

Significance of Industrialization & Sustainable Development

- An Uttar Pradesh Perspective

The establishment of new industries on a big scale and development of traditional industries is an essential need of the economy of any country. Today, the changes in economic order of the world with an ongoing meltdown has resulted in investors exploring newer investment destinations where the investments would be safe and reaping assured returns. The pace of industrialization is influenced by a combination of factors such as sound infrastructure, uninterrupted supply of critical inputs, viz. power, credit and raw materials, proactive entrepreneurs and factors like well established financial intermediaries, favorable investment climate to attract domestic as well as Foreign Direct Investment (FDI), wider application of Information Technology and competitiveness of products in terms of quality and price in both domestic and international market.

In above perspective, Uttar Pradesh is witnessing a silent but steady transformation in its march towards all round development. With the second largest GSDP in the country, the state economy has grown at a brisk pace of 7% plus in last 3 years and diversified tremendously from a primarily agrarian structure to a modern industrial and service oriented one.

The Government of Uttar Pradesh has created a conducive investment environment by providing attractive fiscal incentives in the form of interest-free loans against VAT payments and exemptions from stamp duty and electricity duty, speedy online clearances through “Nivesh Mitra”, healthy labour relations and a crime-free and fear-free atmosphere. Besides, Government has also implored putting up an independent system for annuity payment in place to ensure that fruits of development are shared by every proud citizen of the State. Likewise, Uttar Pradesh has made giant strides in service sector. As per the NSS report, the State has the highest share of 14% in total number of service sector enterprises in the country. The State also employs the highest number of workers in the service sector, comprising 12% of the nation’s workers in the sector.

To further strengthen the growth trajectory and to take-off into the next level of development, the State, through Public Private Partnership, is building a world-class infrastructure in expressways, highways, power, urban amenities and education. In pursuit thereof, Yamuna Expressway is the flagship project of the State which envisages construction of a 165 km long 6-lane access controlled concrete pavement expressway between Greater Noida and Agra. Ganga Expressway is another expressway project involving construction of a 1,047 Km long 8-lane between Greater Noida and Ballia. Similarly Upper Ganga Canal Expressway is a 148 km long 8-lane access controlled expressway proposed between Greater Noida and Purkazi at U.P. – Uttarakhand border. Likewise, a network of several link expressways have been planned to connect all corners of the State along the rivers Betwa, Ghaghra and Ram Ganga. Similarly, 13 State highways having total length of 1,769 km and costing Rs. 8,600 crores are being developed through PPP route. These state highways/expressways would reduce the travel time, fuel cost, etc. and in turn would also be a great boon to industrial units in the vicinity.

Similarly, adequate and efficient power supply is the corner stone of rapid economic development. The Government has formulated a strategy to turn Uttar Pradesh from a state of power shortage to a state of power surplus. During 11th Five year plan, power plant of 600 MW in Rosa has been commissioned and 3030 MW is scheduled to be commissioned up to March 2012. Thermal Power plants with capacity of 3300 MW at Bara and Karchhana under PPP mode and 2x660 MW at Meja, Allahabad under Joint Sector are being commissioned. During 12th Five year plan, 25000 MW capacity addition has been planned which includes 5000 MW in State/joint Sector, 15000 MW in private sector and 5000 MW power to be procured through competitive bidding under case-1 wherein power can be supplied by any power project located any where in the country.

Besides, Uttar Pradesh has encouraged setting-up of SEZs for speedy economic and industrial development of the State. The State has 33 formally approved SEZs, 6 functional SEZs and 16 notified SEZs. The functional SEZs are Moser Baer, Wipro

Technologies, HCL Technologies, Sea View Developers, Moradabad SEZ and NOIDA SEZ.

Further, Uttar Pradesh has developed world-class integrated townships at Noida and Greater Noida. The townships are providing reliable power distribution, abundant ground water, excellent drainage system and a pollution-free environment. Noida is the first city to be connected by metro rail to New Delhi.

Greater Noida is one of the investment regions proposed under Delhi-Mumbai-Industrial Corridor (DMIC). These areas offer an excellent location for setting up industry, IT hub, institutional or educational or a commercial enterprise. Fortunately, Dadri district, the Junction of both Corridors – Western & Eastern – lies in the State and is close to advance industrial and commercial hubs of NOIDA and Greater Noida. With upcoming Yamuna Expressway Industrial Area in near future, part of DMIC in the State will not only leverage the benefits of already existing potential but will also interweave the adjoining areas in a web of development and prosperity. 12 districts covering an area of 36,068 sq km, which is 7% of total DMIC Region fall within the ambit of the DMIC influence region. DMIC will go a long way in providing fast connectivity to ports near Mumbai. This will help in swift transportation of quality products manufactured in this resource-rich State for export.

Considering the immense potential of infrastructural amenities in the State, Government of Uttar Pradesh, on this count, has made a 25.8% hike in its annual budgetary allocation for the financial year 2011-12 vis-à-vis 10.6% hike in total amount of annual budget (as compared to the financial year of 2010-11). Thus, in the annual budget of 2011-12, a total amount of Rs. 27279 crores (Rs.21,686.18 crores in 2010-11) has been earmarked for infrastructural amenities, which primarily include Rs. 8227 crores for Power, Rs. 6775 crores for Roads & Bridges, Rs. 4758 crores for Urban Development, Rs. 680 crores for Health & Medication and Rs. 6502 crores for Rural Development.

The pro-active initiatives, as enunciated above, would certainly pave the way for making Brand Uttar Pradesh synonymous with high quality standards and high levels of

excellence on a global platform. Government is relentlessly striving hard to provide an industrial ambience with immense possibilities of innumerable options of trade, industry and business to every entrepreneur in the State. To achieve this, it also becomes quintessential that the entrepreneurs and all other stakeholders join hands together to strive hard for making U.P. as one of the key drivers for growth in the national economy and also to prove itself to be a region of excellence.