

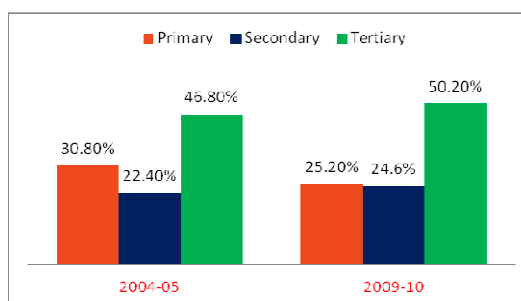
## Industrial Scenario in the State

Uttar Pradesh has always been in the forefront in the area of industrial development. During the Vth, VIth VIIth Five Year Plan, the industrial growth rate was 9.4, 11.8 & 10.9% respectively. In the post liberalization period the industrial growth rate somewhat dropped. However, the state was able to meet the challenges. The Industrial growth rate during the Xth Five Year Plan in the State revived and has been to the tune of 6.6%. It is significant that during the period the world at large was hit by recession.

The industrial growth rate was targeted at 10% and that of manufacturing sector at 12% for XIth Five Year Plan, in order to achieve overall 8.5% GSDP growth. This requires huge investment in the industry sector along with up-gradation of existing technology and modernization as well as creation of world class infrastructure. The state has been able to achieve growth rate of GSDP as well as Industrial sector during first three years of XIth Five Year Plan as under:

Sl. No.	Financial Year	GSDP Growth in % - (at constant price-2004-05)	Industrial Sector Growth in %- (at constant price-2004-05)
1	2007-08	7.5	6.6
2	2008-09	6.1	0.2
3	2009-10	7.2	8.7

The state has contributed 8.1 per cent to the GDP of India in F.Y. 2009-10 as the country's second largest economy. The tertiary sector has been major contributor to the GSDP, followed by the primary sector and the secondary sector ,as under :



It is felt that industrial growth of the State is largely depended on infrastructural facilities available in the state. In order to enhance

industrialization in the state, Uttar Pradesh is continuously improving infrastructure facilities by providing speedy transportation of goods by constructing expressways, up-gradation of highways, more availability of power to the industrial units, and so on.

PPP model has also been adopted by the State in various sectors like Road Sector, Power Sector, Urban Rejuvenation. Uttar Pradesh proposes to bring investment through PPP mode worth Rs.2,64,204 crores in the 12<sup>th</sup> Five Year Plan.

As per a FICCI report on status of PPP projects in the country, Uttar Pradesh is amongst the top five States of the country, in the implementation of PPP Projects.

An investment of Rs.42,942 crores has already been generated through part implementation of Yamuna Expressways, Municipal Solid Waste Management Projects and some of the power projects.

UPSHA has been sanctioned a grant of Rs.1,042.93 crores for their six highways projects under Viability Gap Funding (VGF) scheme of Government of India, specially meant for promoting PPP projects and making them financially viable. Developer for Delhi-Saharanpur-Yamunotri Road, Bareilly-Almora-Bagheshwar, Varanasi – Shaktinagar and Meerut - Karnal Road state highways has been selected.

### Capital Investment

Uttar Pradesh has generated a capital investment and employments in the State during the 11th plan as under:-

S.No	Year	No. of Units			Investment Rs. In Cr.			Employment		
		Total (Micro, Small, Medium & Heavy)	Medium only	Heavy only	Total (Micro, Small, Medium & Heavy)	Medium only	Heavy only	Total (Micro, Small, Medium & Heavy)	Medium only	Heavy only
1	2007-08	32837	53	35	4918.26	391.78	2421.59	207720	5019	8913
2	2008-09	33771	35	10	5176.63	299.03	1210.51	212573	1613	1672
3	2009-10	37435	83	87	11951.93	584.95	7006.86	296469	7214	30171
4	2010-11	35861	72	53	10446.03	488.43	5054.7	253077	6642	9271
5	2011-12 (Up to Dec)	27423	50	96	13903.82	412.49	9422.04	204050	5572	21801
	Total	167327	293	281	46396.67	2176.68	25115.70	1174089	26060	71828

Source : Directorate of Industries, U.P.

Uttar Pradesh has launched Export Promotion Scheme to compete in National and International market for the advancement of export section, under the Export Promotion Development Scheme, between year 2007-08 to 2009-10, 2454 units have been sanctioned a subsidy of Rs. 16 Cr.

### **Infrastructure Facilities**

Further, in order to promote investments and to boost industrialization in the State, Uttar Pradesh has developed many SEZs, Industrial Clusters, Information technology Parks, Agro Parks, the details of some of them are mentioned below:

#### **Development of Special Economic Zones**

In the fast changing global economic scenario, Special Economic Zones are rightly called the engines of growth. Uttar Pradesh Government in Aug 2007 announced U.P. Special Economic Zone (Amended) Policy-2007 in order to foster the industrial and economic development and creating conducive environment for the development of SEZs in the State.

So far 56 SEZs proposals have been recommended by U.P. Government to Government of India. Out of these proposals, 21 SEZs have been Notified, Formal approval to 34 SEZs and In-principle approval to 1 SEZ have been granted by Government of India.

Eight numbers of SEZs are functional out of which six have been developed under private sector. M/s. Moser Bear India Ltd., M/s Wipro Ltd., M/s HCL Technologies, M/s. Seaview Developers Ltd, M/s Aactivis Softech (P) Ltd. and M/s NIIT Technologies Ltd. have been developed by Private Sectors and two SEZs Moradabad SEZ, Noida SEZ have been developed by the government,

#### **Tronica City**

Integrated Industrial Township has been developed over 1600 acres land in Ghaziabad, where land is available for industrial, residential, institutional and commercial sectors.

#### **Growth Centers**

Growth Centers at Shahjhanpur, Jainpur (Kanpur Dehat), Jhansi, Dibiyapur (Auraiya) have been completed. These Centers have industrial, residential and commercial sectors. Different sizes of plots have been developed to accommodate small/tiny, medium and large-scale industrial units at attractive rates.

#### **Integrated Industrial Development Centers**

To encourage development of small & tiny industries Integrated Industrial Development Centers have been developed at (Kosi Kotwan) Mathura, Etah, Banthar (Unnao), Baghpat, Masuri Gulawati (Ghaziabad), Kursi Road (Barabanki) and Chandauli (Varanasi) in

area of 50 acres approx. each, under Central Govt. Scheme. These centres are equipped with infrastructure facilities like road, drain, power distribution network, water supply etc.

### **Cluster Development Scheme**

The State Government to enhance investment, has introduced Cluster Development Scheme under which Industrial Cluster are developed by upgrading infrastructure and removal of bottleneck for Industry. GoUP has sanctioned 5 Industry Clusters for Hard Intervention and 15 other industry clusters for Soft Intervention.

### **Export Promotion Industrial Park**

Under the Central Govt. scheme for promotion of exports two EIPs are developed by UPSIDC on 200 acres at Gautam Budh Nagar and at Agra on 100 acres land, where high standard infrastructure facilities have been provided including cement concrete road, integrated security system, earth station etc.

### **Leather Technology Park**

The state has one of the largest livestock populations in the country, which provides a strong raw material base required for the industry. Leather & Leather goods industry has performed exceptionally high comparative to all India figures and other regions of Council for Leather Exports. Recognizing its importance, Leather Technology Park has been developed at Banthar, Unnao on 232 acres located on NH-25 on Kanpur – Lucknow road (4 – Lane) to accommodate leather tanneries and leather goods units.

### **Agro Parks**

Uttar Pradesh with its diverse agro climatic conditions is richly endowed in the cultivation of variety of crops. The State is leader in producing Wheat, Sugar Cane, Rice, Maize, Milk, Livestock, Poultry, total Fruits and Vegetables in the Country. Around 33.94 Lac Hectares area of State is under Horticultural Crops. The major Horticultural Crops in the State are – Mango, Guava, Aonla, Banana, Potato, Pee, Onion, Tomato, Cucurbits, Cauliflower, Cabbage, Green Chillies, Garlic, Turmeric etc.

The Food Processing sector in Uttar Pradesh is in a nascent stage. Most units fall under un-organized private sector. The food fortification and processing of cereals, pulses, and oilseeds some spice and condiments constitutes the Food Processing industry in the state. Perishables like under fruits and vegetables with research-extension technology support are marred by lack of remunerative markets, seasonal gluts during the peak production period lack of basic infrastructure and support system.

Two Agro Parks (over 180 acre of land) have been developed for food processing industry at Lucknow & at Varanasi. These parks have been designed to meet the specific needs of the agro and food processing industry. These specialized Infrastructures include Multi

Chamber Cold Store with Controlled Atmosphere facility and Washing-sorting-grading line.

### **Apparel Parks**

In order to promote Apparel Industry, UPSIDC has setup Apparel Parks at Tronica City, Ghaziabad, at 12 Km. from I.S.B.T. Delhi and textile & Hosiery Park at Rooma Dist. Kanpur, at 10 Km. from Kanpur City.

These Industrial Parks have industry specific infrastructure, textile training center, fashion design center, quality control laboratory, workshop cum tool room, common effluent treatment plant, conference hall, women hostel etc.

Textile-Training Centers by ATDC are in operation at both the Parks. ALT Ltd Bangalore is setting up Training College/Fashion design Center/Quality Control laboratories at both Locations.

### **Delhi-Mumbai Industrial Corridor (DMIC)**

A joint initiative of the Governments of India and Japan, the Special Economic Partnership Initiative (SEPI), DMIC envisages activating local commerce, enhancing foreign investment and attaining sustainable development. With an overall length of 1483 kms and terminals at Dadri of Greater Noida and the Jawaharlal Nehru port of Mumbai, the quality infrastructure is expected to extend to 150 kms on both sides. 20 nodes (13 investment region and 7 Industrial zones) have been proposed of which two fall in Uttar Pradesh - the first investment region node falls in Greater Noida and the other at Meerut-Muzaffarnagar.

### **Dedicated Freight Corridor Project (DFC)**

Uttar Pradesh is the biggest beneficiary of DFCC project. Out of the total length of Eastern Corridor 2700 Kms, the total stretch of corridor in the state is 1063 Kms.

Districts involved are Saharanpur, Muzaffarnagar, Meerut, Hapur (Panchsheelnagar), Ghaziabad, Bulandshahar, Gautam Budh Nagar, Aligarh, Mahamayanagar, Agra, Ferozabad Etawah, Auriya, Kanpur , Fatehpur, Kaushambhi, Allahabad, Mirzapur and Chandauli.

The possibility of development of logistic hubs at suitable places along the Eastern Freight Corridor may be explored.

**Owing to the above efforts, Big Industrial houses of the country like Asian Paints, Bharat Petroleum, Delphi Automotive Systems, Yamaha Motors, Honda Siel, LG Electronics, New Holland Tractors, Pepsi, Hindustan Times, Moser Baer India, Vectra and Sheela Foams have chosen Uttar Pradesh as their preferred industrial and operational base.**

## **Food Processing Industry**

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To promote investment in Food Processing, State Government has declared Food Processing Industry as a thrust sector in its Industrial Policy.

- 100% Stamp Duty exemption on purchase of land for setting up of Food Processing Industry.
- 5 years Mandi Fee exemption on new units having an investment of Rs. 10 Crore or above in Plant & Machinery.
- 25% Capital Subsidy (maximum of Rs.25 Lacs) on the cost of Technical Civil Work and Plant & Machinery.
- 50% Subsidy (maximum of Rs.100 Lacs) on setting up of Tissue Culture units.
- 40% Subsidy (maximum of Rs.120 Lacs) on for setting up of multi chambered energy efficient cold storages and fruit ripening chambers.
- 50% Subsidy (maximum of Rs.25 Lacs) on establishment of Model Nursery.
- 25% Subsidy (maximum of Rs.50 Lacs) on Post Harvest Management and processing of herbal and aromatic plants.

## **Moradabad Special Economic Zone**

This sector specific SEZ for handicrafts is developed in Moradabad over 467 acres close to New Delhi International Airport (160Km). Moradabad is the biggest brass & silver handicrafts manufacturing & export centre of India. Excellent infrastructure facilities have been provided with 24 hours security.