



Rajasthan

Steady Strides into the Future

Emerging Growth Dynamics and the Way Forward

August 2018

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Rajasthan: Steady Strides into the Future

Emerging Growth Dynamics and the Way Forward



Rajasthan: Steady Strides into the Future

Emerging Growth Dynamics and the Way Forward



Mr. Anil Khaitan

From President's Desk

Rajasthan is one of the fastest growing economies. The state has been witnessing a significant growth path over the last few years. The real GSDP of the state has grown at an average rate of 7.1% during the period FY2013 -2018.

The Net State Domestic Product (at current prices) has also witnessed a growth from Rs. 446382 crore in FY2013 to about Rs. 757483 crore in FY2018. A sound infrastructural foundation is the key to the overall socio-economic development of a state.

In terms of social infrastructure, the state of Rajasthan has a low poverty ratio of 8.3% against a national average of 21.92% which is highly encouraging. Further, the FDI inflows in the region have increased from, US \$50 million in 2015-16 to US \$96 million in 2017-18.

Rajasthan has made significant changes in the field of industrialization in the past few years. The state has traditionally been strong in exports of handicrafts, gems and jewellery, dimensional stones, agro products, and textile products.

In terms of services exports, tourism and hospitality is a key segment in Rajasthan and has immense potential for earning foreign exchange revenue for the State.

PHD Chamber suggests the Rajasthan Government to follow the footsteps of the scheme adopted by the government of Uttar Pradesh as it has taken a very important and innovative decision to implement the concept of '**One District One Product**' to fulfill the prime objective of big scale international branding and marketing of the products famous in the particular state.

Going ahead, the state needs to attract more investments in major sectors, like agricultural produce, handicrafts and handloom, cement, and tourism by framing effective policies that reaches the grassroots.



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Mr. Rajeev Talwar

From Senior Vice President's Desk

Rajasthan is taking significant steps in order to provide better and state of the art infrastructural facilities for the overall economic development in the state.

Industry (secondary) sector has also witnessed a marginal decline in its share in states GSVA from around 30% in FY2014 to around 28% in FY2018.

Rajasthan has made significant changes in the field of industrialization in the past few years. The key industries of Rajasthan are cement, tourism, ceramic, chemicals, textiles, steel, handicrafts, IT and ITeS, and marble.

Rajasthan is the leading manufacturer of silver, copper, rock phosphate, marble, sandstone, limestone, lignite and gold.

The focus of Rajasthan's Industrial Policy is to achieve higher and sustainable economic growth through private investments particularly in services and manufacturing sector.

The industrial policy also focuses on generating employment opportunities for the youth living in the state and on achieving optimal development of human capital and promoting knowledge led growth.

The state government has announced various policies to promote industrialization in the state. Going ahead, there is a need to enhance policy measures so as to attract high level of investments for industrialization and modernization of the state.

We look forward to the government brining in slew of measures to revamp the state's industrial sector to the next level.



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Mr. D.K. Aggarwal

From Vice President's Desk

Rajasthan, with its invincible palaces, tigers of Ranthambhore and intricately carved marble temples of Mount Abu, is one of the most popular destinations in India. It is a colourful state in the true sense right from colourful turbans and bandhini to its food and culture.

This is not all that Rajasthan offers as the state has traditionally been strong in exports of handicrafts, gems and jewellery, dimensional stones, agro products, and textile products. In terms of services exports tourism and hospitality is a key segment in Rajasthan.

Majority of its population derives its livelihood from agriculture directly or indirectly, however services and industry play an important role in its economic growth. The state government has been taking up steps toward the development of the agriculture sector.

The state has a strong tourism base to support the rapid creation of job opportunities. The tourism sector represents key opportunities for inclusive, sustainable and long-term growth as part of the state's structural transformation reforms.

There has been a quantum jump in the revenue generated by the state government from proliferation of educational institutes, hotels and other services like telecommunication, internet and retail stores. Tourism sector has seen a lot of momentum with pumping of investment in this sector.

PHD Chamber suggests the Rajasthan Government to redevelop its heritage tourism in order to increase tourist footfall in the state. Further, the state government should encourage the preservation, conservation and upkeep of such heritage properties as the state offers immense potential for growth of the tourism industry.

Going ahead, I believe, there exist tremendous potential to re-embark on the path of accelerated growth supported with effective and strong reforms in the state.



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Mr. Shruti Nada Poddar

From Chairperson's Desk Rajasthan Committee

Rajasthan is a state where tradition and glory meet in the midst of colours. It is endowed with magnificent forts, palaces, havellies, natural resources, heritage, beauty and culture. With the lofty hills of Aravali-one of the oldest mountain ranges of the world and the golden sand dunes of the Great Indian Desert, Rajasthan is the only desert of the sub-continent.

The economy of Rajasthan is primarily an agrarian economy with a large scope for development of horticulture. It provides additional employment opportunities to the rural people, while diversifying the rural economy to agro processing and other ancillary activities. Besides this, there are good mineral resources, industries, industrial areas and an expanding tourism industry in Rajasthan.

The state of Rajasthan has potential to generate new employment opportunities for the youth by developing sector specific infrastructure, such as developing special economic zones (SEZs) for exports of IT, handicrafts, electronic goods and special purpose industrial parks. The state also has immense potential in generating electricity through various renewable energy resources.

The state is a suitable destination for investments in sectors such as agro-based industries, cement, tourism, etc. Rajasthan's investor friendly policies, peaceful environment, hospitable people, vast and unexplored natural resources, world class medical and education facilities have made it one of the most preferred destinations for national and international investors.

We are confident that the Rajasthan government will harness the potential of the state to its highest level and take it to the pinnacle where it truly deserves to be.



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Mr. Saurabh Sanyal

From Secretary General's Desk

The report "Rajasthan: Steady Strides into the Future" Emerging Growth Dynamics and the Way Forward highlights the socio-economic developments in the state. This report includes current state of economy, infrastructural developments, and performance of various social indicators in Rajasthan and analyses various policy measures on the economic growth of the state and suggests various measures to fostering industrialization in the state.

The state needs to focus on Improving the quality of education, attracting more investments in health sector, hydro power projects, strengthening rural development and development skills in order to enhance the social infrastructure in the state.

The Government must focus on improving quality of infrastructures, enhancing agriculture productivity, post harvest management, reforming manufacturing sector to bolster industrialization.

PHD Chamber has always aimed to be an important stakeholder in the development of the Northern, Central and Eastern states of India and the nation. The Chamber has always been working towards the development of the grassroots and will continue to contribute to growth of the state of Rajasthan. We look forward to working in close coordination with the state government to contribute to the state's growth story.

I commend and appreciate the ardent PHD Research Bureau team led by Dr. S.P. Sharma, Chief Economist, Ms. Abha Chauhan, and Ms. Kriti Khurana, Research Associates, for producing this report.

I congratulate the government for undertaking dynamic reforms and sustaining the growth momentum of the state.





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Executive Summary

Rajasthan is one of the fastest growing economies. The state has been witnessing a significant growth path over the last few years. The real Gross State Domestic Product (GSDP) of state has increased from about Rs. 454564 crore in FY2013 to around Rs. 641940 crore in FY2018. The real GSDP of the state has grown at an average rate of 7.1% during the period FY2013 -2018. The Net State Domestic Product (at current prices) has also witnessed a growth from Rs. 446382 crore in FY2013 to about Rs. 757483 crore in FY2018.

The sectoral contribution in the State's GSVA has witnessed a change over the past few years. Agriculture (primary) sector has witnessed a slight decline in its share in the GSVA to around 25% in FY2018. The Industry (secondary) sector has also witnessed a marginal decline in its share in states GSVA to around 28% in FY2018. Whereas, the share of services (tertiary) sector has increased to around 47% in FY2018.

According to the base series 2011-12, the per capita income of Rajasthan at current prices increased from Rs. 92076 in FY2017 to Rs. 100551 in FY2018 thus, registering an increase of 9.2%. In addition, Fiscal deficit in the state of Rajasthan stands at 5.6% in FY2018.

In order to promote investment in the State of Rajasthan, and generate employment opportunities, the State Government, introduced "The Rajasthan Investment Promotion Scheme, 2014" (RIPS-2014). The state has received total industrial investment intentions of Rs. 64046 crore during the last five years (2013-2017). Further, the FDI inflows in the region has been using as it increased from, US \$50 million in 2015-16 to US \$96 million in 2017-18.

Rajasthan's MSME Policy (2015) focused on Streamlining procedures, rules and regulations for ease of doing business, Providing competitive fiscal incentives and concessions to attract investment, Creation of new industrial areas, Marketing support to MSMEs, Strengthening of MSME Government support agencies, Focused skill development programmes to provide adequate work force, Promoting start-ups and budding entrepreneurs through setting up of plug and-play facilities and incubation centres etc.

Certain policy initiatives undertaken by the Government of Rajasthan includes Solar Energy Policy 2014, Investment Promotion Scheme 2014, Agro-Processing and Agri-Marketing Promotion Policy 2015, E-Governance IT & ITes Policy 2015, Startup Policy 2015, Mineral Policy 2015, Tourism Unit Policy 2015.

The Government has increasingly begun to tap institutional finance from banks and other term lending institutions for financing various developmental programmes in the state, in view of the need to supplement plan financing. The deposits have increased by 14.86% in Rajasthan in September, 2017.





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A sound infrastructural foundation is the key to the overall socio-economic development of a state. In terms of social infrastructure, the state of Rajasthan has a low poverty ratio of 8.3% against a national average of 21.92% which is highly encouraging. The unemployment rate based on the usual principal status for the state was estimated at 7.1% as compared to the All India level which was about 5% during the period 2015-16. According to census 2011, literacy rate of Rajasthan was 66.1% which is below the national average of 73%.

The budget of Rajasthan 2018-19 focuses on rural infrastructure with a focus on health, education and social sector schemes like pension, insurance. The state government has announced onetime loan waiver upto Rs. 50,000 for small and marginal farmers.

A survey was conducted to analyze the assessment of business environment and competitiveness in the state of Rajasthan, the assessment of the farmers working in Rajasthan and the impact of government's policy on social well being of people in Rajasthan. Systematic sampling technique was used for the survey.

The survey results for the citizens of Rajasthan revealed that there has been an overall improvement in the standard of living of people of Rajasthan, an improvement in the law and order of the state and the people are to an extent satisfied with the policies Implemented by the Government of Rajasthan.

The assessment of Business Environment and Competitiveness indicated that though the businessmen of Rajasthan were satisfied with the reforms implemented by the government but more focus should be given being result oriented to further improve the position of businessmen in the state.

For the farmers, the government has been taking various initiatives but it should also focus on providing crop insurance facility, start awareness campaigns, developing special agro zones to encourage the farmers to increase their yield and thus improve their economic position.

Vocational trainings should be provided to people in every district of the state for enhancing their skills, Special schemes should be run to encourage girls for skill development and empowerment, upgrading their vocational and life skills and lastly in order to achieve inclusive growth, there is a need to create more employment opportunities, particularly for the youth in the state.

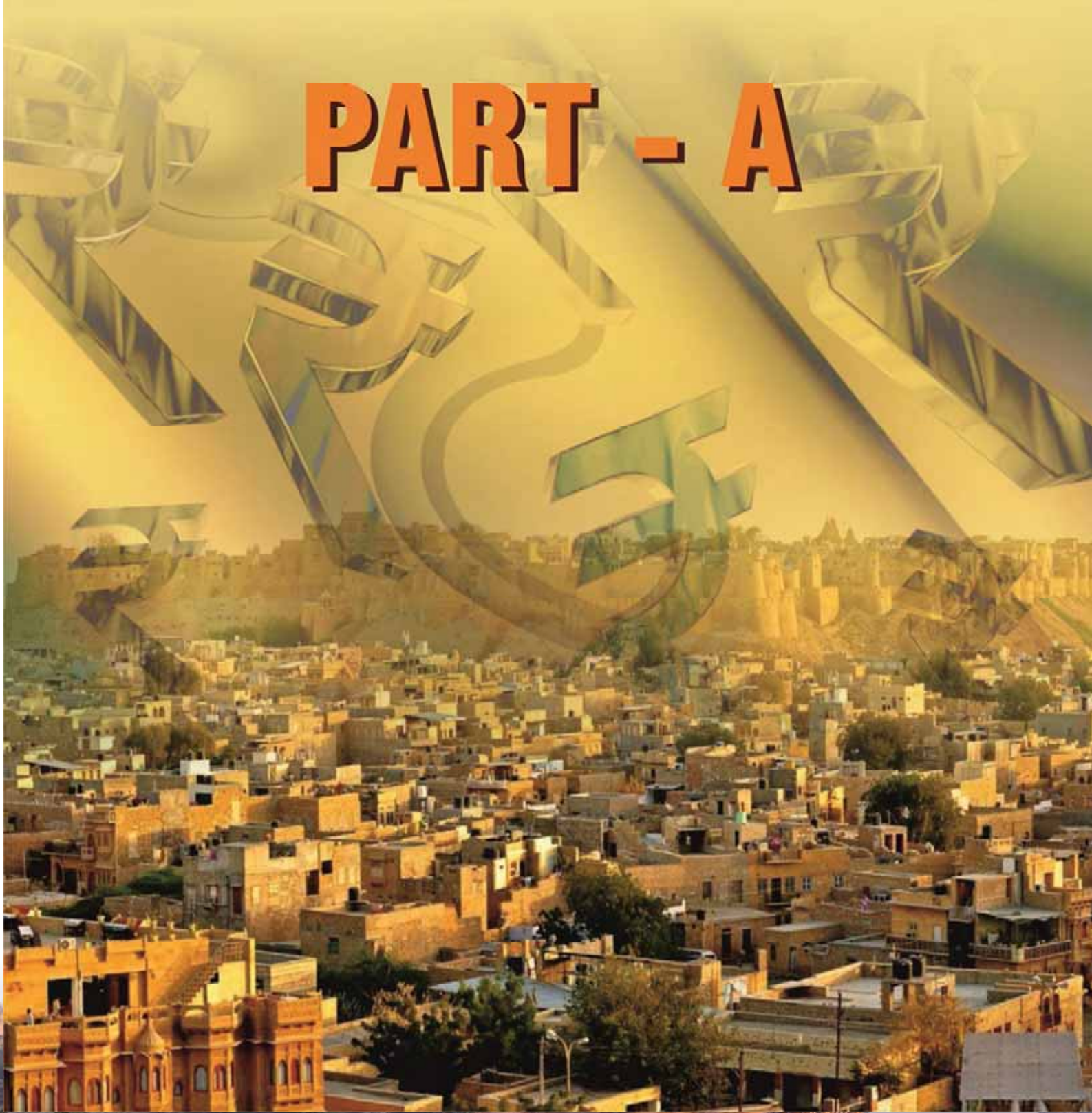
Going ahead, the state needs to attract more investments in major sectors, like agricultural produce, handicrafts and handloom, cement, and tourism by framing effective policies that reaches the grassroots, there is a need for more farmer friendly policies, the state government should focus on making the funds available and allocating them through a proper channel in order to develop the infrastructure in the state.





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PART - A





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Rajasthan is a state where tradition and glory meet in the midst of colours. It is endowed with magnificent forts, palaces, havellies, natural resources, heritage, beauty and culture. With the lofty hills of Aravali-one of the oldest mountain ranges of the world and the golden sand dunes of the Great Indian Desert, Rajasthan is the only desert of the sub-continent.

Rajasthan is located in the north-western region of India. It is the largest State in the Republic of India. It forms a corridor between the northern and the western states in the country.



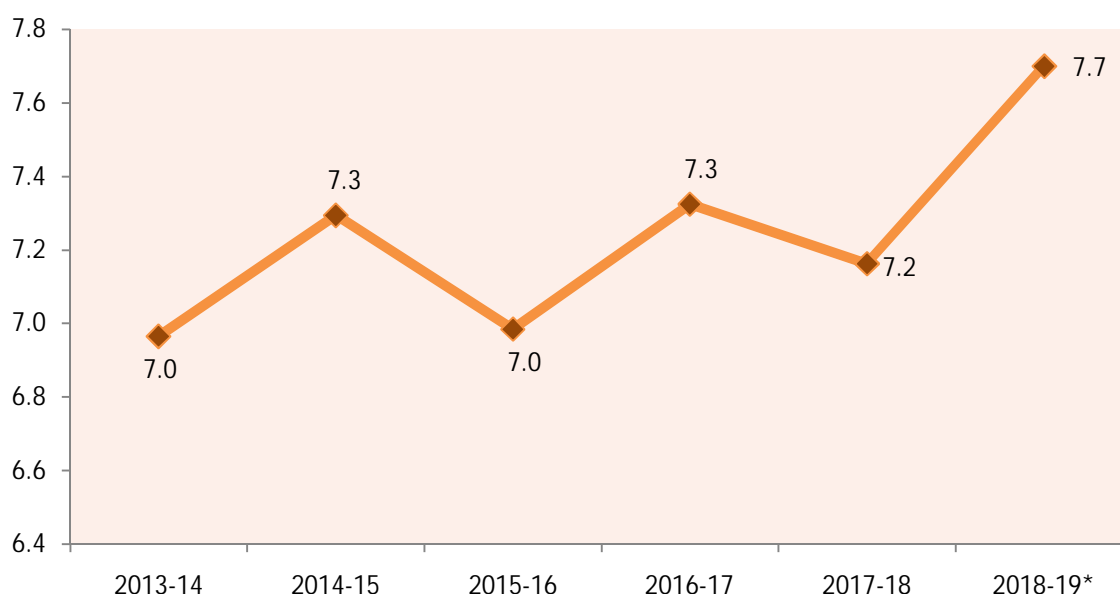
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1. Structure of the economy

The state has been witnessing a significant growth path over the last few years. The real Gross State Domestic Product (GSDP) of state has increased from about Rs. 454564 crore in FY2013 to around Rs. 641940 crore in FY2018. The real GSDP of the state has grown at an average rate of 7.1% during the period FY2013 -2018. The economic growth of the state is projected to grow at 7.7% in the FY2018-19¹.

Chart 1: Growth of Real Gross Domestic Product (%)



Source: PHD Research Bureau, Compiled from Economic Survey of Rajasthan, 2017-18; Note: Data for FY2018-19 has been projected by PHD Research Bureau, PHDCCI

The economy of Rajasthan has been showing a mixed trend over the past few years. The Gross State Domestic (at current prices) grew from Rs. 493551 crore in FY2013 to Rs. 840263 crore in FY2018. The Net State Domestic Product (at current prices) has also witnessed a growth from Rs. 446382 crore in FY2013 to about Rs. 757483 crore in FY2018.

The sectoral contribution in the State's GSVA has witnessed a change over the past few years. Agriculture (primary) sector has witnessed a slight decline in its share in the GSVA from around 28% in FY2014 to around 25% in FY2018.

¹ PHD Research Bureau, PHDCCI projections

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Table 1: Gross State Domestic Product and its Composition

Components	FY2014	FY2016	FY2018
GSDP at current prices (Rs. crore)	551031	683758	840263
NSDP at current prices(Rs. crore)	494236	614743	757483
Economic Growth % (GSDP at constant prices)	7.0%	7.0%	7.2%
Sectoral Share of GSVA at current prices (%)			
Agriculture	28.24%	26.38%	24.76%
Industry	29.84%	29.74%	27.83%
Services	41.92%	43.88%	47.41%

Source: PHD Research Bureau, Compiled from Economic Survey of Rajasthan, 2017-18

Industry (secondary) sector has also witnessed a marginal decline in its share in states GSVA from around 30% in FY2014 to around 28% in FY2018. Whereas, the share of services(tertiary) sector in the states GSVA has increased from around 42% in FY2014 to around 47% in FY2018.

Table 2: Summary of socio-economic indicators

State Capital	Jaipur
Hon'ble Governor	Shri Kalyan Singh
Hon'ble Chief Minister	Smt. Vasundhara Raje
Area (Sq. km)	342,239
Population (2011)	68548 (in thousands)
Population Density (persons per sq km) 2011	200
Number of Districts	33
GSDP at Current Prices (FY2018)	Rs. 840263 crore
Growth of GSDP at Current Prices (FY2018)	10.67%
GSDP at Constant prices(FY2018)	Rs. 641940
Growth of GSDP at Constant Prices(FY2018)	7.2%
Per capita Income (FY2018)	Rs. 100551
Poverty rate (2011-12)	8.3%
CPI inflation(March)	2.93%
Infant Mortality Rate(2016)	41 per 1000 live births
Literacy Rate (2011)	66.1%
Implementation of Reforms(ranking)*	9 th
Key Industries	Cement, IT and ITeS, Ceramics, Mining and minerals, Tourism, Handicrafts, Chemicals, Textile, Marble, Steel, Agro-based industry, Gems and Jewellery, Auto and auto components.

Source: PHD Research Bureau compiled from Economic Survey of Rajasthan 2017-18; Poverty Rate from NITI Aayog, India Brand Equity Foundation (IBEF); Implementation of Reforms (ranking) DIPP, 2nd August 2018.

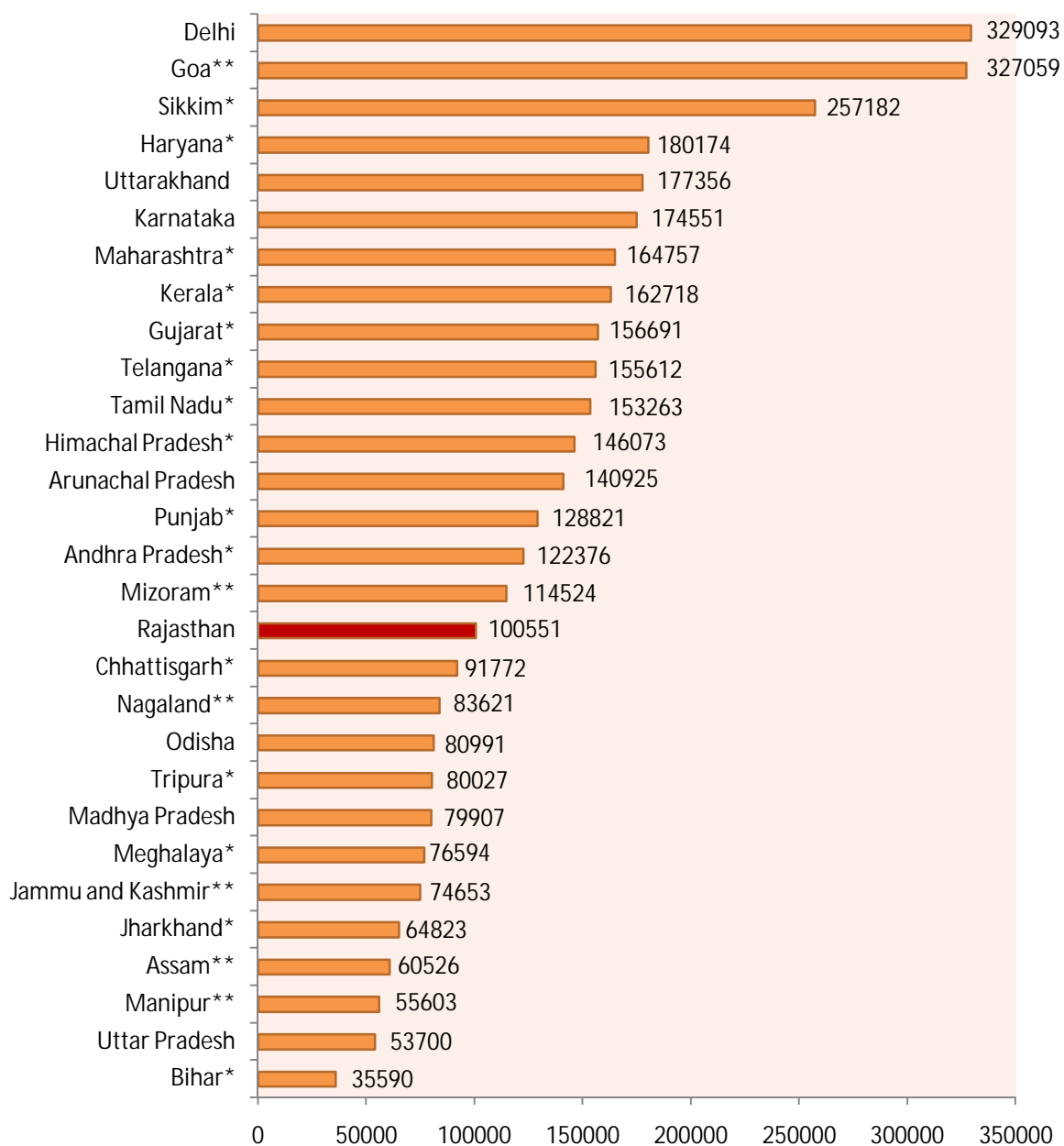
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1.1 Per Capita Income

According to the base series 2011-12, the per capita income of Rajasthan at current prices increased from Rs. 92076 in FY2017 to Rs. 100551 in FY2018 thus, registering an increase of 9.2%.

Chart 2: Per capita income of Rajasthan vis-a-vis other states (in Rs.)



Source: PHD Research Bureau, Compiled from Ministry of statistics and policy implementation, Government of India; *Data pertains to 2016-17, ** 2015-16; Note - West Bengal Data is not available

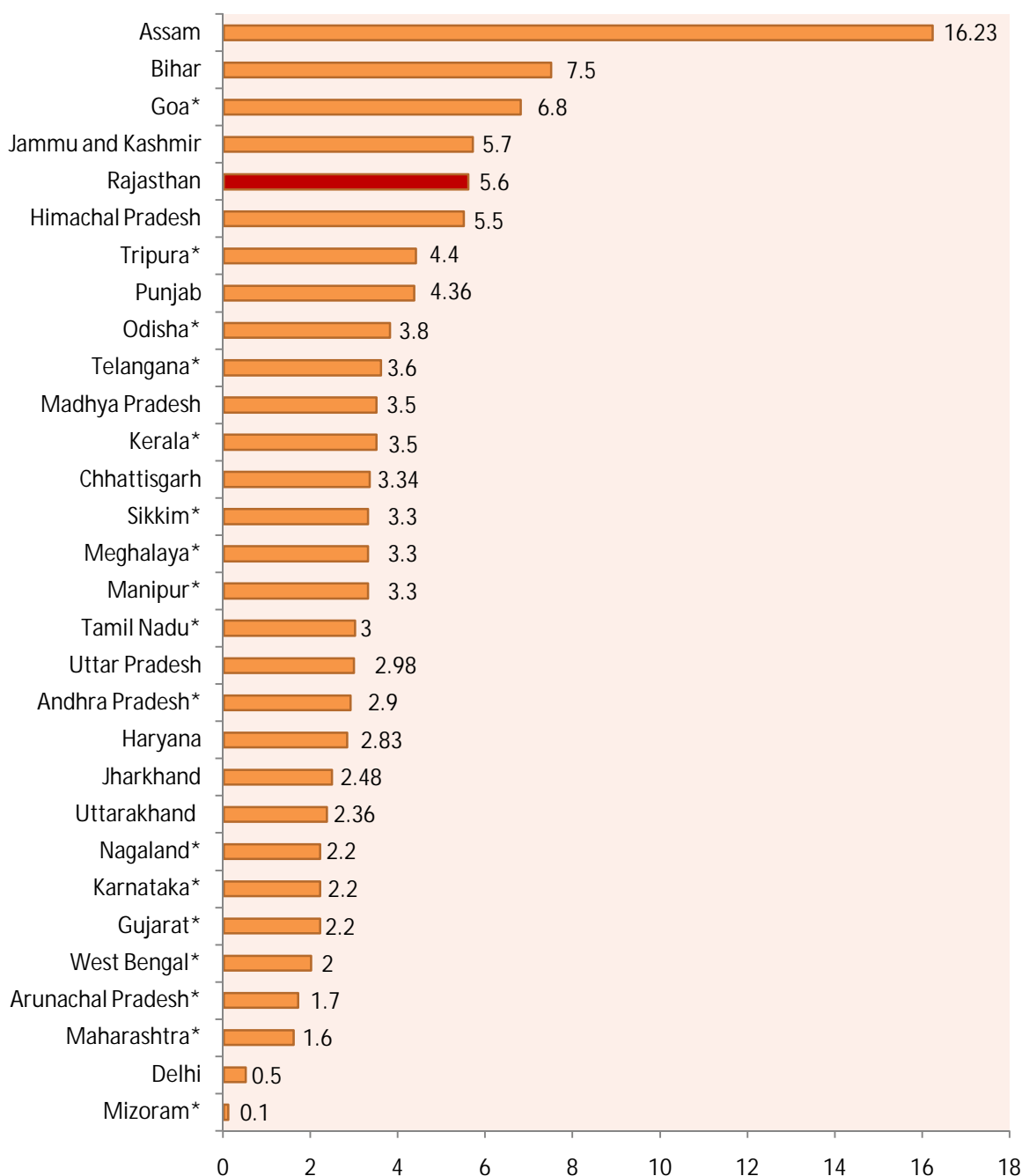
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1.2 Fiscal Deficit

Fiscal deficit presents a more comprehensive view of the state's budget. Fiscal deficit in the state of Rajasthan stands at 5.6% in FY2018.

Chart 3: Fiscal Deficit of Rajasthan vis-à-vis other states (%)



Source: PHD Research Bureau, Compiled from RBI (Budget Estimates) Government of India; *Data pertains to 2016-17

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1.3 Industrial Investments

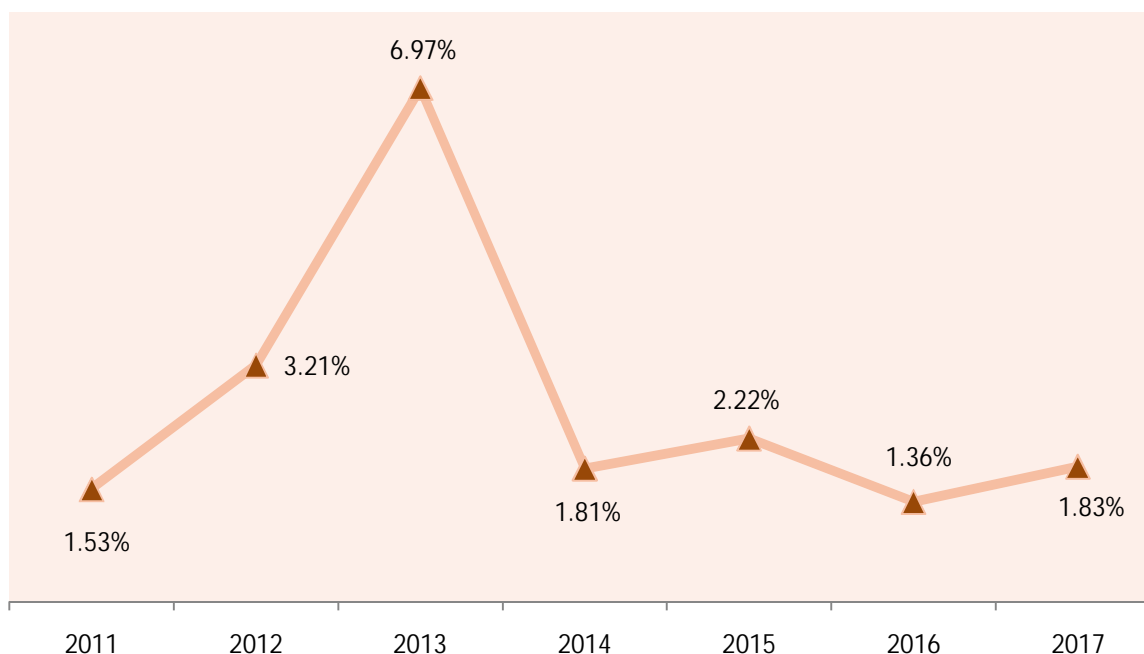
Rajasthan has made significant changes in the field of industrialization in the past few years. In order to promote investment in the State of Rajasthan, and generate employment opportunities, the State Government, introduced "The Rajasthan Investment Promotion Scheme, 2014" (RIPS-2014). The state has received total industrial investment intentions of Rs. 64046 crore during the last five years (2013-2017).

Table 3: Industrial Investments proposals in Rajasthan (Rs Crore)

Year	Rajasthan	India	Share of Rajasthan (%)
2011	23488	1539728	1.53%
2012	18218	567868	3.21%
2013	36952	530086	6.97%
2014	7335	405027	1.81%
2015	6894	311031	2.22%
2016	5613	414086	1.36%
2017	7252	395296	1.83%

Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Government of India

Chart 4: Industrial Investments (as % of India's total industrial investments)



Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Government of India

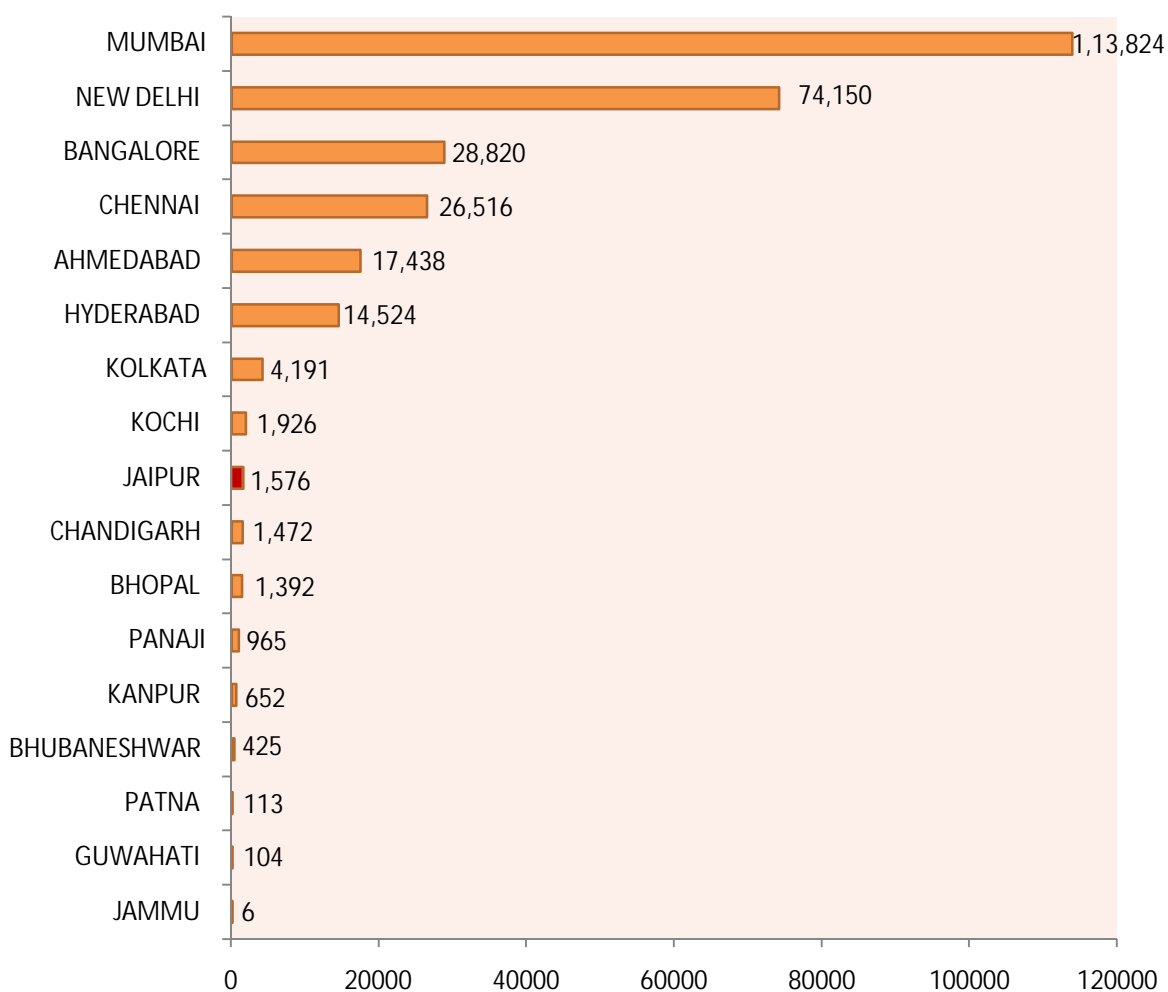
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1.4 FDI Inflows

The FDI inflows (Jaipur region)² of the state constitutes around 0.4% of the total inflows³ in India.

Chart 5: Regional share of FDI in India's total FDI inflows (in US\$ million)



Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Government of India. Note : Date pertains to FY2017(December) and represents FDI equity inflows

The FDI inflows in the region has been using as it increased fro, US \$50 million in 2015-16 to US \$96 million in 2017-18. The cumulative inflow of the region from April 2000 to December 2017 is estimated at around \$1,576 million.

² Data Pertains to Rajasthan

³ in terms of US \$

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Going ahead, the state has immense potential to attract tremendous volume of FDIs in the state. The state government needs to introduce lucrative investment policies to attract more FDIs in the state, going forward.

Table 4: Pattern in attracting FDI (equity) inflows: Jaipur Region

Year	FDI Inflows (US\$ mn)
FY2016	50
FY2017	165
FY2018	96

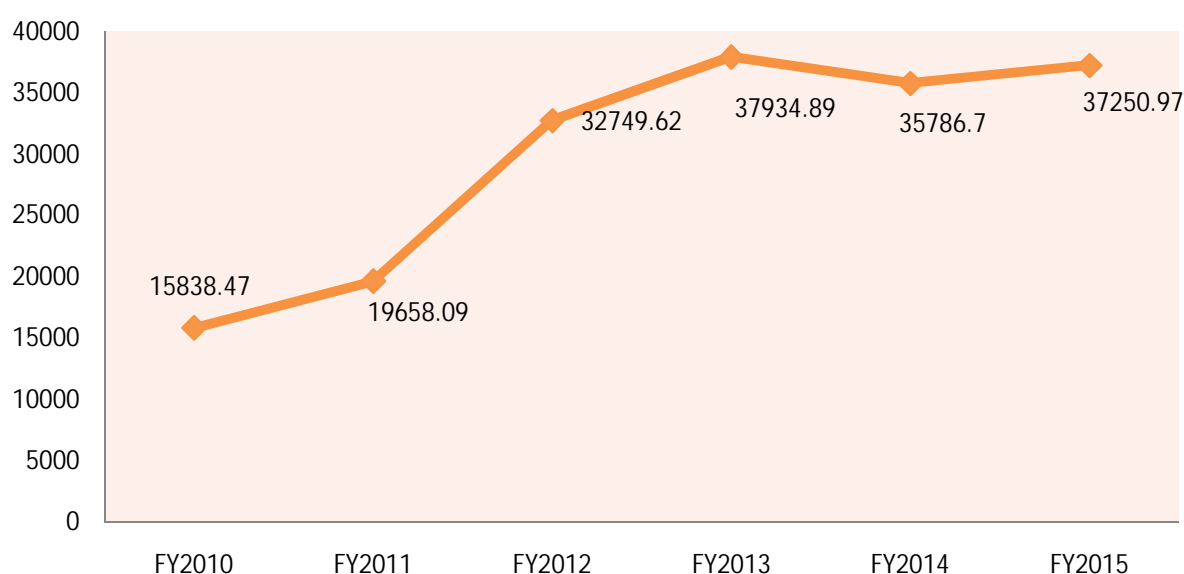
Source: PHD Research Bureau, Compiled from Department of Industrial Policy and Promotion, Government of India

1.5 Exports

Rajasthan has traditionally been strong in exports of handicrafts, gems and jewellery, dimensional stones, agro products, and textile products. In terms of services exports, tourism and hospitality is a key segment in Rajasthan and has immense potential for earning foreign exchange revenue for the State.

Total exports from Rajasthan have more than doubled from Rs 15838.47 crore in FY2010 to Rs 37250.97 crore in FY2015 witnessing a growth rate of 4.1% in the FY2015. Although Rajasthan currently has a small share in India's total exports, the potential for exports from the State is huge, going forward.

Chart 6: Total exports from Rajasthan (in Rs crore)



Source: PHD Research Bureau, data compiled from various sources

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2. Agriculture

At the time of formation of Rajasthan, the economy of the State was primarily an agrarian economy since the developments in industrial and service sectors were at very low level.

Given the importance of agriculture in the economy of Rajasthan, several programmes have been implemented in the state to ensure growth in agricultural production and providing better living conditions to the large population engaged in agriculture and allied activities and to save agriculture from the vagaries of monsoon and other natural calamities.

Agriculture and allied sector activities refers to cultivation of crops, animal husbandry, fisheries and forestry. Agriculture and allied sectors continues to be the backbone of the State's economy and endures to be the large contributor to the GSDP.

As per Agriculture Census 2015-16 (Provisional), the total number of operational land holdings in the state is 76.55 lakh whereas it was 68.88 lakh in 2010-11, showing a growth of 11.14%. During the year 2017-18, the total food grain production in the state is expected to be 225.82 lakh tonnes as compared to production of 231.04 lakh tonnes in the agricultural year 2016-17, which is showing a decrease of 2.26% over the previous year.

Table 5: Summary of agro statistics

S. No.	Components	Growth/Ratio/Production
1.	Agriculture GSDP at current prices (FY2018)	Rs. 88466 crore
2.	Growth of Agriculture and Allied real GSDP	3.81%
3.	Agricultural sector's contribution in GSDP	30.32%
4.	Food grain production (FY2017)	231.04 lakh tonnes
5.	State's share in national foodgrain production (FY2016)	7.17%
6.	Yield-total food grain	18039.9
7.	Rice Production(FY2016)	369.8 thousand tonnes
8.	Wheat Production(FY2016)	9871.0 thousand tonnes
9.	Coarse Cereals(FY2016)	5808.9 thousand tonnes
10.	Pulses(FY2016)	1990.2 thousand tonnes
11.	Oil seeds (FY2016)	5692.5 thousand tonnes
12.	Fruits(FY2017)	961597 million tonnes

Source: PHD Research Bureau, Compiled from RBI, Economic Survey of Rajasthan 2017-18

Under the National Horticulture Mission, to increase the area, production and productivity of different horticulture crops like fruits, spices and flowers in the state, they have selected 24 districts, where orchards of fruits and spices have been established in an area of 2,746 hectare and 1,117 hectare respectively.

Under Pradhan Mantri Krishi Sinchai Yojana, drips and Sprinklers have been installed in 6,543 hectare and 8,152 hectare respectively during the year 2017-18 up to December, 2017. In

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order to control diseases of livestock, 273.45 lakh vaccinations have been executed. For breed improvement 3.51 lakh in large animals and 4.86 lakh in small animals are castrated and 25.87 lakh artificial inseminations have been executed during the year 2017-18 (upto December, 2017).

14,466 Dairy Cooperative Societies have been affiliated with 21 District Milk Producers Cooperative Unions spread over in the state and a State level Apex Body, 'Rajasthan Cooperative Dairy Federation (RCDF) Limited, Jaipur is functional.

The food grain production in Rajasthan has witnessed an increase during the past few years. The food grain production has increased from 16058.7 (thousand tonnes) in FY2008 to 18039.9 (thousand tonnes) in FY2016.

Table 6: Food grain production in Rajasthan vis-a-vis India (Thousand Tonnes)

Year	Rajasthan	India	Share of Rajasthan in India (%)
FY2008	16058.7	230775	6.96%
FY2009	16680.2	234466.2	7.11%
FY2010	12350.1	218097.7	5.66%
FY2011	18832.2	244482	7.70%
FY2012	19469.7	259286	7.51%
FY2013	18367.7	257134.6	7.14%
FY2014	17899.6	265045.2	6.75%
FY2015	19621.9	252022.9	7.79%
FY2016	18039.9	251566.3	7.17%

Source: PHD Research Bureau, Compiled from RBI

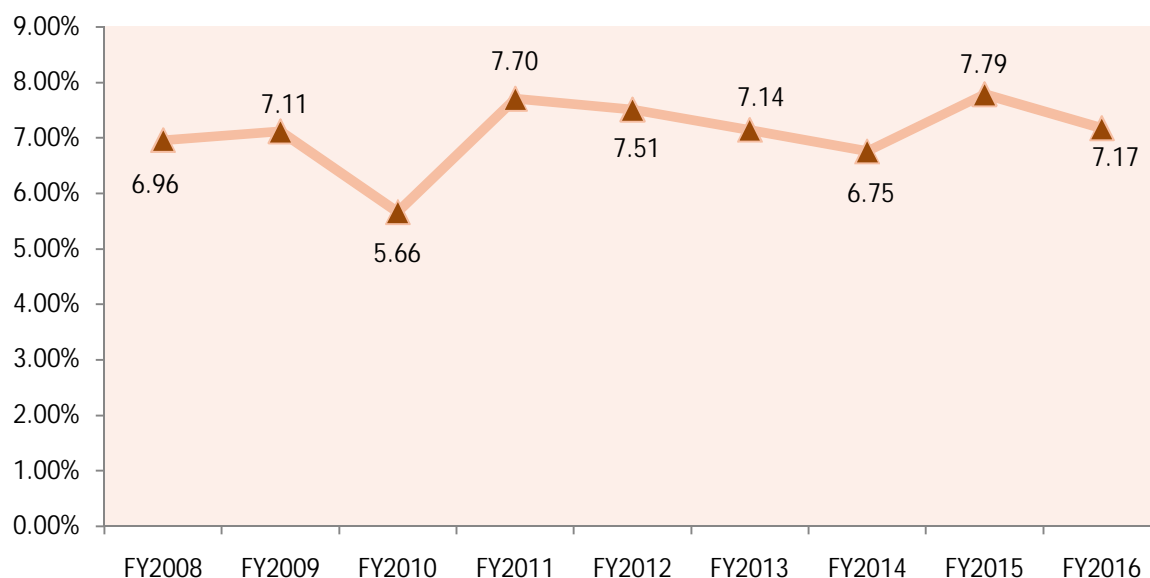
However, the share of food grain production of the state in the country's total food grain production has witnessed a fluctuating trend over the past few years. During the last five years, the state's average share in the country's food grain production has been at 7.2%



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Chart 7: Share of Rajasthan food grain production in India's food grain production (%)



Source: PHD Research Bureau, Compiled from RBI

Nonetheless, the share of the state in India's total food grain production has increased from 6.96% in FY2008 to 7.17% in FY2016.

Rajasthan has large scope for development of horticulture. It provides additional employment opportunities to the rural people, while diversifying the rural economy to agro processing and other ancillary activities.

Owing to existence of ample opportunities of horticulture development, a separate Directorate of Horticulture was established in 1989-90, with the objective of growth in area, production & productivity of fruits, vegetables, spices, flowers and medicinal plant crops in a planned way.

A total of 100 hectare has been covered under Integrated Pest Management Programme. 2.73 lakh square meters area has been covered under green houses, 0.22 lakh square meters area has been covered under shade net, 9.06 lakh square meters area has been covered under plastic tunnels, 19,960 hectare area covered under plastic mulching, 6 vermi compost units have been established, 229 low cost onion storage structures were also constructed, 29 pack houses have been established and 52 water harvesting structure have been built upto December, 2017.

The state government has initiated the National Agro-Forestry and Bamboo Mission (NABM), under which, the districts of Karauli, Swai Madhopur, Udaipur, Chittorgarh, Banswara, Dungarpur, Sirohi, Baran, Jhalawar, Bhilwara, Rajasmand and Pratapgarh have been taken up

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for promoting bamboo cultivation. For implementing this scheme in the year 2017-18, a provision of Rs. 2.03 crore has been made for new plantation of bamboo and maintenance of previous year plantations.

Going ahead, there is a need to modernize agricultural sector to reduce dependence on monsoons to support the growing population and the majority of the workforce which are deployed in the agriculture sector.

3. Industries

The key industries of Rajasthan are cement, tourism, ceramic, chemicals, textiles, steel, handicrafts, IT and ITeS, and marble. Rajasthan is the leading manufacturer of silver, copper, rock phosphate, marble, sandstone, limestone, lignite and gold. The state is one of the largest producers of cement, with 21 major cement plants, and having a total capacity of 55 Million Tonnes Per Annum (MTPA). The state is second-largest producer of milk and largest producer of wool in India.

The state of Rajasthan has pool of precious and semi-precious stones and is the largest manufacturer of cut and polished diamonds in the country. The Government of Rajasthan is promoting development of Special Economic Zones across the state for different sectors such as handicrafts, electronics, gems and jewellery, IT, textiles and automotive and auto components.

This proves the state as a suitable destination for investments in sectors such as agro-based industries, cement, tourism, etc. The state also has immense potential in generating electricity through various renewable energy resources.

Development of industries has a vast potential of providing substantial employment and generating the income and improving the standard of living and over all well being of people. In an agriculture dominated economy, like that of Rajasthan, industrial development is an important intervention, for fostering fast economic development.

Rajasthan's investor friendly policies, peaceful environment, hospitable people, vast and unexplored natural resources, world class medical and education facilities have made it one of the most preferred destinations for national and international investors.

To revive industrial growth in Rajasthan, the state Government has created an institutional mechanism for attracting investment, various departments/ corporations/agencies are functional in the state to promote industrial development and for facilitating establishment and expansion of small, medium and large scale industries and meeting their various requirements, either directly or by discharging the responsibility as the strong facilitators.

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3.1 Industrial Policy

The focus of Rajasthan's Industrial Policy is to achieve higher and sustainable economic growth through private investments particularly in services and manufacturing sector. The policy also focuses on promotion of economic growth with a balanced regional development.

The industrial policy also focuses on generating employment opportunities for the youth living in the state and on achieving optimal development of human capital and promoting knowledge led growth.

The state of Rajasthan has potential to generate new employment opportunities for the youth by developing sector specific infrastructure, such as developing special economic zones (SEZs) for exports of IT, handicrafts, electronic goods and special purpose industrial parks etc.

Therefore, the state needs to push for higher engagement of public private partnership (PPP) in the areas of developing infrastructure projects, especially in the rural sector. Moreover, enabling a conducive administrative environment for time bound approvals could enhance the speed of development in the state.

MSMEs constitute an important segment in the economy as their contribution towards State's industrial production, export, employment and creation of entrepreneurship base is quite significant. As of November 2017, 66029 MSMEs were registered, 280079 were number of employed people during the same period and Rs. 70713500 lakhs investment was generated.

Table 7: Prominent Growth Oriented Sectors

S. No.	Thrust Sector
1.	Garments and Knitwear
2.	Gems and Jewellery
3.	Textiles
4.	Electronics and Telecommunications
5.	Information Technology
6.	Automobiles and components
7.	Footwear and Leather goods
8.	Dimensional stones
9.	Cement
10.	Glass and Ceramics
11.	Agro processing

Source: PHD Research Bureau, Compiled from Development Commissioner (MSME) As of 29th May, 2018



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3.2 Rajasthan MSME Policy 2015

These policy initiatives are expected to provide a conducive environment to encourage increased investments in the MSME sector in the State.

The key measures include:

1. Streamlining procedures, rules and regulations for ease of doing business.
2. Strengthening the Single Window System to make it more effective under the provisions of the Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011.
3. Setting up facilitation mechanisms for guidance to new investors and support to existing ones.
4. Providing competitive fiscal incentives and concessions to attract investment.
5. Creation of new industrial areas.
6. Time bound allotment or conversion of land for industry.
7. Encouragement of private industrial parks and MSME Clusters.
8. Focus on thrust sectors, including handicrafts, handlooms and khadi
9. Facilitate SMEs for raising obtaining credit/capital.
10. Assist unemployed youth for setting up Micro Enterprises.
11. Promoting start-ups and budding entrepreneurs through setting up of plug and-play facilities and incubation centres.
12. Marketing support to MSMEs.
13. Encourage Quality Improvement and Research & Development.
14. Promote adoption of practices for environment protection and water and energy conservation.
15. Focused skill development programmes to provide adequate work force.
16. Assist sick units in revival efforts.
17. Strengthening of MSME Government support agencies.
18. Recognition and encouragement to MSME adopting best practices.

As of 3.7.2017 the state government has revised the rates of Minimum Wages for unskilled, semi-skilled, skilled and highly skilled workers to Rs. 207, Rs. 217, Rs. 227 and Rs. 277 per day respectively with effect from 01st January, 2017.



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3.3 Ease of Doing Business in Rajasthan

S. NO.	State	Rank	Score (%)
1.	ANDHRA PRADESH	1	98.42
2.	TELANGANA	2	98.33
3.	HARYANA	3	98.07
4.	JHARKHAND	4	97.99
5.	GUJARAT	5	97.96
6.	CHHATISGARH	6	97.36
7.	MADHYA PRADESH	7	97.31
8.	KARNATAKA	8	96.40
9.	RAJASTHAN	9	95.68
10.	WEST BENGAL	10	94.70
11.	UTTARAKHAND	11	94.21
12.	UTTAR PRADESH	12	92.87
13.	MAHARASHTRA	13	92.71
14.	ODISHA	14	92.09
15.	TAMIL NADU	15	90.68
16.	HIMACHAL PRADESH	16	87.90
17.	ASSAM	17	84.75
18.	BIHAR	18	81.91
19.	GOA	19	57.34
20.	PUNJAB	20	53.92
21.	KERALA	21	44.79
22.	JAMMU & KASHMIR	22	33.05
23.	DELHI	23	31.60
24.	DAMAN & DIU	24	28.69
25.	TRIPURA	25	22.27
26.	DADRA NAGAR & HAVELI	26	21.88
27.	PUDUCHERRY	27	15.65
28.	NAGALAND	28	14.04
29.	CHANDIGARH	29	11.44
30.	MIZORAM	30	3.63
31.	ANDAMAN & NICOBAR ISLANDS	31	1.24
32.	MANIPUR	32	0.27
33.	SIKKIM	33	0.13
34.	ARUNACHAL PRADESH	34	0.00
35.	LAKSHADWEEP	34	0.00
36.	MEGHALAYA	34	0.00

Source: PHD Research Bureau, compiled from DIPP, Government of India. Note: Data latest available as on 2nd August 2018



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4. Policy initiatives undertaken by the Government of Rajasthan

4.1 Solar Energy Policy, 2014 - The vision behind this policy is to reduce the dependence on conventional sources of energy by promoting the development of non-conventional energy sources and most importantly, solar power thereby enabling the State in attaining self sufficiency in its energy needs.

The objectives of the policy are:

1. Developing a global hub of solar power of 25,000 MW capacity to meet energy requirements of Rajasthan and India.
2. Contributing to long term energy security of Rajasthan as well as ecological security by reduction in carbon emissions.
3. Providing a long term sustainable solution for meeting energy needs and considerably reducing dependence on depleting fossil fuel resources like coal, oil and gas.
4. Generating direct and indirect employment opportunities in all activities related to the generation of solar power.
5. Envisaging a solar centre of excellence that would work towards applied research and commercialization of nascent technologies to accelerate the march to grid parity.

4.2 Investment Promotion Scheme 2014 - The scheme was introduced to promote investment and generate employment opportunities in the State of Rajasthan. The Scheme shall promote investment made by Enterprise(s) for establishment of new unit and/or investment made by the existing Enterprise(s) for expansion and/or investment made for revival of sick enterprise.

4.3 Agro-Processing and Agri-Marketing Promotion Policy, 2015 - The agriculture sector has thrown open tremendous opportunities for the successful establishment of vibrant and potentially profitable agro-processing units in Rajasthan.

The objectives of the policy are:

1. To create supply chain infrastructure needed for agro industrial development.
2. To encourage value addition in agriculture produce and to reduce post harvest losses thereby increasing the income of farmers and delivering better quality products to consumers.
3. To create rural employment and improve the quality of life of rural people
4. To bring in new technologies and practices to modernize agro processing and marketing.
5. To assist small scale agro based processing units to remain competitive in global market.
6. To increase the export of value added agri-products from the State





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7. To accelerate a close interface among research, extension, industries and farmer in agri-sector.

4.4 E-Governance IT & ITeS Policy 2015 - To achieve good governance and facilitate inclusive growth, harnessing ICT and evolving e-Governance with improvement in delivery of services, bridging the digital divide and evolving Digital Rajasthan.

The objectives of the policy are -

1. Till 2025
 - a) Achievements of up to 500,000 direct employable professionals in the ICT sector vide implementation of ICT/ESDM initiatives in Rajasthan with establishment of Rajasthan Skills Registry.
 - b) Development of at least 2,000 technology startups in the State and prioritization of IT/ITeS/ESDM sector under Rajasthan Venture Capital Fund with specific capital for development of IT/ITeS/ESDM startups in Rajasthan.
 - c) Increase in the current investment in IT/ITeS sector by 10 times.
 - d) Increase in the IT turnover to INR 50,000 crore.
 - e) Increase in IT exports from the State to INR 5000 crore.
 - f) Making two individuals (at least one female) in every household e-literate so as to bridge the digital divide.
2. Improvement in delivery of public services by leveraging e-Governance and m-Governance to achieve Efficiency, Effectiveness, Economy, Transparency, Accountability and Reliability in service delivery across all departments and functions and Re-engineer the Government business practices and rules to ensure hassle-free service delivery.
3. Ensuring requisite connectivity to all Government offices up to Panchayat level by 2016.
4. Creating centralized, integrated and unified state datasets to ensure uniformity, de-duplication and updating.
5. Providing secure e-Space for personal/official storage with facility for authentication and workflow to residents and organizations, private or public, in Rajasthan.
6. Rise in awareness among the school and college children and society as a whole regarding environmentally sound e-Waste management and take steps for its proper disposal.
7. Implementation of a uniform website policy for Rajasthan Government with emphasis on user-friendliness of the interface for all inclusive percolation of the benefits of IT.
8. Promotion of Robotics and Open Source Technology for IT initiatives in Rajasthan.



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4.5 Startup Policy 2015-

The objectives of the policy are -

1. The key targets that are expected to be achieved are as follows -
 - a) 50 incubators /incubator -like organizations to be established
 - b) 500 innovative startups to be supported and incubated
 - c) 100,000 sq ft of incubation space to be developed /facilitated
 - d) Angel and Venture Capital of Rs.500 crore to be mobilized for startups
 - e) Development of an innovation and problem solving culture across the state
2. The policy would have the following domains as the key focus areas-
 - a) Social and Cleantech: Rural infrastructure & services, crafts, water, sanitation, renewable energy and healthcare, including asset light models of healthcare delivery and medical devices.
 - b) Mobile and Information Technology, including but not limited to crowd sourcing, crowd funding, online financial services
 - c) Internet of Things (IoT), electronics and hardware
 - d) 'IT for X' in the areas of garment and crafts, mining and SME manufacturing and services
 - e) Disruptive idea/technologies in any sector
3. In due course of time, Science & Technology Department, GoR in association with RIICO and Start-up Oasis may work to create Rajasthan Startup Village and E-Platform which can also host a cloud server for startups, run MOOCs and co-ordinate with various related state and central government agencies to further strengthen startup ecosystem in the State of Rajasthan.

4.6 Mineral Policy 2015- The policy views that the mineral resources are finite. Therefore, the emphasis is on introducing cutting-edge technology in exploitation, minimize wastage, waste recycle, widespread job-creation, especially to workers drawn from scheduled castes and backward communities, and greater revenue to the government.

The objectives of the policy are-

1. Development of economically sound and stable mining, minerals, metal and mineral reclamation industries.
2. Orderly and economic development of domestic mineral resources, reserves, and reclamation of metals and minerals to help assure satisfaction of industrial, security and environmental needs.

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3. Study and development of methods for the disposal, control, and reclamation of mineral waste products, and the reclamation of mined land, so as to lessen any adverse impact of mineral extraction and processing upon the physical environment that may result from mining or mineral activities.

4.7 Tourism Unit Policy 2015- The new Policy has been framed keeping in view the guidelines under the 'Suraj Sankalp' Policy document, new emerging trends in the tourism sector, representations given by various stakeholders including the tourism and trade organizations and also the suggestions received from other departments.

The Rajasthan Tourism Unit Policy, 2015 primarily addresses issues relating to time bound conversion of land for tourism units including new hotels and heritage hotels, time bound approval of building plans, grant of Patta to heritage hotels, allotment of land for tourism units on DLC (District Level Committee) rates, applicability of Rajasthan Investment Promotion Scheme, 2014 (RIPS-2014) for tourism units and smooth and speedy implementation of the provisions of related departments like Revenue, Urban Development and Housing (UDH) & Local Self Government (LSG), Panchayati Raj, etc.

It is expected that this Policy will strengthen the existing infrastructure, foster infrastructure development, income and employment generation and increase the much needed availability of hotel rooms for the tourists. By allowing Heritage Hotels in Rural Abadi/Panchayat areas Rural Tourism is likely to increase manifold.

The definition of Tourism Unit has been expanded to cover various types of tourism units and activities including budget hotels, heritage hotels, resorts, golf courses, adventure sports, etc. It is expected that these steps will bring speedy investment in the State.



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5. Services

During the past few years, the services sector of the state has performed well and emerged to be a major contributor to the economic growth of the state. The contribution of the services sector in the states GSVA (at current prices) of Rajasthan stands at around 47% during FY2018.

5.1 Information Technology

iStart is one-stop solution for Startups, Incubators, and VCs (venture capitalists) for ease of doing business and assessing all the benefits & offers provided by the Government of Rajasthan. Rajasthan stack providing access to government services, solutions and platforms for startups and organizations to use, removing the barrier of large investments in technologies and reinventing the wheel.

Rajasthan Sampark Portal is being used as centralized grievance redressal platform. Add on modules like - mobile app, reality check module, GIS integration and applications like advance data analytics have been developed and implemented for enhanced user experience. Reality check module with Automatic Speech Recognition (ASR) functionality has been integrated with Rajasthan Sampark Portal. Rajasthan Sampark Centers with video conferencing equipment and facility have been established under Atal Sewa Kendras at all the blocks across the state.

Geographical Information System (GIS) a common GIS platform has been set up for Education, Medical & Health Department, ICDS, PHED, Ayush, Cooperative, RVPNL, DISCOM, GWD, Police, RVCD, e-Mitra, Higher & Technical Education, Town Planning, PWD, TAD, Forest, Water Resources, etc. Development and implementation of Jaipur 3D City is under process. GIS interface for Mines Department is also under development.

The initiative of e-Mitra Kiosks, is providing more than 350 services of government/private departments electronically through more than 48,000 e-Mitra Kiosks to the citizens of the state. Simultaneously, deposition of utility bills through mobile application has also been started. There are approximately 40 lakh transactions per month at e-Mitra Portal Kiosk and per month approximately Rs. 400 crore is being collected as revenue.

The facility of Digitally Signed Certificates has been launched to make available legally valid digitally signed certificates. The certificates can be applied for and obtained through Internet from home/single window/kiosk. Every month, approximately 1.5 lakh Digitally Signed Certificates like caste, income, and solvency are being issued through this facility. The application is being enhanced to issue digitally signed other certificates, licenses etc.



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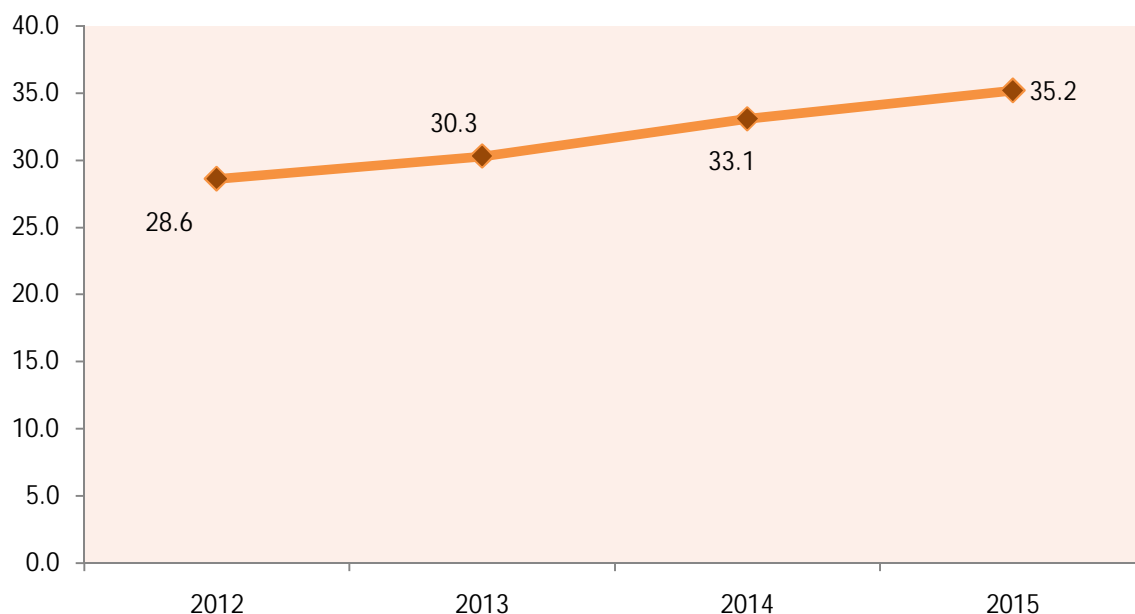
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5.2 Tourism

Rajasthan State is one of the most attractive tourist destinations in India and has a prominent place on the world tourist map. It has varied tourist attraction for both domestic & international tourists. Some of the Unique Selling Proposition (USPs) of Rajasthan are Luxury trains Palace-on-Wheels & Heritage on Wheels (Rajasthan Royal on wheels), forts, palaces & havelies, fairs & festivals, handicrafts, heritage hotels, adventure tourism, rural and eco-tourism, religious tourism and temple architecture, folk music and classical music and dance etc., which attract tourists in the state and generates direct and indirect employment and revenue for the state.

Significant efforts are being made to develop tourism in the State, since it has vast potential to generate employment and income for the people of the Rajasthan. During year 2017, the number of tourists visited in Rajasthan was 475.27 lakh (459.17 lakh domestic and 16.10 lakh foreign).

Chart 8: Domestic Tourist Arrivals (in millions)



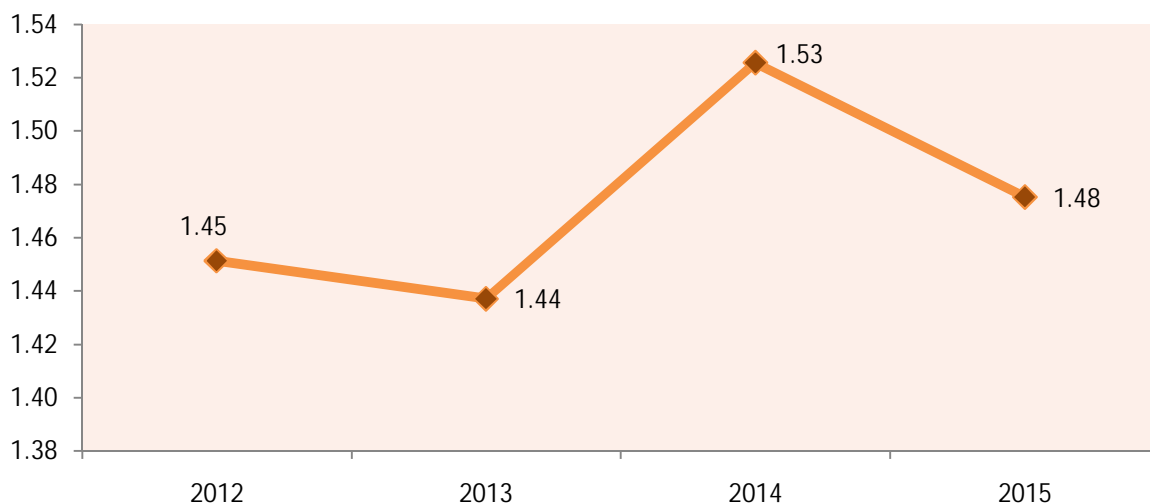
Source: PHD Research Bureau, Compiled from Ministry of Tourism, Government of India

Domestic tourist arrivals in the state have increased from 28.6 millions in FY1012 to 35.2 millions in FY2015. Whereas, the foreign tourist arrivals in the state, have witnessed a marginal increase from 1.45 million in FY2012 to 1.48 million in FY2015.

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Chart 9: Foreign Tourist Arrival (in millions)



Source: PHD Research Bureau, Compiled from Ministry of Tourism, Government of India

5.3 Banking

Financial Institutions play an important role in economic development of the state by mobilization of deposits and credit disbursement to various sectors. The Government has increasingly begun to tap institutional finance from banks and other term lending institutions for financing various developmental programmes in the state, in view of the need to supplement plan financing.

Banks/Financial institutions have an important role in this regard. However, credit should be utilized in optimum manner to maximize returns and spread the benefit over wider section of the population. Credit through banks is an important source of investment for development in the State.

Various credit-based programmes, like; National Rural Livelihood Mission- Deen Dayal Antyodaya Yojana (DAY), National Urban Livelihood Mission- Deen Dayal Antyodaya Yojana (DAY), Prime Minister Employment Generation programme and schemes for development of SC/ST and other poverty alleviation programmes are being implemented for the development of the weaker sections of the society with the active involvement of the banks.

The banks including the Regional Rural Banks, have helped in execution of various rural development schemes by providing credit support and thus they are fulfilling the national objective of upliftment of the weaker sections living below the poverty line.

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Table 9: Comparative Data of Bank Branches, Deposits & Credits

S. No.	Item	Rajasthan		India	
		Sep,16	Sep,17	Sep, 16	Sep,17
1	Regional Rural Banks				
a	No. of Offices/ branches	1460	1498	20858	21424
b	Deposits (Rs. Crore)	18320	21433	321543	368352
c	Credit (Rs. Crore)	14611	16287	218761	234493
2	Foreign Banks				
a	No. of Offices/ branches	6	6	315	288
b	Deposits (Rs.Crore)	653	697	495752	457938
c	Credit (Rs.Crore)	727	976	368401	360642
3	Private Sector Banks				
a	No. of Offices/ branches	983	1081	23020	24874
b	Deposits (Rs. Crore)	45158	53459	2246090	2574473
c	Credit (Rs. Crore)	41792	53407	1923141	2288595
4	Public Sector Banks *				
a	No. of Offices/ branches	4373	4340	91070	91976
b	Deposits (Rs. Crore)	214454	244264	7033155	7520665
c	Credit (Rs. Crore)	139569	148782	5007583	5110299
5	Small Finance Banks				
a	No. of Offices/ branches	---	32	---	483
b	Deposits (Rs. Crore)	---	123	---	5613
c	Credit (Rs. Crore)	---	191	---	11969
6	All Scheduled Commercial Banks				
a	No. of Offices/ branches	6822	6957	135263	139045
b	Deposits (Rs. Crore)	278585	319976	10096540	10927041
c	Credit (Rs. Crore)	196698	219643	7517886	8005997

Source: PHD Research Bureau, Compiled from Economic Survey of Rajasthan, 2017-18* includes SBI & Associate and Nationalized Banks.

In the above table in comparison to previous year September, 2016 in Rajasthan, the total deposits and credits have increased in September, 2017. The deposits have increased by 14.86% in Rajasthan in September, 2017 over September, 2016, while this increase was 08.23% at all India level during the same period. The credit deposit ratio for all scheduled commercial banks was 68.64% in Rajasthan and 73.27% at all India level, as on September, 2017, whereas it was 70.61% in Rajasthan and 74.46% at all India level in September, 2016. Total credit percentage in Rajasthan up to September, 2017, over corresponding period of 2016 has increased by 11.67% while the credit increased by 6.49% at the all India level.

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6. Physical Infrastructure

A sound infrastructural foundation is the key to the overall socio-economic development of a state. It acts as a magnetic power for attracting fresh investment into a state and thus provides a competitive edge to it over other states. Availability of adequate and efficient infrastructural set up not only promotes rapid industrialization but also improves the quality of the life of the people living in the state.

6.1 Roads -- The state government is committed and endeavors to further improve the road infrastructure in the state in coming years. The total road length which was just 13,553 km in 1949 increased to 2,26,853.86 km upto March, 2017. The road density in the state is 66.29 km per 100 sq. km at the end of March, 2017. There are 39,753 villages in the state as per 2001 census.

Table 10: Road Length in the State as on 31.03.2017

S. No.	Classification	BT	MR	GR	FW	TOTAL
1	National Highways	8202.2	0	0	0	8202.2
2	State Highways	15353.39	4.2	19.36	60.9	15437.85
3	Major District Roads	8302.91	1	31.5	126.69	8462.1
4	Other District Roads	29631.97	895.61	798.27	105.32	31431.17
5	Village Roads	123965.21	1087.06	35592.9	2675.37	163320.54
6	GRAND TOTAL	185455.68	1987.87	36442.03	2968.28	226853.86

Source: PHD Research Bureau, Compiled from Economic Survey of Rajasthan, 2017-18; NOTE - (BT- Black Top, MR- Metal Road, GR- Graveled Road, FW-Fair Weather)

6.3 Railways -- The total length of railway routes in the state was 5,898 km in March, 2015, which has remained 5,893 km at the end of March, 2016. The Railway length in state is 8.84% of all India route length. As of March, 2017, Rajasthan has a total railway network spanning 5,894 km, of which 4,868.06⁴ km was covered under broad gauge, 915.56 km under meter gauge and 86.76 km under narrow gauge.

6.4 Civil Aviation -- The state has a fully operational international airport at Jaipur. Domestic airports are located at Jodhpur, Udaipur, Jaisalmer and Kota. The Airports Authority of India plans to operate civil airports in Jaisalmer and Bikaner. Airports Authority of India (AAI) further plans to open an airport at Sawai Madhopur. An air cargo complex at Jaipur, and Inland Container Depots (ICDs) at Jaipur, Jodhpur, Bhilwara and Bhiwadi facilitate trade within and outside India.

⁴ IBEF



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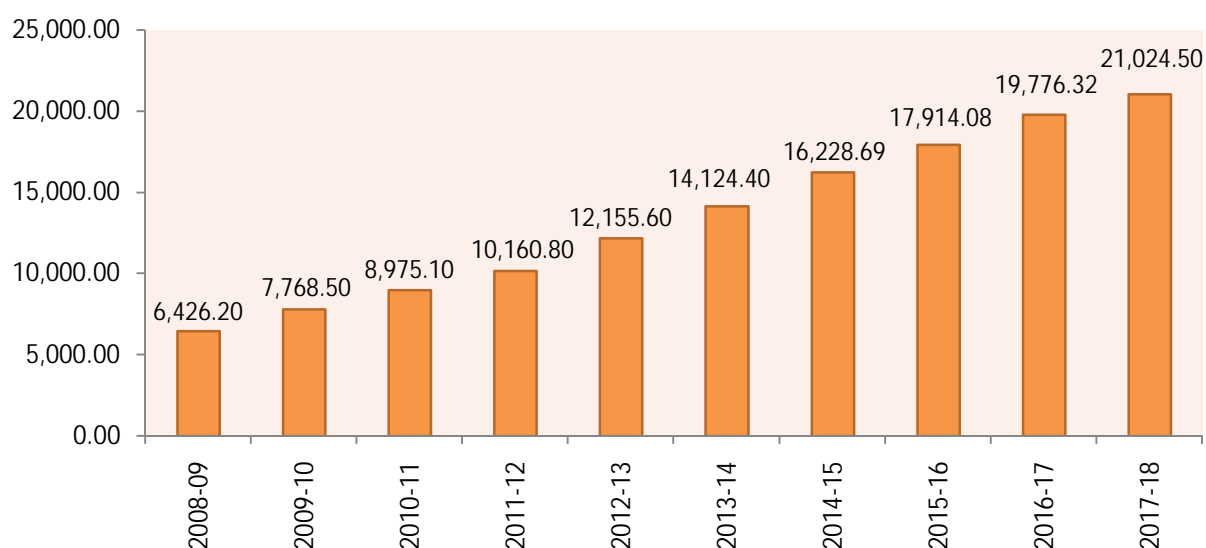
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6.5 Power -- Power sector of India as also of Rajasthan is one of the most diversified systems in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources, such as wind, solar and agriculture & domestic waste.

The main sources of energy generation in the state are Kota and Suratgarh Thermal Projects, Dholpur Gas Thermal Project, Mahi Hydel, Wind farms, Biomass, Captive Power Plants, Bhakra, Vyas, Chambal, Satpura Inter-State Partnership Projects and Rajasthan Atomic Power Project Singroli, Rihand, Dadri, Anta, Auriya, Dadri Gas plants, Unchahar thermal and Tanakpur, Salal, Chamera and Uri hydel projects from Central Sector.

The installed capacity of power in the state as on March, 2017 was 18,677.18 MW. The total increase in installed capacity during the year 2017-18 (upto December, 2017) is 859.59 MW. As such, the installed capacity as on December, 2017 was 19,536.77 MW.

Chart 10: Installed power capacity (MW)



Source: PHD Research Bureau, Compiled from IBEF

6.6 Postal & Telecommunication Services -- Telecommunication is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. It has become more important in recent years because of the rapid growth of information technology and its significant impact on the economy.

Postal and telecommunication services are instrumental to develop the economy and to provide communication connectivity among various areas, segments and communities in the State. The total number of post offices in the State was 10,311 and Telephone Exchanges were 2,057 at the end of March, 2017.



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Table 11: Post Offices and Telecommunication Facilities in the State (as on March)

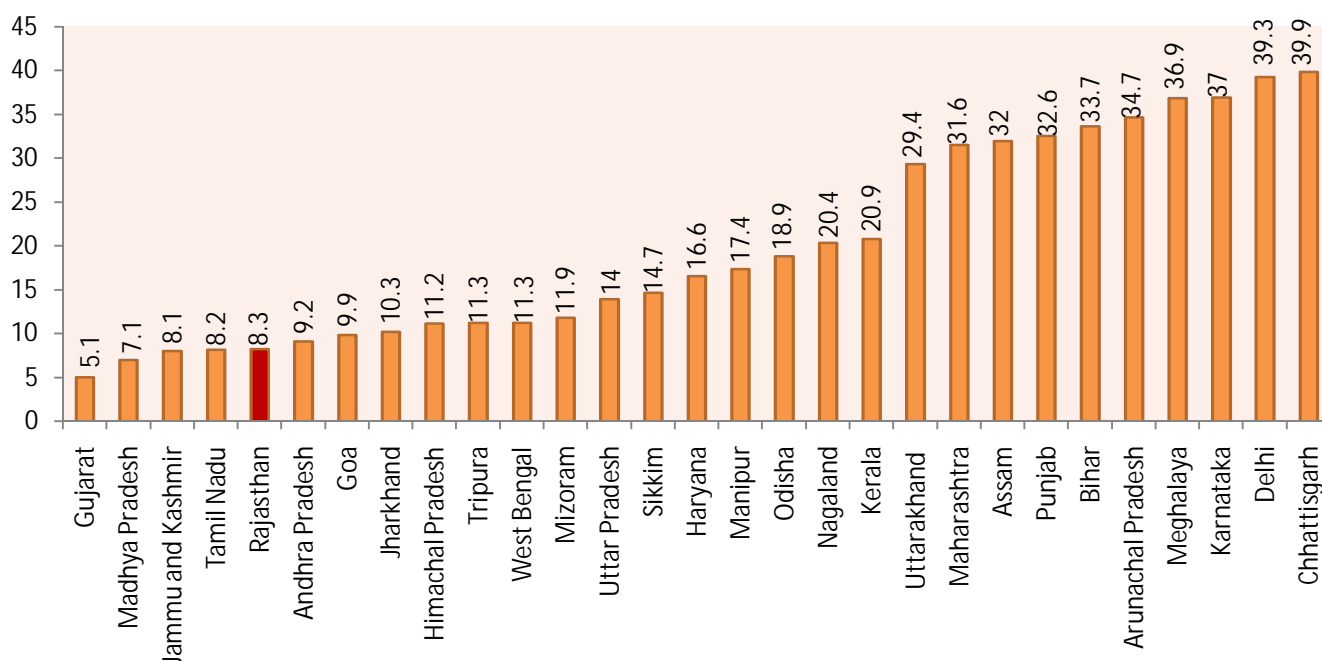
S. No.	Item	Unit	2015	2016	2017
1	Post Offices	Number	10329	10318	10311
2	Telephone Exchanges	Number	2132	2099	2057
3	Customer services centers	Number	265	265	263
4	Working telephone connection (All types)	Lakh Nos.	39.92	46.66	61.68
5	Public Call Offices				
a	Local PCO	Number	2007	1825	1613
b	STD / PCO	Number	9562	8075	6231
c	Village PT	Number	39131	24821	16879

Source: PHD Research Bureau, Compiled from Economic Survey of Rajasthan, 2017-18

7. Social Infrastructure

7.1 Poverty -- As per the census, the state of Rajasthan has a low poverty ratio of 8.3% against a national average of 21.92% which is highly encouraging.

Chart 11: Percentage of population below poverty line (BPL):
Rajasthan in comparison with other states (% share)

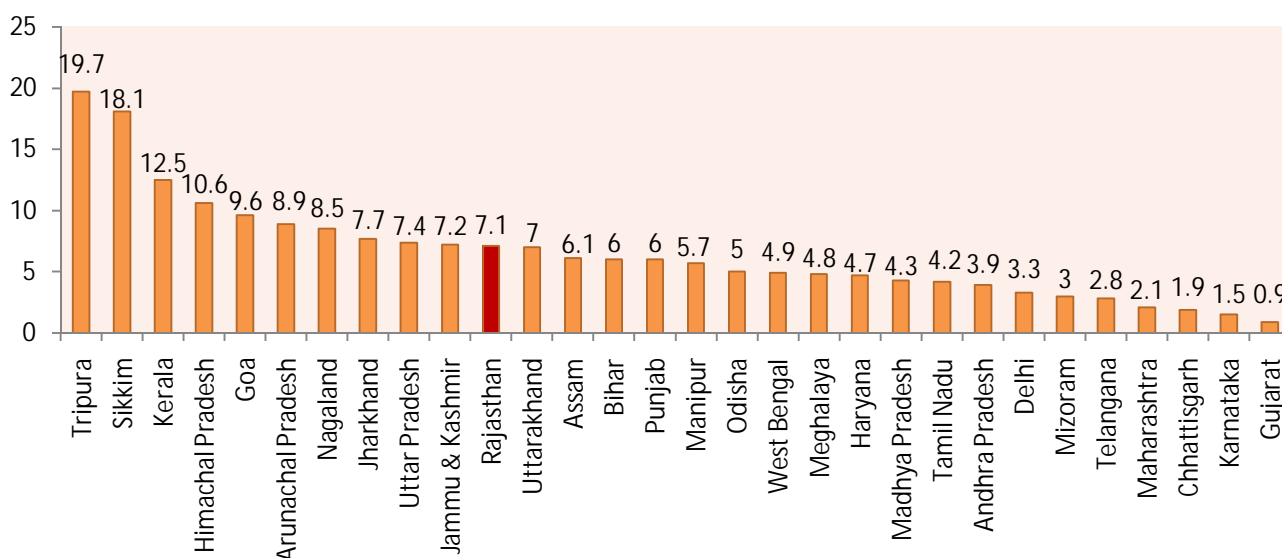


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7.2 Unemployment -- The unemployment rate based on the usual principal status for the state was estimated at 7.1% as compared to the All India level which was about 5% during the period 2015-16. The state has immense scope to generate ample employment opportunities in sectors in which it has inherent strengths.

Chart 12: State wise Unemployment rate based on UPS approach (2015-16)



Source: PHD Research Bureau, compiled from Annual Report on Employment & Unemployment Survey (2015-16), Ministry of Labour & Employment, Government of India

7.3 Literacy -- Education is an important sector which also affects other social sectors like health, employment, women empowerment, child development, labour etc. It is a great instrument for improving economic growth and development. Education improves the quality of life as well as provides opportunities for progress.

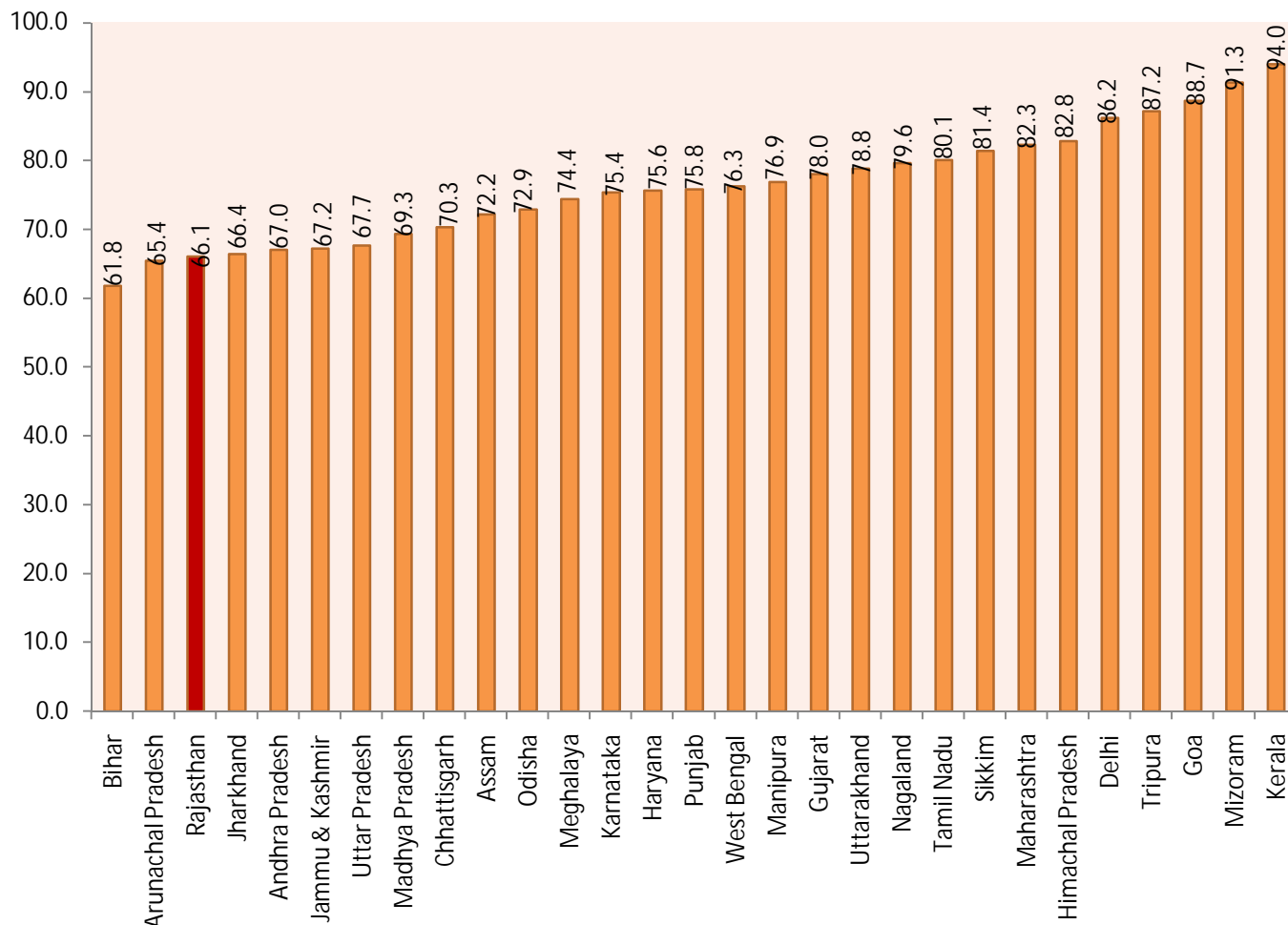
Nine Mewat Balika Awasiya Vidhalaya for girls are functional. These residential schools are established for girls in Mewat region which is largely educationally backward. Meena Manchaks have been constituted by involving girls studying in the classes IV to VIII of 19,106 Upper Primary Schools including KGBVs and 9,895 Adarsh Schools to create awareness in the community on the social issues viz child marriage, dowry system etc. and to motivate the parents of irregular, dropout and never enrolled girl's to send their daughters to school.

According to census 2011, literacy rate of Rajasthan was 66.1% which is below the national average of 73%. The State Government has also taken number of steps to promote Girls education such as 200 Kasturba Gandhi Balika Vidyalaya (KGBVs) are functional and 19,984 girls are studying in these schools.

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Chart 13: Literacy in Rajasthan in comparison with other states (% share)



Source: PHD Research Bureau, Compiled from Niti Aayog; Note: Data for Telangana is not available

Adhyapika Manch has been established to enhance the academic level of girls and to provide friendly environment to girl child in schools. 301 Adhyapika Manch has been formed at block level. Adhyapika Manch is the group of maximum 100 teachers.

The major objective of academic mela is to build an academic environment and to develop creative learning approach among children with special focus on science and mathematics. 25-30 academic stalls of various games based on English, Mathematics, Science, Hindi and Social Studies are setup in each Mela. Innovation for girls education (Under SSA): "Saksham" (self-defensive training to girls), "Jagruti" (Awareness among community for girls education in Selected 17 districts) schemes are being implemented to promote enrolment, retention and learning enhancement of girls.

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7.4 Health -- As of December 2017, the health infrastructure in the state comprises 115 hospitals, 586 community health centers, 2080 primary health centers, 193 dispensaries, 118 mother and child welfare centers, 53 PHCs Urban, 14406 sub centers, 13 aid post (urban), and 50605 beds.

Table 12: Details of Medical Institutions

S. No.	Medical Institutions	Number of Medical Institutions [^]
1	Hospitals	115
2	Community Health Centers(CHC)	586
3	Primary Health Centers (PHC) (Rural)	2080
4	Dispensaries	193
5	Mother & Child Welfare Centers	118
6	Primary Health Centers (PHC) (Urban)	53
7	Sub Centers	14406
8	Aid Post (Urban)	13
9	Beds*	50605

Source: PHD Research Bureau, Compiled from Economic Survey of Rajasthan, 2017-18; Note : Data [^] upto 31st Dec, 2017

* Beds of Hospitals attached to Medical Colleges are not included

7.5 Availability of Safe drinking water -- 78.1% of the total households have access to safe drinking water in the state, as compared to the national average of 85.5%. This is an area of concern which needs to be addressed by the government.



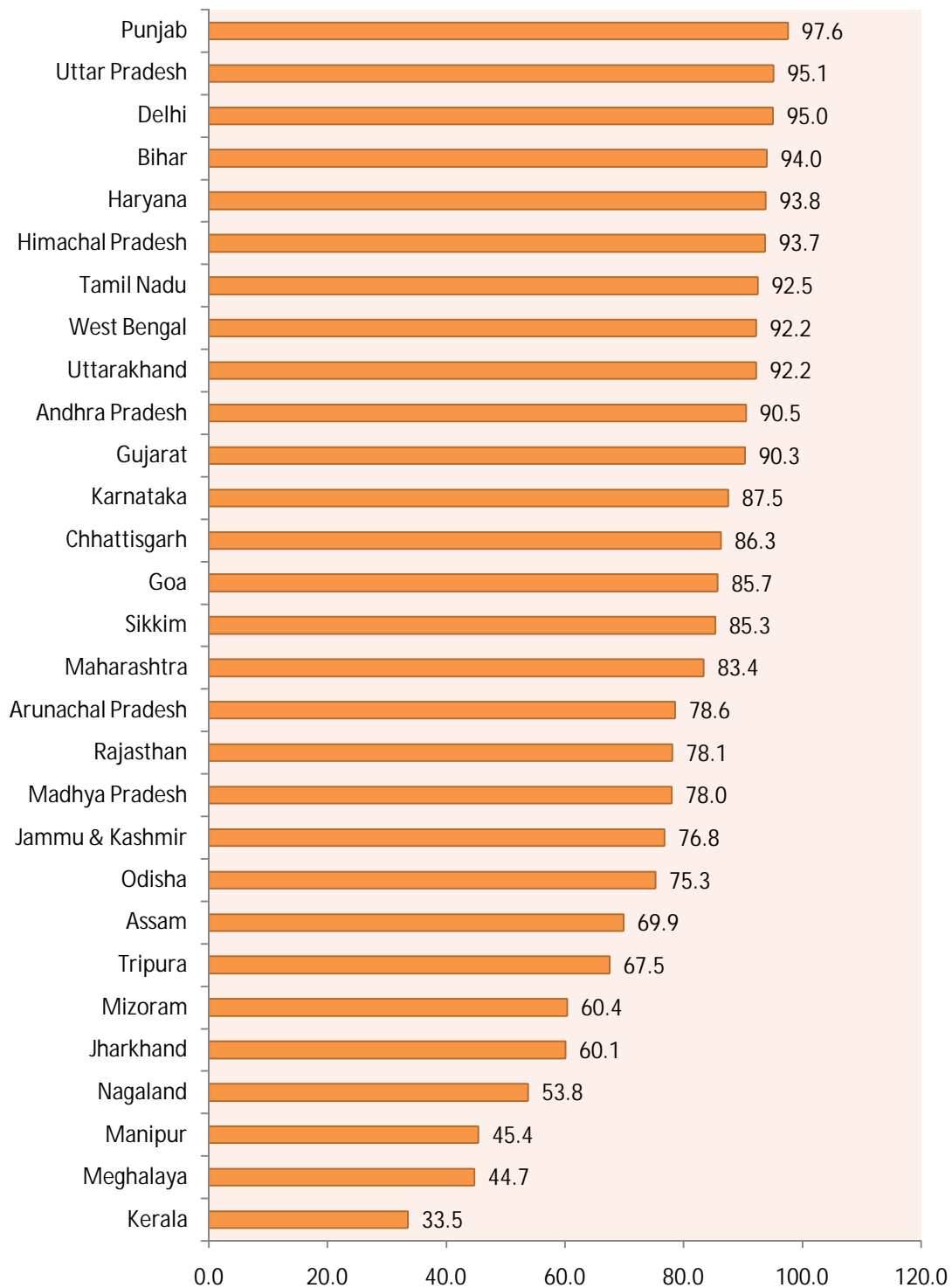


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Chart 14: Availability of Safe drinking water to households (% share)



Source: PHD Research Bureau, Compiled from Economic Survey 2017-18; Note: Data for Telangana is not available

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8. Budget Highlights of Rajasthan 2018-19

The budget of Rajasthan 2018-19 focuses on rural infrastructure with a focus on health, education and social sector schemes like pension, insurance. The state government has estimated total revenue receipts of Rs. 151663.5 crore for the year 2018-19. The state government has allocated Rs. 766 crore for construction of roads under the Grammin Gaurav Path Yojana and Missing Link Yojana. Rs. 800 crore has been allocated for upgradation and renewal of 5,000kms of rural roads.

Rs. 2,274 crore has been allocated for construction of 882 kms roads in district Jodhpur, Nagour and Pali under Asian Development Bank (ADB) and World Bank sponsored schemes. The state government has laid a provision of 2 major drinking projects under Regional Water Grid namely Mahi High Level to Jaisamand drinking water project and additional water treatment capacity for Bilaspur Water Project Phase 2 with an allocation of Rs. 1450 crore. The state government has announced 7 lakhs new domestic electric connections under DDUGJY and IPDS in rural and urban areas of Rajasthan.

The state government has announced onetime loan waiver upto Rs. 50,000 for small and marginal farmers. The state government has announced recruitment of 1000 Nursing Training Teachers to accommodate under Child development projects and providing 50% subsidy of the cost of 1000 Bulk Milk Coolers to the registered women Milk Co-operatives.

The state government has announced roof top solar plants for 27 districts hospitals, a new medical college in Dhoulpur district, 28 new PHCs and up gradation of 16 PHCs to CHCs with a provision of Rs. 120 crore.

Budget at a glance (In Rs crore)

	Items	2017-18(RE)	2018-19(BE)
A	Revenue Receipts	13469253.36	15166350.41
B	Revenue Expenditure	15485850.88	16911835.33
	Revenue Surplus (A-B)	-2016597.52	-1745484.92
C	Capital Receipts	5594434.04	6066161.53
D	Capital Expenditure	3575661.29	4315630.55
	Capital A/C Deficit (C-D)	2018772.75	1750530.98
E	Total Expenditure	19061512.17	21227465.88
F	Total Receipts	19063687.4	21232511.94

Source: PHD Research Bureau, Compiled from Budget of Rajasthan, 2018-19



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PART - B



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9. Survey of businesses, farmers and general public in the state

PHD Research Bureau conducted a survey to analyze the assessment of business environment and competitiveness in the state of Rajasthan, the assessment of the farmers working in Rajasthan and the impact of government's policy on social well being of people in Rajasthan. The survey aimed to identify the situation of the respondents engaged in different working environment and an overall impact of the government's policies on the general public. Also, the survey helps to bring forward the challenges faced by the respondents and their concerns and expectations from the current governmental policies.

9.1 Objectives

- To study the state of farmers, businessmen and general public in the state of Rajasthan
- To study the growth trajectory of the state
- To study the spread of developmental activities across the state
- To study the whether there has been an up gradation in the living standards of the people of Rajasthan
- To study the industrial development and Ease of Doing Business in the state

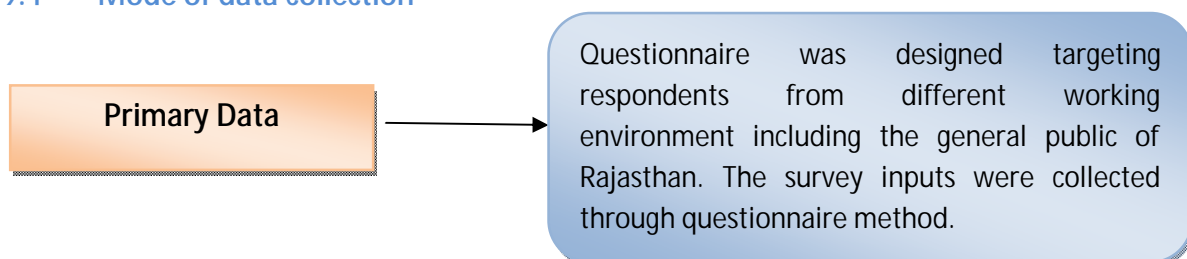
9.2 Research Methodology

The present survey was an exploratory research with the primary intention to access the state of farmers, businesses and well being of individuals in the state of Rajasthan. The industries surveyed were broadly from sectors namely manufacturing, textiles and garments, agriculture and forestry, food processing, IT and BPM etc. The key activities range from preparation of questionnaires, distribution of questionnaires, interaction with the respondents, in gathering inputs, analysis of data and inferences from analysis.

9.3 Data Collection

The study mainly considered primary data for the analysis. The primary data comprises of in-depth field survey through structured questionnaires and discussion with businessmen, farmers and local people of Rajasthan.

9.4 Mode of data collection



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A primary survey tools was prepared to explore the key themes of the present study. The questions were a mix of both close and open-ended questions in order to obtain information, as well as get responses from the respondent's perspective for the key domain discussed above.

9.5 Data collection technique

Systematic sampling technique has been used for the survey wherein the respondents were chosen on the basis of data available with PHD Chamber for Rajasthan.

Table process of data collection

Questionnaire	Technique	Description	No of Respondents
Assessment of Business Environment and Competitiveness in the state of Rajasthan	Systematic Sampling	Responses were received from businessmen in the state of Rajasthan. Respondents were operating in different sectors of the society including manufacturing, textiles and garments, Renewable energy, Pharmaceuticals, Media and Entertainment etc.	126
Assessment of state of farmers in Rajasthan	Systematic Sampling	Responses were received from the farmers in the state of Rajasthan.	52
Government's policy impact on social well being of people in the state of Rajasthan	Systematic Sampling	Responses were received from the people residing in the state of Rajasthan.	1471



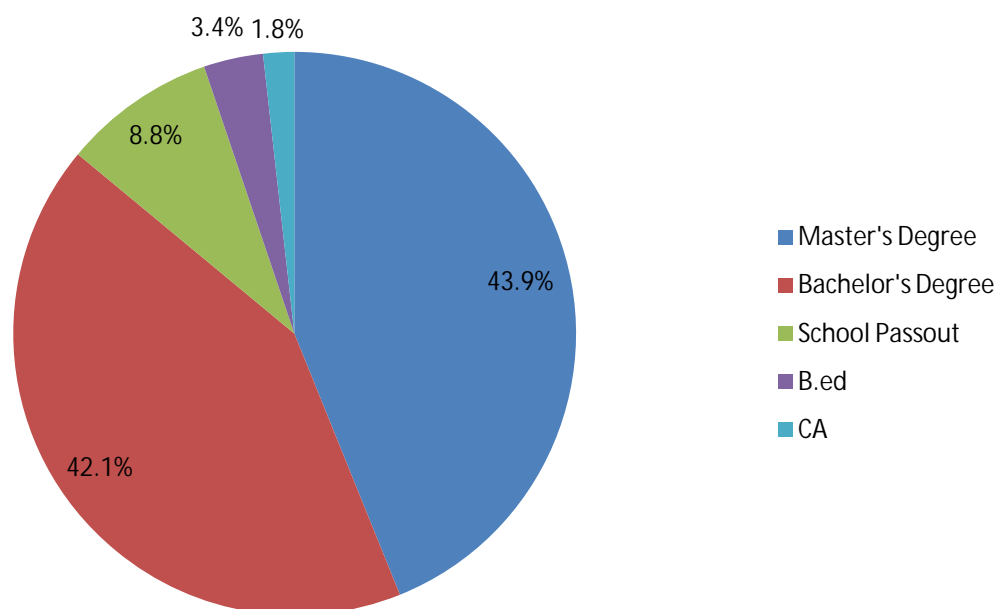
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10. Participants' Profile for the survey on social well being

The survey undertook responses from 1471 people of Rajasthan. The participants of the study included people from all age group ranging from 20-70 years. The survey was undertaken by men and women who were both married as well as unmarried. The findings revealed that 43.9% of the participants hold a Masters degree followed by 42.1% of the respondents who holds a Bachelor's degree and only 8.8% of the respondents were school pass out.

Figure 15: Level of education of respondents



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

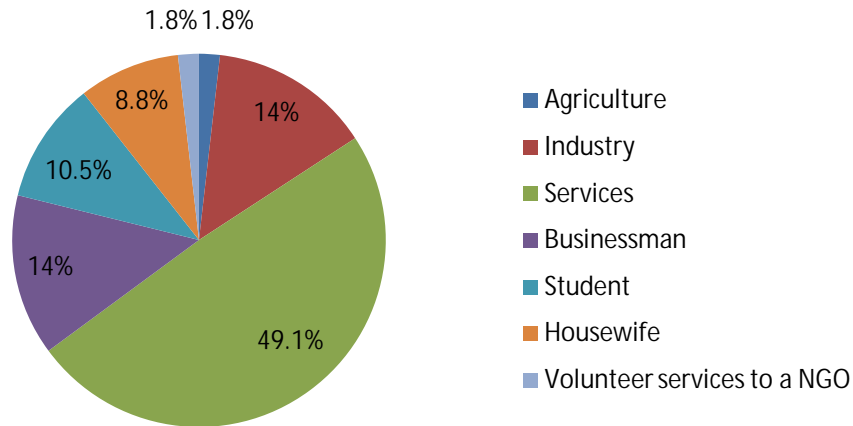
The remaining population was holding a professional degree with 1.8% of the respondents being Chartered Accountant (CA) and 3.4% of the population having a Bachelor of Education (B.ed) degree.

The largest share of respondents of 49.1% covers the services sector followed by the industry sector and people engaged in small businesses where 14% of the population is involved.

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Figure 16: Classification of Occupation



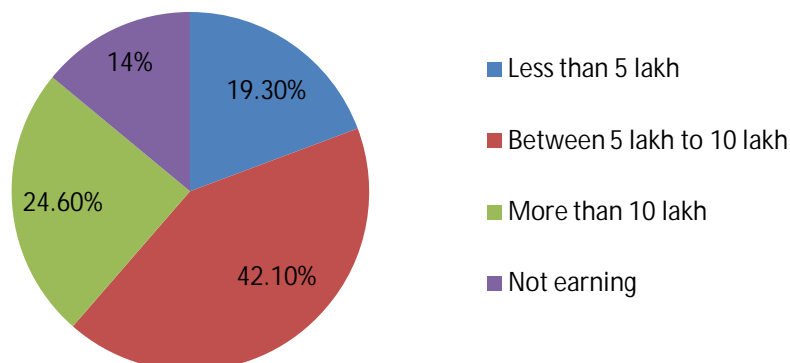
Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Further 10.5% of the population is still studying and 8.8% of the respondents are looking after their house as housewives. Only 1.8% of the respondents were involved in the agriculture sector and working as a volunteer in rendering their services to a NGO.

Annual Income of the respondents

Around 40% respondents revealed that they were earning an annual income between 5 to 10 lakh while 25% of the respondents were earning an annual income of more than 10 lakh. Around 19% of the participants were earning an income of less than 5 lakh annually while 14% of the respondents were not earning at all.

Figure 17: Annual Income of respondents



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

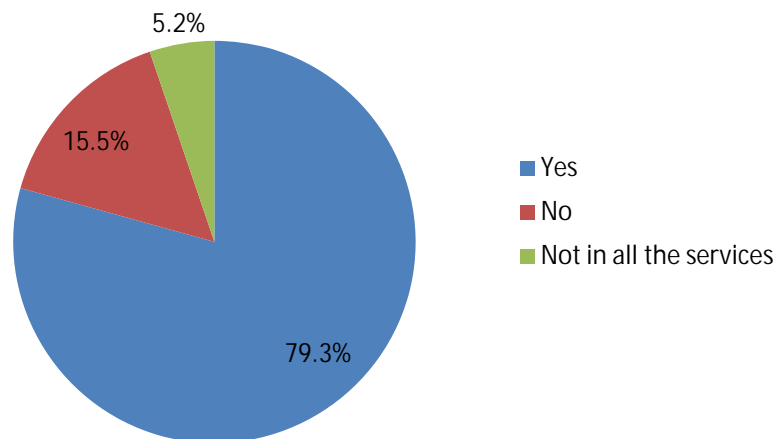
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Standards of living in the last few years

Majority of the respondents (79%) reported that there was an increase in their standard of living in the last few years. Around 5% of the respondents believed that though there was an improvement in their standard of living but not in all aspects. In a nutshell, some believed that there was an overall improvement in their standard of living whereas some believed that improvement was only in some aspects such as increase in salary, in terms of consumable goods, improvement in health facilities, and improvement in cleanliness all.

Figure 18: Improvement in the standard of living of people



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Around 15% of the participants believed that there was no improvement in their standards of living.

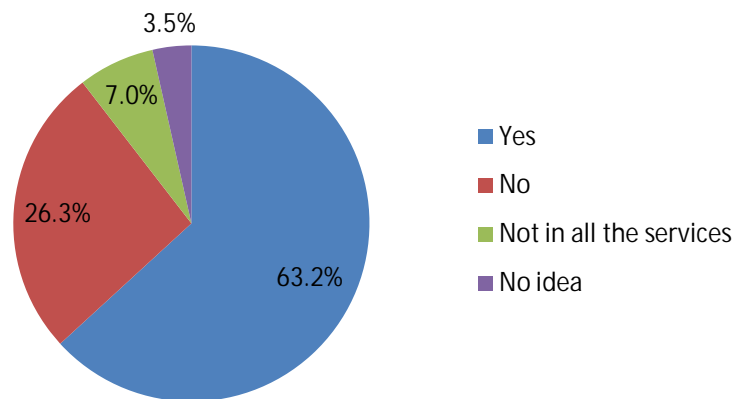
Benefits of public services rendered by the government

Majority of the respondents (63%) revealed that they are able to enjoy the benefits of the public services rendered by the government to them whereas 26% of the participants reported that they are not getting the benefits of the public services offered to them by the government.

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Figure 19: Benefits of public services by the government



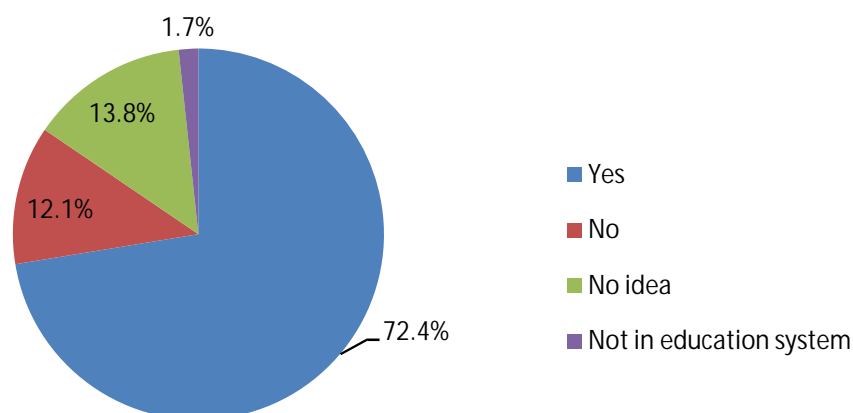
Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

7% of the respondents said that although they were getting the benefits of the public services offered to them by the government but it does not include all the services. 3.5% of the respondents had no idea whether they are getting the benefits or not.

Improvement in the law and order

When it comes to law and order of Rajasthan, the survey findings revealed that 74% of the participants believe that there was an improvement in the law and order in the state of Rajasthan. 12% of the respondents felt that there was no improvement in the law and order in the state and it was still the same as it was in the past.

Figure 20: Improvement in law and order



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

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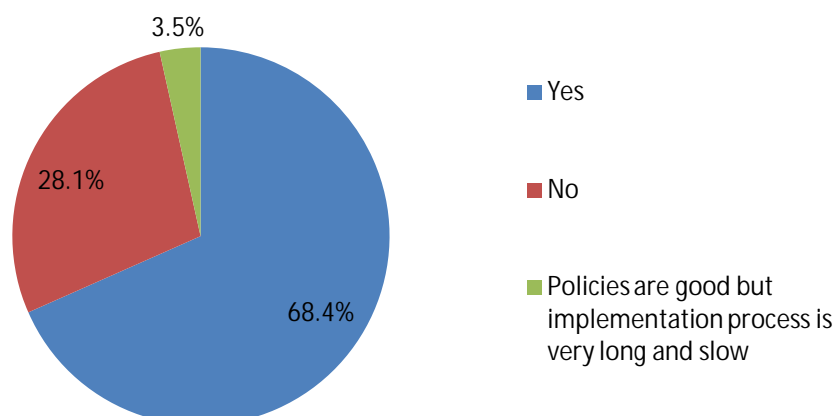
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Around 14% of the participants had no idea whether there was an improvement in law and order in the state or not. A mere share of respondents of around 2% believed that although there was an improvement in the law and order in the state but the improvement in the education system was not there.

Satisfaction from the Policies implemented by the government

In response to the satisfaction from the policies implemented by the government around 68% of the participants reported that they were satisfied with the policies that the government is implementing in the state of Rajasthan. 28% of the respondents said that they were not satisfied with the policies that the government is implementing and a change is needed in those policies.

Figure 21: Satisfaction from the policies implemented by the government



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

3.5% share of the respondents reported that although the policies that are implemented are good but the implementation process is very slow.

People's expectations from the current government

Responses were taken from the people about their expectations from the current government and they believed that the impact of demonetization and GST have a negative impact on the growth of the economy. According to them measures should be by the government to simplify the life of the people. Further according to them there should be a simplification of policies in the system so that people do not have to pass through various hurdles.

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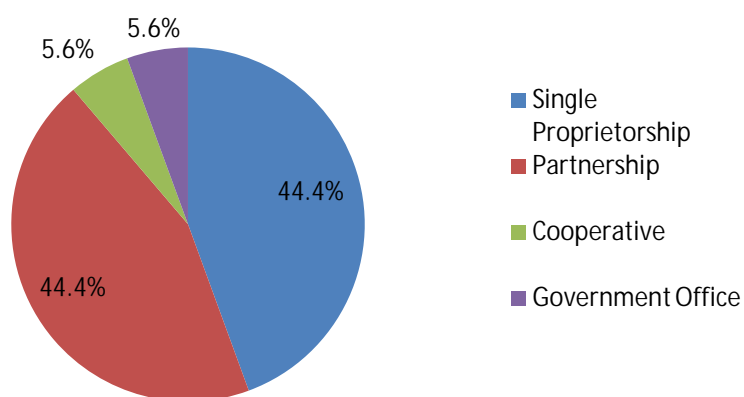
Various suggestions were given by the people in this regard such as rebate should be given in income tax, there should be stringent implementation of laws, law and justice should be equal for everyone, more jobs should be created for the youth in the economy, Single Window Clearance should be opened for government procedures like trade license, passport facilities and many others.

Overall, the policies should be implemented from top to bottom and should be properly monitored after their implementation as the citizen who is aware of the policies and the rights available to him is able to enjoy the benefits but an unaware citizen is not able to do the same.

10.1 Participants profile for the assessment of Business Environment and Competitiveness

The survey undertook responses from 126 respondents operating in Rajasthan. The participants of the study were involved in different sectors producing different products like Plastic goods, Alcohol, Plastic Medical Disposables, Textile Manufacturing, Grinding of minerals etc. The participants of the study revealed that the around 44% of them were either single proprietor or were engaged in a partnership with someone while operating their businesses.

Figure 22: Legal set-up of the company



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

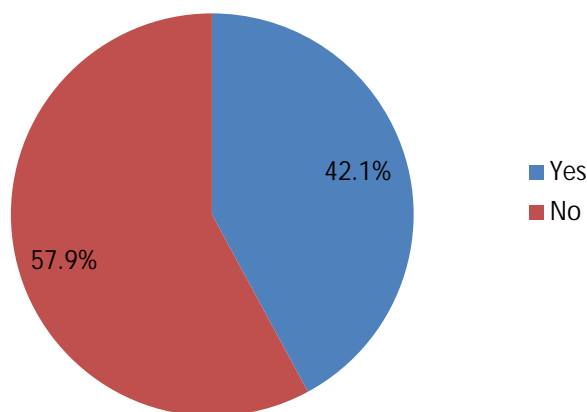
5.6% of the respondents were either working in government offices or were either working in cooperative.

Further it was seen that around 58% of the businesses were not operating outside Rajasthan whereas 42% of the businesses were also operating outside Rajasthan.

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Figure 23: Operation of the state in other state

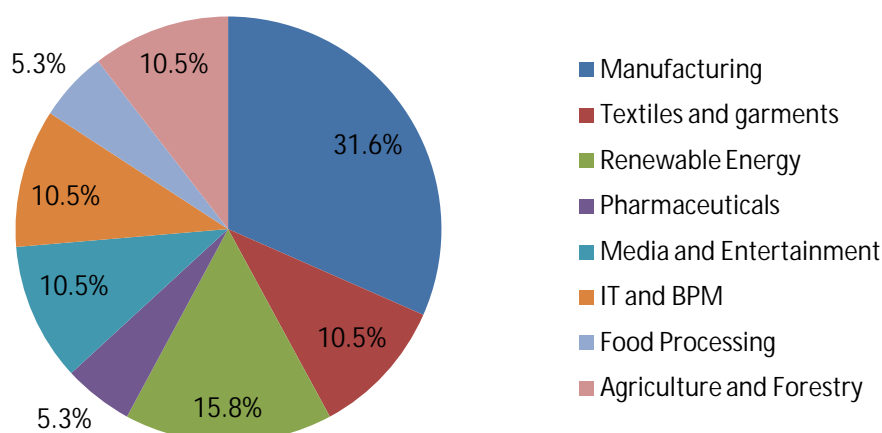


Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Sectors in which businessmen are engaged

The survey findings revealed that the majority of businessmen i.e. 32% were engaged in manufacturing sector. Around 16% of the businessmen were engaged in Renewable Energy while around 11% of the people were operating in the sectors of IT and BPM, Media and Entertainment, Textiles and Garments and Agriculture and Forestry. 5% of the people were engaged in food processing and pharmaceuticals industry.

Figure 24: Businesses engagement in different sectors



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

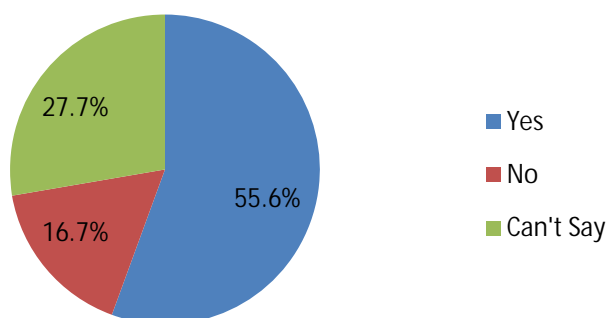
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Benefit of Single Window System

The largest share of respondents (56%) reported that the Single Window System was helpful in the industry sector. Followed by this, around 17% of the participants revealed that the Single Window System was not at all helpful while performing operations in the industries.

Figure 25 : Benefit of Single Window System



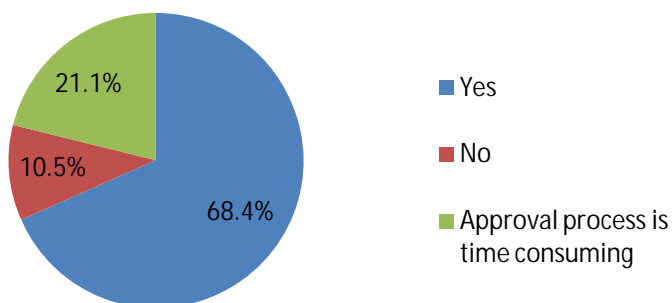
Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Around 28% of the respondents revealed that they can't say whether the Single Window System was benefiting their business nor not.

Interaction with the Bureaucracy

According to 69% of the respondents, they were happy while having interactions with the bureaucracy while around 11% revealed that they were not satisfied and happy with the interactions with the bureaucracy.

Figure 26: Benefit of interaction with Bureaucracy



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

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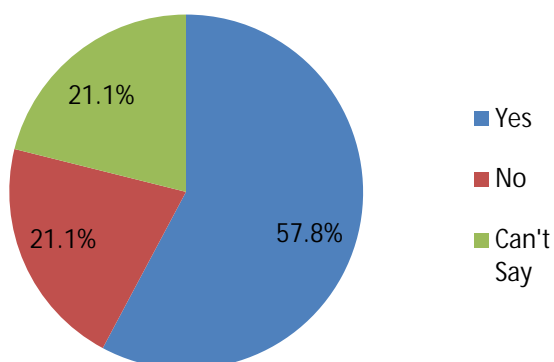
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21% of the participants responded that although they were able to interact with the bureaucracy but the approval process for various initiatives and activities to be undertaken in a business activity is time consuming.

Benefit from Ease of Doing Business Reform

Majority of the respondents (58%) revealed that they were benefitted from implementation of the Ease of Doing Business Reforms in the state of Rajasthan some of which were Registering Property, Land Availability and Allotment, Construction Permit Enablers, Obtaining Utility Permits, Labour Regulation Enablers etc. 21% of the respondents reported that the implementation of Doing Business Reforms were not helpful to Ease the level of doing business.

Figure 27: Benefits from Ease of Doing Business Reform



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Further 21% of the participants reported that they can't say whether they and their businesses have been benefitted from the Ease of Doing Business Reforms.

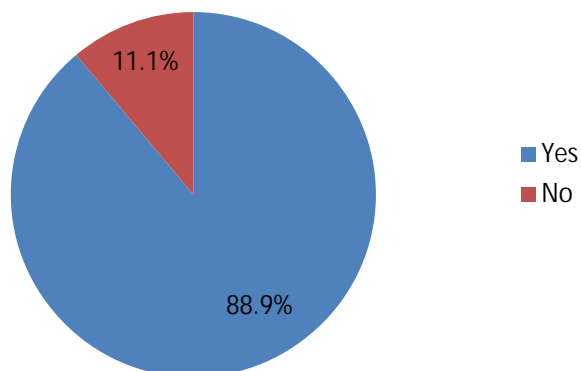
Growth of business in future

A very high proportion of the respondents (89%) reported that they are optimistic about the growth of their business in the future. Thus this can be regarded as a positive sign for the growth and development of a business which in turn help in the development and growth of the state.

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Figure 28: Optimism about the growth of business in future



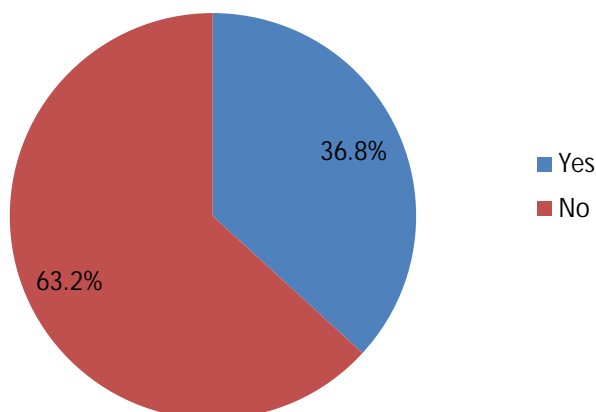
Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Only a small share of the respondents (11%) revealed that they were not optimistic about the growth of their business in the future.

Difficulty in getting skilled labour

Another positive picture was depicted when 63% of the respondents reported that they did not face difficulty in hiring skilled labour force in their businesses and only 37% believed that it was difficult for them to hire skilled labour.

Figure 29: Difficulty in getting skilled labour



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

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People's recommendation to the actions that the government should take to improve the business environment and overall competitiveness of the state

Various suggestions were given by the businessmen to the government in order to improve the business environment and the overall competitiveness of the state. Some of them suggested that the government should come up with a common portal which will enable the people to trace business opportunities.

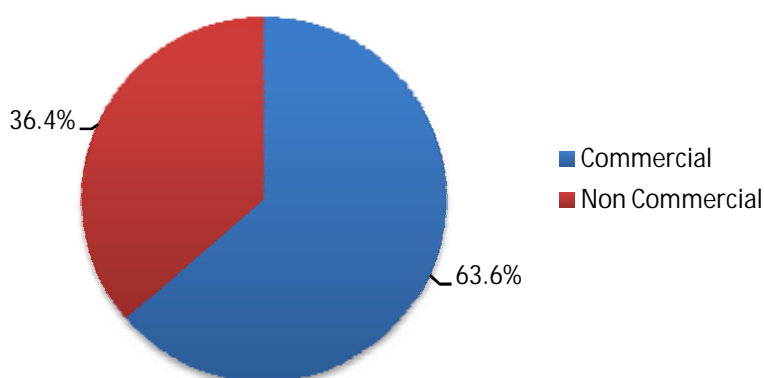
Further initiatives should be taken by the government to educate the unskilled people so that they can learn the techniques to improve the productivity of the business which will in turn lead to development of the business and the individual.

One of the biggest concerns of the people was the teething problems of GST which have surfaced and caused difficulties to understand the business environment. Thus efforts should be taken by the government to simplify the GST system. In a nutshell, the government should focus on being result oriented and take the giveaways from the other states that are developing.

10.3 Participants profile for the assessment of state of farmers in Rajasthan

The survey undertook responses from 52 farmers operating in the state of Rajasthan. Of the total farmers surveyed 15 farmers were from the age group 25-35 years, majority of the respondents (25) were of the age group 35-45 years while 12 respondents were of the age group 45-55 years. The largest share of respondents (64%) was producing commercial crops whereas around 34% of the participants were producing non commercial crops.

Figure 30: Type of crop produced



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

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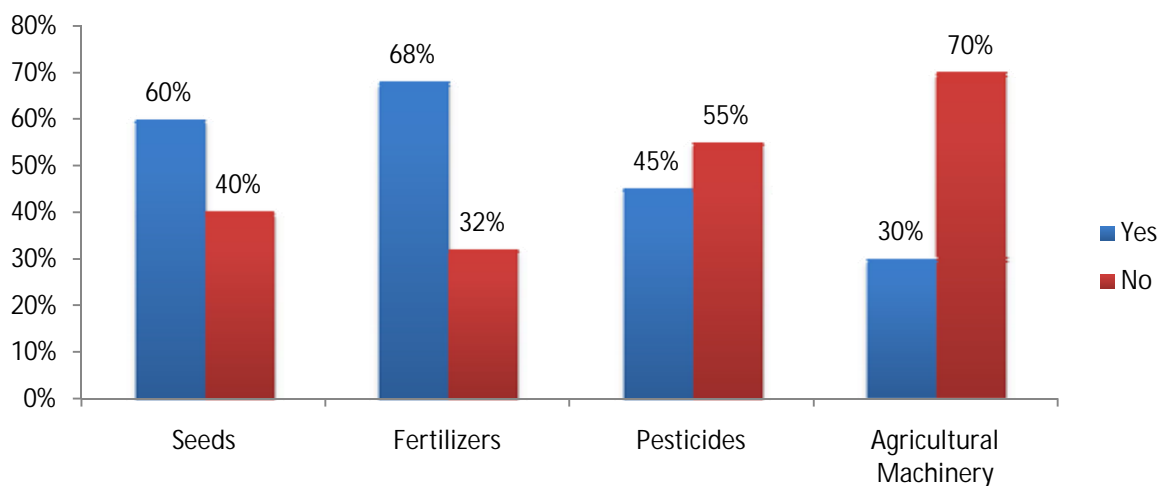
When considering the annual income of the farmers it was observed that the annual income 27 farmers fall in the income bracket of INR 0-5,00,000. 13 farmers were earning an annual income that was in the bracket of INR 5,00,000-10,00,000. 8 farmers were earning an annual income in the bracket of INR 10,00,000-15,00,000 lakh whereas only 4 farmers were earning an income under the bracket of INR 15,00,000-20,00,000.

A large proportion of farmers (60%) responded that they have taken loans and thus have a debt on them whereas 40% of the participants revealed that they have no debt on them.

Extension of help by the government

In response to the question on the extension of help by the government in the agricultural inputs the results were positive as 60% of the respondents revealed that the government provides them the seeds for production in farms whereas 40% of the farmers responded that the government do help them in providing seeds for the production of crops in the farms. Similarly in response to the fertilizers provided by the government, 68% of the respondent reported that they receive fertilizers from the government whereas 32% of the respondents said that the government does not help them in providing fertilizers.

Figure 31: Extension of help by the government



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

55% of the participants reported that no help was extended to them by the government for providing pesticides whereas 45% respondents revealed that the government did help them in the farm production by providing them with pesticides. Further, 70% of the respondents reported that no help was extended to them by the government in providing agricultural

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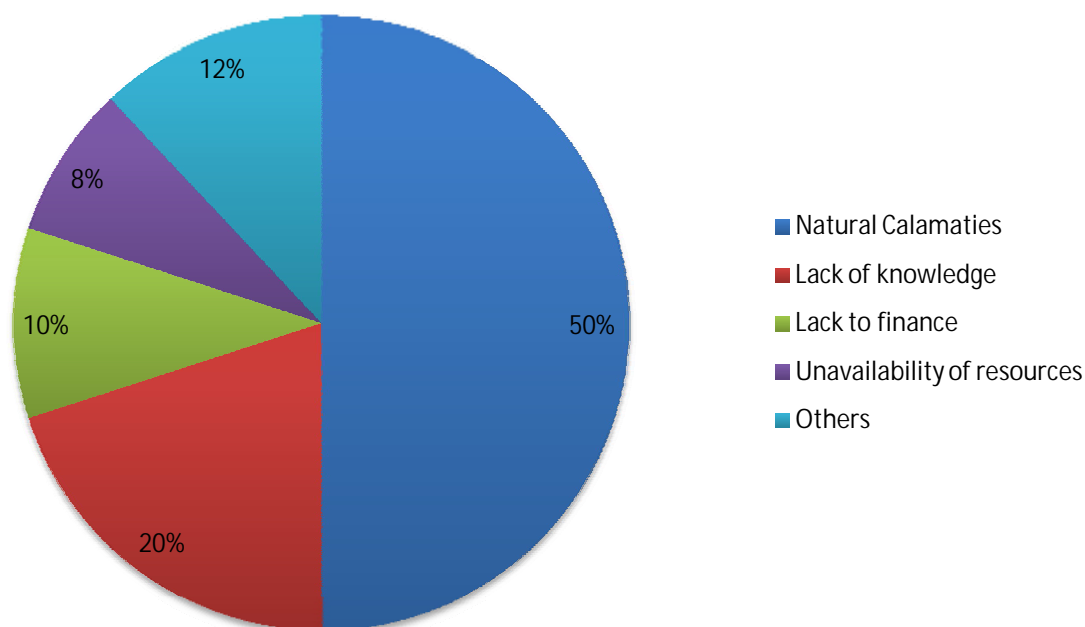
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machinery while 30% of the respondents reported that the government was helping them by providing agricultural machinery.

Factor that affect yield of the farmers

Of all the farmers surveyed 50% of them reported that natural calamities are the major factor that affects their yield. 20% of the participants revealed that lack of knowledge about farming and other factors was also the reason for a decline in the yield of the farms.

Figure 32: Factors affecting yield



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Further, 10% and 8% of the farmers revealed that lack of finance and unavailability of resources are the reasons why their yield is negatively impacted. 12% of the respondents said that factors other than these are responsible for affecting their yield.

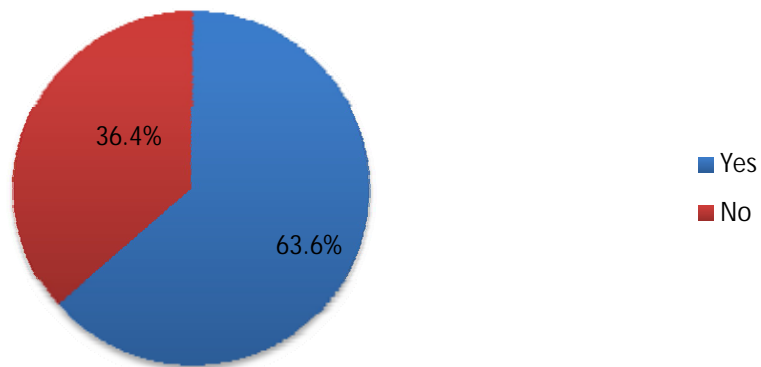
Support from the government when the yield is affected

When asked that whether the farmers receive any support from the government when their yield is affected, 64% of the respondents reported that the government does help then in such a situation.

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Figure 33: Support from the government when the yield is affected



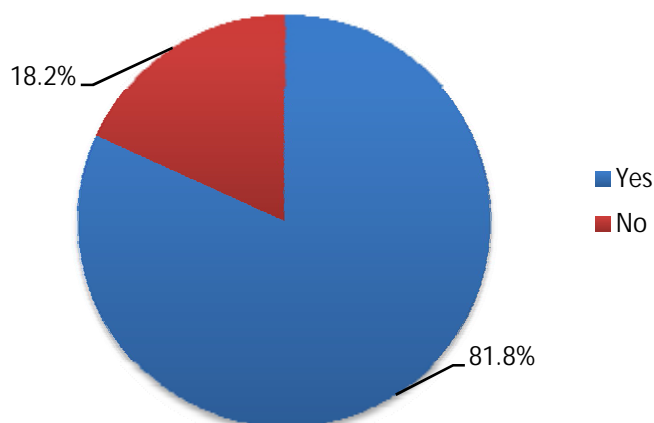
Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Whereas only 36% of the respondents reported that the government does not extend them any help when their yield is affected.

Minimum Support Price (MSP) by the government

Responses by the farming community are highly encouraging as 82% of the respondents involved in farming reported that the state government ensures Minimum Support Price (MSP) to the farmers as it is an important part of the agricultural price policy.

Figure 34: Minimum Support Price by the government



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

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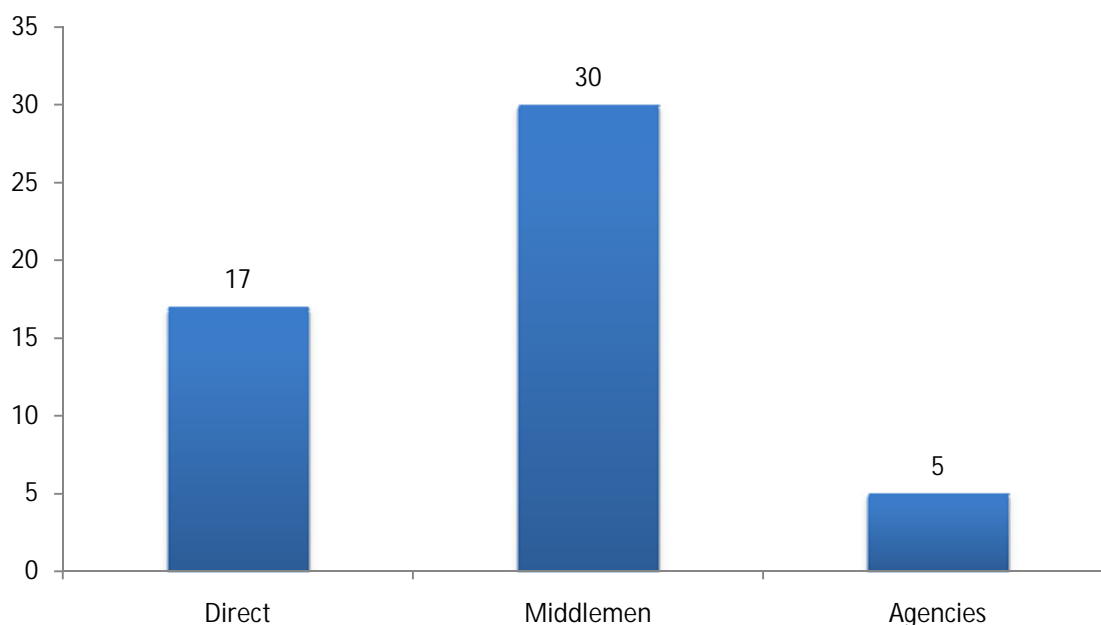
Emerging Growth Dynamics and the Way Forward

Only 18% of the farmers reported that the state government does not extend them any help in the form of Minimum Support Price for their yield.

Marketing of crops

According to the survey, 30 farmers reported that they were using many kinds of local middlemen in selling their products in the markets whereas 17 respondents revealed that they are directly able to sell their produce in the market. Only 5 respondents reported that they contact an agency to sell their produce of farm in the market.

Figure 35: Marketing of crops by the farmers



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

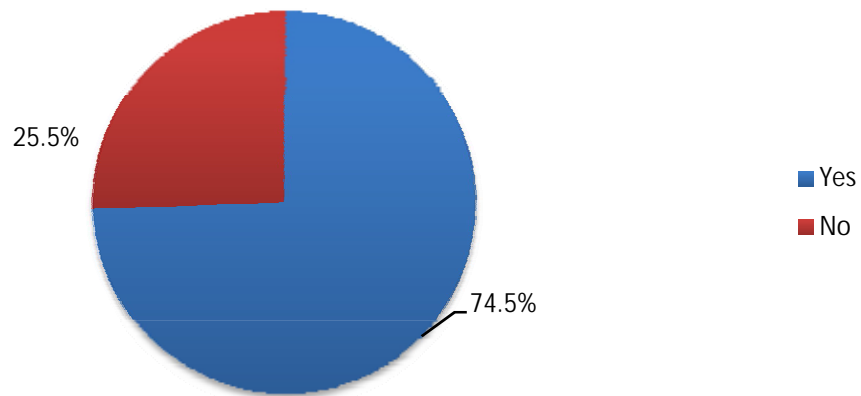
Daily necessities through Public Distribution System (PDS)

In response to the question on whether the farmers are able to meet their daily necessities through Public Distribution System (PDS), a majority of around 75% of the respondents reported that they were able to meet their daily necessities through the PDS. Only around 25% of the participants reported that they were not able to meet their basic necessities through Public Distribution System.

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Figure 36: Daily necessities through Public Distribution System (PDS)



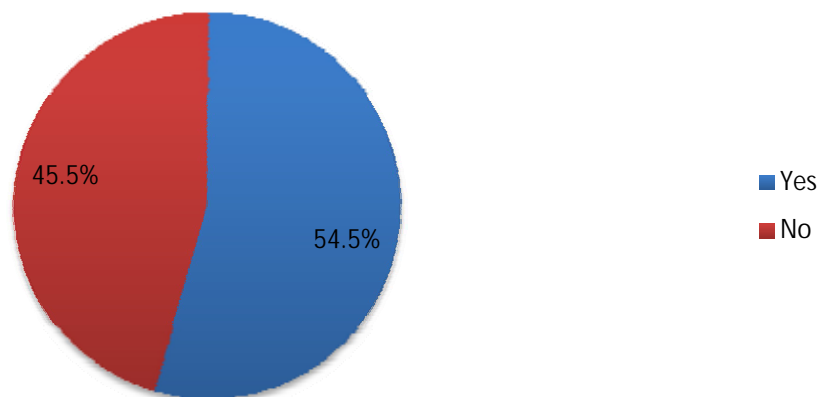
Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Thus this is a clear indication that the government helps the people to meet their daily necessities through the initiative of Public Distribution System which is formulated to help the needy section of the society by providing them food and non-food commodities at very cheap prices.

Awareness of state government plans and facilities

Around 54% of the respondents reported that they were aware of the plans and facilities extended by the state government.

Figure 37: Awareness of state government plans and facilities



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

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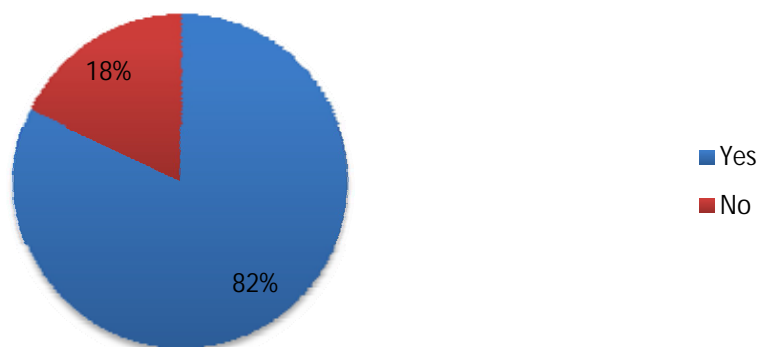
Emerging Growth Dynamics and the Way Forward

Around 45% of the participants reported that they were not aware of the plans and facilities extended by the government in the field of agriculture to help the farmers and improve their condition.

Announcement of policies as per the needs of the farmers

A very large proportion of respondents (82%) reported that the government is announcing the policies as per their needs while only 18% of the respondents said that the government was not announcing the policies as per their needs.

Figure 38: Policies announced as per the needs of the farmers



Source: PHD Research Bureau, Survey of government's policy impact on social well being of people in the state of Rajasthan

Farmer's recommendation to the kind of support that should be extended by the state government for their upliftment

Various suggestions were extended by the farmers of Rajasthan to the state government of Rajasthan. Some of them included the introduction of more farmer friendly policies, removal of middle-men to supply the farm produce so that the farmers are able to directly sell their crops and get the full market value of the produce.

The government should focus on providing insurance to the crops in order to help the farmers. Awareness campaigns should be started by the state government on regular intervals to educate the farmers about the latest cropping patterns, machines, high yielding variety of seeds and organic farming techniques.

Special agro zones should be developed all across the states and encourage the farmers to use organic farming and abstain them from using chemicals and fertilizers. Finally, the government should provide the Minimum Support Price (MSP) to the farmers on time and make them aware of the initiatives taken by them for the benefits of the farmers.



NATIONAL APEX CHAMBER

PART - C

Rajasthan: Steady Strides into the Future

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Conclusions

Rajasthan is a state where tradition and glory meet in the midst of colours. It is endowed with magnificent forts, palaces, havellies, natural resources, heritage, beauty and culture. With the lofty hills of Aravali-one of the oldest mountain ranges of the world and the golden sand dunes of the Great Indian Desert, Rajasthan is the only desert of the sub-continent.

Rajasthan is located in the north-western region of India. It is the largest State in the Republic of India. It forms a corridor between the northern and the western states in the country.

The state has been witnessing a significant growth path over the last few years. The real GSDP of the state has grown at an average rate of 7.1% during the period FY2013 -2018. The economy of Rajasthan has been showing a mixed trend over the past few years. The Gross State Domestic (at current prices) grew from Rs. 493551 crore in FY2013 to Rs. 840263 crore in FY2018.

During the past few years, the services sector of the state has performed well and emerged to be a major contributor to the economic growth of the state. The contribution of the services sector in the states GSVA (at current prices) of Rajasthan stands at around 47% during FY2018.

Rajasthan has large scope for development of horticulture. It provides additional employment opportunities to the rural people, while diversifying the rural economy to agro processing and other ancillary activities.

Owing to existence of ample opportunities of horticulture development, a separate Directorate of Horticulture was established in 1989-90, with the objective of growth in area, production & productivity of fruits, vegetables, spices, flowers and medicinal plant crops in a planned way.

The key industries of Rajasthan are cement, tourism, ceramic, chemicals, textiles, steel, handicrafts, IT and ITeS, and marble. Rajasthan is the leading manufacturer of silver, copper, rock phosphate, marble, sandstone, limestone, lignite and gold.

The state is one of the largest producers of cement, with 21 major cement plants, and having a total capacity of 55 Million Tonnes Per Annum (MTPA). The state is second-largest producer of milk and largest producer of wool in India. The state also has immense potential in generating electricity through various renewable energy resources.

Rajasthan State is one of the most attractive tourist destinations in India and has a prominent place on the world tourist map. Significant efforts are being made to develop tourism in the



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State, since it has vast potential to generate employment and income for the people of the Rajasthan.

A sound infrastructural foundation is the key to the overall socio-economic development of a state. It acts as a magnetic power for attracting fresh investment into a state and thus provides a competitive edge to it over other states. Availability of adequate and efficient infrastructural set up not only promotes rapid industrialization but also improves the quality of the life of the people living in the state.

PHD Chamber suggests the Rajasthan Government to follow the footsteps of the scheme adopted by the government of Uttar Pradesh as it has taken a very important and innovative decision to implement the concept of '**One District One Product**' to fulfill the prime objective of big scale international branding and marketing of the products famous in the particular state.

This will generate new employment opportunities for the youth of the state and help the state to gain recognition in the national and international markets.

Going ahead, the state needs to focus on Improving the quality of education, attracting more investments in health sector, hydro power projects, strengthening rural development and development skills in order to enhance the social infrastructure in the state. The Government must focus on improving quality of infrastructures, enhancing agriculture productivity, post harvest management, reforming manufacturing sector to bolster industrialization.

We look forward to effective policy interventions and strong reform initiatives that would pave the way to achieve high sustainable growth in the state in the coming times.

11. Suggestions for Fostering Industrialization

PHD Chamber of Commerce and Industry would like to suggest a few economic reforms which would pave the way for new economic growth in the coming times.

11.1 Economy

The economy of the state is well positioned in comparison to other states as the average growth rate of the state in FY2018 was 7.2%.

Suggestions

- To attract more investments in major sectors, like agricultural produce, handicrafts and handloom, cement, and tourism by framing effective policies that reaches the grassroots.
- Government departments should be trained to use latest technologies for transparency in their departments.



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- State should focus on post harvest management techniques, like setting up of cold storages.
- The government should focus on small-scale village based industries as they play an important role in employment generation opportunities.
- They small-scale industries should be provided with loans, latest technologies so that it gives a boost to their industry as well to the economy of the state.

11.2 Agriculture

Rajasthan, the economy of the state was primarily an agrarian economy. The food grain production in the state has witnessed an increase during the past few years.

Suggestions

- Improvement in the crop management system by modernizing of agriculture so as to reduce dependence on monsoon.
- Availability of easy credit facilities to smaller farmers so that they can invest in advanced farm techniques.
- Lack of storage, should be addressed by establishing of cold storage facilities in the state.
- There is a need to improve post harvest management techniques.
- There is a need to facilitate the farmers with better transport facilities for their produce.
- Education should be provided at the grass root level, so that the farmers are able to use the modern techniques in farming.
- There is a need for more farmer friendly policies.
- The state government should ensure that the farmers seek insurance of their crops on time.
- There should be direct selling of crops so that the farmers receive full market value of their produce.
- The government should focus on overcoming the problem of water scarcity in the state.
- Special agri-zones should be developed all through out of the state and MSP should be paid for all the customers.
- The farmers should be encouraged to use organic farming and abstain from using chemicals and fertilizers.
- The state government should provide MSP on time and make the farmers aware of the initiatives taken by them for the benefit of the farmers.

11.3 Industry

The industry sector in the state of Rajasthan has registered a growth of 4.8% during FY2018. However, the share of industry in the state has been declining in the recent times. Hence

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there is an urgent need to bolster industrialization in the state by promoting sector specific policies to attract higher and higher investments in the state in the coming times.

Suggestions

- The government should come up with a consortium portal wherein businesses and vendors can come together to create opportunities for expanding their businesses.
- Technology upgradation should be promoted by providing special incentives schemes for the industry players. Focus on environmental friendly technologies will enable sustainable development of the state.
- Upscaling infrastructure development with focus on development of railways for facilitating industry growth.

1. Micro, Small and Medium Enterprises

Suggestions

- Adequate Credit Flow to the MSMEs sector
- Setting up of Special Fund for promotion of MSMEs in the state
- Providing enabling environment for MSMEs for transition from unorganized to the organized sector
- Setting up of Special Purpose Vehicles (SPVs) for addressing Marketing problems
- Infrastructure Support to MSMEs
- Integrated Marketing Support to MSMEs

11.4 Infrastructure

Infrastructure plays an important role in driving the economic growth, attracting industrial investments and facilitates quality of life. An inadequate and inefficient infrastructure can pose a challenge to state economy.

Suggestions

- The state government should focus on making the funds available and allocating them through a proper channel in order to develop the infrastructure in the state.
- New policies and schemes should be framed by the government for the development of infrastructure
- There is a need to improve the railway and road infrastructure in order to facilitate tourism business growth in the state.
- The state government should involve the community in order to maintain the developed infrastructure.
- Expert group committee should be set up in order to monitor the expansion and improvement of road and rail networks in the state.

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11.5 Foreign Trade and Investment

- While the State has substantial technology-intensive exports, it will need to move up the ladder in terms of technology. Since investment in R&D has high gestation period, the OIF programme of the Bank can help companies get access to high technology by way of inorganic growth through the mergers and acquisition route overseas.
- Exporters in Rajasthan can also achieve vertical integration through their overseas investments which will improve their efficiency and margins.

Suggestions

- There is a need to focus on developing the technology.

11.6 Services

The service sector has registered a growth of 10.23% during the FY2018. However the state's share in the GSDP has been increasing during the past few years. There is a need to sustain this growth and increase it further for high growth of the state economy.

Suggestions

- The state government should focus on developing specialized advertisement and publicity of significant attractions.
- There is a need to develop tourism information centers where information about tourism attractions, hotels, tourism facilities can be promoted.
- The government can promote medical tourism by providing super specialty medical facilities at a cheaper rate.
- The government can also develop infrastructural facilities for promoting camp tourism and eco- friendly nature tourism.
- The state government should focus on improving the environment in the IT industry.
- There is a need to focus on promoting digital literacy in the state.
- There is a need for creation of next generation IT Infrastructure in the state.
- There is a need to set up e-Learning centres, in rural/ slum areas for promotion of IT education along with soft skills development and spreading awareness about job opportunities in the IT sector.

11.7 Education

Education is one of the most important tools in the state's development. Rajasthan has accorded priority to the education sector.

Suggestions

- Orientation programmes should be conducted for teachers, so that proper academic support could be ensured to the needy special children.

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- There is a need to assess emerging skill requirements in the state which can be developed into special courses and included in the curriculum.
- Mid day meal scheme should be revitalized in terms of delivery and management.
- Industry must be encouraged to partner with state government to upgrade skills and impart short term training courses.

11.8 Skill Development

Skill Development has emerged as an important driver for boosting productivity and to generate sources of sustainable livelihood. Appropriate skill development measures will enhance the employment opportunities in the state.

Suggestions

- Vocational trainings should be provided to people in every district of the state for enhancing their skills.
- Potential areas of development should be identified such as tourism and accordingly training and skill development should be imparted in the state.
- Regular skill development training sessions should be held in all the districts of the state.
- Vocational training for prisoners should be conducted in jail.

11.9 Employment

In order to achieve inclusive growth, there is a need to create more employment opportunities, particularly for the youth in the state. Hence the state needs to take policy initiatives to encourage job creation.

Suggestions

- Adequate support should be provided to MSMEs as they play an important role in employment generation in the state.
- Adequate support should be given to promote and strengthen employment intensive industries to ensure job creation in the state.
- Availability of loans at low interest rates should be provided to encourage entrepreneurs and start ups in the state which will create employment opportunities, going ahead.
- Efforts must be made to provide jobs to the registered unemployed people with the employment centers of the state.
- Efforts must be made to create further employment opportunities in tourism sector.

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11.10 Rural Development

A significant size of population of the state is living in the villages. Hence, upgrading rural infrastructure is the need of the hour required to uplift the overall standards of living of the people residing in rural areas.

Suggestions

- There is a need to focus on developing the public transport systems to widespread in order to strengthen connect between rural and urban areas.
- Rural infrastructure should be strengthened by upgrading agro tourism hubs connected to well define rural hinterland for promotion of travel, stay, trade, rural arts and crafts, unique ethnic food, culture and tradition.
- There is a need to focus on developing the infrastructure in the rural areas in order to increase the connectivity with the urban areas.
- There is a need to introduce agriculture and science utility based education in all rural schools.
- There is a need to improve school infrastructure in the rural areas.
- Farmers should be encouraged to establish rural based small scale primary processing facilities in the state.

11.11 Health

The state has been focusing on upliftment of the health infrastructure and has focused on opening a medical college, and PHCs.

Suggestions

- There is a need for a well defined healthcare system for the human development.
- There is a need to introduce various health missions in order to ensure provisions of effective healthcare through a range of interventions at individual, household, community, and critically at the health system levels.
- There is a need to develop missions that has focus on rural as well as urban health.
- There is a need to provide better medical education system and training to Medical and Para Medical & Nursing personnel to monitor and coordinate the activities of medical services of the State.
- The government should encourage private sector investments in health & healthcare sector in order to facilitate establishment of quality healthcare institutions within the framework of set standards and norms.
- Focus should be given on imparting knowledge regarding health, hygiene, nutrition, reproduction health and child care in the rural areas of the state.



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11.12 Women Empowerment

Suggestions

- Awareness drive should be conducted to create awareness about the government schemes for women, particularly in urban areas so that larger population can these avail benefits.
- Special schemes should be run to encourage girls for skill development and empowerment, upgrading their vocational and life skills.
- Easy availability of education loans at low interest rates of women should be promoted by the state government.





NATIONAL APEX CHAMBER

Redeveloping Heritage Tourism in Rajasthan



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Redeveloping Heritage Tourism in Rajasthan

Rajasthan is one of the most popular tourist destinations in India. Rajasthan attracts tourists for its historical forts, palaces, art and culture with its slogan 'Padharo mahare desh'

Its glorious culture, colorful living traditions and vibrant culture are special attractions in the state. The state offers immense potential for growth of the tourism industry. Development of tourism resources will increase the tourist footfall in the state. There is a need for redeveloping the tourism infrastructural facilities to keep pace with the growing trends and potential tourism growth in the state.

The state of Rajasthan rich heritage is adequately reflected in the various temples, palaces, monuments and forts that can be found everywhere in the state. The state abounds with some of the best forts and palaces in the country spread throughout the state.

The state government should encourage the preservation, conservation and upkeep of such heritage properties and selectively open some of them for being developed into hotels and tourist complex.

The types of tourism that are offered in the state of Rajasthan are-

- Rural Tourism
- Eco Tourism
- Adventure Tourism
- Agir-Tourism
- Cultural Tourism
- Desert Tourism
- Religious Tourism
- Summer & Monsoon Tourism

Despite being one of the favorite destinations of the tourists, the state has not been developed in its full potential in Rajasthan as there are certain problems such as -

- Inadequate infrastructure
- Lack of cleanliness at various monuments
- Safety of the tourists
- Lack of marketing in tourism
- Lack of Public Convenience

The state needs a multi-dimensional development of heritage tourism and the state should focus on developing these areas of tourism in order to increase the tourism footfall in Rajasthan.

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The state government should focus on environment for domestic and foreign tourists along with new centres of attraction by way of organizing fairs, festivals, celebrations and other such events.

The Strategic Action Plan for Tourism Development in Rajasthan should focus on the following:

1. **Development of new circuits/destinations:** The overall development of heritage tourist destinations of Rajasthan can be achieved by developing the existing tourist destinations and promoting the 'not-so-popular' tourist destinations in the state. Further there is a need to provide basic tourist infrastructure and reliable services at these destinations.
2. **Creation of New Tourist Products:** The state should identify the sites and their potential to develop new 'tourism products' like archeological tourism related to ancient sites, sports tourism, adventure tourism and give additional emphasis on promoting niche tourism products such as Rural tourism and Eco-tourism.
3. **Enhancement of connectivity by developing infrastructure:** Rajasthan has a well developed tourism infrastructure at most of its tourist locations. However, for promoting the not-so-popular tourist destinations, the government should focus on providing good quality air, rail and road links, basic amenities like toilets near the tourist destinations, and direct infrastructure like hotels, restaurants, wayside facilities to enhance the tourist experience as they move around in the state.
4. **Promoting Tourism Marketing:** A large share of success in the tourism sector depends upon the marketing methods which should focus on MICE segment (Meetings, Incentives, Convention and Exhibition). The key is to design the marketing strategies in such a way that it strengthens the tourism sector by attracting high yield tourists.
5. **Organizing fairs and festivals:** The state government should promote the world famous festivals like Pushkar Fair, Desert Festival and Gangaur Festival in order to increase tourist footfall in the state. These events should be organized on a grand scale through Public Private Partnership (PPP) Model.
6. **Promote tourism through film industry:** More bollywood films should be encouraged to shoot at local places in Rajasthan to promote the level of tourism in the state as these things have a more impact on the promotion of tourism industry as compared to the campaigns launched by the state government to promote tourism in the state.

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Action plan for several of tourism in the state of Rajasthan -

1. **Rural Tourism** - The state government should focus on developing small villages with different cultural important and tourists should be given tours of those villages. This type of rural tourism will help enhance the knowledge of the tourists and also of the people residing in these villages. Cultural programmes should be organized for the tourists and people visiting these villages should be given a taste of various local delicacies.
2. **Agri-Tourism** - The development of agri-tourism goes hand in hand with the development of infrastructure in rural areas. There is a need to develop the farmers with new skills, and selectively adopt the best practices of retailing and hospitality in addition to agriculture. There is a need for communities to be educated on diverse cultures of the prospective tourists largely representing an urban population.
3. **Adventure Tourism** - The State of Rajasthan provides a great attraction for adventure tourism. The state government should focus on developing activities such as trekking, horse and camel safaris, Polo and Golf. Apart from the Desert, there are numerous lakes in all over the state where water sports such as Yachting, Canoeing, Kayaking should be developed. These activities will not only provide recreation to the tourists but also help in extending the period of stay inside the state and would generate a lot of employment opportunities for the local residents.
4. **Religious Tourism** - Spiritual tours of Rajasthan take one on tours to several spiritual destinations of the state which are much renowned for their religious and spiritual significance. The major spiritual places visited in the state are khwaja saheb dargah (ajmer), eklingji temple in udaipur, govind devji temple at jaipur, dilwara temples in mount abu and jain temples in ranakpur where tourist receives the peace of mind. Thus, the state government should focus on developing religious circuits and improving infrastructural facilities in these places which will help in attracting more tourists.
5. **Cultural Tourism** - Among the various states for cultural tourism in India, Rajasthan is the most popular state for its cultural tourism. The state is famous for its rich cultural heritage and renowned for many magnificent palaces and forts which showcase the rich cultural heritage of Rajasthan. The various folk songs and music also reflect the cultural heritage of Rajasthan. A large number of fairs and festivals held such as the Camel festival, Marwar festival and Pushkar festival which shows image of the culture of the state. All these fairs and festivals attract many tourists to Rajasthan so that they get to see the rich heritage of Rajasthan.

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6. **Eco Tourism-** Eco tourism involves personal growth and learning new ways to live on the planet without harming the nature. Rajasthan is a major destination for eco tours. It should focus on implementing the programmes that will minimize the negative aspects of tourism on the environment and promote recycling, energy efficiency, water conservation and creation of economic opportunities for the local communities. Tourist destinations in Rajasthan should be developed on lines of guideline of eco-tourism as adopted by Sunda Mata temple in Jalore district, Bassi in chittorgarh, Kumbhalgarh in Rajasmand Hamirgarh and Menal in Bhilwara districts.

All these fairs and festivals should be promoted and branded well in order to attract more tourists in the state so that they get to witness the rich culture of the state. The convergence of tourism and agriculture will not only support the farmers with additional revenue and better sustainability, but also create multiplier effect on employment generation.



Rajasthan: Steady Strides into the Future

Emerging Growth Dynamics and the Way Forward

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Disclaimer

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Rajasthan: Steady Strides into the Future

Emerging Growth Dynamics and the Way Forward

PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. Recently, the Research Bureau has undertaken various policy projects of Government of India including Framework of University-Industry Linkages in Research assigned by DSIR, Ministry of Science & Technology, Study on SEZ for C&AG of India, Study on Impact of Project Imports under CTH 9801 for C&AG of India and has attracted a World Bank Project on free trade zones.

• Research Activities	Comments on Economic Developments	Newsletters	Consultancy
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• State Profiles	• States Development	• Forex and FEMA Newsletter	
• Impact Assessments	• Infrastructure	• Global Economic Monitor (GEM)	
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• Releases on Economic Developments	• International Trade	• State Development Monitor (SDM)	
	• Global Economy	• Industry Development Monitor (IDM)	



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Resurgent Rajasthan: Emerging Growth Dynamics and Way Forward

Studies undertaken by the PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September 2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
29. SEZs in India: Criss-Cross Concerns (February 2015)
30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
31. India - USA Economic Relations (February 2015)
32. Economy on the Eve of Union Budget 2015-16 (February 2015)
33. Budget Analysis (2015-16)
34. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
36. Progress of Make in India (September 2015)
37. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
38. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
39. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
40. Revisiting the emerging economic powers as drivers in promoting global economic growth (February 2016)
41. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
42. BREXIT impact on Indian Economy (July 2016)
43. India's Exports Outlook (August 2016)
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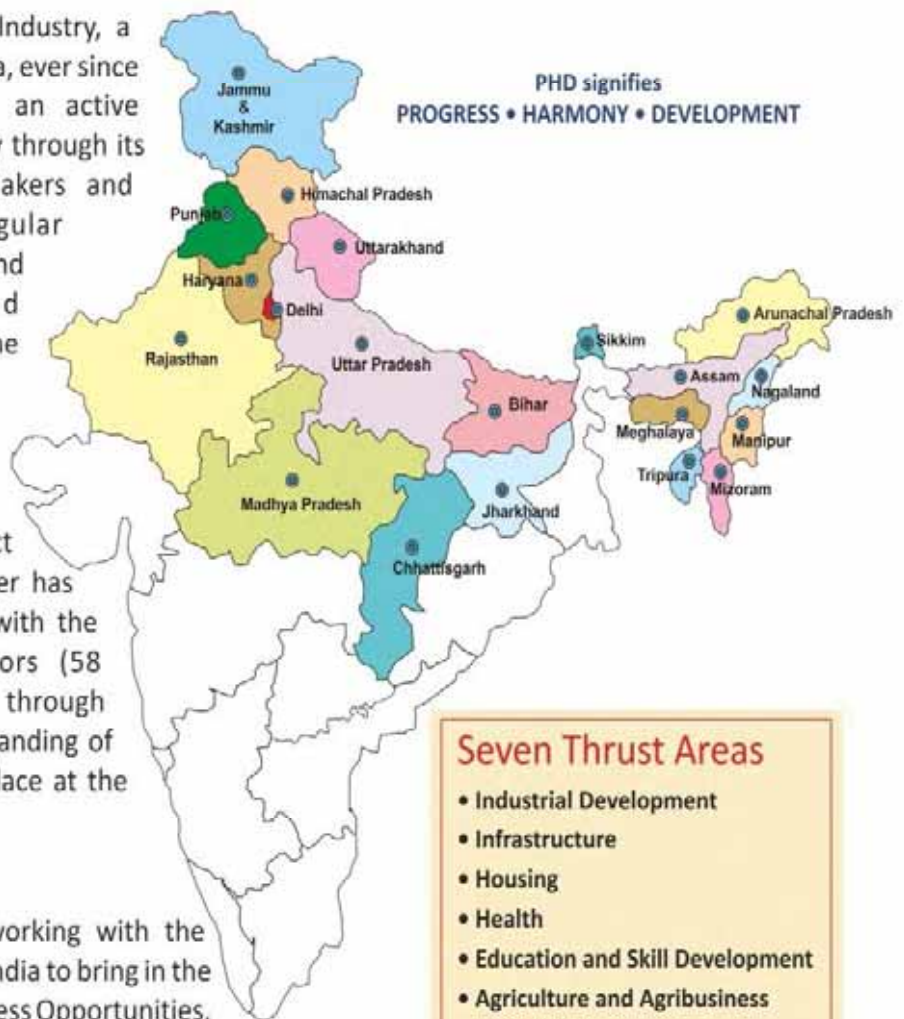
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At a Global level we have been working with the Embassies and High Commissions in India to bring in the International Best Practices and Business Opportunities.



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