

**Inclusive
Development
in
Jammu and Kashmir
(A Way Forward)**

**Tariq A. Kakru
Dy. Director, IMPARD, Sgr**

**Dr. Reva Sharma & Dr. Mushtaq Ahmad,
Director Trainings, J&K IMPA, Jmu/Sgr**

Industrialisation:

- ☐ To what extent industrialization has taken place:
Number and magnitude of industrial activities.**
- ☐ What is the resource-base locally available which offers industrial potential and to what extent has that potential been exploited.**
- ☐ What are the difficulties in the way of industrialization and what is the way forward.**

Has Industrialization taken place in the State:

- ❖ Incidence of unemployment.
- ❖ Growing dependence on Imports.
- ❖ Unexploited potential resource-base.

* Unemployment as a crisis :

- Population increase from 59.87 lakhs in 1981 to 125 lakhs in 2011.
- Work opportunities not keeping pace with increasing population.
- In absence of desirable industrial growth and limited scope in private sector, number of job seekers (unemployed) has increased.
2006 : 1,09,383
2019 : 5,90,661 Matric and above. (Increase rate: 440%)
Source: Live registers of DECCs.

B) Growing dependence on Imports:

Import –Export Ratio : 8 : 1

(Import substitution is a far reaching cry)

Handicrafts, Horticulture, etc are the main export oriented sectors.

C) Unexploited Potential Resource base:

- **Power Generation (Next)**
- **Tourism (Next)**
- **Handicrafts (Next)**
- **Horticulture (Next)**
- **Mineral resources (cement manufacturing)**
- **Sheep and Animal Husbandry**

Power Generation (Hydro):

- Non polluting, environment friendly and economical.
- Against the potential of 20,000 MWs, only 2318 MWs i.e. 14% exploited so far. (758.70 MWs in State sector from 20 power projects and 1560 MWs from three Power projects under Central Sector).
- Power Generation Headways:
 - Five power projects with installed capacity of 1679 MWs under execution by NHPC.
 - Five power projects with installed capacity of 453.61 MWs under execution in State sector.
 - 10 Micro Hydel Projects of 103 MWs in PPP mode under execution.
 - 1000 MW Thermal project is being set up in Katuha by NTPC.

Tourism:

- Tourism having a multiplier effect.
- Three Regions with unique attractions:
 - Kashmir: Natural beauty.
 - Jammu: Place of temples.
 - Ladakh: Moon land for adventure.
- Tourist Inflow:
 - 2019:

Kashmir:	5 lakhs (13 lakhs)
Jammu:	12 lakhs
Ladakh:	.76 lakhs
- Deficiencies:
 - Accommodation facilities.
(construction of Hotels, guest houses, huts, budgeted accommodations, etc.)
 - 20 % of people get direct and indirect employment.
 - Gray areas:
 - Adventure tourism; Heritage tourism, Rural tourism,
Development of untapped destinations,

Handicrafts:

- An important sector in the state's economic structure.
- More labour intensive and less capital intensive.
- World famous handicraft goods.
- 3.74 lakh artisans engaged.
- Handicraft production of Rs. 1500 crore in 2018-19.
- Export of handicrafts in 2018-19 : Rs. 1161.27 crores
-
- Export promotion:

Horticulture:

- **Apple Production 1.74 million metric tonnes in 2017-18.**
- **45 % of economic returns in agriculture sector accounted for horticulture.**
- **Contribution of 7-8% to GSDP.**
- **3.06 lakh hectares of land in horticulture.**
- **Annual turnover of fruit industry is around Rs.3000 crores in case of apple and Rs. 500 crores in case of dry fruits.**
- **Six lakh families are involved involving 30 lakh farmers.**

- **Great scope for fruit processing.**
- **Kashmir Needs 5 crore Cardboard Cartons A Year And Not Even ONE PERCENT Is Manufactured Here**
 - **Against Requirement Of 500 Thousand Ton CS Facility, 12 Ton Available**
 - **Juice Concentrate Capacity Can Easily Be Multiplied Five Times If Fruit Thrown Away By Growers Is Assembled For Free**

Coal and Lignite (Thermal power, brick kiln, etc)

Lime Stone: - Jammu: Udhampur, Doda, Kathua and Poonch.

- Kashmir: Srinagar and pulwama.

(Kashmir limestone better; 9 cement plants, Production is less than demand).

Gypsum: Jammu – Batote; Kashmir – Baramulla
(Jammu Gypsum is better)

Forest: Joinery and Plywood Industry; Sports goods; Rosin and turpentine; Medicinal plants, etc.

Live Stock and industrial potential:

Live stock provide scope for:

- **Skins & Hides for leather industry (Tanneries, footwear, garments)**
- **Market for feed industry**
- **Food habit of kashmiris provides scope for:**
 - Sheep husbandry**
 - Diary farming**
- **Poultry farming**

- **Wide gap exists between local production and demand**
- **80% of red meat & 30-35% of white meat comes from outside**
- **10-20% of total Milk supply comes from outside**
- **80-90% of eggs consumed in the valley come from outside**

- **Mutton Imports Rs. 900 Cr**
- **Post Consumption Hides Sold For Rs.50 Cr that We Buy Again for Rs. 300 Cr As Footwear**

MSME sector:

- **Prominence of MSE Sector in Industrial economies all over the world :**

- **Number of enterprises.**
- **Employment generation.**
- **Industrial production.**

- **Significant characteristics:**

- **Less capital per unit (Capital light).**
- **More employment per unit of capital [1:8].**
- **Use of unskilled labour.**
- **Short gestation period.**
- **Less dependence on infrastructure.**
- **Distribution of economic power.**

Large and Medium Sector: 145 units set up by ending 2009 with an investment of Rs. 4304 crores proving employment to 53353

persons.

Industrial Infrastructure:

Industrial Estates:

Managing Agency	No. of Ind. Estates	No. of units
Directorate of Ind.& Com	30	655
J&K SIDCO	12	1587
J&K SICOP	9	1040
	<hr/>	<hr/>
	51	3282
	=====	=====

No. of Industrial Estates under development: 21

Industrial Growth Centres: Two (Samba and Lassipora)

Institutional Framework with a number of IPAs

•Sickness in Small Scale Sector:

Year	Total no. of regd. units	Jammu	Kashmir	J&K	Status
1995	35,641	3500	5000	-	Untraceable
				4000	close down
				23141	in existence

Source: State Industries Department.

“60.83% of the total SSI units are closed and 39.17% of the units are functional.”

..... All India Industrial Census

“ Of 20,359 units surveyed, 14,534 units were found functional and 5,825 units were found closed or untraceable. “

..... All India Industrial Census

Large scale Industry:

- **Public Sector Is Dead**
- **In 20 Companies That J&K Owned:**
- **Total Investment: Rs. 3200.83 Cr (March 2012)**
- **Accumulated losses: 1390 Cr plus**
- **Yearly wage bill: 186 Cr**

Difficulties :

- political Instability.
- Geographical disadvantage.

Way forward:

- Private investment in Large scale industries.
- Development of Infrastructure.
- Resource mapping and sector specific focus.
- Addressing the issues of social environment.*

Thank You