Role of Industrial Sector in the Economy of Haryana

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Abstract
The aim of this paper is to highlight the contribution of the industrial sector in the economic development of Haryana. Industries are the important key for the development of any economy. Industrial development contributes to the Gross Domestic Product to the great extent. Haryana has attained the significant position in the production of passenger cars, cranes, two-wheelers and tractors. The state is the third largest exporter of software products. The development of industrial setup in Haryana is helpful for the economy because this sector is providing the employment opportunities, infrastructure, entrepreneurship culture and business of foreign trade.

Key Words: Small Scale Sector, Gross Domestic Product, Gross State Value Added.

Introduction
Industries play important role in the economic development. Industrial sector is the important component of economic environment. The population engaged in industrial sector is regarded as the important factor for distinguishing the developed and developing economy. All the industrial sectors viz. small scale sector, medium scale industrial sector and large industrial sector contribute in the gross domestic product (GDP) in the significant manner. For creating the sound base of infrastructure in the country, the manufacturing process is needed. The growth of core industrial sector is necessary for the growth of economy. Various core industries include eight industrial sectors comprising coal industry, crude oil industry, natural gas industry, refinery industry, fertilizer industry, steel industry, cement industry and electricity industry. The development of all other important industries is based on the development of core industrial sector.

Industrial sector can also be divided on the two broader categories i.e. manufacturing industries and services industries. Manufacturing industries are those industries which produce the goods for the consumption.
The examples of these types of industries are Automobile industry, Cement industry, Footwear industry and Textile industry etc. Services industries provide various services. The example of these industries is the banking sector, insurance sector, education sector and IT sector etc. Industrial sector provides employment, entrepreneurship, products, profits, investment and revenue to the various sectors of the society and the Government.

**Objectives of the Study**
The main objective of this paper is to highlight the contribution of the industrial sector in the economic development of Haryana. Industrial sector supports the economy in the various forms. For identifying the role of the industrial sector in the economy of the state, the growth of the industrial sector of Haryana is considered in this paper.

**Research Design**
Present study is based on three main parts. First part of the study includes the introduction of the industrial sector. Middle section presents the contribution of the industries in the economy of Haryana. Ending segment includes the conclusion part which is the essential part of this paper. Secondary data have been used for analyse the role of the industrial sector. This study is of descriptive nature which can not be applied in particular industrial sector.

**Industrial Sector of Haryana**
Haryana is the smallest state of the country from the point of view its geographical nature. But the state is having strong industrial base. Various districts of Haryana are famous for their industrial growth. Scientific industry of Ambala, Timber industry of Jagadhri, Automobile industry of Faridabad, IT industry of Gurugram, Paper industry of Yamunanagar, Textile industry of Panipat are the famous industries. Ambala is famous as the City of Scientific Instruments. The small scale scientific industrial units of this district manufacture nearly 34 percent of the total production of the scientific instruments produces in the country. Haryana has attained the significant position in the production of passenger cars, cranes, two-wheelers and tractors. The state
is the third largest exporter of software products. The small, medium and large scale industries have attained significant growth in Haryana from the year of its inception in the significant manner. Table 1 depicts the growth of industrial sector in Haryana.

Table 1: Growth of Industrial Sector in Haryana

<table>
<thead>
<tr>
<th>Year</th>
<th>Small Scale Industrial Units</th>
<th>Large and Medium Industrial Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-67</td>
<td>4,753</td>
<td>162</td>
</tr>
<tr>
<td>1980-81</td>
<td>26,706</td>
<td>291</td>
</tr>
<tr>
<td>2000-01</td>
<td>74,170</td>
<td>1,095</td>
</tr>
<tr>
<td>2013-14</td>
<td>88,014</td>
<td>1,654</td>
</tr>
</tbody>
</table>


Table 1 depicts that in 1966-67, there were only 4,753 small industrial units in the state which have increased to 88,014 in 2013-14. Similarly only 162 large industrial undertakings were in existence in 1966-67 which has increased to 1,654 in 2013-14. Small scale sector has attained important growth in the state. Small industrial units of the state are manufacturing various types of products ranging from the ordinary consumer products to advanced industrial products. Small industrial units are utilizing the local resources in the effective manner. These units are employment oriented units. The state has become the preferred destination of the domestic and foreign investors.

Fig 1: Gross State Value Added (GSVA) from Industrial Sector in Haryana (At 2011-12 Prices) in Rs. Crore
Source: Economic Survey of Haryana, 2015-16

Above figure shows that the GSVA from industrial sector in Haryana was only Rs. 85859.44 crore in 2011-12 which has increased up to Rs. 110592 crore in 2015-16. Industrial sector is progressing at fast by contributing significantly to the Gross State Value Added.

Many industrial estates, industrial parks, industrial model townships and theme park have been established by the Government in which various promotional facilities are available for the entrepreneurs. These industries are having progressive front in these estates. Industrial units in Special Economic Zones (SEZs) are promoting the foreign trade of Haryana to the great extent. There is huge demand of the textile and scientific products of the state in many foreign countries. Government of Haryana has implemented Enterprises Promotion Policy-2015(EPP-2015) for giving a boost to the industrial sector in the state under ‘Make in India’ programme.

Discussion

Industrial sector of the state is developing the growth path for the economy. All the small, medium and large sector industrial sectors of Haryana have attained significant growth in all types of products. Haryana is the largest manufacturer of the passenger cars and the motorbike. Maruti Suzuki Motor Company is the world famous company. Industrial sector of Haryana is contributing in the following areas significantly (a). Increase in Production:

Industrial sector is increasing the production of goods and services day by day. Increase in production increases the per capita income and state income. Excess production increases the opportunities of export. Foreign trade is essential for earning the foreign exchange reserves. (b). Employment Creation: Industrial sector of is providing the employment the large segment of the population. Industrial creates employment for the managers, supervisors, foremen and workers. (c). Entrepreneurship: Industrial development of Haryana is promoting the entrepreneurship in the state. (d). Infrastructure: This growth of industrial sector is accelerating the various types of infrastructural facilities in Haryana for the various sectors such as education, health, social welfare and other services sectors. (e). Foreign Trade: Industrial development of the state is encouraging the foreign trade by increasing the production. Hence industries of Haryana are contributing significantly in the economic development of Haryana.

References


