

Uttar Pradesh: A hotspot on development map

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Once a 'BIMARU' state in the 1980s, Uttar Pradesh has come a long way and now boasts of some of the best infrastructure in the country, the swankiest malls, foreign investment, IT companies and a new, upcoming defence manufacturing hub.

With a population of about 24 crore, had UP been a country, it would have been the fifth largest in the world. While that comes with its own logistical problems, the sheer number of people, combined with investment friendly policies, opens up not just one of the biggest markets for companies but also has a ready supply of manpower.

UP has come to be recognised as an important state for investments, business and tourism, supported not just by the existing natural resources, its fertile land, local art, craft and culture, but an investment friendly

environment that has seen the state pocket some of the most enviable projects in recent years. The right policies and support by the government may well see the state emerge as the next big destination for business and leisure.

Successive governments have developed parts of the state with the emphasis for the longest time on western UP. The current BJP dispensation, keen to project development as a cornerstone of its regime, has focussed on construction of expressways and airports, many of which are still under construction.

Several policy changes have propelled UP to the second position among states in ease of doing business rankings. With that has come investments of thousands of crores. As UP becomes a favourite spot for the film industry, a Film City has been proposed near the upcoming Noida International Airport. Samsung has opened up its biggest display unit production in Noida while several foreign companies are making a beeline for the state, attracted by the government's promises of improved law and order, a pro-active industrial development department and better connectivity.

In the coming years, UP is expecting an exponential growth in the hospitality sector, especially with the government's focus on developing religious tourism. A look at some of the reasons that could push UP into emerging as the cultural and economic hub of the country:

Ease of Doing Business

Uttar Pradesh jumped 12 positions since 2017 to settle at the second spot in ease of doing business in the country. The remarkable change has come about due to about 500 reforms over multiple sectors and departments to simplify processes, bring systems online, review laws and policies and enact labour reforms, especially in light of the Covid-19 pandemic.

Among a major change implemented by the government was the introduction of a single window online clearance system, called Nivesh Mitra. It provides the facility for digital clearances to start and operate a business in the state. Currently, more than 340 services of 27 departments are being provided through its online platform. It has been developed as a complete end-to-end online system eliminating the requirement of any human interface between applicants and departments. So far, Nivesh Mitra had received 4.9 lakh applications from entrepreneurs, of which 4.7 lakh applications have been disposed. The portal has now been integrated with a similar initiative launched by the central government, MAADHYAM, a national single window for foreign investors.

Under a mandate by the Department for Promotion of Industry and Internal Trade and the Ministry of Finance, UP has also implemented the District Reform Action plan. "Due to this, the state has received Rs 4,851 crore as additional borrowing on completion of reforms facilitating ease of doing business and ensuring additional borrowing of 2% of GDSP to the state," said an official. The reforms were implemented in over 25 departments including agriculture, food & civil supply, medical health & family welfare, geology & mines, and entertainment tax. A dedicated agency, 'Invest UP' is also in place to provide handholding to investors.

Policy Interventions

In an effort to promote certain sectors by giving concessions and subsidies, UP government has come out with 20 sector-wise policies. Formulated over the past four years, many of them underwent a change after the first wave of Covid-19 in order to suit the changing industrial environment and to attract foreign investment that was moving out of China.

The first policy released was the Industrial Investment & Employment Promotion Policy (IIEPP) in 2017. Subsequently, other policies that were issued included Warehousing & Logistics Policy 2018, Aerospace & Defence Policy 2019, IT Policy, Electronics Policy 2017 etc. These policies, aimed at promoting specific sectors, offer incentives like land subsidy, capital subsidy, interest subsidies, concessions for investment in Bundelkhand and Purvanchal among others. Under the IIEPP policy, the state government received investment applications of Rs 13,918 crore. The new Electronics Policy saw investment of Rs Rs 1,200 crore, Rs 2,475 crore and Rs 10 crore under the old and new Startup Policy respectively, Rs 607 crore under the Logistics Policy and Rs 1,404.33 crore under the Defence Policy.

Post Covid-19, facing a very different investment environment, the government first tweaked existing policies and then brought out some new ones. A Data Centre Policy was launched to attract investments worth Rs 20,000 crore. The Startup policy 2020 was launched to promote non-IT based start-ups.

Religious Tourism

With the construction of the Ram Temple in Ayodhya, the government is keenly pushing religious tourism in a big way in UP. Besides drawing up plans to develop new religious sites, it is also focussed on developing existing pilgrimage sites by improving infrastructure, making available tourism amenities, focussing on sanitation at such places etc.

In November, PM Narendra Modi inaugurated the Kushinagar airport, which will provide a significant boost to Buddhist tourism in the area. "The expected influx of tourists leads to construction of hotels, development of more tourist activities, generation of local employment and improvement in economy. There is a huge scope for investment in the hospitality sector in UP at the moment," said a senior official of the tourism department.

Work, said the official, has been taking place over the past four years to develop religious sites like Lord Ram's 'Taposthali' in Chitrakoot, Naimisharanya, and the Shakti Peetha at Vindhyachal. Sites associated with specific belief or religion are being developed as circuits, linked with expressways or airports, like the Ramayana circuit, Braj circuit, Mahabharat circuit, Jain circuit and Buddhist circuit. "It has become easier to market such circuits as packages relevant to these can now be drawn up," said a tour agent. Premises of temples are being renovated and redeveloped with proper roads and parking facilities.

Defence Corridor

UP boasts of one of the only two defence corridor projects sanctioned in the country. The corridor will connect Bundelkhand with west UP, drawing in strength from the state's massive micro, small and medium industries which are being sought to work as ancillary units and the existing ordnance factories. The corridor will have six nodes, based on manufacturing hotspots. These are Aligarh, Agra, Jhansi, Chitrakoot, Kanpur and Lucknow. The entire land parcel in the Aligarh node has been allocated to 19 companies and work has commenced there for creation of infrastructural facilities.

"UP is expecting generation of around 2.5 lakh employment opportunities and a total investment of about Rs 50,000 crore," said Awanish Awasthi, CEO of the UP Expressways Industrial Development Authority. The corridor has been planned over 5,000 hectare, of which 1,445 hectare has been acquired. IIT- Kanpur has been appointed as the Technology Partner. Around 37 MoUs have already been inked for investment in the corridor. Where the Aligarh node will see manufacturing of small weapons, ammunition, aerospace metal components, anti-drone system and defence packaging, a Rs 300 crore investment has been proposed for Lucknow under which BrahmosNG missiles will be manufactured in this node. Another MoU has been signed with Bharat Dynamics Ltd for an investment of Rs 400 crore to establish a missile propulsion system factory at Jhansi.

Connectivity

UP can currently claim to have the longest length of functional and under construction expressways in the country. The Purvanchal Expressway was recently inaugurated by PM Narendra Modi and the Bundelkhand Expressway is likely to be ready by the year-end, well in time to be inaugurated before the code of conduct comes into place. An international airport in Kushinagar was also inaugurated recently while the foundation stone laying ceremony for the Noida Airport was held on November 25.

The 341-km long Purvanchal Expressway connects major eastern exporting hubs like Ghazipur, Azamgarh, Amethi, Sultanpur to Lucknow. An airstrip has been developed on the expressway in Sultanpur for emergency landing by Air Force aircraft. The 296-km long Bundelkhand Expressway will connect districts like Chitrakoot, Banda, Mahoba, Hamirpur, Jalaun, Auraiya and Etawah to the Agra-Lucknow Expressway and provide rapid connectivity to the Bundelkhand region. The Gorakhpur Link Expressway will connect major exporting hubs in and around Gorakhpur to the Purvanchal Expressway and eventually to Lucknow. The project is slated for completion by December, 2023.

The 594-km long Ganga Expressway, touted to be the longest in the country, will connect eastern UP with western UP, covering districts like Meerut, Hapur, Bulandshahr, Amroha, Sambhal, Badaun, Shahjahanpur, Hardoi, Unnao, Rae Bareilly, Pratapgarh and Prayagraj. An airstrip at Shahjahanpur has been proposed for emergency landing of combat aircraft. UP also boasts of an inland waterway which will eventually connect Prayagraj with Haldia in West Bengal. The Haldia-Varanasi tract of the waterway has already been inaugurated.

Meanwhile, the government is also focussing on development of airports with the aim of improving regional connectivity. At present, UP has eight operational airports, while 13 airports and 7 airstrips are being developed. The operational airports handling commercial flights are Lucknow, Varanasi, Kushinagar, Gorakhpur, Agra, Kanpur, Prayagraj and Hindon. One airport is coming up in Noida and another has been planned for Ayodhya. In addition, more than 25 domestic routes are being developed under the Regional Connectivity scheme which includes cities like Agra, Kanpur, Aligarh, Bareilly, Chitrakoot, Jhansi, etc.