

UTTAR PRADESH THE GROWTH MANTRA

U.P.'S MARCH TO \$1 TRILLION ECONOMY

CM Yogi Adityanath's Vision
Aims to Transform U.P. into
an Economic Powerhouse

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Boyed by the high growth rates achieved by Uttar Pradesh in the last one year, Chief Minister Yogi Adityanath has set into motion the broad roadmap for the state to become a \$1 trillion economy. Accordingly, economic and industrial policy of the state has been geared up to provide all major sectors the direction for turning Uttar Pradesh into an economic powerhouse. Over the next five years, the state machinery is focused on execution mode to effect the changes that is set to transform India's most populated and crucial state.

The vision for preparing the recipe for \$1 trillion dream has been spelt out. Among the sectors that the state wants to focus on are IT & IT-enabled Services, manufacturing, spiritual tourism, and agriculture. It is the garnishing on the recipe that makes for an interesting reading. In addition, the state is also expected to focus on energy, health, urban development, education, food processing, and MSME sectors.

As policymakers in the state pursue their goals, it is also tying it up with some of the issues around the national agenda. It will ensure the resources the state needs to effect the changes are available in abundance.

“I visit other states as a member of the FICCI National Executive Council. During several of these conversations with industrialists from other states, I get the feeling that their interest in Uttar Pradesh for business has improved. Some of that is bound to show up in investments in the state
MANOJ GUPTA
Chairman, MKU



Prime Minister Narendra Modi, U.P. Governor Anandiben Patel, U.P. Chief Minister Yogi Adityanath, Union Defence Minister Rajnath Singh

The new U.p. Model

9.6
million MSMEs
to get a boost
with enhanced
focus

Develop UP as
the hub for
green energy

Make Lucknow
the country's
first AI hub

PUSH ACROSS INDUSTRY SECTORS

Marinating the brightest ideas across these sectors could help leverage the emerging opportunities. Prime Minister Narendra Modi committed at COP26 in 2021 that India will generate 500 GW of renewable energy by 2030, meeting half of its energy needs.

UP has taken a cue from the commitment and seeks to build the state to be one of the centres of renewable energy. As India takes off with renewable energy, Uttar Pradesh wants the state to be the hub for green energy in the country. It has identified the potential for solar energy at 22.83 GW with a total installed capacity of 29,058 MW. The Yogi government has drafted the solar energy and bioenergy policies to leverage the true potential of the state in renewable energy.

By providing a robust incentive package, the state government is attracting widespread interest from solar open access developers and consumers.

To become a pioneer in solar energy, policymakers in UP are not leaving any stone unturned. With its operational capacity of 2013 MW of thermal power currently, the state's policy is working towards using sugarcane and rice husk as raw materials for producing power. Large tracts of land parcels are being identified, with focus on the Bundelkhand region, for setting up mega solar parks.

While renewable energy is expected to power industries in the state, the people could ride the opportunity being created with improved industrialisation. With 56 percent of the 24 crore population under the working age group, the skilling opportunity cannot be overstated. To understand the needs of the people, the state government has launched an employment mission focused on skill mapping & grading while creating a bridge between industry & labour. 20 SEZs have been sanctioned for various industries, including IT & ITeS, textiles, handicraft and non-conventional energy.

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NEW HOME FOR KNOWLEDGE WORKERS

With \$250 billion in export revenues, UP's IT services sector and the technology talent that it can boast of, is among India's best-known exports. The ingredients of the technology services recipe have been perfected by India as a country and Uttar Pradesh wants to partake on that growth opportunity. With 40 IT & IT-enabled Services, 25 special economic zones (SEZ) and nine government-supported incubators for startups, UP is creating the opportunity for tomorrow's technology talent to find a new home. Two of the 40 SEZs are dedicated to the fast-growing biotechnology sector.

The IT & ITeS sector employ about 11 lakh people in the state. The scale of opportunity for the technology worker could get a new meaning. The state government has also proposed to extend financial assistance towards the development of green field IT parks in every division of the state. The four regions of the state – Poorvanchal, Madhyanchal, Bundelkhand and Paschimanchal – could each have one IT cluster.

Policymakers aim to transform the IT ecosystem to make it as one of the centres for global operations, with world class infrastructure and talent.

EASE OF DOING BUSINESS

One of the most vital changes the Yogi Adityanath Government has brought about in the last 6 years of

INVESTMENT SIZE WISE

203

Rs 2,000 Cr &
above

46

Rs 1,500-
2,000 Cr

56

Rs 1,000-
1,500 Cr

261

Rs 500-
1,000 Cr

1,023

Rs 100-500 Cr

17,469

Rs 0-100 Cr

* Size of MoI is signed

MOUs
SIGNED
20,652

UPGIS
2023

ESTIMATED
EMPLOYMENT
1 crore +

INVESTMENT
(RS CRORE)
Rs 40
Lakh Crore

Global Investor Summit in 2023 is testimony to the state's growing pro-business outlook. Investment proposals worth more than Rs 40 lakh crore were received during the summit and 20,652 MoIs were inked. These have the potential to create more than 1 crore employment opportunities in the future.

Perhaps the most distinctive feature of the investor summit in Uttar Pradesh in 2023 is that investors were no longer limited to the Noida and Greater Noida region and were scouting for opportunities across the entire state.

THE MANUFACTURING OPPORTUNITY

After realising the vast potential of manufacturing and its cascading impact on the overall economy, government policies are providing a major fillip to the same. In fact, Uttar Pradesh is already now a major player in the mobile manufacturing segment and has set its sights on defence manufacturing. Uttar Pradesh will house one of the two defence corridors in India and is offering policy roadmap for defence manufacturers. The corridor is spread across 6 nodes namely – Lucknow, Kanpur, Jhansi, Agra, Aligarh, Chitrakoot, which spreads across Central, Eastern and Western regions of Uttar Pradesh. The corridor, which will accelerate India's efforts to boost indigenous defence production, will offer Uttar Pradesh the opportunity to be a sizable player in the manufacturing space.

As India's largest state, Uttar Pradesh has an important role and responsibility to lift India's economic prospects. If UP does become the first state to reach the \$1 trillion mark, it can propel India's ambition to be a \$5 trillion economy in the near future.



“Establishment of dedicated AI R&D and Innovation Hubs across the state. Dedicated

hubs can focus on building skills and capabilities in AI by promoting initiatives related to the same through collaboration between enterprises, start-ups and academia. These hubs also can be the nodal centres to promote AI adoption in government bodies and SMEs by showcasing relevant use-cases and handholding user entities

VINOD SOOD
MD, Hughes Systique



“The entire world is looking at a China +1 strategy and UP could be one of the best choices

for understanding the needs of the customers. I see a big opportunity for the engineering and automotive sector, which can also bring in the ancillary units. The availability of labour is an area where UP scores very well over other states. A review of labour laws could make it more attractive

RAJESH NIGAM
Co-Chair, PHDCI UP State Chapter

