crore for this purpose.
- Provision of Rs. 14721 for construction of roads and bridges and their maintenance under the PWD.
- Arrangement of Rs. 50 crore for reconstruction of bus stations of Uttar Pradesh Transport Corporation.

Socio-Economic Impact

- The development of the Eastern Peripheral Expressway will help in uplifting the socio-economic condition of the state.
- The Expressway will provide inter-state connectivity which will facilitate in speedy movement of goods thereby providing better facilities to customers and growth opportunities to the businesses.
- The development of Expressway will also provide employment opportunities to the people of the state.
- The up-gradation of bus services reiterates State Government's focus on improving the quality of infrastructure to ensure quality services to the passengers.
- The vehicle tracking system for inter-city buses has led to a reduction in accidents and deaths as drivers are cautious of crossing the speed limits.

Railways

The state has good railways infrastructure and it is well connected to other parts of the country. Intra-state rail network is also well developed, connecting the towns and districts. The major sectors and industries served by the railways include agriculture, cement, coal, fertilizer and manufacturing. The capital of the state, Lucknow is the main junction for the Northern and North Eastern Railways. The State Government has launched Metro rail project in Lucknow and the State Cabinet has approved the proposed Metro Rail projects in Kanpur, Varanasi, Agra and Meerut, to boost urban mass transport infrastructure in these important cities. Further the construction work in Agra, Kanpur and Varanasi is in progress under Lucknow Metro Rail Corporation (LMRC).

Major announcements

- The Lucknow Metro Rail, launched by the State Government in the budget for 2013-14, is scheduled to get completed by 2017. The completion cost of the project is estimated at Rs. 6880 crores.
- Besides the construction work for metro rail service is in full swing in Lucknow, the State is also planning to launch metro rail service in Allahabad, Kanpur, Meerut and Varanasi.

Railway Infrastructure

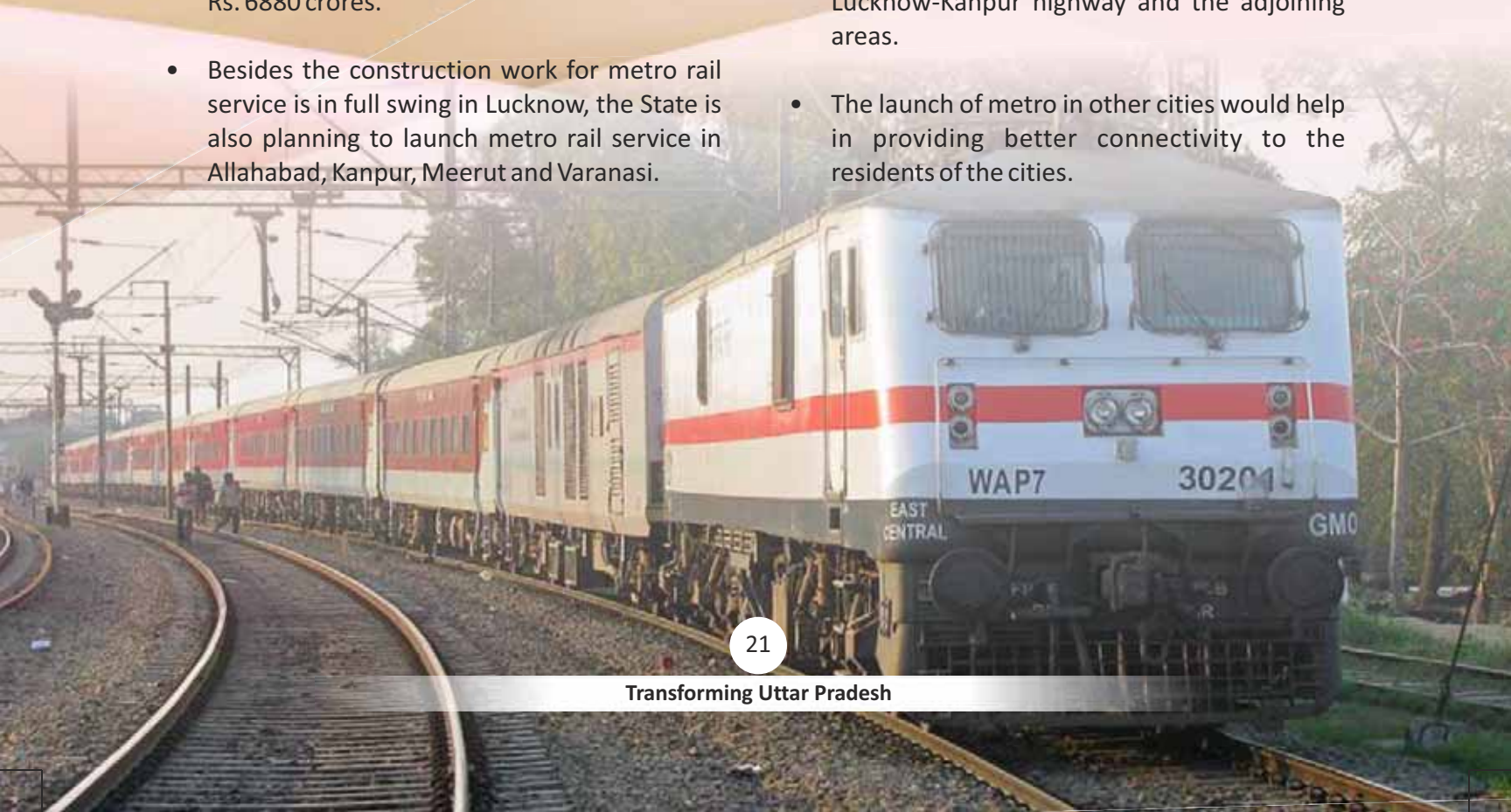
Item	Achievement (in Km)
Broad Gauge	7851
Meter Gauge	979
Narrow Gauge	2
Total length of railway line	8832

Source: PHD Research Bureau, compiled from Directorate of Economics & Statistics

Note: Data pertains to 2012-13

Socio-Economic Impact

- The realty sector is expected to get a boost in the city of Lucknow after the completion of metro project. It would give a special push to real estate construction activities on the Lucknow-Kanpur highway and the adjoining areas.
- The launch of metro in other cities would help in providing better connectivity to the residents of the cities.





Metro rail to strengthen transport infrastructure in Lucknow

In order to strengthen and argument the transport infrastructure of the city, Government of Uttar Pradesh has decided to implement Lucknow Metro Rail Project as an integrated mass public transport system that meets the mobility and accessibility needs of the people of Lucknow.

Lucknow being an important service and trading centre, it continues to grow and attract large number of people to the city. To implement the Lucknow Metro Rail Project, a special purpose vehicle (SPV), Lucknow Metro Rail Corporation (LMRC) has been incorporated under Companies Act, 1956.

The Lucknow Metro Rail Corporation (LMRC) has been adjudged the best Metro project for 'Excellence in Innovative Designs' at the 5th Annual Metro Rail India Summit, 2016.

For Varanasi, the Detailed Project Report (DPR) envisages two metro corridors with a total length of 29.235Km. The State Government had assigned Lucknow Metro Rail Corporation (LMRC) the responsibility of 'Coordinator' for preparation of DPR for Metro in four important cities of Uttar Pradesh namely Kanpur, Varanasi, Meerut and Agra.

The state government is aiming to bring world-class infrastructure to the city of Lucknow. Lucknow metro rail project will provide the inhabitants and visitors a world-class mass rapid transit system

Power

Although, Uttar Pradesh had a power deficit of 15.6%, which is significantly higher than the national power deficit of 3.6% during FY2015, the power deficit is anticipated to reduce to 12.5% in FY2016.

Consequently, the State Government is taking various steps to ensure adequate power supply to domestic and industrial users as the continuing supply of power is essential for achieving sustained economic growth.

Power Generation in Uttar Pradesh

Total installed power generation capacity	15721.80 MW
Coal based power	11678MW
Hydro based power	2168 MW
State generated	38%
Centre generated	35%
Private sector generated	27%

Source: PHD Research Bureau, compiled from Directorate of Economics & Statistics

Note: Data pertains to 2012-13

Major announcements

- Target to supply power for at least 16 hours in rural areas and 22- 24 hours in urban areas from October 2016. Besides, the government is determined to ensure 24X7 power supplies without any cuts from 2019-20. The state government has the vision to ensure 24-hour power supply to all urban areas by October 2016. Accordingly, maximum budget allocations have been made to power sector for generation, transmission and distribution.
- All arrangements have been made to increase the daily power supply from 11000 MW to 21000 MW by October 2016. A plan of about Rs. 11900 crore for electrification of about 1,73,000 villages and hamlets under the rural electrification scheme.
- Decision has also been taken to implement "Uday", a scheme for financial reorganization of power distribution companies, under which a financial assistance of Rs. 39,909 will be given by the state government to these companies. This step will not only improve the financial condition of the distribution companies but also pay the path to uninterrupted power supply in the state.
- About Rs. 7,000 crore has been allocated for the state feeder separation scheme to ensure supply of power for at least 16 hours to rural areas and 08 hours for agricultural works.

Socio-Economic Impact

- Continuous supply of power would accelerate the socio-economic development in the state and reduce the cost of doing business in the state, thereby making it a preferred investment destination.
- Expanding power industry would facilitate development across various sectors of the State's economy, such as manufacturing, agriculture, commercial enterprises and railways.
- Electrical energy is important for the enhancement of rural production and food security through land preparation, fertilization, irrigation, agro-processing and conservation. Uttar Pradesh being an agrarian economy would benefit significantly from such an initiative.
- The industrial efficiency would increase as due to power shortage, industries are forced to reduce working hours in peak demand season while they have to pay the same price to labour and employees. All these conditions reduce profits which reduces the viability of doing business in the state in comparison to neighbouring states.
- Adequate supply of electricity would also do away with the concerns of the foreign industries which restrict themselves from setting their manufacturing units in other parts of the country.

Telecom

The state has a well-developed telecom infrastructure, with all the major players providing services in the state. The state has a tele-density of 60% as on February 2015. According to Telecom Regulatory Authority of India (TRAI), Uttar Pradesh has nearly 138.5 million telecom wireless subscribers and 942.9 million wire-line subscribers, as of November 2015.

Aviation

The state has excellent civil aviation infrastructure with six domestic airports located at Agra, Allahabad, Gorakhpur, Kanpur, Lucknow and Varanasi including two international airports- Chaudhary Charan Singh International airport in Lucknow and Lal Bahadur Shastri Airport in Varanasi. The state has also proposed to set up Taj international airport in the Delhi-NCR region.

Affordable Housing – Housing for all

The state's economic growth momentum cannot be sustained if urbanisation is not actively facilitated. Nor can poverty be addressed if the needs of the urban poor are not met and they are unable to face the challenges of managing urbanization.

Major announcements

- Rs. 400 crore for the development of Lucknow development area and all development authorities of the state and infrastructure facilities of urban areas. There is a Proposal of Rs. 50 crore for the development of 'Model Cities' in selected cities of the state.
- Uttar Pradesh government has announced to launch 'Samajwadi Awas Yojna' and efforts would be made to construct 3,00,000 houses by 2016.
- Most of these projects are approved for Kanpur, Lucknow, Varanasi, Allahabad and Agra. The key areas of development are water supply, solid-waste management, sewerage and drainage/storm water.
- Rs. 340 crore earmarked under Aasra Yojna (residential houses) to provide free of cost houses.
- Rs. 277 crore made under Housing for All (urban mission) Scheme.
- Further, the UP Housing and Development Board has unveiled plans of the ambitious affordable housing schemes for the middle and lower income group. The land cost for various building groups have also been reduced.

Socio-Economic Impact

- The Samajwadi Awas Yojna aims to provide affordable housing to medium income group in the state. This would certainly meet the growing demand for housing in the state.
- The economic impact of the central government's housing for all will be felt across all states with Uttar Pradesh being the biggest beneficiary as there is maximum housing demand in the state. Further all disputed house tax cases would be resolved within three months after receiving the objections from the owners.
- The state government's investment in affordable housing would support a range of social objectives by improving outcomes for residents, in areas including health, crime and employment.
- It would offer a more affordable, often better quality alternative to renting privately, both through the quality of homes and the services that housing associations deliver to support tenants.

² Teledensity data is inclusive for UP and Uttarakhand

Tourism Infrastructure

Tourism industry in Uttar Pradesh has a significant contribution to state's economic growth and employment generation. Uttar Pradesh is a favoured tourist destination in India, and is endowed with a varied spectrum of tourism offerings. These range from the wonder of the world, Taj Mahal, to unique cultural and religious destinations like Varanasi, Braj (Mathura, Vrindavan, Goverdhan), Awadh (Lucknow, Ayodhya), etc.

Tourism Policy 2016 -The state government has unveiled a new tourism policy 2016 with an objective to identify, develop and market new and niche tourism products, upscale and expand existing tourism and civic infrastructure, development of alternate tourism products, promote safe and tourist friendly destination, preserve and enhance the State's artistic and cultural heritage.

Further, the policy focuses on to develop awareness and sensitivity among the people towards tourism, strengthen the social fabric through tourist interactions and promote private sector to proactively participate and invest in tourism sector. In addition, it also stresses on promoting use of Information Technology and ICT enabled tools and services, adherence to Global Sustainable Tourism Criteria (GSTC) to ensure

social, environmental and economic sustainability, skill upgradation and capacity building of manpower in various tourism services and innovative branding and marketing activities to showcase the unique tourism products of Uttar Pradesh.

Uttar Pradesh is one of the most favoured state for tourists in India with a consistent ranking amongst the top states in terms of tourist arrivals. In 2014 it was ranked² 2nd in terms of total tourist arrivals, 2nd in terms of domestic tourist arrivals and 3rd in terms of foreign tourist arrivals and 2nd in terms of total tourist arrivals amongst Indian states. In 2015, nearly 204.8 million domestic and 3.1 million foreign tourists visited the state. The total tourist arrival in Uttar Pradesh in 2015 was at 207.9 million which is an increase of 11.9% from 2014.

The state has accorded industry status to the tourism. Various facilities applicable to industries are also applicable to tourism industry such as sanction of electricity load on priority, hotel construction on industrial land, a rebate of 30 percent in VAT will be provided on the purchase of plants and machinery or equipments coming under tourism units/tourism industry, among others.

² Uttar Pradesh – Tourism Policy 2016

Distinctiveness of Uttar Pradesh

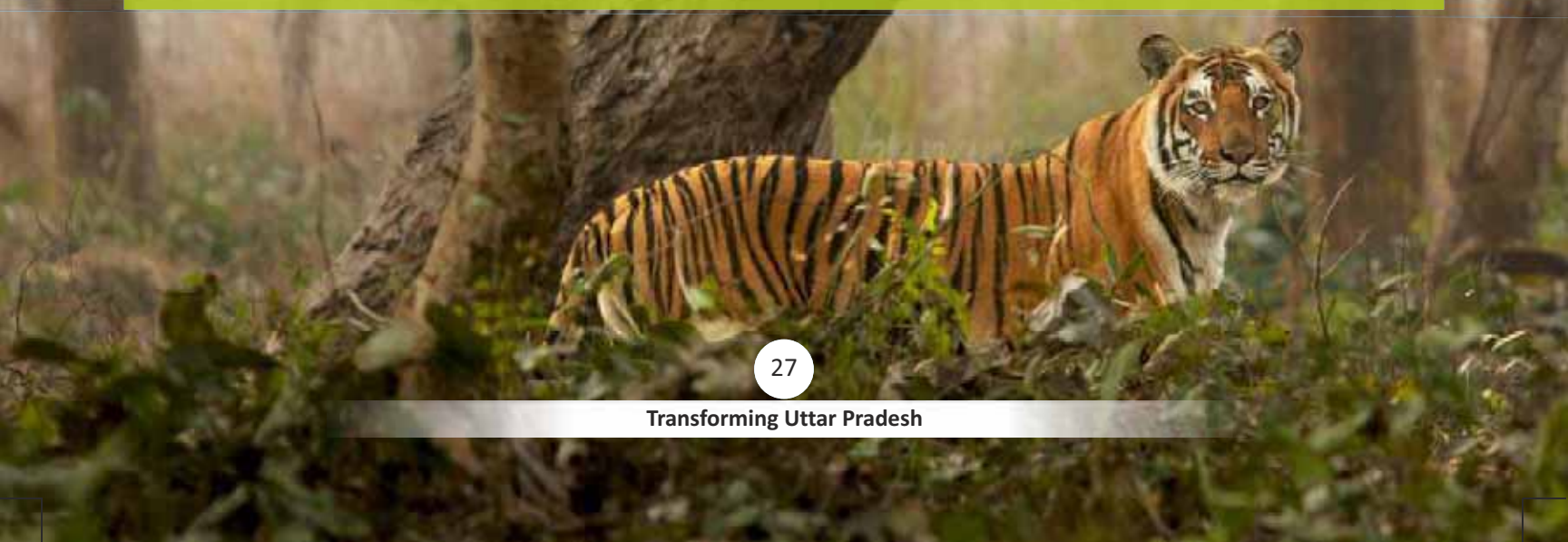
One of the wonders of the world “Taj Mahal” which is also a UNESCO world heritage site is located in Uttar Pradesh

Hindu pilgrim centres of India viz. Krishna Janmabhoomi (Mathura), Ram Janmabhoomi (Ayodhya), Sangam (Allahabad), Baba Vishwanath (Varanasi), Maa Vindhyavasani (Vindhyachal) etc are in Uttar Pradesh

Destinations related to the life of Lord Buddha viz. Kapilvastu, Sarnath, Shravasti, Kaushambi, Sankisa and Kushinagar are located in Uttar Pradesh

Wildlife tourism such as in the Terai region of Dudhwa National Park and Pilibhit Tiger Reserve, which is endowed with unique floral and faunal biodiversity

Apart from Heritage Arc Circuit, Uttar Pradesh has some potential tourism circuits and trails, such as Buddhist Circuit, Pilgrimage Circuit – Kashi - Sangam, Mathura – Vrindavan, Allahabad – Vindhyachal, Ayodhya Trail, Sufi Trail – Lucknow - Deva Sharif; Ittra Trail – Kannauj, The Great Awadh Circuit – Lucknow, Heritage Trail – Lucknow, Cycling Trail – Lucknow, Taj Nature Tour, Agra Heritage Tour, Agra – Braj Tour; Rhino – Tiger Circuit – Dudhwa National Park, Awadh Bird Trail, Mango Trail, etc.



Information Technology Infrastructure

Uttar Pradesh has emerged as a key hub for IT and ITeS industries, including software, captive business process outsourcing (BPO) and electronics. The state has been consistently focusing on developing infrastructure, human capital development and effective policy implementation so as to create a conducive ambience for IT-BPM industry. The increasing upgradations in the infrastructure owing to rising investments along with proximity to the pool of talent are additional positive factors for the IT/ITes industry in the state.

Information Technology and Start Up Policy 2016

- The state government has announced

Information Technology and Start Up Policy 2016 with an objective of promoting Uttar Pradesh as an attractive investment destination for IT/ITeS companies by providing congenial, industry friendly and proactive climate, development of IT Cities/IT Parks for IT Infrastructure Development.

Further, the state is also focusing on enhancing the quality of talent pool and creation of additional employment opportunities, development of skilled IT manpower in the state for all sections of the society, across all regions, and to leverage IT as a tool for the socio-economic development of the State.

Key fiscal incentives offered by the State for IT/ITES companies are:

- Interest Subsidy-- An interest subsidy of 5% per annum for a period of 7 years on the rate of interest paid on the loans obtained from Scheduled Banks/ Financial Institutions shall be reimbursed subject to a maximum of Rs. 1 crore per annum per unit
- Stamp Duty- 100% exemption of stamp duty on purchase/lease of land/office space/ buildings for IT/ITeS use with condition of commencing operations within 3 years
- Exemption of Electricity Duty- 100% exemption on Electricity duty for new IT/ITeS units for a period of 5 years post commencement of commercial operations
- Incentives for Certifications- Reimbursement of the cost incurred by an IT/ITeS Company operating in the State on successfully securing quality & IT related certifications such as Capability Maturity Model (CMM) level 2 upwards, ISO 27001 for security, ISO 20000 for service management terminology, COPC, eSCM certification with maximum reimbursement of 3 certifications with total limit of 25 lakhs per unit. The similar certifications related to this sector shall be included from time to time.
- Grant on Employees Provident Fund (EPF) for Employment generation- 100% reimbursement of the total EPF amount paid for IT/ITeS Professionals of Uttar Pradesh domicile with employment for continuous 1 year, after start of commercial operation, subject to the Maximum of INR 20 Lakhs per annum for 5 years for a unit.

Industrial promotion Subsidy- Industrial Promotion Subsidy equivalent to 50% of the incentives admissible for new units (except rebate on land purchased from State Agencies) would be admissible to the existing units, if additional capital investment for capacity enhancement to the extent of 25% or more made in period of 2 years by the IT units with turnover of more than or equal to INR 100 crores.

Industrial Infrastructure on high road

The Uttar Pradesh Government has initiated several incentives in the form of various policies formulated for the development and promotion of industries by the State. In view of major transformation of industrial environment globally and within the country, Government of Uttar Pradesh has approved and announced new Infrastructure and Industrial Investment Policy-2012, with special emphasis has been laid on encouraging investment both in Infrastructure and Industry.

Infrastructure breakthrough will enhance production possibilities

- Encouragement to Public Private Partnership (PPP) for infrastructure development
- Expansion & improvement in water supply and drainage system.
- Setting up of IT Parks, Mega Food Parks, Logistic hubs, Plastic city, Biotech Industrial parks and Integrated Industrial Townships.
- Encouragement and facilitation to private sector for development of Industrial areas and estates.
- A plan of about Rs. 11900 core for electrification of about 1,73,000 villages and hamlets under the rural electrification scheme, electrification of 01 lakh villages and hamlets already completed last year.
- Rs. 15 crore for Powerloom Development Scheme has been allocated
- Proposal to establish a university after developing integrated Industrial township (Sangam City) area as Smart City.
- Decision to develop Dadri-Noida-Ghaziabad Investment area and three early bird projects, integrated Industrial Township, multi model logistic hub and multi model transport hub under Delhi-Mumbai Industrial Corridor (DMIC) Project.
- Development of roads, expressways, eco-

friendly metro or rapid transit systems, and development of new industrial areas along these roads and expressways.

- Decision to implement "Uday", a scheme for financial reorganization of power distribution companies, under which a financial assistance of Rs. 39,909 will be given by the state government to these companies.
- Export Policy Uttar Pradesh, 2015-2020' issued will encourage exports in the state.

Dynamic Industrial Environment to attract investors

- Simplification of procedures and processes related to departments of Labour, Energy, Environment, Commercial Tax, Registration, etc.
- Action plan for revival of unserved and underserved airports to be drawn up in partnership with State Governments.
- Strengthening and improvement in working of Udyog Bandhu (a State government agency for facilitating Industries) and U.P. Investment Centre.
- Speedy redressal of problems and complaints of entrepreneurs.
- Emphasis on Skill and Management development
- Rewarding Entrepreneurs contributing

significantly to industrial growth of the State.

Big Push to Start Ups

- Budgetary provision of Rs. 5 crore for organising Bird Festival in year 2016-17, Peacock Conservation Centre, development of Nawabganj, Sandi and Lakh Bahosi Bird Sanctuaries.
- Rs. 400 crore for completion of new building construction works of Lucknow Bench of Hon'ble High Court.
- Rs. 40 crore allocated for establishment of Forensic Labs in Lucknow, Allahabad, Kannauj and Jhansi.
- Rs. 40 crore for constitution of State Disaster

Response Force.

- National Food Security Act-2013 has been implemented in 28 districts during first phase. This act will be implemented in remaining 47 districts from March 2016 during second phase.
- Arrangement of Rs. 50 crore for 'Dr. APJ Abdul Kalam Nagriya Shahri Punj Yojana' for street light and drinking water system through Solar Energy Power Plant in urban bodies.
- For implementing development works at a faster pace, roads, bridges, drinking water schemes and sanitation, power arrangements etc. are being carried out on a priority under the accelerated economic development scheme. Rs. 900 crore has been allocated for this purpose.

Smart Cities

The central government has recently launched three mega urban schemes viz., 100 Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All in urban area. Uttar Pradesh has the highest share of number of cities to be transformed into smart cities as around 13 out of the 100 smart cities are from Uttar Pradesh.

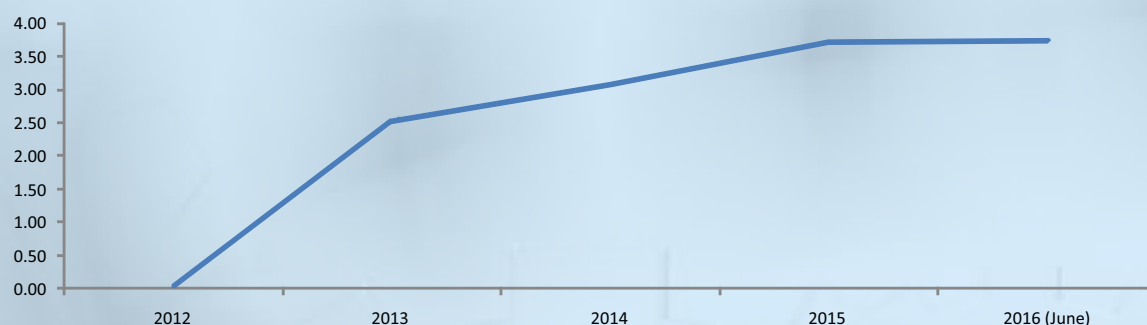
Socio-Economic Impact

- In a smart city, economic development and activity is sustainable and rationally planned and it is based on success-oriented market drivers such as supply and demand.
- Development of smart cities will create immense employment opportunities for the people residing in the state.
- Smart cities, which aim to use digital technology would enhance performance and well being, reduce costs and resource consumption.
- With increasing urbanization and the load on rural land, the government has now realized the need for cities that can cope with the challenges of urban living and could also attract investment.

Industrial investments

A congenial industrial ambience with the availability of large pool of skilled and unskilled labor force, investor friendly environment, more rationalized and simplified procedure for undertaking industrial investments; make the state one of the favourable destination for undertaking industrial ventures. Proximity of the state to national capital, Delhi is an additional advantage. The state has attracted more than Rs. 37,000 crore industrial investment proposals in the last four years (2012-2015). The share of Uttar Pradesh industrial investment proposals in India's total industrial investment proposals have increased from 0.02% in 2012 to 3.7% in 2015 and 3.72% till June 2016.

Rising share of Industrial investments intentions of Uttar Pradesh in India's industrial investment intentions (%)



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





Promising Exports

The state offers various fiscal incentives, subsidies, marketing support and has Export Promotion Bureau to facilitate exports from the state. The key export products from the state are handicrafts, gems and jewellery, electronics, computer hardware and software, marble products, art pieces, bags, apparel, leather, silk carpets, etc.

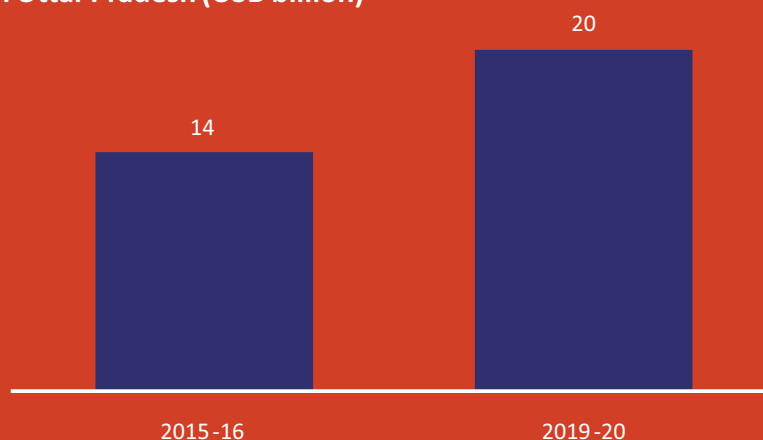
The key export zones in the state are Noida, Agra, Mathura, Lucknow, Kanpur, Varanasi, Meerut, Saharanpur, among others. The state has set up Export Promotion Industrial parks at Greater Noida and Agra. Uttar Pradesh has also set up SEZs across Noida, Greater Noida, Moradabad and Khurja, Bulandshahr to facilitate and boost the exports of gem and jewellery, handicrafts and IT and ITeS products. Exports of Uttar Pradesh are projected to increase from about USD 14 billion currently to about USD 20 billion in 2019-20.

Select key exports centres of the state

Export Centres	Export products
NOIDA, Export Processing Zone(NEPZ)	Gems & Jewellery, Apparel, Electronics, Computer Hardware & Software, Leather.
Greater Noida, Noida, Gautam Budh Nagar	Electronics, Computer Hardware & Software, Apparel, Engineering, Automobiles, Chemicals
Sahibabad, Loni, Pilkhwa Ghaziabad	Chemicals, Engineering, Apparel, Textiles, Hand Printing, Herbal Medicines & Cosmetics, Stocks, bones buttons & Beads, Art Jewellery, Carpentry
Agra	Silk Carpets, Handicrafts items, Embroided goods, jewellery, studded articles, Marble goods, Marble inlay, stone Art pieces leather shoes, chappals, Bags
Mathura	Stone craft, Block Printing, Hand Printing, Ghungru, Miniature Printing
Lucknow	Miniature painting Chikan Zardozi, Floriculture, Ayurvedic/Herbal Medicine, Mango, Tobacco, Batik, Camel bone carving
Kanpur	Leather, Leather shoes, Suitcases, Bags, Leather Garments, Software export, Chemicals, Engg. Automobiles. Textiles, Handloom, Powerloom, Essential oils and Perfumes. Pharmaceuticals, Spices
Varanasi	Wollen Handicraft, Fancy articles, Jamdani, Silk, Zari & Zardozi, Handicrafts, repoussi work, Brocade, Wooden Toys, meenakari
Khekra, Meerut	Sports Goods, Textiles, Hand Printing - Block & Screen, Handloom, Gold Jewellery
Saharanpur	Wood Carving, Toys, Wooden Fancy Items, Furniture, Screens, Rice

Source: PHD Research Bureau compiled from Export Promotion Bureau, Government of Uttar Pradesh

Rising Exports of Uttar Pradesh (USD billion)



Source: PHD Research Bureau

Implementation of business reforms

According to a assessment of State Implementation of Business Reforms by Department of Industrial Policy & Promotion, Government of India which assesses implementation status of reform measures across areas including setting up a business, allotment of land and obtaining construction permit, complying with environment procedures, complying with labour regulations, obtaining infrastructure related utilities, registering and complying with tax procedures, carrying out inspections and enforcing contracts, obtaining electricity connection, single window, etc.

Uttar Pradesh has been ranked at 11th position across 36 States and Union Territories with a implementation status of 58.41%. The state's Department of Labour through the online system provides one-stop solutions encompassing all the services offered by the Department. The portal offers several functionalities including online registration, licensing and renewal under the various Labour Acts. It has also defined clear timelines and process for registration and renewal of various licenses. The Department has mandated submission of inspection reports under various labour acts within 72 hours of inspection.

Assessment of State Implementation of Business Reforms

Rank	State	Implementation score (%)
1	Chhattisgarh	78.76
2	Gujarat	78.17
3	Madhya Pradesh	71.76
4	Jharkhand	71.73
5	Rajasthan	68.82
6	Telangana	68.67
7	Punjab	68.14
8	Andhra Pradesh	65.66
9	Uttarakhand	63.72
10	Haryana	59.34
11	Uttar Pradesh	58.41
12	Karnataka	54.87
13	West Bengal	54.28
14	Odisha	45.95
15	Maharashtra	43.36
16	Bihar	39.82
17	Himachal Pradesh	27.65
18	Tamil Nadu	23.24
19	Goa	16.76
20	Tripura	12.94
21	Assam	12.39
22	Delhi	12.39
23	Daman & Diu	6.76
24	Kerala	5.9
25	Manipur	2.06
26	Dadra & Nagar Haveli	1.47
27	Puducherry	1.18
28	Mizoram	0.59
29	Nagaland	0.59
30	Sikkim	0.29
31	Arunachal Pradesh	0
32	Jammu and Kashmir	0
33	Chandigarh	0
34	Meghalaya	0
35	Andaman & Nicobar Islands	0
36	Lakshwadeep	0

Source: PHD Research Bureau, compiled from DIPP, Government of India. Note: The scorecard data only pertains reforms 'implemented' till June 30th, 2016. Note: Data latest available as on 20th August 2016

4. Social infrastructure



Educational infrastructure

Uttar Pradesh has made various investments towards enhancement of the standard of education across various levels. The state has 53 universities out of which 23 are state universities, 10 are deemed universities, 4 central universities, and 16 private universities. The Banaras Hindu University at Banaras, founded in 1916, is one of the oldest universities in the country.

The state has made considerable progress in terms of literacy level and has posted a remarkable improvement in its literacy status from around 12% in 1951 to around 68% in 2011. According to the Census 2011, Uttar Pradesh has a literacy rate of 67.7% of which the male literacy rate is 77.3% and the female literacy rate is 57.2%.

Enhancing skill levels

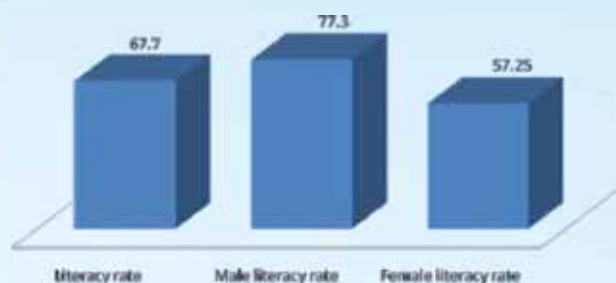
Education is the basic block of human development and contributes directly to the development of nation. The state government is progressing towards making provision of education to all. The state has launched various schemes to improve the education scenario for females and its focus is on expanding and improving the quality of primary, secondary and higher education. Uttar Pradesh offers excellent infrastructural facilities for setting up educational projects.

Educational Infrastructure in Uttar Pradesh

Category	Number
Universities*	53
Colleges	4,345
Medical colleges	27
Polytechnics	168
Primary schools	145,976
Upper primary schools	67,876

Source: PHD Research Bureau, compiled from India Brand Equity Foundation (IBEF). Note: Data pertains to the year 2014-15. *(Out of total 23 are state universities, 10 are deemed universities, 4 central universities, and 16 private universities.)

Literacy rate in Uttar Pradesh (%)



Source: PHD Research Bureau, compiled from Census 2011, Government of India Note: Data pertains to the year 2011



Allocations made by Uttar Pradesh in the Budget 2016-17

Category	Allocations made by Uttar Pradesh in Budget 2016-17
Basic Education	• A sum of Rs. 15,397 crore allocated for Sarva Shiksha Abhiyan. • A sum of Rs. 200 crore earmarked for new scheme under mid-day-meal for distribution of fruits to students. • Provision of Rs. 20 crore for completion of incomplete construction work of schools in villages/majras • Provision of Rs. 15 crore for construction of model primary schools
Secondary Education	• Provision of Rs. 9,168 crore for various schemes of secondary education • Provision of Rs. 300 crore for providing incentive at the rate of Rs. 30,000 per student under amended Kanya Vidya Dhan Yojana. • Provision of Rs. 100 crore for free supply of laptop to 10th & 12th passed meritorious students for encouraging technical education • Provision of Rs. 150 crore for establishment of military school in Amethi, Mainpuri & Jhansi • Provision of Rs. 200 crore for payment of honoraria to part time teachers of private/unaided schools recognised by Uttar Pradesh Madhyamik Shiksha Board.
Higher Education	• A provision of Rs. 2622 crore made for higher education schemes. • An amount of Rs. 50 crore proposed for setting up of State University at Allahabad. • A sum of Rs. 35 crore allocated for the establishment of a research centre and also development of basic amenities at Lucknow University • For providing wi-fi facility at libraries and common rooms of the government degree colleges of the State, Rs. 2.50 crore has been allocated and Rs. 10 crore proposed for setting up university at Ballia.
Technical Education	• To increase the participation of women in the technical education, a target of setting up of 18 women polytechnics and 15 women hostels has been set. • Proposed to set up 1 Engineering College each at Basti and Gonda districts. • An arrangement of Rs. 25 crore made for setting up of an Engineering College at Mirzapur. • Proposed to set up 12 Polytechnics of Information technology in the state.
Skill development and employment	• A target of training 3 lakh youths in various trades through vocational education and skill development mission has been set for the next fiscal. • Budget of Rs. 4 crore earmarked for upgrading government industrial training institutes as model ITIs. • A target of setting up of 3000 cottage units under Mukhyamantri Gramodyog Rozgar Yojna. They will provide employment to 60,000 people. • An amount of Rs. 10 crore arranged for the setting up of innovation cell and state innovation fund.
Medical education	• A sum of Rs. 4572 crore allocated for state medical colleges and hospitals affiliated with them and medical universities/medical institutes—(King George's Medical University (KGMU), Sanjay Gandhi Postgraduate Institute of Medical Sciences (SGPGI), Dr. Ram Manohar Lohia Institute of Medical Sciences and UP Rural Institute of Medical Sciences and Research, Saifai). • A provision of Rs. 310 crore made for the Cancer Institute Lucknow for the year 2016-17. • Land for construction of medical college at Chandauli allotted. Construction of medical college at Jaunpur under progress. • Provision of Rs. 40 crore has been made in the budget for setting up of Medical College at Najibabad, Bijnore.

Source: PHD Research Bureau, compiled from Budget Documents of Government of Uttar Pradesh

Health infrastructure

The Uttar Pradesh government has managed to maintain the vast network of health facilities and has undertaken serious efforts in strengthening its health infrastructure. The state has a three-tier public healthcare infrastructure, comprising primary health centres (PHCs), health units, community health centres (CHCs) and sub-centres.

Ecorys an international company providing research, consultancy and management services has recently signed the contract for a prestigious World Bank funded project for providing technical assistance to the Uttar Pradesh Health Systems Strengthening Project (UPHSSP) in India.

Health infrastructure

Category	Number
Active primary health centers	3,101
Active sub-centres	20,792
Active community health centres	1,299
Active district hospitals	160
Active sub-district hospitals	6
Ayurveda hospitals	1,771
Unani hospitals	204
Homeopathy hospitals	8

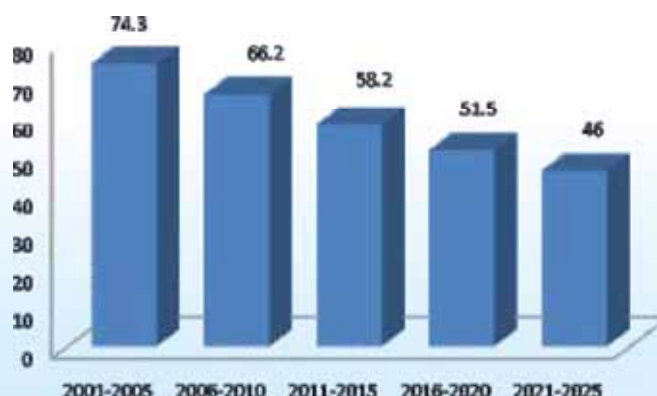
Source: PHD Research Bureau, compiled from India Brand Equity Foundation (IBEF). Data pertains to November 2015



Declining Infant Mortality Rate in Uttar Pradesh

The state is making serious endeavours to improve the quality of life of the people. Uttar Pradesh infant mortality rate has declined significantly from 74.3 per thousand live births during 2001-2005 to 58.2 per thousand live births in 2011-2015 and it is estimated to decline further to 46 per thousand live births in 2021-2025

Infant mortality rate in Uttar Pradesh (in per thousand live births)

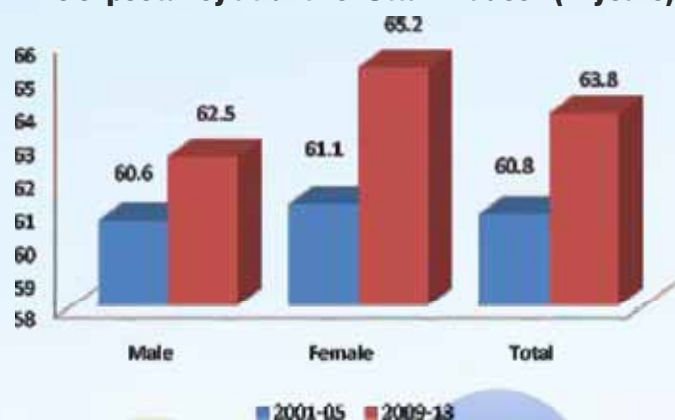


Source: PHD Research Bureau, compiled from IndiaStat.com

Rising life expectancy at birth

The life expectancy at birth of Uttar Pradesh has improved from around 61 years during 2001-05 to about 64 years in 2009-13. In the category of male, it has scaled up from about 61 years to more than 62 years and for female it has also increased from 61 years to more than 65 years during the same period.

Life expectancy at birth of Uttar Pradesh (in years)



Source: PHD Research Bureau, compiled from Economic Survey 2015-16, Government of India

Population below poverty line in Uttar Pradesh improves

The percentage of population living below the poverty line in Uttar Pradesh has declined from 32.8% in 2004-05 to 29.4% in 2011-12. The decrease in percentage of population living below poverty line has improved in both rural and urban areas.

Percentage of population living below the poverty line in Uttar Pradesh (%)



Source: PHD Research Bureau, compiled from Planning Commission, Government of India

5. Conclusions

Uttar Pradesh is emerging as a rapidly growing economy over the past few years. It is the largest producer of food grains among all states in India and accounted for about 19 per cent share in the country's total food grain output. Uttar Pradesh has a rapidly growing industry and services sector which has made it an attractive state for trade and investments.

The state's resources, policy incentives, infrastructure and climate are best suited for investments in diverse sectors such as Information Technology (IT), agro-based and food processing, light engineering goods, sports goods, textiles, leather-based, tourism and biotechnology.

With the continuous increase in per capita income of the state, there exist tremendous potential for expansion of markets for the industrial houses. There also exists vast opportunities for the state in attracting foreign direct investment in the areas of software and electronics.

Accordingly, the state budget for 2016-17 has accorded high priority to roads, agriculture, infrastructure and employment generation. Further, Rs. 541 crore has been allocated for strengthening and widening of state highways and new works of constructing and strengthening the link road, small bridges, major roads and other district roads. Rs. 14721 crore has been allocated for roads and bridges construction, Rs. 1574 crore for irrigation schemes and Rs. 13,842 crore for new schemes.

Further, on the socio-economic front Rs. 15,397 crore has been allocated for Sarva Shiksha Abhiyan, Rs. 9,168 crore for various schemes of secondary education, Rs. 35 crore made for the establishment of a research centre and also development of basic

amenities at Lucknow University. The state has kept a target of training 03 lakh youths in various trades through vocational education and skill development mission set for the next fiscal. A target of covering 55 lakh beneficiaries under Samajwadi Pension Yojna for the year 2016-17 has been set and for this Rs. 3327 crore has been allocated. Rs. 40 crore made for Samajwadi Yuva Swarozgar Yojna in the budget which would uplift the economic status of the cane growers.

The state has attracted more than Rs. 37,000 crore industrial investment proposals in the last four years (2012-2015). The share of Uttar Pradesh industrial investment proposals in India's total industrial investment proposals have increased from 0.02% in 2012 to 3.7% in 2015 and 3.72% till June 2016.

The key export zones in the state are Noida, Agra, Mathura, Lucknow, Kanpur, Varanasi, Meerut, Saharanpur, among others. The state has set up Export Promotion Industrial parks at Greater Noida and Agra. Uttar Pradesh has also set up SEZs across Noida, Greater Noida, Moradabad and Khurja, Bulandshahr to facilitate and boost the exports of gem and jewellery, handicrafts and IT and ITeS products.

The Central Government has recently launched three mega urban schemes viz., 100 Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All in urban area. Also, Uttar Pradesh has the highest share of number of cities to be transformed into smart cities as around 13 out of the 100 smart cities are from Uttar Pradesh.

The state of Uttar Pradesh has a developed state of the art physical and industrial infrastructure. It also has a good connectivity with the nine neighbouring states

Conclusions

and other parts of the country through 48 national highways, 6 airports and rail links to all major cities.

The UP Government has set a target to supply power for at least 16 hours in rural areas and 22- 24 hours in urban areas from October 2016. Besides, the government is determined to ensure 24X7 power supplies without any cuts from 2019-20. The state government has the vision to ensure 24-hour power supply to all urban areas by October 2016.

Uttar Pradesh has nearly 138.5 million telecom wireless subscribers and 942.9 million wire-line subscribers, as of November 2015. The state has excellent civil aviation infrastructure with six domestic airports located at Agra, Allahabad, Gorakhpur, Kanpur, Lucknow and Varanasi including two international airports- Chaudhary Charan Singh International airport in Lucknow and Lal Bahadur Shastri Airport in Varanasi.

Uttar Pradesh is one of the most favoured state for tourists in India with a ranking amongst the top states in terms of tourist arrivals. In 2014 it was ranked³ 2nd in terms of total tourist arrivals, 2nd in terms of domestic tourist arrivals and 3rd in terms of foreign tourist

arrivals amongst Indian states. In 2015, nearly 204.8 million domestic and 3.1 million foreign tourists visited the state. The total tourist arrival in Uttar Pradesh in 2015 was at 207.9 million which is an increase of 11.9% from 2014.

In order to strengthen and argument the transport infrastructure of the city, Government of Uttar Pradesh has decided to implement Lucknow Metro Rail Project as an integrated mass public transport system that meets the mobility and accessibility needs of the people of Lucknow. For Varanasi, the Detailed Project Report (DPR) envisages two metro corridors with a total length of 29.235Km. The State Government had assigned Lucknow Metro Rail Corporation (LMRC) the responsibility of 'Coordinator' for preparation of DPR for Metro in four important cities of Uttar Pradesh namely Kanpur, Varanasi, Meerut and Agra.

Going forward, the reforms undertaken by the state government are expected to bring out strong outcomes which would pave the way for high and sustainable economic growth of the state in the coming times.

³ Uttar Pradesh – Tourism Policy 2016



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In Uttar Pradesh, UP Committee has been playing an effective role and an office has been functioning in the State Capital for more than two decade. Over the years, the UP Committee has been organizing activities to highlight the issues of concern to members and those relating to economic development of the State.

The UP Committee has been influencing policy making by providing feedback to the State Government through submission of memorandum and representations. UP Committee is organizing regular interaction on specific subjects such as Infrastructure, Taxes, Environment, Banking, Legal, Education and Agriculture.



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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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