

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
- Rajasthan
- Uttar Pradesh
- Uttarakhand

February 2015

SDM Newsletter

States have marked significant developments in all the spheres. Various economic advancements have been observed in states followed by the NITI Aayog first meeting held recently. Heeding the long pending demand of states, Hon'ble Prime Minister Shri Narendra Modi has formed a sub-group of chief ministers under NITI Aayog to suggest further rationalization of 66 centrally funded schemes. This could result into pruning of a number of programmes, wherein transferring some of them to the states and even do away with the not so popular ones. More funds to states with greater powers on their utilization have also been promised. This would help India achieve higher growth and create jobs.

NABARD has projected Rs 89,049 crore of credit potential for Haryana and has announced Rs 114927 crores credit plan for Rajasthan. This would help the respective states in realizing their agricultural potential in a much desired manner. To attract fresh investments and revival of the existing units, Haryana would come up with its new industrial policy in March. Also to boost tourism prospects in the state, Uttarakhand Tourism would set up Convention Centre in Dehradun. Various smart cities projects are being taken up at a fast pace in states like Uttar Pradesh and Delhi. Pacts for mega solar projects have been signed by states such as Punjab and Rajasthan.

In addition, Andhra Pradesh, Bihar, Rajasthan, Uttar Pradesh, Chattisgarh, Maharashtra, Madhya Pradesh, Gujarat, Odisha and the new state of Telangana have shown keen interest for allocation of coal blocks.

Index	Page
• Economic developments	2
• Rural economy: Agriculture & agri business developments	5
• Infrastructure developments	7
• Tourism developments	8
• Health developments	9
• Summary of economic indicators northern & central states of India	10

1. Economic developments

1.1 Haryana

Haryana industrial policy in March- To attract fresh investments and revival of the existing units, Hon'ble Chief Minister Shri Manohar Lal Khattar announced that the state would come up with new policy in March. Online registration of SMEs and single window system would be facilitated. E-registration, e-filing and e-payment would also be introduced with effect from April 2015. Skill development sector would also be the focus areas of the policy. Simplification and transparency

State Development Monitor

of procedures, ease of doing business along with inclusive and comprehensive development across state would also be given attention.

Haryana's share in central taxes to rise to Rs 42,798 crore- Implementing the recommendations of the 14th Finance Commission Haryana government would increase its share in Central taxes to Rs 42,798 crore during 2015-2020 against its earlier allocated amount of Rs 15,199 crore for 2010-15 .

1.2 Chattisgarh

Chattisgarh's red districts bag MGNREGS award-Chattisgarh's Dantewada and Narayanpur districts were given national awards. The cities known for the Naxal violence have shown remarkable implementation of MGNREGS in the field of employment oriented works in 2013-14. Dantewada district has bagged the National Award in innovation category under MNREGA for the Organic Farming and Ksheer Sagar Projects. Both the projects have been implemented successfully. In Narayanpur district commendable works have been done under employment generation scheme.

1.3 Madhya Pradesh

Make in Madhya Pradesh drive-Hon'ble Chief Minister of Madhya Pradesh Shri Shiv Raj Singh Chauhan has invited experts, industrialists and entrepreneurs from various fields to make "Make in Madhya Pradesh" drive a success. He also launched "Friends of MP" initiative and assured the business community of the conducive environment. The state has reformed policies enabling business growth in the state along with economic, agricultural and infrastructure development.

This initiative, which is a web-enabled platform that will allow interested individuals to share their suggestions and expertise in education, health, skill development, rural development and tourism.

1.4 Jharkhand

One lakh employment in next six months in Jharkhand- Hon'ble Chief Minister Shri Raghuvar Das announced that he would provide one lakh employment to the people in next six months. Special attention would also be given to infrastructure sector. The state government plans to make Ranchi an IT hub.

1.5 Punjab

Hon'ble Chief Minister of Punjab Shri Prakash Singh Badal bats for skill development- He emphasised the importance of skill development centres in training professionals and ensuring better employment opportunities for the youth. He mentioned industries and academia go hand in hand and the common goal of both is the sustainable development. Punjab Government has also set up empowered State Skill Development Mission to bring synergy, scale in implementation of various skill development initiatives in the state.

1.6 Uttar Pradesh

NITI Aayog: UP seeks 90% grant-Hon'ble Chief Minister of Uttar Pradesh Shri Akhilesh Yadav in the first meeting of Niti Aayog sought 90% of grants under centrally sponsored schemes. He also urged the chairman Hon'ble Prime Minister Shri Narendra Modi to make the process of allocation of funds to states more transparent. Making long term plans for 10 to 15 years was also agreed upon. Also the terms and conditions of central schemes for states were demanded to be made flexible. Permanent working groups on all major sectors with state representation in Niti Aayog was also asked for.

Uttar Pradesh announces an inclusive budget of Rs 3,02,687 crore- Uttar Pradesh Hon'ble Chief Minister Shri Akhilesh Yadav has presented a Rs. 03,02,687 crore budget for the financial year 2015-16 which is 10.2 per cent more than the previous year. Budget has accorded priority to roads, irrigation and power sectors. Rs. 51,516 crore has been allocated for strengthening and development schemes of energy, irrigation, roads and bridges. Rs. 17,871 crore has been allocated for roads and bridges, Rs. 25,764 crore for the power systems, Rs. 9388.79 crore for new schemes.

1.7 Jammu and Kashmir

Training and recruitment drive in J&K to reach out to youth under Udaan- A special recruitment drive in Kupwara area of Jammu and Kashmir was undertaken by The National Skill Development Corporation (NSDC) and the Ministry of Home Affairs on 18th and 19th February 2015. Three drives have already been conducted in Srinagar, Jammu and Udhampur which has shown tremendous response from the students. The scheme based on Rangarajan committee aims at providing exposure to the graduates and post graduates of Jammu and Kashmir to the best of corporate India and providing corporate India with access to the rich talent pool available in the state. Till date 63 corporates have partnered with Udaan Scheme with a commitment to train nearly 74,000 youth from the State.

1.8 Himachal Pradesh

Himachal Pradesh approves an annual plan of Rs. 4800 crore- Hon'ble Chief Minister Shri Virbhadra Singh has proposed an annual plan of Rs. 4800 crore for the year 2015-16 which is 400 crore higher than the previous annual plan of 4400 crore. A provision of Rs 1209 crore under Schedule Caste Sub-Plan, Rs. 432 crore under Tribal Area Sub-Plan and a sum of Rs 60 crore under Backward Area Sub Plan has been proposed. Priority to Social Welfare sector for the fiscal 2015-16 has been accorded and an outlay of Rs 1,842 crore has been proposed in the Annual Draft Plan which is 38.37 percent of the total plan estimates. A sum of Rs 887 crore has been proposed in Transport and Communication sector, which is 18.5 percent of the total plan outlay.

2. Rural economy: Agriculture & agri business developments

2.1 Bihar

Smart farmers of Bihar use technology to deal with climate change-Farmers of Bihar who are a bunch of highly qualified IITians, MBAs etc having quit their jobs to become farmers are trying to influence policy makers to help farmers reduce their input costs and increase productivity. A network of farmers' association to improve climate services for farmers in the region would be set up by USAID and IMD and \$4 million to \$5 million would be raised for the same.

2.2 Uttar Pradesh

UP sugar production breaches 3.33 million tonne mark-Uttar Pradesh recorded around 3.33 million tonne sugar, being 23% higher than the last period. UP Sugar mills are reported to have crushed 36.16 million tonnes of sugar cane this year as against 30.55 million tonnes last year. Sugar recovery rate increased to 9.21% from 8.8% last year as well.

Uttar Pradesh farmers to get 4.2 million RuPay credit cards-About 4.2 million RuPay Kisan Credit Cards would be issued to the framers by Uttar Pradesh co-operative banks and RRBs and 11,000 micro-ATMs/PoS machines have been deployed by these institutions at all their branches. Also Rs 30 crore has been sanctioned by NABARD for the same. Regular meetings to review the progress made under the scheme is being done by NABARD regional offices. Besides, NABARD has also supported cooperative banks and RRBs to set up 189 financial literacy centres in rural areas of UP with grant of over Rs 8 crore for disseminating information and creating awareness on various financial products and service.

2.3 Chhattisgarh

Over 62 lakh metric tonne paddy procured from farmers in Chattisgarh-Over 62 lakh metric tonnes of paddy have been procured from farmers by the Chhattisgarh government during the ongoing kharif season under the support price scheme. So far, 6272764 metric tonnes of paddy has been procured through co-operative societies across the state. As many as 1,976 paddy procurement centres have been set up for the process which began from December 1, 2014 and concluded on January 31, 2015. The highest procurement of 5, 97,599 metric tonnes of paddy has been recorded in Janjgir-Champa district, followed by Mahasamund (5.91lakh metric tonnes), Balodabazar-Bhatapara (5.25 lakh metric tonnes), Rajnandgaon (4.88 lakh metric tonnes) and Raipur (4.33 lakh metric tonnes).

Food Security blanket soon for all Chhattisgarh districts headquarters- The Chattisgarh government has launched a public distribution plan named "Meri Marzi" in state capital Raipur. The program would be launched in all 27 districts headquarters within the next one and a half year. The "Meri Marzi" scheme would allow the beneficiary to withdraw money anywhere and

State Development Monitor

they would be able to procure food from any shop. Soon Bhilai, Jagdalpur, Dhamtari, Bilaspur, Raigarh, Korba, Ambikapur and Chirmiri would also benefit from the scheme.

2.4 Haryana

Haryana seeks 30% hike in MSP of various crops-The Haryana government recently sought 30% hike in MSP of various crops for increasing agricultural productivity. Moreover, farmers are also urged to adopt Israel's drip irrigation technology. The state government also provides huge subsidy on the technique to make maximum possible use of water.

NABARD projects Rs 89,049 crore of credit potential for Haryana- National Bank for Agriculture and Rural Development (NABARD) has projected credit potential of Haryana at Rs 89,049 crore for 2015-16 being 14 per cent higher than the plan estimated for 2014-15. Haryana Hon'ble Chief Minister Shri Manohar Lal Khattar released a 'State Focus Paper-2015-16', containing the sector-wise potential and credit projections, critical infrastructure required in the state. The priority areas such as Poly houses for protected cultivation of vegetables and fruits, warehousing infrastructure, creation of more knowledge infrastructure like Centre for Excellence / labs were laid out as way forward for taking Haryana state ahead.

Haryana provides support in horticulture to Telangana and Mizoram-Haryana Hon'ble Chief Minister Shri Manohar Lal Khattar has approved of the proposal to provide technical co-operation to Telangana and setting up a Technical Screening Committee in Mizoram. Haryana Horticulture director would be its member. Haryana would make sure to monitor the development of these initiatives.

2.5 Rajasthan

Nabard announces crore Rs 114927 credit plan for Rajasthan- Rs 114927 crore credit plan for agriculture has been announced for Rajasthan by NABARD recently for fiscal 2015-16. The credit projections would grow by 39% in 2015-16. The total outlay for agriculture and allied services has been assessed at Rs 88269 crore. NABARD has identified Infrastructure gaps with 155 projects worth Rs. 3020 crore and would also provide financial assistance for the same. Also two area based schemes at Jhalawar for orange cultivation and dairy would be launched by NABARD.

2.6 Punjab

Germany to work with Punjab in promoting organic farming-In a meeting between German delegation and Parliamentary state secretary ministry of food and agriculture ,it was decided that Germany would help Punjab in promoting organic farming. Further it was decided that Punjab Agricultural University would exchange technical knowhow with agricultural universities of Germany. It was also told in the meeting that farmers in Germany are trained in latest know how of farm sector and have advanced technology in seed and animal genetics.

Punjab to set up Bureau of Agricultural Promotion-Punjab government would set up Bureau of Agricultural promotion to facilitate single window system to farmers. This bureau would provide all facilities to farmers under a single roof for developing agriculture as a far more remunerative

State Development Monitor

proposition and would also act as a catalyst for Research and Design activities in agriculture besides promoting new farm practices. The government also aims at making the state a hub of Litchi cultivation.

Punjab government announces incentives for agriculture diversification- Punjab Chief Minister Parkash Singh Badal recently announced a number of incentives to give a boost to government's ambitious programme of agriculture diversification. The incentives would include bringing the power tariff rates applicable in dairy, fishery, goatry and piggery at par with agriculture sector and advancing soft loans to the beneficiaries of goatry and piggery at interest rates equivalent to dairy sector. It would also include stabilising the milk purchase rate and making it uniform across the state besides introducing single window for the promotion of allied farm sector.

Organic farming convention in Chandigarh from Feb 28-The Fifth National Organic Farming Convention would be held in Chandigarh between February 28 and March 2. The convention would be co hosted by the Organic Farming association of India, Alliance for Sustainable and Holistic Agriculture and Punjab Kheti Virasat mission. The convention expects the participation of organic farmers from across 25 states and around 2500 people.

3. Infrastructure developments

3.1 Punjab

Punjab inks pacts worth Rs 13,500 crore for solar projects-At the first Renewable Energy Global Investors Meet and Expo in New Delhi, Punjab has signed Memorandums of Understanding (MoUs) worth Rs 13,500 crore for investment in solar projects. Also a pact of Rs 6,000 crore has been signed for setting up five bio-ethanol plants in the state. Among the MoUs signed included one for 500-Mw ground-based power plants with an investment of Rs 4,000 crore by 8-Minute Energy, California, 100-Mw solar power projects with an investment of Rs 800 crore by Progetika-SRC, Italy, 300-Mw canal-based solar power plants with an investment of Rs 2,400 crore by Lightsource Renewable Development Ltd, UK, 200-Mw solar power projects with an investment of Rs 1400 crore by PLG Energy Systems, Rs 900 crore solar/biomass complex by Spray Engineers, Mohali, and R&D/training/technological development collaboration between British Photovoltaic Association, UK, and PEDA. Also a proposal of setting up floating solar panels on 22,000 acres of reservoir of the Ranjit Sagar dam has been made.

3.2 Delhi

India and Spain to sign MoU to develop Delhi into Smart City- At a meeting between Urban Development Minister Shri M Venkaiah Naidu and a nine member delegation led by the Minister of Spain Mr. Jaime Garcia Legaz Ponce, Spain decided to sign MoU to transform Delhi into smart city. After formulating a Master plan for Smart City, pan-city and regional plans would be taken up by the respective agencies.

3.3 Rajasthan

Adani Group, Rajasthan government sign pact for mega solar park- A 10,000 MW facility will include generation projects and a solar module manufacturing unit. A MoU is signed by Adani Enterprises Ltd and Rajasthan Renewable Energy Corporation Ltd. to set up the solar parks including generation projects as well as a manufacturing unit for solar modules, parts and equipments. The projected solar park would produce clean and green energy of approximately 16,644 million units, thereby reducing carbon footprint by approximately 16.2 mt.

3.5 Uttarakhand

Uttarakhand government seeks additional budgetary allocations for repair of school buildings- Additional budgetary allocation is demanded by the state government for the repair and reconstruction of school buildings damaged in 2013 disaster. Hon'ble state Education Minister Mantri Prasad Naithani also stressed that the schemes and budgets allocated in the educational sector should be in the ratio of 90:10 as in the case of north eastern states. Separate arrangements for ration collection and preparation of food were also sought.

3.6 Haryana

Haryana starts process to complete Kundli-Manesar-Palwal in 2 years- To revive the stalled Kundli-Manesar-Palwal (KMP) Expressway project, Haryana government has invited tenders to convert this 135km stretch into a six-lane access controlled corridor in the next two years. The project, which is crucial to reduce congestion on Delhi roads and vehicular pollution in the capital would still need a Rs 2,260 crore investment, according to the bid document.

4. Tourism developments

4.1 Uttarakhand

Uttarakhand to organise 2nd edition of its Adventure Car Rally-Uttarakhand Tourism Development Board recently co-organised the Uttarakhand Adventure Car Rally bringing motorsport back on its tourism list. The focus of the rally was to get back the tourists' attention. The rally passed by some of the famous hotspots like the world class ski resort at Auli, and Jim Corbett National Park.

Uttarakhand Tourism setting up Convention Centre in Dehradun-Uttarakhand government recently announced that it is setting up amenities and infrastructure for making the spiritual journey to Char Dhams easy and comfortable for a million of pilgrims. Uttarakhand Tourism Development Board informed that the Convention is being constructed at Dehradun and the State has already spent around 700 crore on the project. The state government has also offered 25% subsidy for the helicopters to Kedarnath. A three tier protective wall around the Kedarnath temple is also under way.

State Development Monitor

4.2 Punjab

Siswan forests to be eco-tourism hub- Punjab Government recently approved of making Siswan and surrounding forest areas located on foothills of Shivalik range on the outskirts of Chandigarh a hub of eco-tourism. The plan would be set up under PPP mode and would include multiple sites in the area of 12.5 acres and would include 6.5 km trek.

4.3 Jammu and Kashmir

Jammu & Kashmir Tourism to host Kashmir Travel Mart in April-J&K Tourism would be hosting the Kashmir Travel Mart in the second week of April, 2015 at the International Convention Centre, Srinagar. According to Tunda Nazir, president, Association of Kashmir Tour Operators, after the disaster in Kashmir on September 7, 2014, the government has done an excellent job in clearing the roads and rebuilding the damaged properties and rehabilitation plans.

5. Health developments

5.1 Chattisgarh

Chattisgarh tops water tap connections to households- Chattisgarh is reported to have topped the country by providing around 88,000 rural household with domestic water tap connections in 2014-15 under the NRDWP. Being 300% greater than the annual target set by the Central Government for Chattisgarh, the aim is to ensure safe drinking water across the state.

5.2 Punjab

Punjab bans tobacco near schools, colleges- The Punjab Government has banned sale of tobacco and other related items around educational and religious institutions. Hon'ble Health and Family Welfare Minister Shri Surjit Kumar Jyani has ordered deputy commissioners of all districts to ensure its implementation. The District level monitoring committee has also been constituted by the health department to keep a close check on the concerned areas. Anybody violating the rules would be taken to task.

Summary of economic indicators of Northern & Central states of India

Macro-Economic components	Jharkhand	MP	Punjab	Rajasthan	UP	Uttarakhand
Real GSDP (Rs. bn) ¹	1143.9	2385.3	1730.5	2450.0	4682.7	729.8
Geographical Area (Sq Km)	79714	308000	50362	342239	240928	53484
Population Size (mn) ²	31.2	72.6	27.7	68.6	199.5	10.1
Economic Growth ¹	8.3	11.1	5.3	4.6	5.2	10.0
State GSDP as % of India's real GSDP ³	2.0	4.2	3.0	4.3	8.2	1.3
Per-capita Income (Rs) ¹	30091	27917	50233	30120	19512	61106
Growth of Agriculture Sector ¹	8.2	23.3	0.4	0.2	3.4	4.0
Growth of Industry Sector ¹	5.1	2.1	3.0	3.6	0.8	12.7
Growth of Services Sector ¹	11.4	9.5	8.9	7.1	7.7	9.2
Value Added by Agriculture Sector ¹	15.6	29.0	20.8	20.3	22.0	9.6
Value Added by Industry Sector ¹	39.7	25.6	28.7	28.5	21.5	38.5
Value Added by Services Sector ¹	44.7	45.4	50.5	51.2	56.5	51.9
Literacy Rates (%) ²	67.6	70.6	76.7	67.1	69.7	79.6
RD/ GSDP ³	-1.7	-1.3	0.6	-0.2	-1.1	-0.7
GFD/ GSDP ³	2.2	3.0	3.0	2.5	2.8	2.9
Debt/ GSDP ⁴	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 FY14

2: Data Pertains to Census 2011

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

4: Data Pertains to FY14 (BE)

State Development Monitor

Research Team

Dr. S P Sharma

Chief Economist & Director of Research

Ms. Megha Kaul

Sr. Research Officer

Ms. Huma Saif Qazi

Research Assistant

Disclaimer

“State Development Monitor” is prepared by PHD Chamber of Commerce and Industry to provide a broad view of state level developments. This newsletter may not be reproduced, wholly or partly in any material form, or modified, without prior approval from the Chamber.

It may be noted that this newsletter is for guidance and information purposes only. Though due care has been taken to ensure accuracy of information to the best of the PHD Chamber’s knowledge and belief, it is strongly recommended that readers should seek specific professional advice before taking any decisions.

Please note that the PHD Chamber of Commerce and Industry does not take any responsibility for outcome of decisions taken as a result of relying on the content of this newsletter. PHD Chamber of Commerce and Industry shall in no way, be liable for any direct or indirect damages that may arise due to any act or omission on the part of the Reader or User due to any reliance placed or guidance taken from any portion of this publication.

Copyright 2015
PHD Chamber of Commerce and Industry

ALL RIGHTS RESERVED.

No part of this publication including the cover, shall be reproduced, stored in a retrieval system, or transmitted by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of, and acknowledgement of the publisher (PHD Chamber of Commerce and Industry).

PHD Research Bureau

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

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

Team, PHD Research Bureau

Dr. S P Sharma
Chief Economist & Director of Research

Economic Affairs

Ms. Megha Kaul
Sr. Research Officer

Ms. Ekta Goel
Research Assistant

Ms. Huma Saif Qazi
Research Assistant

Trade and Investments

Ms. Rashmi Taneja
Sr. Research Officer

Ms Pallavi Mehta
Research Assistant

Financial Markets

Ms. Surbhi Sharma
Research Officer

Co-ordination

Ms. Apurva Munjal
Research Assistant

About the PHD Chamber

PHD 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.

