Industrialization and Economy of Haryana

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Abstract:

Economy is the foremost step for enhancement of any country, state or any region. This paper discussed about investment in medium and large scale industries with major indicators like GSDP, GSVA, Per Capita Income, IIP etc. with contribution in economy of Haryana. The economic growth of Haryana has been remarkable since its formulation as a separate State. Though Haryana is geographically a small State, the contribution of the State to the National Gross Domestic Product at constant (2011-12) prices has been estimated as 3.7 percent as per Quick Estimates of 2017-18. This paper revealed the pace of growth in Haryana.

Keywords: Industrialization, GDP, Per Capita Income, Economy, IIP

Introduction: Geography is directly related to space, place or region or it is the study of spatial distribution of various phenomena on the surface of the earth. The major purpose of this study of industrialization in Haryana State and other indicators is find out the areas of spatial concentration of economic development and variations within the changing period of time. Spatial and temporal both are important aspects to see the development; are also highlighted the capital investment, employment, economy (GDP, Per Capita Income) etc., because these are important parameters in the development of any area. Through this study an attempt has also been made, to identify the significant elements of areal differentiation in the industrial development and other sectors as well as impact on Haryana as a separate State.

This paper is tried to explore the economic performances and changing pattern of growth in economy of state. At last the picture which came after this research that there is significant development after formation of Haryana. After formation of Haryana as an individual state the process of agriculture, industrialization and other economic activities become fast and faced many typical problems also. The outstanding results came after implications of green revolution, many industrial policies time to time by Industrial Department of Haryana with help of Government of Haryana. There are different reasons in different areas for economic development like proximity of National Capital Region, National Highways etc. the development is not equal on spatial scale there are so much regional variation which are discussed on administrative divisions in Haryana state.

Objective:

- To examine level of industrialization and other economic activities in the economy of Haryana.
- To examine the contribution of industries in economy of state from 1969 to 2018

Methodology: The secondary data for the present study will be collected from different sources of Government and Semi-Government publication like different issues of Statistical Abstract of Haryana, Economic Survey of Haryana 2017-18. For the visual representation of data the cartographic techniques, mapping and graphical presentation work shall be made with the help of MS-Excel, MS-Word, and GIS techniques.

GROSS STATE DOMESTIC PRODUCT (GSDP)

The Department of Economic & Statistical Analysis, Haryana prepares the estimates of Gross State Domestic Product (GSDP), as per the Advance Estimates for the year 2018-19, it is estimated 7,07,126.33 crore rupees at current prices with recording growth of 12.9 percent in 2018-19 as against the growth rate of 12.5 percent achieved in 2017-18. The GSDP at the constant (2011-12) prices is expected to reach the level of 5,26,055.24 crore rupees with growth of 8.2 percent in 2018-19 as compared to the growth of 7.9 percent recorded in 2017-18. The growth of GSDP in 2018-19 with 8.2 percent is recorded as the higher than the all India GDP growth of 7.2 percent. The growth of Gross State Value Added (GSVA) in 2015-16 in 9.6 percent which is decreased to 8.6 percent in 2016-17 and further declined to 7.6 percent in 2017-18. The low growth of 5.5 percent in Industry Sector led to the decline in growth in 2017-18. However, during the year 2018-19, the growth in GSVA improved to 7.8 percent (Statistical Abstract of Haryana, 2018-19).

Table-1.1 Gross State Domestic Product of Haryana

Year	Gross State Domestic Product (in crore)	
	At Current Prices	At Constant Prices (2011-12)
2011-12	297358.52	297358.52
2012-13	347032.01	320911.91
2013-14	399268.12	347506.6
2014-15	437144.71	370534.51
2015-16	495249.01	413175.07
2016-17	556324.58	450667.68
2017-18	626053.52	486238.67
2018-19	707126.33	526055.24

P- Provisional Estimates, Q- Quick Estimates, A- Advance Estimates

Source; statistical Abstract of Haryana, 2018-19

Table-1.2

Growth in Gross State Value Added at Constant (2011-12) Prices							
	Haryana						All India
sector	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q)	2018-19 (A)	2018-19 (A)
Agriculture and Allied	2.8	-2.2	3.8	10.4	5.5	5.5	3.8
Industry	7.4	4.7	11.4	10.4	5.5	8.6	7.8
Services	10.1	10.4	10.7	6.8	9.8	8.2	7.3
GSVA	7.6	7.6	9.6	8.6	7.6	7.8	7

P- Provisional Estimates, Q- Quick Estimates, A- Advanced Estimates

Source: Statistical Abstract of Haryana, 2018-19

STRUCTURAL TRANSFORMATION OF THE STATE'S ECONOMY

In 1966, the State's economy was predominantly based on agrarian economy. At the beginning of 4th Five Year Plan (1969-70), the contribution of Agriculture and Allied Sectors crops, livestock, forestry and fishing to the GSDP at constant prices was the largest (60.7%) followed by Services (21.7%) and Industry (17.6%) Sectors. During the period of 37 years from 4th five year plan (1969-70) to 10th five year plan (2006-07), Industry and Services Sectors registered higher average annual growth than the Agriculture and Allied Sectors and the allover result of this was decreased share of Agriculture and Allied Sectors in the GSDP. This was declined from 60.7 percent in 1969-70 to 21.3 percent in 2006-07 but the results was good in share of Industry Sector which was increased from 17.6 percent in 1969-70 to 32.1 percent in 2006-07. The share of Services Sector was increased from 21.7 percent to 46.6 percent during this period. Since the 11th Five Year Plan (2007-12), the pace of structural transformation of the State's economy remained continued. There is remarkable growth in Services Sector during this period and onwards, the share of Services Sector in GSVA further strengthened to 50.2 percent in 2018-19 with a decrease in the share of Agriculture and Allied Sectors at 17.5 percent. (Statistical Abstract 2006-07, 2018-19)

PER CAPITA INCOME

The per capita income is a good indicator to measure the economy of any area, it is the average income earned per person. In 1966, the per capita income of the Haryana State at current prices was only 608 rupees but after this the per capita income has increased multi fold. The per capita income of the State has been presented in Table-1.3.

The per capita income of the State at constant prices in 2011-12 is expected to reach the level of 1,68,209 rupees during 2018-19 which is indicating an increase of 6.7 percent in 2018-19 as compared to the growth rate of 6.4 percent recorded in 2017-18. At current prices, the per capita income is likely to reach the level of 2,26,644 rupees during 2018-19 which is showing an increase of 11.5 percent during 2018-19 as compared to the growth rate of 11.0 percent in 2017-18. The per capita income of the State, at both current and constant prices, is higher as compared to the allover National per capita income of 1,25,397 rupees and 91,921 rupees respectively.

Table-1.3 **Per Capita Income**

Year	Per Capita Income of Haryana (in ₹)		Per Capita Income of India (in ₹)	
	At Current Prices	At Constant (2011-12) Prices	At Current Prices	At Constant (2011-12) Prices
2011-12	106085	106085	63462	63462
2012-13	121269	111780	70983	65538
2013-14	137770	119791	79118	68572
2014-15	147382	125032	86647	72805
2015-16	164868	137748	94797	77659
2016-17 (P)	183171	148193	104659	82931
2017-18 (Q)	203340	157649	114958	87623
2018-19 (A)	226644	168209	125397	91921

P- Provisional Estimates, Q- Quick Estimates, A- Advanced Estimates

Source: Statistical Abstract of Haryana, 2018-19

INDUSTRY SECTOR

According to the Quick Estimates for 2017-18, the GSVA for Industry Sector has been recorded as 1,37,736.37 crore rupees as against the Provisional Estimates of 1,30,500.56 crore rupees in 2016-17 . This recorded a growth of 5.5 percent in 2017-18 as compared to the growth of 10.4 percent in 2016-17. As per the Advance Estimates for 2018-19, the GSVA from Industry Sector is estimated to be 1,49,559.23 crore rupees recording a growth of 8.6 percent over previous year.

(Statistical Abstract of Haryana,2018-19)

INDEX OF INDUSTRIAL PRODUCTION (IIP):

Index of Industrial Production (IIP) is one of the most important indicators for the measurement of trend in the industrial production over a period of time on basis of a chosen base year. The IIP of State on basis of 2011-12 as base year by the Department of Economic and Statistical Analysis, Haryana was prepared. The General IIP with 2011-12 as base year increased from 120.3 in 2014-15 to 126.1 in 2015-16, registering an increase of 4.8 percent. The IIP of Manufacturing Sector increased from 120.3 in 2014-15 to 128.7 in 2015-16, exhibiting a growth of 7.0 percent over the previous year. The IIP of Electricity Sector indicated a negative growth of -22.6 percent as it decreased from 119.5 in
2014-15 to 92.5 in 2015-16. (Statistical Abstract, 2018-19)

Table-1.4: Haryana: Distribution of Total Number of Large and Medium Scale Industries

District	Total No. of Industries (In 2018)	Percentage
Ambala	30	1.28
Bhiwani	27	1.15
Faridabad	441	18.85
Fatehabad	6	0.26
Gurgaon	688	29.40
Hisar	56	2.39
Jhajjar	121	5.17
Jind	33	1.41
Kaithal	9	0.38
Karnal	73	3.12
Kurukshetra	21	0.90
Mahendragarh	4	0.17
Mewat	5	0.21
Palwal	33	1.41
Panchkula	42	1.79
Panipat	135	5.77
Rewari	228	9.74
Rohtak	58	2.48
Sirsa	22	0.94
Sonipat	280	11.97
Yamunanagar	28	1.20
Haryana	**2340**	**100**

Source: Industrial Department of Haryana, Chandigarh, 2018

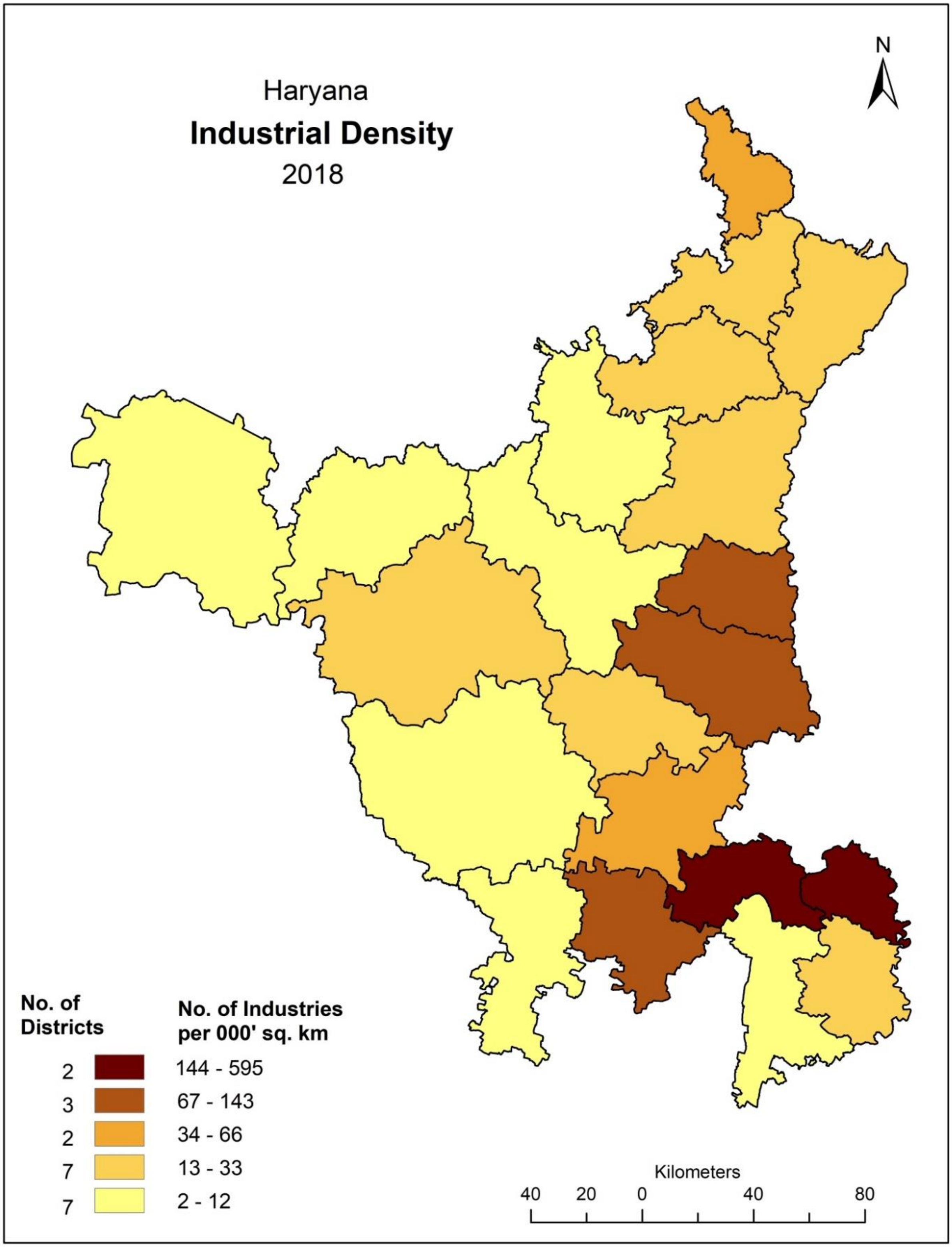
Haryana
Industrial Density
2018
N
No. of Districts
No. of Industries per 000' sq. km
2 144 - 595
3 67 - 143
2 34 - 66
7 13 - 33
7 2 - 12
Kilometers
40 20 0 40 80

Fig. 1.1

Table- 1.5

District	Number of Registered Workers (2018)
Ambala	2753
Bhiwani	1471
Faridabad	**66484**
Fatehabad	135
Gurgaon	**122109**
Hisar	1916
Jhajjar	14434
Jind	7281
Kaithal	574
Karnal	7252
Kurukshetra	1970
Mahendragarh	**10**
Mewat	1145
Palwal	5740
Panchkula	2414
Panipat	13270
Rewari	47468
Rohtak	6312
Sirsa	1814
Sonipat	31550
Yamunanagar	2585
Haryana	**338687**

Source: Industrial Department of Haryana, Chandigarh, 2018

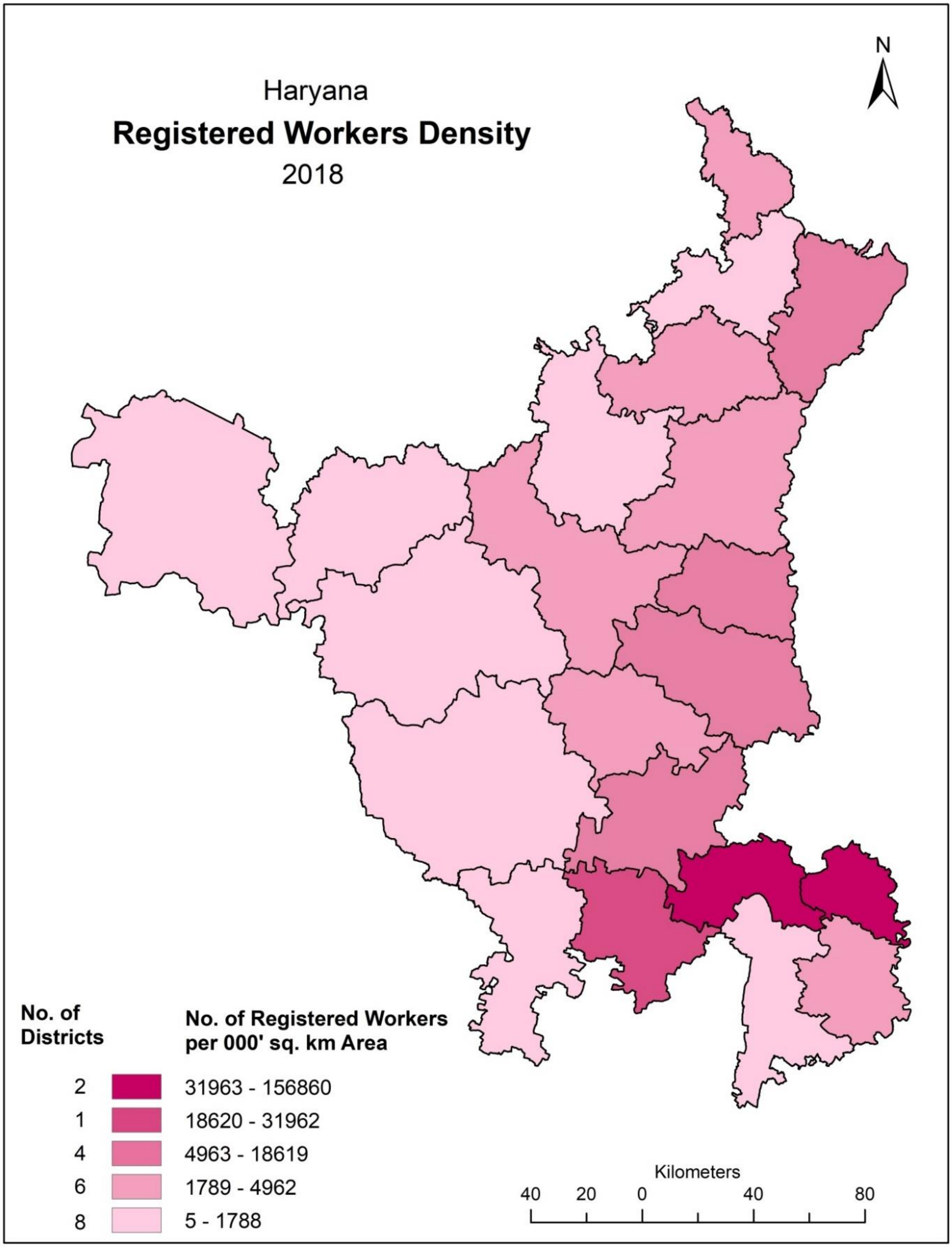
N
Haryana
Registered Workers Density
2018
No. of Districts
No. of Registered Workers per 000' sq. km Area
2
31963 - 156860
1
18620 - 31962
4
4963 - 18619
6
1789 - 4962
8
5 - 1788
Kilometers
40 20 0 40 80

Fig. 1.2

SERVICES SECTOR

The Services Sector also one of the most important in all sectors for its contribution to the Gross State Value Added (GSVA) of the economy in State. The share of Services Sector in the GSVA at constant prices (base year 2011-12) has increased to 50.2 percent in 2018-19. This increase in share of the Services Sector in GSVA marks a structural shift in the State's economy and takes it closer to the fundamental structure of a developed economy. During the period of 11th Five Years Plan (2007-12), the average annual growth rate of Services Sector after growth was12.2 percent which was higher than the average annual growth recorded for combined Agriculture and Industry Sectors during this period. The trend of faster and sustained growth of Services Sector as compared to other two sectors also remained on the same path during the period of 12th Plan (2012-17) and thereafter.

There was excellent growth rate throughout the 11th Five Year Plan, the Services Sector recorded a growth of 10.6 percent, 10.1 percent, 10.4 percent,10.7 percent and 6.8 percent in 2012-13, 2013-14, 2014-15 2015-16 and 2016-17 respectively. On basis of Quick Estimates of year 2017- 18, the real GSVA from this sector has been recorded as 2,14,592.56 crore rupees as against the Provisional Estimates of 1,95,488.47 crore rupees in 2016-17, with growth rate of 9.8 percent. On basis of Advance Estimates for year 2018-19, the GSVA from Services Sector has been estimated as 2,32,246.29 crore rupees recording a comparatively slower growth of 8.2 percent. (Statistical Abstract, 2018-19)

Growth of Different Sub-Sectors in Services Sector Trade, Repair, Hotels & Restaurants

On basis of Quick Estimates of 2017-18, the growth of this sector has been recorded as 12.8 percent as compared to the growth of 10.3 percent recorded in 2016-17. As per the Advance Estimates for 2018-19, the growth of this sub-sector is likely to be 9.4 percent.

"Transport, Storage, Communication and Services related to Broadcasting

As per the Quick Estimates of 2017-18, the growth of this sub-sector has been recorded as 8.0 percent as compared to the growth of 1.6 percent in 2016-17. As per the Advance Estimates for 2018-19, the growth of this sub-sector is likely to be 6.3 percent.

Financial, Real Estate and Professional Services

This sub-sector recorded the growth of 6.1 percent and 7.4 percent in 2016-17 and 2017-18 respectively. As per the Advance Estimates for 2018-19, this sub-sector is likely to achieve the growth of 7.6 percent

Public Administration, Defence and Other Services

This sub-sector recorded a growth of 7.3 percent and 12.6 percent in 2016-17 and 2017-18 respectively. As per the Advance Estimates for 2018-19, the growth of this sub-sector is likely to be 9.3 percent."(Statistical Abstract of Haryana, 2018-19)

GROSS FIXED CAPITAL FORMATION

The productive capacity of the economy generally based on more the capital accumulation; the higher would be the productive capacity of the economy. The Department of Economic and Statistical Analysis, Haryana calculated the estimates of Gross Fixed Capital Formation (GFCF) for the State at current and constant prices as base year 2004-05 by Industry of use, by type of Institutions and also by type of Assets. At current prices the GFCF of the State has been estimated at 78,423 crore rupees during the year 2016-17 as against 71,116 crore rupees during the year 2015-16, recording an increase of 10.3 percent. Similarly, at constant prices as base year 2004-05, the GFCF has been estimated which was 41,463 crore rupees during the year 2016-17 as against 38,851 crore rupees during the year 2015-16, which increased of 6.7 percent during the year 2016-17. (Table-1.6)

Table-1.6 Gross Fixed Capital Formation in Haryana

Year	Gross Fixed Capital Formation (₹ in Crores)	
	At Current Prices	At Constant (2004-05) Prices
2011-12	47948	30958
2012-13	53158	32041
2013-14	59134	33584
2014-15	65357	36158
2015-16	71116	38851
2016-17 (P)	78423	41463

P- Provisional Estimates

Source: Statistical Abstract of Haryana, 2018-19

Table-1.7

Expenditure in Industry and Minerals in Five Year Plans (In Lakh)		
Five Year Plan	Expenditure in Industry & Mineral/Expenditure in All Sectors	Percentage of Total Expenditure
Fourth Plan (1969-74)	549/35826	1.53/100
Fifth Plan (1974-79)	944/67734	1.39/100
Annual Plan (1979-80)	341/20296	1.68/100
Sixth Plan (1980-85)	3126/159547	1.96/100
Seventh plan (1985-90)	4815/251064	1.92/100
Annual plan (1990-91)	1704/61502	2.77/100
Annual Plan (1991-92)	1830/69939	2.61/100
Eighth Plan (1992-97)	16780/489919	3.42/100
Ninth Plan (1997-2002)	44901/798612	5.62/100
Tenth Plan (2002-2007)	65300/1297964	5.03/100
Eleventh plan (2007-12)	38952/3500000	1.11/100
Twelfth Plan (2012-17)	64700/9000000	0.73/100
Annual Plan (2017-18)	28056.00/3977265.17	0.71/100

Source: Statistical Abstract of Haryana (2006-07, 2012-13, 2017-18)

Table- 1.7 is illustrating the expenditure in industry and minerals in different five year plans Five Year Plans as well its percentage contribution in all sectors. The data is showing the fluctuations in different plans. In ninth five year plan there is maximum contribution with 5.63 percent in all plans. After this data is showing continuously declining in growth. The reason behind this declining phase is emergence of new Tertiary, Quaternary and Quinary sectors.

Conclusion: Haryana is one of the most economically developed states in India which faced so many obstacles during the time period of growth changes like green revolution, implications of different industrial policies. In other words we can say that there is structural changein economy of Haryana with transformation of agrarian industrial one. On basis of findings based on data from different government sites that there is huge regional disparities in growth. Above mentioned map of industrial density is a good example of regional disparity. Development mainly occurred in adjacent states of National Capital and State Capital as well as good impact of Grand Trunk road is also remarkable.

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