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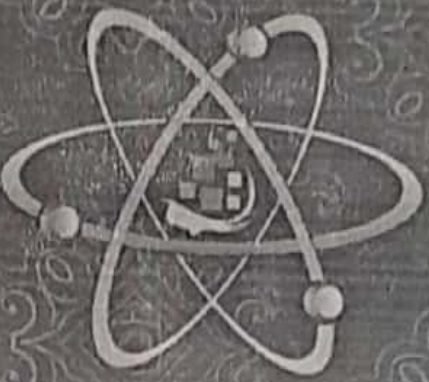
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**“A study of Industrialization of India with special reference
to Maharashtra state
(1991-2010)”**

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Abstract

Industries play an important role in the growth and development of Indian Economy. It is acknowledged by the government that alongside agriculture, industries are an important segment of Indian economy and it is widely recognized as a powerful instrument for social as well as economic growth and balanced sectorial development.

Industrial sector plays a vital role in Indian economic development as it helps to employment generation, value addition, export potential etc. Industrial sector in India is making significant progress since her independence. However, the industrial units all over the country have certain challenges to face in different areas such as finance, marketing, scarcity of raw materials, skilled labor, quality of product and low productivity etc. Global competition and non availability of adequate finance are the serious challenges of industries that affect their operational efficiency in long run. In spite of these challenges, the changing policy environment and growing competitiveness the Indian industry has resulted into significant growth of industries of all types and categories in the last two decades.

This paper specially studies the industrialization of India with special reference to Maharashtra state, containing the period from 1991 to 2010.

Key Words – Industrialization, Economic and Social development

1.1 Introduction

Industrial sector plays a vital role in Indian economic development as it helps to employment generation, value addition, export potential etc. Industrial sector in India is making significant progress since her independence. However, the industrial units all over the country have certain challenges to face in different areas such as finance, marketing, scarcity of raw materials, skilled labour, quality of product and low productivity etc. Global competition and non availability of adequate finance are the serious challenges of industries that affect their operational efficiency in long run. In spite of these challenges, the changing policy environment and growing competitiveness the Indian industry has resulted into significant growth of industries of all types and categories in the last two decades. This paper specially studies the industrialization of India with special reference to Maharashtra state, containing the period from 1991 to 2010.

1.2 Industrial Investment

The following Table 1 containing the details of approved industrial proposals in major states of the country.

Table 1
Approved Industrial proposals in major states of India
(August, 1991 to August, 2010)

State	No. of Proposals	Investment (Rs in Crore)	Per cent share in India	Employment (Lakh)	Per cent share to India
Gujarat	10,666	8,59,787	11.8	19.5	9.9
Maharashtra	16,140	6,95,516	9.5	30.2	15.3
Andhra Pradesh	7,237	6,94,640	9.5	13.7	6.9
Tamil Nadu	8,502	3,54,710	4.9	23.8	12.0
Uttar Pradesh	7,380	2,26,232	3.1	19.4	9.8
India	91,598	72,87,324	-----	197.9	-----

Source: 1) Directorate of Industries, GoM
2) Economic Survey of Maharashtra 2010-11, p 107

The Maharashtra State continued to attract highest industrial proposals resulting into maximum generation of employment compared to other States in the Table 1. The State's share in proposed investment and employment in the country is 9.5 and 15.3 per cent respectively during the period of August, 1991 to August, 2010.

1.3 IEM/LOI/EOU, FDI and MOU

Table 2 contains details of industrial projects in the State of Maharashtra. In total 20,484 industrial projects, including FDI projects with an investment of Rs.9, 20,121 Crore have been approved for setting up new industries in the State during the period of ten years i.e. August 1991 to August, 2010. By the end of August, 2010, with an investment of Rs. 1, 95,407 Crore and 8,322 number of projects were commissioned with 8, 45,723 numbers of employment.

Table 2
Category wise details of projects in the State of Maharashtra
(August, 1991 to August, 2010) (Rs Crore)

Category of Projects	Approved			Commissioned		
	No.	Investment	Employment	No.	Investment	Employment
IEM/LOI/EOU	16,104	6,95,516	30,24,378	6,657	1,52,716	8,45,723
FDI	4,175	83,779	N.A.	1,665	42,691	N.A.
MOU	169	1,40,826	2,13,485	-	-	-
TOTAL	20,484	9,20,121	9,20,121	8,322	1,95,407	8,45,723

Source: 1) Directorate of Industries, GoM

2) Economic Survey of Maharashtra 2010-11, p 108

Note: IEM – Industrial Entrepreneurship Memorandum, LOI – Letter of Intent,
EOU – Export Oriented Unit, FDI – Foreign Direct Investment,
MOU – Memorandum of Understanding

1.4 Special Economic Zones (SEZ)

Table 3 containing details of Approved and Notified Special Economic Zones (SEZs) in the State of Maharashtra.

Table 3
Proposed Investment and Employment in Approved and Notified SEZs (Up to 31st December, 2010)

Division	No		Area (Ha)		Proposed Investment (Rs. Crore)		Proposed Employment (in Lakh)	
	Approved	Notified	Approved	Notified	Approved	Notified	Approved	Notified
Konkan	73	27	25,291	2,407	1,25,422	32,396	43.25	9.45
Pune	41	20	5,224	2,462	45,033	34,639	10.68	5.47
Nashik	7	1	1,376	1,007	3,083	1,380	2.25	2.25

Aurangabad	12	7	3,759	786	3,855	1,775	1.52	0.31
Amravati	3	3	1,318	1,318	2,776	2,776	0.40	0.40
Nagpur	7	5	2,998	1,888	8,818	4,172	5.46	3.92
Total	143	63	39,966	9,868	18,987	77,138	63.6	20.80

Source: 1) Directorate of Industries, GoM
2) Economic Survey of Maharashtra. 2010-11

The Maharashtra State has adopted the Special Economic Zone (SEZ) policy with effect from 10th February, 2006 and is implementing the SEZs so as to boost and improve the economic growth of the State. Up to 31st December, 2010 in total 143 SEZ were approved by the Central Government out of which Nashik has 7 Approved and 1 Notified SEZs. The state has Approved SEZs with 39,966 Ha areas and 63 of them are Notified SEZs with 9,868 Ha areas in which proposed investment shows amounting to Rs. 18,987 Crore and Rs. 77,138 Crore for Approved and Notified SEZ by government respectively. On the other side the Approved and Notified SEZs has proposed employment at 63.6 Lack and 20.8 lacks respectively.

1.5 Co-operative Industrial Estates

Table 4 contains the status of co-operative industrial estates in the State of Maharashtra. The State Government has undertaken a programme of developing industrial estates in areas other than MIDC too i.e. on a co-operative basis with the view to generate more employment opportunities and providing several facilities in terms of contribution to share capital and technical guidance, value addition, export generation and expansion etc. for establishing industries.

Table 4
Status of Co-operative industrial estates
(As on 30th November, 2010)

Region	Registered	Functioning	Industrial units in operations	Employment
Greater Mumbai	4 (2.8)	3 (3.0)	1,224 (17.5)	15,123 (12.2)
Konkan (excluding Greater Mumbai)	14 (9.9)	12 (11.9)	500 (7.1)	9,950 (8.0)
Nashik	33 (23.2)	28 (27.7)	1,450 (20.7)	39,294 (31.7)
Pune	45 (31.7)	38 (37.6)	3,000 (42.8)	51,250 (41.4)
Aurangabad	26 (18.3)	13 (12.9)	455 (6.5)	4,460 (3.6)
Amravati	10	3	85	670

	(7.0)	(3.0)	(1.2)	(0.5)
Nagpur	10	4	295	3,120
	(7.0)	(4.0)	(4.2)	(2.5)
Total	142 (100.0)	101 (100.0)	7,009 (100.0)	1,23,867 (100.0)

Source: 1) Directorate of Industries, GoM

2) Economic Survey of Maharashtra, 2010-11, Page No.109.

Note: Figures in bracket shows per cent to total.

There are 142 co-operative industrial estates in the State of Maharashtra till 30th November, 2010 in which 33, representing 23.2 per cent industrial estates were registered in Nashik region out of which 28, representing 27.7 per cent were functioning with 1,450 units (20.7 per cent) in operation and 39,294 Lakh (31.7 per cent) in employment.

1.6 Maharashtra Industrial Development Corporation (MIDC)

Following is the Table 5 covering the details regarding MIDC areas in the State of Maharashtra.

In order to achieve planned and systematic industrial growth throughout the State, Maharashtra Industrial Development Corporation (MIDC) has developed industrial areas with essential infrastructure like internal roads, water, electricity and other internal services for entrepreneurs. As on 31st March 2010 Nashik region has 6,057 industrial units established showing 10.9 per cent increase as compare to last year. The total investment stood at Rs. 2,151 Crore with 0.55 Lakh employment showing 28.3 per cent and 14.6 per cent change respectively as compare to last year.

Table 5
MIDC at a glance (as on 31st March, 2010)

Region	Industrial Units								
	No.			Investment (Rs. Crore)			Employment (Lakh)		
	2009	2010	Per Cent	2009	2010	Per Cent	2009	2010	Per Cent
Greater Mumbai	305	305	0.0	1300	1400	7.7	1.35	1.20	-11.1
Konkan (excluding Greater Mumbai)	10365	10821	4.4	8353	16529	97.9	2.35	2.55	8.5
Nashik	5461	6057	10.9	1677	2151	28.3	0.48	0.55	14.6
Pune	7593	7603	0.1	18093	20032	10.7	3.11	3.07	-1.3

Aurangabad	4158	4479	7.7	1814	4303	37.2	0.51	0.53	3.9
Amravati	1409	1441	2.3	716	768	7.3	0.19	0.19	0.0
Nagpur	2422	2649	9.4	7707	8609	11.7	0.66	0.66	7.6
Total	31713	33355	5.2	3966	53792	35.6	8.65	8.65	1.7

Source: 1) MIDC, GoM

1.7 Index of Industrial Production (IIP)

The growth of the industrial sector is measured through Index number of Industrial Production (IIP). The group wise All India IIP for the period April to December, 2009 and April to December, 2010 are given in following Table 7 with the base year as 1993-94.

The present index of industrial production covers mining, manufacturing and electricity sectors. The Central Statistical Organisation (CSO) compiles monthly All India Index of Industrial Production and releases it on regular basis.

Table 6
Index of Industrial Production in India
(Base year 1993-94=100)

Item	Weight	IIP (April to December)		Per cent growth over corresponding period of previous year	
		2009	2010@	2009	2010@
General Index	100.00	304.7	331.0	8.6	8.6
Mining	10.47	184.9	199.1	8.7	7.7
Manufacturing	79.36	329.4	359.3	8.9	9.1
Electricity	10.17	235.2	246.3	5.7	4.7

Source: 1) Central Statistical Organisation, Gol,
2) Economic Survey of Maharashtra 2010-11

@ Quick estimates

As per this index, the average growth during April to December, 2010 stands at 8.6 per cent, for Mining 7.7 per cent, for Manufacturing 9.1 per cent and for Electricity it stands at 4.7 per cent.

1.8 Annual Survey of Industries

Annual Survey of Industries (ASI) covers all factories registered under Factories Act, 1948 and Bidi and Cigar establishments registered under Bidi and Cigar Workers (Conditions of Employment) Act, 1966. Selected information on industries in the State of Maharashtra vis-a-vis All India is given in following Table 8

Table 7
Selected information of industries in Maharashtra vis-à-vis India

(Rs. Crore)

Particulars	2006-2007		2007-2008		2008-2009	
	Maharashtra	India	Maharashtra	India	Maharashtra	India
Industries (No.)	18612 (12.9)	144710	18304 (12.5)	146385	20448 (13.2)	155288
Fixed Capital	121450 (16.9)	715092	137292 (16.2)	845132	178383 (17.1)	1041968
Working Capital	43587 (15.4)	282238	46935 (14.8)	316953	49274 (15.4)	319557
Total Output	476657 (19.8)	2407658	519939 (18.7)	2775709	600127 (18.4)	3269552
Total Input	369855 (18.9)	1948332	397347 (17.9)	2222953	471160 (17.7)	2667770
Gross value added	106802 (23.3)	459326	122593 (22.2)	552756	128967 (21.4)	601781
Net value added	95376 (24.2)	394871	110538 (22.9)	481593	114284 (22.0)	518490
Employment (No.)	----	----	953097 (11.6)	8198110	2032625 (23.1)	8787338
Profit	63215 (26.3)	240570	75496 (25.4)	297576	67131 (23.4)	286394

Source: 1) Central Statistical Organisation, Gol,
 2) Economic Survey of Maharashtra 2009-10 and 2010-11
 Note: Figures in bracket shows per cent to India.

The results of ASI data show that the State of Maharashtra had a share of 13.2 per cent of the total registered industries in India during 2008-09. The contribution of the State of Maharashtra in total value of output was 18.4 per cent while that in the gross value added was about 21.4 per cent. On the other side the contribution towards employment was about to 23.1 per cent during the same period i. e. 2008-09.

1.9 MSMEs and Large Enterprises

The manufacturing and services categories of enterprises have been classified into Micro, Small, Medium and Large enterprises based on their investments in plant and machinery for manufacturing enterprises and on equipments in the case of enterprises providing or rendering services. The details about Micro, Small and Medium Enterprises (MSMEs) and large enterprises are given in following Table 9

Table 8
Details of MSME and Large Enterprises (as on 30th December, 2010)

Region	(Number)			
	MSME	Employment	Large Enterprises	Employment
Mumbai	14,923 (9.0)	2,14,126 (16.5)	211 (8.0)	97,595 (14.8)
Konkan (Ex. Mumbai)	18,696 (11.3)	2,42,706 (18.7)	777 (29.6)	1,08,042 (16.3)
Nashik	24,215 (14.7)	1,81,622 (13.9)	256 (9.8)	76,369 (11.5)
Pune	75,106 (45.5)	3,73,331 (28.7)	766 (29.2)	2,47,621 (37.4)
Aurangabad	11,824 (7.2)	1,07,861 (8.3)	269 (10.2)	57,510 (8.7)
Amravati	5,607 (3.4)	43,544 (3.3)	70 (2.7)	10,890 (1.6)
Nagpur	14,843 (8.9)	1,37,757 (10.6)	276 (10.5)	63,617 (9.6)
Maharashtra	1,65,214	13,00,947	2,625	6,61,644

Source: 1) Directorate of Industries, GoM,

2) Economic Survey of Maharashtra 2010-11

Note: 1) Figures in bracket shows per cent to Maharashtra.

2) @ As proposed in MOUs (Memorandum of Understanding.)

Nashik Region had a share of 14.7 per cent of total MSME in the State of Maharashtra till 30th December, 2010; whereas employment in MSME Sector had a share of 13.9 per cent of total Maharashtra. Total large Enterprises in Nashik region had 9.8 per cent showing 11.5 per cent of total employment in Maharashtra. In total the Maharashtra State has 1, 65,214 Micro, Small and Medium Enterprises (MSMEs) and 2,625 Large Scale Enterprises as on 30th December, 2010.

1.10 Un-organised Manufacturing Enterprises (2005-06)

Division wise number of enterprises, workers and annual Gross Value Added per enterprise as well as per worker are given in following Table 9

Table 9
Details of Un-organised Manufacturing Enterprises (2005-06)

Division	Number (Lakh)		Annual Gross Value Added (Rs)	
	Enterprises	Workers	Per Enterprise	Per Worker
Konkan	3.96	12.82	1,85,429	57,360
Pune	2.22	4.92	86,524	39,080

Nashik	1.15	2.13	77,605	42,055
Aurangabad	1.23	2.08	51,220	30,310
Amravati	0.92	1.40	37,368	24,538
Nagpur	1.50	2.75	42,370	23,050
Maharashtra	10.98	26.09	1,07,206	45,133

Source: 1) DES, GOM.

2) Economic Survey of Maharashtra 2010-11

Besides the organised sector of industry, the un-organised sector also plays an important role in the economy of the State of Maharashtra. The estimates based on the central and state sample together for the survey on "Un-organised Manufacturing Enterprises" conducted by National Sample Survey Organisation (NSSO) show that during 2005-06 there were 10.98 Lakh enterprises located in the state with 26 Lakh workers in employment. The Gross Value Added per enterprise was noticed to be Rs. 1, 07,206 Lakh while the Gross Value Added per worker was Rs. 45, 133.

1.11 Exports from Maharashtra

Exports from the State of Maharashtra and India are given in following Table 11 The main products exported from the State are gems and jewelry, software, textiles, cotton yarn, readymade garments, , metal and metal related products, engineering items, agro based products, plastic and plastic items and drugs i.e pharmaceuticals items.

Table 10
Exports from Maharashtra and India

Year	Maharashtra (Rs. Crore)	India (Rs. Crore)
2003-04	85,916 (24.6)	3,49,617
2004-05	1,93,832 (44.6)	4,34,979
2005-06	1,13,700 (25.0)	4,54,800
2006-07	1,42,944 (24.9)	5,71,779
2007-08	1,72,846 (26.9)	6,40,172
2008-09	2,26,794 (26.9)	8,39,978
2009-10	2,28,184 (27.0)	8,45,125

Source: Directorate of Industries, GoM,

Note: Figures in brackets indicate per cent to India

The exports from Maharashtra showed continuous growth rate. During 2004-05 the export showed remarkable growth at 44.6 per cent. During the year 2009-10 the share in export of the State worked out at 27.0 per cent.

Conclusion

With this paper it is concluded that, the changing policy environment and growing competitiveness the Indian industry has resulted into significant growth of industries of all types and categories in the last two decades i.e 1991 to 2010

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