

THE ROADMAP FOR MADHYA PRADESH @100





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State Profile

Madhya Pradesh, a land of diverse terrain, ancient history and rich culture, is strategically situated at the centre of India. The State is bordered by the states of Rajasthan to the northwest, Uttar Pradesh to the north, Chhattisgarh to the east, Maharashtra to the south, and Gujarat to the west. These states provide the access to external borders.

Madhya Pradesh is among the fastest growing states and offers an excellent ecosystem for manufacturing and services sectors with world class industrial infrastructure and skilled manpower in abundance. India's top 2 ranking cleanest cities, namely Indore and Bhopal, are from Madhya Pradesh, and these cities are also featured in India's top 10 most liveable cities.

Madhya Pradesh is rich in natural resources - fuel, minerals, agriculture, and biodiversity. It is one of three diamond producing states in the country and accounts for 90% of India's diamond mining.

During the last five years, the state has achieved unprecedented high rates of growth. At prevailing rates, the nominal Gross State Domestic Product (GSDP) of Madhya Pradesh for 2016-17 was Rs 6,49,823 crore, which rose to Rs 7,26,284 crore in 2017-18. The state has an agrarian economy with major crops such as wheat, soybean, gram, sugarcane, rice, maize, cotton, rapeseed, mustard and arhar.

The State aims at further accelerating growth and all-round, inclusive development, especially by expanding opportunities for value addition in agriculture, attracting investment, and skill development for job creation along with improving infrastructure and sanitation within towns and villages, and strengthening the delivery of public services.

State Economy

Madhya Pradesh's GDP growth (in real terms) has been above the national average, in the recent years. The states' real growth rate averaged at 6.3 per cent between 2016-17 to 2020-21 as compared to the national average of 3.7 per cent during the corresponding period. In 2021-22, the real growth stood at 10.1 per cent, much above the national growth rate of 8.7 per cent during the period. Rich in mineral resources, Madhya Pradesh has the largest reserves of diamond and copper in India.

The present socio-economic scenario in the country and Madhya Pradesh (MP) reflects the impact of the COVID 19 pandemic outbreak, and therefore, with the virus now not so active in India, the prospects for the economy to revert to its normal trajectory are bright. For 2022-23, the Government of India has projected a growth rate of 7% as per advance estimates and Madhya Pradesh would play a strong role in this pace.

The macro change resulting from the pandemic in terms of policy is a shift towards management of health and humanitarian requirements has taken precedence for obvious reasons.

Although at current prices, in 2021-22, agriculture still contributes approximately 47% to MP's economy (GSVA, gross state value added), the State is catching up fast in industrial development (Industrial Sector Contribution to GSVA -19%) through targeted sectors approach wherein emphasis is on attracting investments in focus sectors including Automobiles & Engineering, Textiles, Pharmaceuticals and Agri-business & Food Processing.

Industrial Snapshot

Gwalior & Sagar Region

- Growth Centres: Malanpur, Ghirongi, Banmore, Chainpura, Siddhgawan, Pratappura and Purna
- Key Industries: Pharmaceuticals, Textile, Food Processing and Mining

Bhopal Region

- Growth Centres: Mandideep, Pilukhedhi, Babai, Piparia
- Key Industries: Engineering, Textile, Food Processing, IT/ ITeS and ESDM

Indore & Ujjain Region

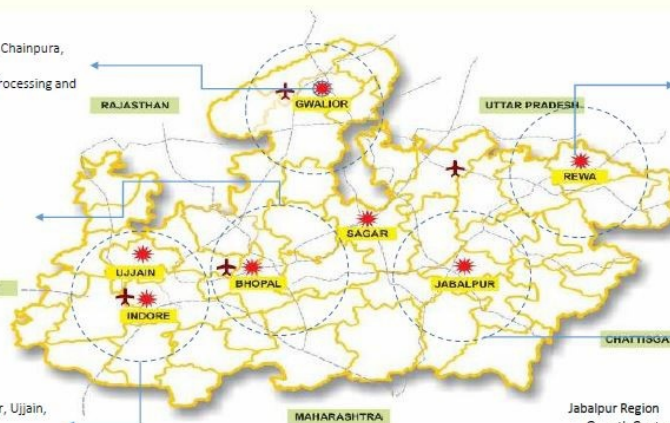
- Growth Centres: Pithampur, Kheda, Megh Nagar, Ujjain, Dewas, Maksi and Jaggakhedhi
- Key Industries: Auto, Pharmaceuticals, Textile, Food Processing, IT/ ITeS and ESDM

Rewa Region

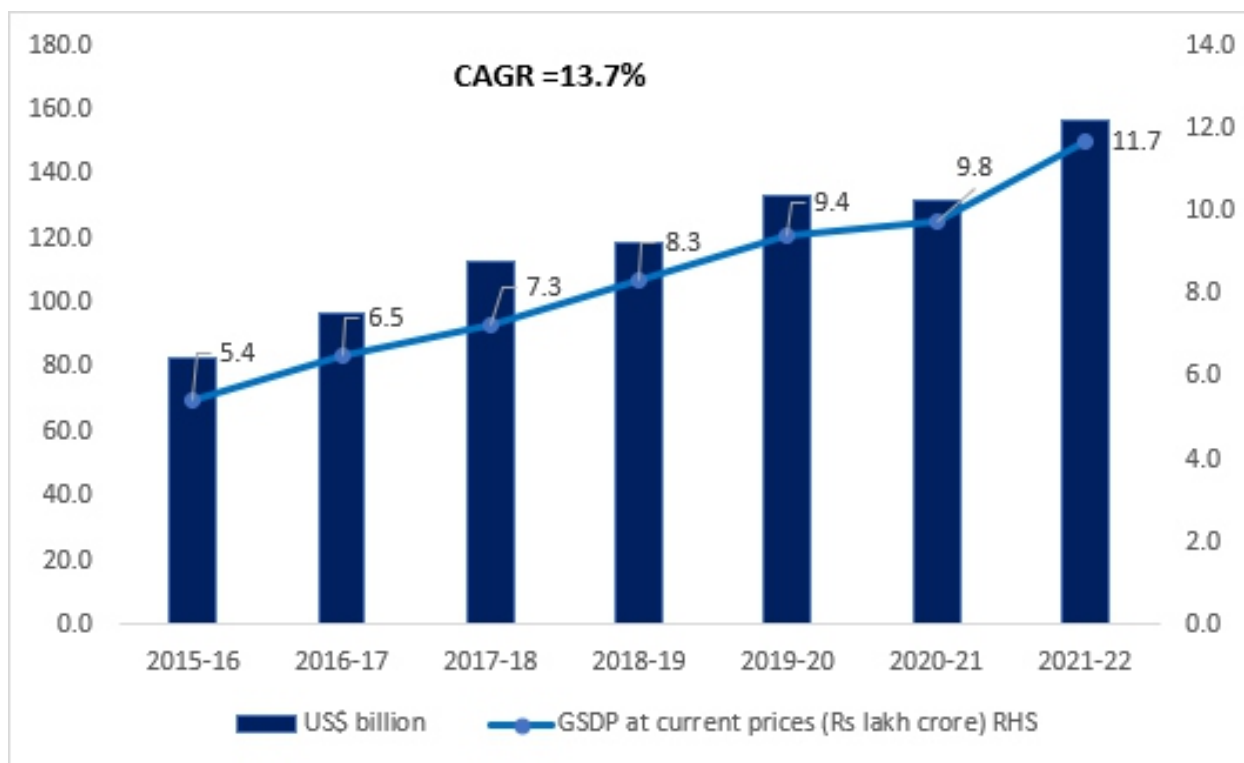
- Growth Centres: Rewa, Waidhan, Maiher, and Nandan Tola
- Key Industries: Mining, Food Processing, Power and Cement

Jabalpur Region

- Growth Centres: Bargaon, Maneri, Lamtara and Katni
- Key Industries: Defence, Mining and Cement



Although, agriculture still contributes approximately 38% (vs ~17% for India) to MP's economy, the state is catching up fast in industrial development (Industrial Sector Growth of ~9%; Contribution to GSDP – ~23%) through targeted sector investment approach wherein emphasis is on attracting investment in other focus sectors like Automobile & Engineering, Textile, Pharmaceuticals and Agri-business & Food Processing



At current prices, the economy of Madhya Pradesh is the 10th largest in India, logging a CAGR of 13.7% from 2015-16 to 2021-22 to stand at Rs 11,69,004 crore (US\$156.9 billion) in 2021-22. The State also has the country's 26th highest per capita income of Rs 1,24,685 in 2021-22.

As of March 2022, Madhya Pradesh had a total installed power generation capacity of 25,385.02 MW, comprising 7,187.62 MW under state utilities, 6,958.48 MW under central utilities and 11,238.92 MW under the private sector. The State is home to five operational Special Economic Zones (SEZs), seven notified SEZs, and 12 formally approved SEZs.

Exports from the state stood at US\$ 6463.5 million in FY21 and US\$ 7839.9 million in FY22

State's Vision: AtmaNirbhar Madhya Pradesh for AtmaNirbhar Bharat

Hon'ble Prime Minister gave a clarion call of AtmaNirbhar Bharat to citizens with a clear indication to reset the socio-economic paradigm in the country. For India to become truly self-reliant, it is imperative to develop all the regions and states of the country simultaneously.

Madhya Pradesh's vast youth population, its huge labour force, rich culture, traditional products and the skills of its artisans, abundant water resources, and extensive road networks are its assets. The State is leveraging all of its assets emphatically and is setting a fast pace towards self-reliance, thereby contributing in the making of AtmaNirbhar Bharat.

CII in Madhya Pradesh under its national theme framework of collaborative and participative approach has developed the vision of 'Atmanirbhar Madhya Pradesh for Atmanirbhar Bharat' through a visioning exercise organized at Bhopal. The visioning exercise included involvement of the suggestions and recommendations from CII MP Past Chairmen and other Office Bearers.

CII Madhya Pradesh intends to step up engagement with various stakeholders, especially the State Government and Members, and augment the efforts of all stakeholders by synching its plans in specific sectors to support the clarion call made by the Hon'ble Chief Minister of Madhya Pradesh for creating ATMANIRBHAR MADHYA PRADESH.

In this paper, we have given an analysis of various sectors and the action points for realizing the vision of a Self-reliant Madhya Pradesh.

Skilling and Employability

AtmaNirbhar Madhya Pradesh shall require an ecosystem where every citizen is educated and skilled, and for which a well-established skilling ecosystem will be central, aligning with the demands of various industries. To keep pace with the changing scenario in the skilling sector across the globe, the State needs to adapt with blended learning models and skilling infrastructure to deal with unforeseen challenges.

The State is estimated to have about 13 million youth between the ages of 6 years and 13 years as of 2016, meaning that by 2026, these youth would need to be educated and skilled. Expanding opportunities for the youth in large numbers to acquire skills that lead to jobs or self-employment is one of the biggest challenges for the State.

The CII Multi Skill Center in Chhindwara has emerged as an excellent model for developing multi-skill facilities in partnership with industry. CII in Madhya Pradesh would work in coordination with the State Government towards establishing more such centres in every district of the state and work upon the following action plan to achieve the vision.

Action Plan:

- In collaboration with major stakeholders including the Government and leading industry members, CII to work upon setting up a 'Centres of Excellence' (CoEs) for skill development in Madhya Pradesh.
- Replicate CII-Skill Development Centre dedicated to thrust sectors of state especially at Bhopal and Indore.
- Conduct skill gap analysis amongst industries, and attempt to get trades updated in ITI's and professional courses run by universities in the State.
- Promote key policies of the State Government like Flexi MoU, apprenticeship scheme which promises opportunities in the near future.

Manufacturing & Industry 4.0

Madhya Pradesh has immense potential to become the manufacturing hub of India due to availability of land, Narmada river water, power surplus, peaceful labour environment, presence of eminent skill institutes, and availability of the best infrastructure for setting up industries. The State is suitable for the auto-sector, food processing, textiles and apparel, defence production, and logistics and warehousing development, among a wide range of other sectors.

The imperative ahead for the industries in the manufacturing sector is to enhance their competitiveness and partner with global players to drive future growth. With the acceleration in the adaptation of digital technologies in the sector by several years, many of these changes could be here for the long haul especially the new technologies such as Low Cost Automation (LCA), Artificial Intelligence, robotics, machine learning, and several others.

CII Madhya Pradesh has been diligently working towards supporting the industries in state in their digital transformation journey through various deliberations in the SMART MANUFACTURING space and would continue to help them in resolving their issues related to Industry 4.0.

Action Plan:

- Promote application of emerging technologies in manufacturing sector and 'Low Cost Automation' with special focus on Artificial Intelligence and Robotics
- Create a Centre of Excellence in partnership with an industry association to drive research and technology in Industry 4.0
- Incentivise private initiatives which allow MSMEs to access a common pool of hi-tech industry infrastructure
- Support State Government in attracting investments in the State and help in the industry outreach activity through the vast network of national as well as international offices.
- Support stakeholders in benchmarking the its industrial policy with industrial promotion policies of industrially advanced states, and conduct stakeholder discussions for suggesting policy reforms.



Energy Security

About 59% of the energy generated in the State is from thermal sources and only 41% from renewable sources. The main source of renewable energy in the State is hydroelectricity, though there is huge potential for other renewable energy generation.

Madhya Pradesh houses the seventh-largest installed solar power generation capacity in the country. The State's solar capacity at the end of 2018 stood at 1,526 MW. Madhya Pradesh's total installed electricity generation capacity stood at 21,873 MW at the end of 2018.

The State has witnessed considerable development on Renewable Energy (RE) front in past few years. Wind power constitutes around 70% of total Renewable Energy installed capacity (447.79 MW) in the State. Small hydro and biomass sources constitute around 19% and 9% of the total RE installed capacity, respectively. Madhya Pradesh State government has also been promoting the off-grid RE, energy efficiency and energy conservation projects in Madhya Pradesh for implementation of various programmes in the state.

Madhya Pradesh is currently struggling with the issue of high industrial power tariff which is detracting from the competitiveness of industries and which needs urgent attention. CII is in continuous dialogue with the State Government on this matter.

- EV adoption to be encouraged; CII in Madhya Pradesh to submit draft policy recommendations.
- Encourage industries, real estate and citizens to initiate consumption of renewable energy; State Government to be encouraged to announce special subsidies/benefits for the usage of RE
- Encourage installation of Rooftop Solar for domestic and commercial establishments of CII members



Agriculture & Food Security

Out of the total population of Madhya Pradesh, 27% people live in urban regions. The total figure of population living in urban areas is 20,069,405 and the urban population in the last 10 years has increased by 27.63%.

Agriculture sector in Madhya Pradesh forms the backbone of the rural economy and contributes almost one-fourth of the Gross State Domestic Product (GSDP). It is the main source of employment for over 70% of the population and constitutes about 60- 75% of rural income. Though the growth rate of agriculture in Madhya Pradesh in the last 10 years is higher than the national average, sustaining this growth rate along with establishing the rural-urban connect is of critical importance for the growth of the State's economy.

With low farmer price realizations and wastage in the food supply chain being significant even with the current level of production, focus is required on processing of food and development of Food Processing sector in the State which would help in securing farmer incomes against a slump in prices as well as reduce wastages.

Action Plan:

- Encourage industries like Food Processing and textiles to procure certain percentage of their raw material from Farmer Producer Organisations (FPOs), Self-help groups/Gram sabhas or cottage industries established in rural areas
- Encourage industries to adopt villages under their CSR projects and establish them as model villages by providing employment and basic skills.
- Connect farmers with experts to guide them on organic farming, crop rotation and pesticides by taking initiatives like 'Kisaan Goshthis'.



Start-up & Innovation

In Madhya Pradesh, it is an excellent time for entrepreneurs, especially considering that India's startup scene is flourishing, and it will continue to do so. In a short span of time, Madhya Pradesh has shown a great appetite for advanced technology, data, and the internet. The internet paved the way for thousands of startups to rise over the past decade, address unique problems, transform entire industries, and create new segments.

The startup ecosystem in Madhya Pradesh has now evolved and emerged in an unprecedented way in the last couple of years. There are now more than 32 incubators including six incubators supported under the Smart City mission in Bhopal, Jabalpur, Gwalior, Indore, Sagar, and Satna and 1,900+ DPIIT registered startups from the state.

There has been tremendous growth in the startup ecosystem of Madhya Pradesh which can be witnessed through the rise in the number of startups between 2016 to 2022.

To boost innovation-driven entrepreneurial culture and to inculcate the spirit of innovation among the immensely talented youth of Madhya Pradesh, it is important to make efforts towards creating a conducive environment to promote entrepreneurship in the state.

There is a need to steer youth-led innovation and to generate maximum employment and connect start-ups, investors, incubators and other stakeholders for creating a vibrant start-up ecosystem in Madhya Pradesh.

Action Plan:

- CII to support MP State Government in setting up incubators with a capacity of 200 seats.
- Efforts to be made to develop at least 100 startups in Madhya Pradesh and adequate assistance and facilities will be provided to them.
- CII to take initiatives for linking MP startups with large organizations for funding as well as mentorship.
- CII to support MP Govt in redesigning the MP Startup policy to support startups of state.



Exports

With the Government of India providing a special thrust on pushing exports from the country, it becomes critical for Madhya Pradesh to contribute effectively to propel India to achieve the national export target of US\$ 1 trillion over the next few years. Madhya Pradesh must increase its contribution in the country's total export basket to 5% from the current 2.2% by focusing on quality, branding and identifying markets.

Madhya Pradesh has a host of fine industrial policies in place, and there is huge untapped capacity for exports. The export growth trajectory has to be significantly elevated and the export basket has to be diversified into high value-added, high-technology exports with a high employment intensity. Consistent quality, quick clearance and quick funds are key to promote businesses and exports.

Action Plan:

- CII to form task force for identifying the roadmap for integration of MP's produce in the Global Value Chain.
- CII to support MP State Government in identifying and branding Geographical Indication (GI) products
- CII to advocate and support state government in policy preparation to focus on export of special areas like pharmaceuticals, agriculture and food products.

CII is committed to working with the Government of Madhya Pradesh in achieving its targets for growth and employment and would continue to undertake impactful initiatives with stakeholders for its future progress



The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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