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# State Development Monitor

A monthly newsletter of Northern & Central States of India



- Bihar
- Chandigarh
- Chattisgarh
- Delhi
- Haryana
- Himachal Pradesh
- Jammu & Kashmir

- Jharkhand
- Madhya Pradesh
- Punjab
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- Uttar Pradesh
- Uttarakhand

April 2015

PHD Research Bureau  
PHD Chamber of Commerce and Industry

## SDM Newsletter

States have marked significant developments in all the spheres. The government has released over Rs 37,420 crore to states for 2015-16 as the first installment of devolution as per the 14th Finance Commission recommendations with Uttar Pradesh getting the highest share. Punjab has become the first state in the country to provide on-the-spot driving licenses within half an hour after taking actual driving tests.

On agricultural front, massive crop destruction has been observed in states of Punjab, Haryana and Rajasthan owing to untimely rains. Respective states have also sought monetary compensation from the Central Government. Further, wheat procurement norms have been relaxed by the Centre for Rajasthan, Haryana, Madhya Pradesh and Gujarat.

As far as infrastructure sector is concerned, the government has recently approved three highway projects costing Rs 5,150 crore in Haryana, Uttar Pradesh and Maharashtra. Work on bypass e-ways between Delhi and Haryana has begun. A three day national solar summit was organised in Lucknow recently to highlight the emerging business and trade opportunities in the solar and renewable energy segment. On tourism development, Haryana government has announced the construction of small and big check dams in the Shivalik region for tapping rainwater for irrigation purpose.

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### 1. Economic developments

**1.1 Centre releases Rs 37,420 crore as 1st installment of devolution-** The government has released over Rs 37,420 crore to states for 2015-16 as the first installment of devolution as per the 14th Finance Commission recommendations. Uttar Pradesh has got the highest share at Rs 6,735.81 crore. Bihar got Rs 3,624.37 crore, followed by Madhya Pradesh at Rs 2,835.75 crore, West Bengal at Rs 2,746.91 crore and Maharashtra at Rs 2,075.59 crore. States getting the least fund include Sikkim at 137.46 crore, Goa Rs 141.51 crore, Mizoram Rs 172.40 crore, Nagaland Rs 186.68 crore and Manipur Rs 231.27 crore.

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### 1.2 Punjab

**Punjab-SAI all set to boost sports culture in state-** The Punjab government has collaborated with the Sports Authority of India (SAI) to give a boost to sports culture in the state and has decided to recruit senior coaches for this purpose to train the promising stars according to the current world sports scenario. World class infrastructure in the sports department will be maintained and the government would establish residential sports training centers at Ludhiana, SAS Nagar and Jalandhar. Under this project, sports training centers equipped with ultra-modern sports facilities, infrastructure and gadgets would be set up across the state.

**Punjab CM lays foundation of automated driving test centre-** The foundation stone of the country's first automated driving test, online license and training centre has been laid recently at Naruana in Bathinda, Punjab. With this, Punjab has become the first state in the country to provide on-the-spot driving licenses within half an hour after taking actual driving tests. These centers will have ultra-modern gadgets, including CCTV cameras, motion sensors and webcasting facility and fingerprint scanning and biometric of applicant could be cross checked before start of test.

### 1.3 Chattisgarh

**Chhattisgarh launches Vidhayak (MLA) Adarsh Gram Yojana-** The state cabinet has recently approved the scheme and given nod to the proposal to set up a high powered committee to execute the scheme. The scheme aims to achieve integrated development of selected villages through convergent implementation of all relevant Central and State schemes. Funds would be arranged from state's own resources to execute the scheme.

### 1.4 Haryana

**Air quality alarm: Haryana to register only BS-IV-compliant vehicles in 11 NCR districts-** To check the deteriorating air quality in the Delhi-National Capital Region (NCR), the Haryana government has decided not to register vehicles that are not Bharat Stage IV (BS-IV) compliant in 11 NCR districts, such as Faridabad, Gurgaon, Sonapat, Panipat, Palwal and Bhiwani among others.

**Haryana gets its first village secretariat in Jind-** Hon'ble Chief Minister Shri Manohar Lal Khattar has recently inaugurated the State's first village secretariat in Jind's Haibatpur village. All facilities would be made available for the people at village secretariat and they would not have to visit district headquarters to settle their issues and take benefits of government schemes.

### 1.5 Madhya Pradesh

**Centre okays Madhya Pradesh's move in ease of doing business-**The MP government has proposed to amend 17 labour laws which were sent for approval by the President. The Union labour ministry has accepted the state government's proposal to expedite the process of registration or grant of licences for establishments under the Contract Labour Act, Inter State Migrant Workers Act, Motor Transport Workers Act and Building & Other Construction Workers Act. Factory workers in Madhya Pradesh will also get the benefit of earned leave after 180 days of service and in the same calendar year going ahead. Further, the Union ministry has also approved a proposal to allow companies in the state employing up to 300 people (up from 100

in the present provision) to retrench workers or shut the establishment without government approval.

## 2. Rural economy: Agriculture & agri business developments

**2.1 Norms relaxed for wheat procurement in Madhya Pradesh, Rajasthan and being relaxed for other states-** The Government has relaxed the wheat procurement norms for Rajasthan, Madhya Pradesh and Gujarat on the basis of requests received from States. Relaxed norms for these States are as under:

Refractions	Limit under uniform specification	Relaxation given		
		Gujarat	Madhya Pradesh	Rajasthan
Lustre lost grains	Should have lustre	25% luster lost grains	40% luster lost grains	50% luster lost grains
Shrivelled & broken grains	6%	It was not required	10%	9%

Both the States have been requested to collect the wheat samples from affected areas jointly with FCI and get them tested in regional FCI labs to avoid delay and submit report to the centre.

## 2.2 Haryana

**Nabard to set up 46 farmer units in Haryana, Punjab-** The National Bank for Agriculture and Rural Development (Nabard) has sanctioned 46 farmer producer organizations (FPOs) for Haryana and Punjab for facilitating farming and allied activities. These FPOs would facilitate the aggregating of produce of member farmers to ensure remunerative prices and provide input at competitive prices, besides undertaking post-harvest management practices, including processing and marketing.

**Massive wheat crop loss in Haryana due to unseasonal rain-** Owing to unseasonal rains, wheat crop in almost one lakh acres has suffered near 100% loss. Rain coupled with hailstorm has damaged crops in 2.75 lakh acres in nine districts which include Rohtak, Gurgaon, Kaithal, Kurukshetra, Karnal, Faridabad, Ambala, Panipat and Yamunanagar. Haryana has demanded Rs 1600 crore as compensation from the government.

**Haryana rolls out initiatives for farmers-** The government has rolled out initiatives to help farmers take loans and buy inputs for the kharif season after the bad weather hit Rabi crops. Banks are told to follow the revised guidelines issued on March 25 by the Reserve Bank of India to provide various relief measures to the farmers. Bankers have agreed to double the consumption loan from Rs 10,000 to Rs 20,000 to meet the needs of the farmers in the wake of crop loss. The compensation would be awarded within 30 days of the receipt of the report.

**Centre eases wheat procurement rules for Haryana-** After unseasonal rains and hailstorms in March damaged crop and hurt grain quality, the Centre has relaxed guidelines for wheat procurement for Haryana. The relaxation is aimed at reducing the hardship of farmers and avoiding distress sale of wheat. The limit of shriveled and broken grains in wheat for procurement has been increased to 9%

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from the earlier 6%. But for every two-percentage-point drop in quality, Rs 14.50 per quintal will be reduced.

**Over 35 lakh tonnes wheat arrives in Haryana mandis-** Around 35,37,571 tonnes of wheat has arrived in mandis of Haryana state, of which 35,37,471 tonnes has been purchased by the government agencies. About 14.99 lakh tonnes of wheat has been purchased by Hafed, while Food and Supplies Department purchased 10.52 lakh tonnes among others.

### 2.3 Punjab

**NABARD provides Rs 10,248-crore support to Punjab in 2014-15-** NABARD has provided Rs 10,248-crore support to Punjab in 2014-15 which is 10.1% higher than previous year's financial support. Out of this Rs 8,388 crore was provided to cooperative banks and regional rural banks to refinance short-term agricultural operations. NABARD also sanctioned three projects of Punjab State Transmission Corporation and Punjab Energy Development Agency, involving a total loan assistance Rs 124.71 crore for setting up power transmission and solar energy infrastructure. NABARD also provided financial support to Punjab State Cooperative Bank and regional rural banks for facilitating credit flow for crop loan, at a concessional rate of 4.5%.

**Punjab announces incentives for potato growers-** Punjab Hon'ble Chief Minister Shri Parkash Singh Badal recently announced a slew of measures to help potato growers market their crop. The Markfed and Punjab Mandi Board have been directed to take steps to assist farmers in marketing their bumper crop and also to procure potatoes from the market and supply to other parts of the state. The cut in the market fee and rural development fee from 2% to 0.25 % has also been approved till April 30 to facilitate buyers from the state markets.

**Punjab fish farmers to get free insurance cover-**The Punjab government would cover all fish farmers (around 8000) in the state under a free insurance scheme for the financial year 2015-16. The scheme is being executed in collaboration with Fishcofed and the central and state governments would pay the premium under this scheme.

**Wheat purchase halts in Punjab due to transporters' strike-** Wheat procurement has almost "halted" in grain markets of Punjab due to strikes by transporters and laborers. No wheat purchase is taking place from mandis. Of the total arrival of 5.75 lakh tonne so far in mandis, only 60,000 tonne of crop has been purchased.

### 2.4 Uttar Pradesh

**UP crop damage: State ups central aid demand to Rs 1,087 crore-** The state government of Uttar Pradesh has sought central financial aid of about Rs 1,087 crore in view of extensive crop damage in 40 districts. The state government has allocated Rs 500 crore for distribution among farmers, who have been reportedly committing suicide or dying of shock.

**UP sugar output likely to touch 7 million tonnes (mt) this season-** The Uttar Pradesh sugar output is expected to grow to 7 million tonnes (mt) in the ongoing 2014-15 crushing season helped by the marked improvement in sugar recovery ratio. Sugar recovery has improved to 9.5% against last year's ratio of 9.3%.



**UP mango output falls by 50% due to untimely rains, hailstorms-** Massive damage in the mango belt of Uttar Pradesh has occurred owing to bad rains. Output is estimated to fall by 50% which is roughly 15 million tonne. The prices have also shot up to 50-65% putting an additional stress on farmers.

## 2.5 Madhya Pradesh

**MP to launch its own crop insurance scheme-** Hon'ble CM Shri Shiv Raj Singh Chouhan has asked bureaucrats to work on fine points of crop insurance scheme so that farmers could be paid in case of loss caused by crop failure or fall in prices. The state government will invite agriculture and insurance experts in Indore to give a formal shape to the scheme.

## 2.6 Jammu and Kashmir

**NABARD aid to J&K reaches Rs 970 crore during 2014-15-** NABARD's support to Jammu and Kashmir has been Rs 970 crore in the financial year 2014-15. Nabard provided support to the state by way of refinancing banks, the Rural Infrastructure Development Fund (RIDF) assistance and grant assistance to banks and non-governmental organization. Area Development Schemes (ADS) in five districts - Jammu, Kathua, Samba, Rajouri, & Doda under have also been launched by NABARD in order to increase the credit flow in agriculture sector. It has also sanctioned 113 projects in the state pertaining to different sectors.

## 2.7 Rajasthan

**Rajasthan to provide 5% subsidy to farmers on long-term cooperative loans-** Rajasthan government would provide 5% subsidy on interest rate to farmers seeking long-term cooperative loans. Farmers applying for cooperative loans from Land Development Bank would also be benefited. The state government has earmarked a budgetary support of Rs 30 crore for this purpose.

**Rajasthan government to bear cost of damaged foodgrains-** Rajasthan government would be bearing the cost of partial damage caused to wheat grains and farmers would be paid the minimum support price of Rs 1,450 per quintal without any deduction. Currently the FCI and state agencies are purchasing the partially damaged wheat at MSP of Rs 1,450.

## 3. Infrastructure developments

**3.1 Government approves road projects worth Rs 5,150-crore in Haryana, Uttar Pradesh and Maharashtra-** The government has recently approved three highway projects costing Rs 5,150 crore in Haryana, Uttar Pradesh and Maharashtra. The projects include widening and strengthening of the stretch between Mukarba Chowk and Panipat in Haryana on National Highway 1. All the projects are to be implemented on BOT toll model. The projects are expected to improve connectivity which would incentivise economic development of states.

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**382 km state highways rechristened as national highways in Punjab-** Hon'ble Union Minister of Road Transport and Highways Shri Nitin Gadkari has given in principle approval to develop and maintain 382 kilometer long four stretches of state highways under the National Highways Development Project. This would bring transformation in the state's road connectivity network. The state prospective roads include 150 km long stretch from Mudki to Talwandi Sabo via Bagha Purana, Rampura and Maur and 157 km long stretch from Amritsar to Una via Batala, Sri Hargobindpur, Tanda, Hoshiarpur. Also a 35 km long Phagwara-Hoshiarpur road would be developed by National Highways Authority of India.

### 3.2 Chhattisgarh

**Chhattisgarh relaxes boiler law, authorises industry to self-certify condition-** Chhattisgarh government had decided to relax the boiler law mandatory for the power plants and had authorities the unit to self certify its condition. This step would facilitate "Ease of doing business" in the state.

### 3.3 Haryana

**Work on bypass e-ways between Delhi and Haryana finally begins-**The work on the twin bypass expressways has been initiated by the Centre and Haryana government. It is expected to provide relief to the national capital from traffic jams and rising air pollution. While Haryana has awarded one portion of the western peripheral expressway (WPE), also known as KMP Expressway, to a contractor, it has invited tender for the second portion. National Highways Authority of India (NHAI) is set to award the work of the eastern peripheral expressway (EPE) or KGP by the month-end.

### 3.4 Rajasthan

**Rajasthan eyes Rs. 2 lakh cr investment from Resurgent Rajasthan summit-** The state wants to cross a target of Rs 200,000 crore during the upcoming event Resurgent Rajasthan summit. The focus areas of the summit include auto, auto ancillary, textile, ceramics, electronics system design and manufacturing (ESDM), solar component manufacturing, IT & ITeS, renewable energy, minerals, engineering, electrical agro-processing and knowledge city. Rajasthan recognises the role that businesses can play in achieving this goal.

### 3.5 Punjab

**Chief Minister approves skill development centre-** Punjab Hon'ble Chief Minister Shri Parkash Singh Badal recently gave nod for setting up a state-of-the art 'Integrated Skill Development Centre' in the Ferozepur district aiming at providing self employment opportunities to youth of the border area. The centre will not only impart world class skill training to the youth in various sectors which would help them in earning their livelihood but will also produce a pool of skilled manpower in the state. Also approval for the construction of separate sheds in the existing ITI for imparting skill training to the women has been given. This step would further propel the growth and prosperity in the border district.

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**Punjab CM gives nod to set up landscaping authority-** Punjab State Landscaping Authority would be set up to beautify cities and reduce pollution. Enhancing the green cover in the cities for saving the urban residents from the scourge of the increasing pollution is at premium for the Punjab CM Shri Prakash Sing Badal.

## 4. Tourism developments

### 4.1 Punjab

**Punjab announces Rs 100 crore to develop Saraswati, Topra Kalan-** To make Yamunanagar district a tourist hub, Hon'ble Chief Minister Shri Manohar Lal Khattar has announced Rs 100 crore for the development of the Saraswati River and Topra Kalan village, known for Emperor Ashoka's Pillar (Ashokan Column) worldwide. Also Rs 50 crore for the development of the Saraswati River has been announced which has been flowing underground and the government have made a plan for its excavation to bring water on ground and to develop its area as a tourist spot.

### 4.2 Haryana

**Haryana to spend on tourism and development infrastructure for Shivalik region-** Haryana government has announced the construction of small and big check dams in the Shivalik region for tapping rain water for irrigation purposes. The government has also decided to link Kalesar with Kalka through a metalled road to give a boost to tourism in this region. A budget of Rs 16000 crore has been approved in this regard.

## 5. Health developments

### 5.1 Punjab

**Tobacco sellers in Mohali warned of strict action-** The Punjab government has warned all commercial establishments in the district that their licenses would be cancelled if they are found violating rules on tobacco control, drugs, and food safety. Selling of loose cigarettes and other tobacco products has also been banned in the district, and persons found selling the same would face jail for five years, or they would have to pay Rs 10,000 as penalty.

### 5.2 Himachal Pradesh

**Government may use ordinance to ban sale of loose cigarettes-** To discourage unhealthy habits, the Himachal government may take the ordinance route to ban the sale of unpackaged cigarettes. Under the proposed law cigarette sellers will have to obtain a licence from the health department. The department has sent the proposal to the state law department to seek its opinion before placing the ordinance in the cabinet. After a nod from the cabinet the health safety department will frame the rules going ahead.



## Summary of economic indicators of Northern &amp; Central states of India

Macro-Economic components	Bihar	Chattisgarh	Delhi	Haryana	HP	J&K
Real GSDP (Rs. bn) <sup>1</sup>	1897.89	1008.42	2361.6	1996.56	472.54	454
Geographical Area (Sq Km)	94163	136034	1483	44212	55673	222236
Population Size (mn) <sup>2</sup>	101	26.5	17.6	26.5	70.4	12.1
Economic Growth <sup>1</sup>	9.5	5.9	9.4	6.9	6.2	5.2
State GSDP as % of India's real GSDP <sup>3</sup>	3.5	1.9	4.2	3.9	0.8	0.9
Per-capita Income (Rs) <sup>1</sup>	16801	29047	127667	67260	54494	31054
Growth of Agriculture Sector <sup>1</sup>	4.4	2.7	3.2	3	13.4	4.9
Growth of Industry Sector <sup>1</sup>	9.1	4.7	1.3	4.4	2.4	1.2
Growth of Services Sector <sup>1</sup>	11.2	8.6	10.3	9.4	6.8	7
Value Added by Agriculture Sector <sup>1</sup>	19.7	19.2	0.6	15.1	18.6	20.0
Value Added by Industry Sector <sup>1</sup>	22.9	39.1	9.2	27.0	38.0	23.5
Value Added by Services Sector <sup>1</sup>	57.4	41.8	90.2	58.0	43.3	56.5
Literacy Rates (%) <sup>2</sup>	63.8	71	86.3	76.6	83.7	68.7
RD/ GSDP <sup>4</sup>	-2.7	-0.03	-0.04	0.01	-3.51	-0.12
GFD/ GSDP <sup>3</sup>	3	0.05	-0.01	0.05	0.05	0.05
Debt/ GSDP <sup>4</sup>	23.3	14.6	6.5	18.4	38.8	53.8

Macro-Economic components	Jharkhand	MP	Punjab	Rajasthan	UP	Uttarakhand
Real GSDP (Rs. bn) <sup>1</sup>	1094.08	2535.3	1732.21	2474.3	4923.83	775.52
Geographical Area (Sq Km)	79714	308000	50362	342239	240928	53484
Population Size (mn) <sup>2</sup>	32.6	75.15	30.3	70.5	209.8	10.3
Economic Growth <sup>1</sup>	8.9	10.2	5.2	4.8	6	9.3
State GSDP as % of India's real GSDP <sup>3</sup>	1.8	4.7	3.2	5.3	9.1	1.3
Per-capita Income (Rs) <sup>1</sup>	28882	29218	49411	31836	20057	63820
Growth of Agriculture Sector <sup>1</sup>	8.3	18.8	0.44	5.2	4.2	5.12
Growth of Industry Sector <sup>1</sup>	6.0	4.5	2.5	1.1	1.9	12.3
Growth of Services Sector <sup>1</sup>	11.6	8.1	8.9	7.2	8.3	7.8
Value Added by Agriculture Sector <sup>1</sup>	15.6	29.0	20.8	20.3	22.0	9.6
Value Added by Industry Sector <sup>1</sup>	39.7	25.6	28.7	28.5	21.5	38.5
Value Added by Services Sector <sup>1</sup>	44.7	45.4	50.5	51.2	56.5	51.9
Literacy Rates (%) <sup>2</sup>	67.6	70.6	76.7	67.1	69.7	79.6
RD/ GSDP <sup>3</sup>	-0.28	-0.02	0.1	-0.004	-0.02	-0.01
GFD/ GSDP <sup>3</sup>	0.04	0.05	0.05	0.05	0.05	0.05
Debt/ GSDP <sup>4</sup>	20.7	23.9	33.5	24.5	33.2	25.6

Source: PHD Research Bureau, compiled from various sources

RR: Revenue Receipts, GFD: Gross Fiscal Deficit

Note: 1: Data Pertains to FY15

2: Data Pertains to Census 2011

3: Data Pertains to FY14 (BE), Negative (-) sign indicates surplus

4: Data Pertains to FY14 (BE)

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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 business newspapers.

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## About the PHD Chamber

**P**HD Chamber is a 108 years old vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest. This apex regional organization plays an active role in India's development and acts as a much needed link between government and industry, serving as a catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

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

