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PROGRESS HARMONY DEVELOPMENT

Estd. - 1905

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

June 2015

PHD Research Bureau
PHD Chamber of Commerce and Industry

SDM Newsletter

States have marked significant developments in all the spheres. Delhi government has come up with its maiden budget recently. Delhi Budget's focus on socio economic development is inspiring and will facilitate in overall development of the National Capital. The allocation to education sector to the tune of Rs. 9,836 crore is a significant increase from the previous budget and is expected to foster socio-economic growth in the national capital which will facilitate overall socio-economic growth of the nation in the coming times. The state government's focus on ease of doing business by inviting people from across the country to come and do business in Delhi will help to generate employment opportunities in the city. However, ease of doing business should be facilitated by proper Industrial Infrastructure which is still lacking in Delhi. Though the state of art infrastructure is progressing but industrial infrastructure still lags behind.

On agricultural front, based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) for the Price Policy for Kharif Crops for the Marketing Season 2015-16, the Cabinet Committee on Economic Affairs has announced the Minimum Support Prices (MSPs) for Kharif Crops of 2015-16 Season.

In view of a large surplus of cereals in contrast to huge deficit of pulses, the Cabinet has decided to give a bonus of Rs.200/- per quintal for pulses over and above the recommendations of the CACP. This is expected to provide a strong price signal to farmers to increase acreage and invest for increase in productivity of pulses. The prices would be effective from 1st October, 2015 and would increase investment and production through assured remunerative prices to farmers.

Further, Power tariffs in Delhi have been raised up by up to 6% in Delhi. The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi ji, has given its approval for development of the four laning of the Guna-Biaora and Biaora-Dewas section of National Highway – 3 in Madhya Pradesh with an estimate cost of Rs.2815.69 crore.

Going ahead, Jharkhand government has decided to invest Rs 300 crore in the current fiscal to develop road connectivity to enhance business with adjoining states of West Bengal and Odisha. On the front of health developments, the Ministry of Social Justice & Empowerment has sanctioned 28 new de-addiction centres in Punjab to curb the menaces of drug abuse.



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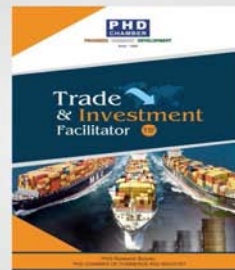
EAC - 1st week of every month

Economic Affairs Committee (EAC) issues a comprehensive newsletter on the economic and social developments in the economy in a particular month. The report provides a concise view of the movements in lead indicators in that month and in the coming times.



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SDM – 4th week of every month

State Development Monitor captures the developments on various fronts such as economic, health, infrastructure, rural economy and tourism in central and northern states of India.

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Warm regards

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1. Economic developments

1.1 Approval for inclusion of Uttarakhand, Jharkhand and Chhattisgarh under National Dairy Plan Phase - I and extension of project period by two years upto 2018-19- The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for inclusion of Uttarakhand, Jharkhand and Chhattisgarh in the list of States to be covered under the National Dairy Plan- I (NDP-I). In view of the potential for implementation of Ration Balancing Programme, Fodder Development and Village Based Milk Procurement System, Uttarakhand has also been included under NDP-I; along with Jharkhand and Chhattisgarh.

1.2 Chhattisgarh

Concession agreement for Chhattisgarh east rail corridor- A concession agreement for the construction of eastern railway corridor in Chhattisgarh has been signed by South-East-Central Railway and Chhattisgarh East Railway Ltd. The estimated cost of the project is Rs 2323 crore. Around 180-km long rail line would be developed under the East Corridor taking the route of Kharsia-Chhal-Gharghoda-Korichhapar-Dharamjaygarh-Korba to connect coal mines of Gare-Pelma block. The rail corridor would also facilitate the freight movement mainly coal. Chhattisgarh is also developing East-West rail Corridor that would cover 122 km from Gevra Road to Pendra and would also facilitate the freight movement of coal.

1.3 Uttar Pradesh

Power tariff hiked in Uttar Pradesh by 5.47% across categories- Uttar Pradesh State Electricity Regulatory Commission (UPSERC) has increased power tariff for all categories of consumers in the state by 5.47%. A hike of 5.04% has been affected in residential connections from 3.74 per kilo watt hour (KWh) to Rs 3.92 per KWh, while no hike has been made for rural domestic consumers, UPSERC said in a statement. A hike of 5.04% has been made for industries from Rs

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7.07 to Rs 7.42 per KWh. To incentivize consumers, a rebate of 0.25% has been approved by the commission for making the payments on or before due date.

1.4 Delhi

Delhi Budget- the 'first Swaraj' Budget of the country- Delhi Budget's focus on socio economic development is inspiring and will facilitate in overall development of the National Capital. The allocation to education sector to the tune of Rs. 9,836 crore is a significant increase from the previous budget and is expected to foster socio-economic growth in the national capital which will facilitate overall socio-economic growth of the nation in the coming times. The state government's focus on ease of doing business by inviting people from across the country to come and do business in Delhi will help to generate employment opportunities in the city. However, ease of doing business should be facilitated by the proper Industrial Infrastructure which is still lacking in Delhi. Though the state of art infrastructure is progressing but industrial infrastructure still lags behind.

2. Rural economy: Agriculture & agri business developments

2.1 Rajasthan

Rajasthan levies stock limit on pulses- The Rajasthan government has imposed a limit on stock that requires them to sell any holding of over 250 tonnes of pulses in the market. The notification specified that for holding even 250 tonnes of pulses, traders needed a licence from the government.

2.2 Madhya Pradesh

Madhya Pradesh likely to see 15% increase in pulses acreage after MSP hike, bonus- Pulses acreage in the major growing states of Maharashtra, Karnataka, Tamil Nadu, Madhya Pradesh and Andhra Pradesh is expected to see a rise of over 15% with the government announcing a bonus of Rs 200 per quintal in addition to Rs 50-75 per quintal hike in the minimum support price.

2.3 Chhattisgarh

Chhattisgarh stocks foodgrains in inaccessible terrains- State's food and civil supplies minister Shri Punnulal Mohile has reported that the shops under the public distribution system that would remain inaccessible during the monsoon months have been identified. 191 such shops across the 19 districts have been identified so far.

Chhattisgarh increases compensation for crop damage- Amendments have been announced by the Chhattisgarh government in the policy effective for paying compensation to the farmers affected by the nature's fury. Earlier, the farmer with 50% crop damage was eligible for monetary compensation. As Chhattisgarh government has relaxed the norms, 33% crop damage

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would be the criteria for paying the compensation. The state government would provide compensation of Rs 13,500 per hectare for the crop damage.

Monsoon fills major dams in Chhattisgarh- According to the data released by the state data centre of water resource department, 42 irrigation water-reservoirs in state have filled about 50 % of its capacity on average in the state. The reservoirs have capacity of 6266 million cubic metre and over 3000 million cubic meter of water has been collected till date. The meteorology department records said that the state had recorded just double the rainfall in this season till June 25 as compared to the rains received during the corresponding period of last year.

2.4 Uttar Pradesh

UP sugar mills to pay Rs 2,400 cr by June 15 - According to an order of the Allahabad High Court Uttar Pradesh's sugar mills have to pay about Rs 2,400 crore to the state's farmers by June 15. The major defaulters are the major sugar companies operating in UP which have been told to pay Rs 1,839 crore at the earliest. Strict action would be taken if orders are not complied.

2.5 Uttarakhand

Uttarakhand Chief Minister Shri Harish Rawat asks sugar mills to clear 50% dues to farmers- Uttarakhand Hon'ble Chief Minister Shri Harish Rawat has directed the management of sugar mills to speed up the process and clear at least 50% of the remaining dues by the end of June as some of the sugar mills have so far paid only 22% of the dues to farmers. Also a detailed action plan from officials for the modernisation of Doiwala, Bajpur, Nadei and Kichcha sugar mills has been sought by the Hon'ble Chief Minister. He has assured private sugar mills of help in getting a guaranteed bank loan.

2.6 Jammu and Kashmir

Monsoon in Jammu & Kashmir arrives a week early, but UP left high and dry- The monsoon has arrived in Kashmir but the country's biggest producer of foodgrains Uttar Pradesh is facing drought-like conditions that could worsen up the situation of foodgrain in India. Rainfall surplus this season has widened to 24%, expanding one percentage point in a day when countrywide showers were 36% above average. Eastern UP's deficit is a worrying 73% for the season making it the region with the biggest fall from normal in the entire country.

3. Infrastructure developments

3.1 Haryana

Decks cleared for first-ever atomic energy plant in Haryana- Hon'ble Minister of State for Development of North-Eastern Region Dr. Jitendra Singh recently reported that first-ever atomic energy plant would be set up soon in Haryana. Pressurized Heavy Water Reactor with a capacity

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of two units of 700 MW would be installed each in Gorakhpur and Haryana. The reactor is expected to get commissioned by 2022 or 2023.

3.2 Delhi

Power tariffs raised by up to 6% in Delhi- The Delhi Electricity Regulatory Commission (DERC) has approved a tariff hike of up to 6% for the three distribution companies namely the Reliance Power-promoted BSES Yamuna Power and BSES Rajdhani Power. The tariff hike is related to an adjustment in the power purchase cost adjustment charge (PPAC) is for the nine months starting June 15. PPAC is a surcharge given to compensate discoms for variations in the market-driven fuel costs and is directed to reduce burden on the consumers.

3.3 Chhattisgarh

Chhattisgarh moots plan for monitoring pollution on "monitor" - The industrial units in Chhattisgarh have been asked to install required devices that would make the authorities to check pollution online. The office of the Chhattisgarh Environment Conservation Board would also be upgraded with the required computer devices to start the new system. The industrial facilities across the state would install the device in the computer system that maintained the data of the pollution level. The state government would take strict action and order the closure of the industrial unit if it failed to install the required device.

3.4 Jharkhand

Jharkhand to invest Rs 300 crore for development of roads - Jharkhand government has decided to invest Rs 300 crore in the current fiscal to develop road connectivity to enhance business with adjoining states of West Bengal and Odisha. The initiative is taken up with the aim of improving inter-district and inter-state connectivity and paves way for all round development including economic and industrial growth of the state. The roads to be developed are Haludboni-Kowali-Lailamghat linking Odisha, Bhiyandih-Bhula and Jerka-Sushni linking West Bengal along with Kunderbeda-Domuhani, Jadugora-Sundernagar and Asanboni-Patamda.

3.5 Madhya Pradesh

Four laning of Guna-Biaora and Biaora-Dewas section of National Highway – 3 in Madhya Pradesh- The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has given its approval for development of the four laning of the Guna-Biaora and Biaora-Dewas section of National Highway – 3 in Madhya Pradesh with an estimate cost of Rs.2815.69 crore. The main objective of the project is to expedite the improvement of infrastructure in Madhya Pradesh and also in reducing the time and cost of travel for traffic, particularly heavy traffic, plying between Guna-Biaora-Dewas, which are major cities of Madhya Pradesh. The development of this stretch will also help in uplifting the socio-economic condition of the concerned regions of the State and would also increase employment potential for local labourers for project activities.

4. Tourism developments

4.1 Uttarakhand

Tourists set to gather for special 'Butter Holi'- To draw tourists to the celebrations, the tourism department of Uttarakhand would organise the famous Anduri festival, the 'Butter Holi' traditionally celebrated in Uttarkashi district in August.

4.2 Rajasthan

Rajasthan to review Tourism Unit Policy- In an effort to increase inbound tourist traffic, Smt. Vasundhara Raje, Hon'ble Chief Minister of Rajasthan informed that they will soon be reviewing the Tourism Unit Policy. Rajasthan Tourism is looking at creating newer versions of the already existing destinations like Amer Fort which has been renovated for night-time viewing.

5. Health developments

5.1 Jharkhand

Health programme for children launched in Jharkhand- Hon'ble Chief Minister of Jharkhand Shri Raghubar Das recently inaugurated a health programme "Jharkhand Matri Shishu Swasthya Avam Poshan Maah (JMSSPM)" for children for a month. Organised jointly by the departments of state Health and Family Welfare and Women and Child Development and supported by the UNICEF, the June 1 to 30 campaign would provide Vitamin A supplements and de-worming tablets (Albendazole) to children aged between 1 to 5 years, a UNICEF press release said.

5.2 Punjab

28 New de-addiction centres in Punjab to curb the drug menaces- The Ministry of Social Justice & Empowerment has sanctioned 28 new de-addiction centres in Punjab to curb the menaces of drug abuse. Looking at the gravity of the problem in the state, the Ministry has also conducted a survey on the extent, pattern and trend of drug abuse the report is expected soon. Further, ministry is in the process of finalizing a National Policy on Drug Demand Reduction. This would enable them in creating awareness on the harm related to drug use and the need for preventive measures to be disseminated in a consistent manner with special emphasis on needs and care of children/adolescents, women and young girls who require special attention.



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Summary of economic indicators of Northern & Central states of India

Macro-Economic components	Bihar**	Chattisgarh**	Delhi**	Haryana*	HP*	J&K*
Real GSDP (Rs. bn) ¹	1897.89	1008.42	1327.2	1996.56	472.54	454
Geographical Area (Sq Km)	94163	136034	1483	44212	55673	222236
Population Size (mn) ²	101	26.5	17.6	26.5	70.4	12.1
Economic Growth ¹	9.5	5.9	8.2	6.9	6.2	5.2
State GSDP as % of India's real GSDP ³	3.5	1.9	4.2	3.9	0.8	0.9
Per-capita Income (Rs) ¹	16801	29047	125809	67260	54494	31054
Growth of Agriculture Sector ¹	4.4	2.7	2.8	3	13.4	4.9
Growth of Industry Sector ¹	9.1	4.7	5.3	4.4	2.4	1.2
Growth of Services Sector ¹	11.2	8.6	8.5	9.4	6.8	7
Value Added by Agriculture Sector ¹	19.7	19.2	0.6	15.1	18.6	20.0
Value Added by Industry Sector ¹	22.9	39.1	9.2	27.0	38.0	23.5
Value Added by Services Sector ¹	57.4	41.8	90.2	58.0	43.3	56.5
Literacy Rates (%) ²	63.8	71	86.3	76.6	83.7	68.7
RD/ GSDP ⁴	-2.5	-1.2	-1.9	1.1	3.5	-6.8
GFD/ GSDP ⁴	2.8	2.7	-0.4	2.5	5.7	2.3
Debt/ GSDP ³	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) ¹	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) ²	32.6	75.15	30.3	70.5	209.8	10.3
Economic Growth ¹	8.9	10.2	5.2	4.8	6	9.3
State GSDP as % of India's real GSDP ³	1.8	4.7	3.2	5.3	9.1	1.3
Per-capita Income (Rs) ¹	28882	29218	49411	31836	20057	63820
Growth of Agriculture Sector ¹	8.3	18.8	0.44	5.2	4.2	5.12
Growth of Industry Sector ¹	6.0	4.5	2.5	1.1	1.9	12.3
Growth of Services Sector ¹	11.6	8.1	8.9	7.2	8.3	7.8
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 ⁴	-1.9	-0.9	0.1	-0.1	-3	-0.5
GFD/ GSDP ⁴	2.3	2.6	2.8	3.5	2.9	2.9
Debt/ GSDP ³	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)

4: Data Pertains to FY15 (BE), Negative (-) sign indicates surplus

5: * implies Data pertains to FY14, ** implies Data pertains to FY15

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