

All Roads Lead to UP



Bibek Debroy

Ahead of the Uttar Pradesh Global Investors Summit 2023 in Lucknow on February 10-12, UP chief minister Adityanath starts his nine-city nationwide roadshows to draw domestic investors in Mumbai today. Adityanath will be making a pitch for investments in UP, a state actively contributing to GoI's goal of increasing the nation's GDP to \$5 trillion. The state is, in fact, working towards becoming a \$1 trillion economy itself.

The fourth-largest populous state is home to India's largest labour and consumer market of 25 crore citizens. In the last 5-6 years, good governance, infrastructure development and policy reforms have worked to transform its reputation, making it a desirable destination for business and investment.

Along with India's largest railway network, it also has one of the country's biggest national highway networks, with 13 existing and planned expressways. UP will also be the only state in the country to have five international airports. Under the Regional Connectivity Scheme, seven airports have become operational, along with eight others. India's first inland waterway connecting major eastern export centres, such as Prayagraj (Allahabad) and Varanasi with the port of Haldia in West Bengal, are under construction.

GoI's promotion of the development of dry ports to facilitate the movement of goods exported to ports opens up new possibilities. Three hubs are being built: a multimodal logistics centre at Dadri, a multimodal transportation hub at Boraki, and India's first 'freight village' on 100 acres in Varanasi. The hamlet will act as a trans-shipment hub for incoming and

departing goods, linking export hubs in eastern UP with ports in eastern India.

In alignment with GoI's 'vocal for local' vision, over 90 lakh MSMEs are operational in UP with state government support. Schemes like 'One District, One Product' have not only strengthened the local economy but have also set an example for other states.

There are immense opportunities in the agriculture, food-processing and dairy sectors in India's 'food basket'. It is India's largest producer of food grains, milk and sugarcane. It is one of the major textile centres, home to the renowned Bhadohi carpet and Varanasi silk clusters. UP is India's third-largest fabric producer, providing many opportunities in fabric production, weaving, apparel design and manufacturing.

Tourism is another primary sector for investors. The government is developing a dozen circuits — including the Ramayana, Mahabharata and Buddhist circuits — to promote spiritual and cultural tourism. UP contributes about 45% of India's total mobile manufacturing in the electronics and IT/ITeS sectors, with the state government establishing semiconductor manufacturing clusters and fab units.

UP is fast emerging as a major data centre, and has been classified as a 'leader state' by GoI's 2021 Startup India ranking. Over 7,600 startups have been registered in UP as part of Startup India, and six centres of excellence have been approved.

With its focus on 'Reform, Perform and

Transform', UP has emerged as *the* destination for industrial investment. The UP government recently developed over 25 investment-attractive policies that cover industries including tourism, textiles, MSMEs, data centres, electric vehicles, defence and aerospace, and IT-ITeS. It also stands out for well-defined practical policies, stringent law and order, and effective management of investors' protection and prosperity.

For the first time in independent India, the UP government embarked on a global tour with the aim to invite industry. MoUs worth more than ₹7,12,000 crore have been signed. There have been discussions with industry representatives in 21 cities of 16 countries. Huge investments like this are going to pave the way for a great future for the state and country.

UP is successfully leaving its imprint on both India and the world. The potential, development and inventions of the state are becoming apparent to the world. The state government has established a competitive, alluring and encouraging incentive framework through fundamental policy reforms. A choice-based strategy is offered by the recent state industrial policy, which will promote production, employment and exports. The development of several new industries — such as green hydrogen, infrastructure development and circular economy — is also promoted.

In a statement, Prime Minister Narendra Modi stated that UP is a state with the potential to become the 'growth engine' of the country. The state has implemented significant policy reforms and transformed the state's reputation by creating an open system of good governance. The state's 25 crore people accepted this and amplified it to the world through reports and studies. One example has been the recent roadshows held abroad where there was broad consensus on big investments. This is the new Uttar Pradesh of emerging India.



Wah, uPhone!

The writer is chairman, Economic Advisory Council to the Prime Minister (EAC-PM)