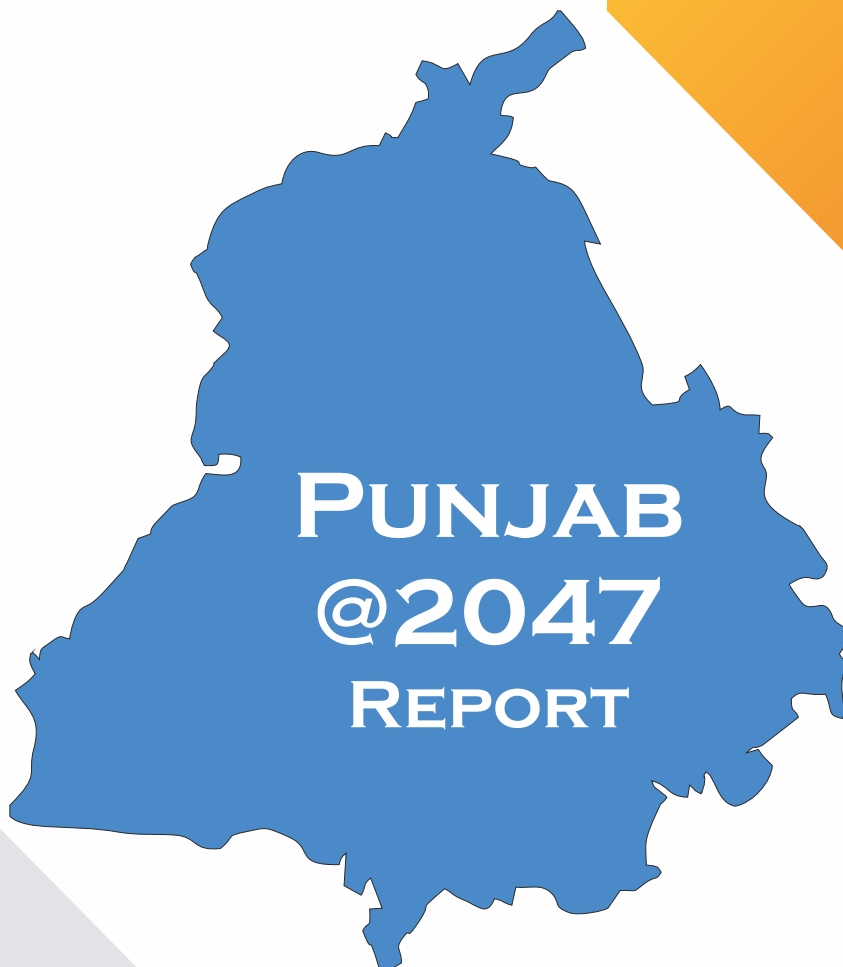




Confederation of Indian Industry



**PUNJAB
@2047
REPORT**

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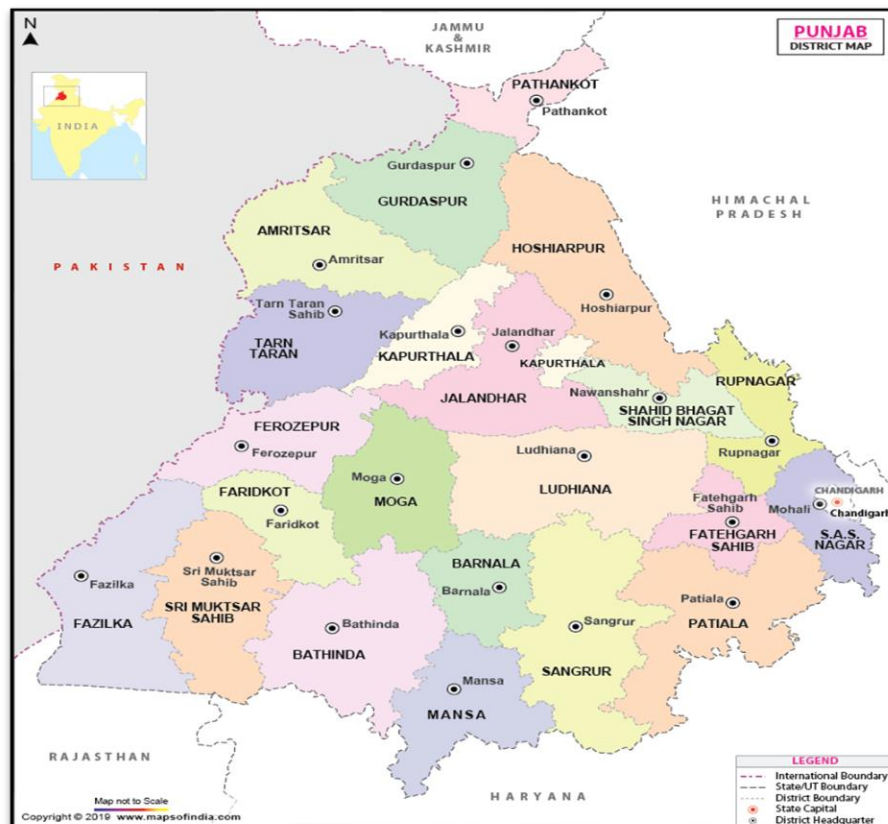
OVERVIEW OF PUNJAB

History

Punjab in its present form came into existence on **November 1, 1966**, when most of its predominantly Hindi-speaking areas were separated to form the new state of Haryana. The city of **Chandigarh**, within the Chandigarh union territory, is the **joint capital of Punjab and Haryana**. Forming part of the larger Punjab region of the Indian subcontinent, the state is bordered by the Indian states of Himachal Pradesh to the north and northeast, Haryana to the south and southeast, and Rajasthan to the southwest; by the Indian union territories of Chandigarh to the east and Jammu and Kashmir to the north. It shares an international border with Punjab, a province of Pakistan to the west.

The state is subdivided into three parts:

- **Malwa**
- **Majha**
- **Doaba**



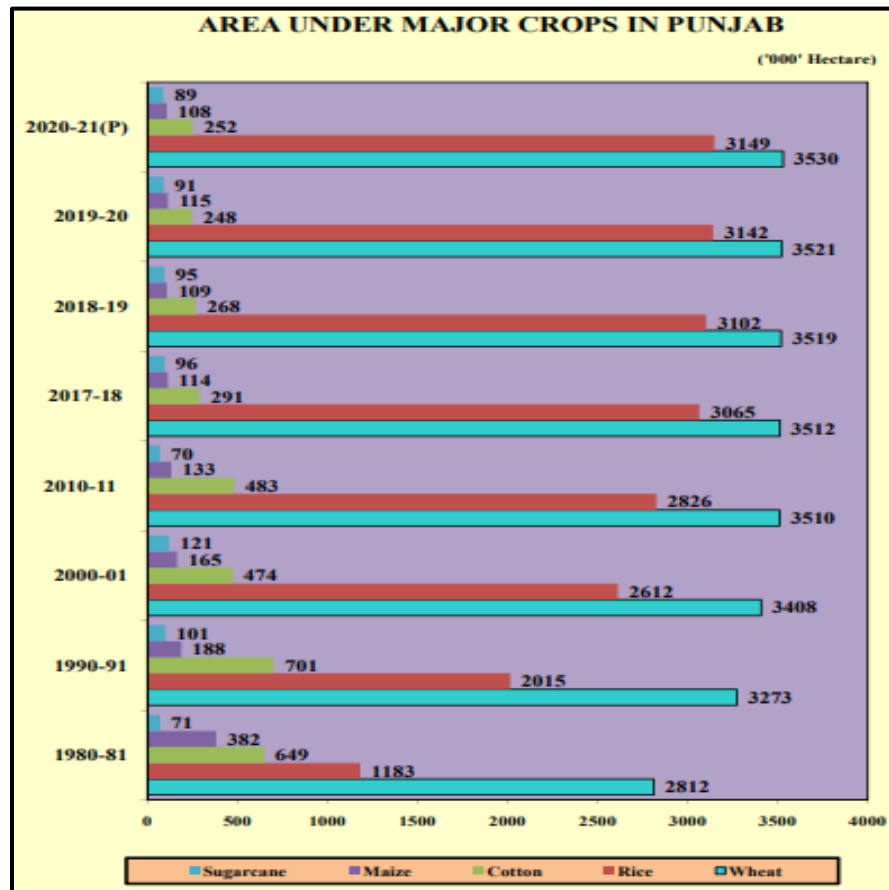
Malwa region covers major part of the state and comprises of cities like Ludhiana, Patiala, Sangrur, Bathinda, and Mohali.

The main districts of the **Majha region** include Amritsar, Gurdaspur and Tarn Taran.

Doaba region is one of the most fertile regions in the state and was the centre of the Green Revolution in India. This region includes the cities such as Jalandhar, Kapurthala, Hoshiarpur, Nawanshahr and Phagwara.

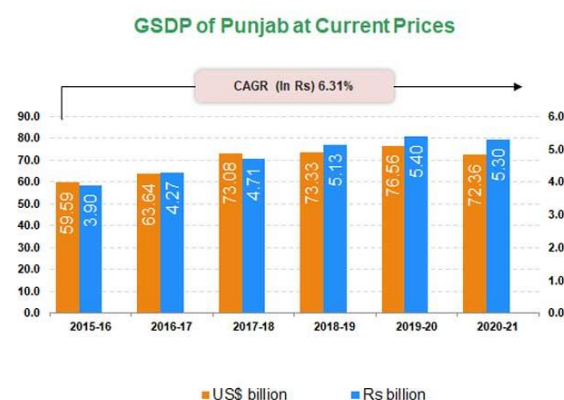
The state covers an area of 50,362 square kilometres (19,445 square miles), which is 1.53% of India's total geographical area, making it the 19th-largest Indian state by area out of 28 Indian states (20th largest, if UTs are considered). With over 27 million inhabitants, Punjab is the 16th-largest Indian state by population, comprising 23 districts. Ancient Punjab was the primary geographical extent of the Indus Valley civilisation, which was notable for advanced technologies and amenities that the people of the region had used. Since independence, Punjab is predominantly an agrarian society. It is the ninth-highest ranking among Indian states in human development index. Punjab has bustling tourism, music, culinary, and film industries. The history of Punjab has witnessed the migration and settlement of different tribes of people with different cultures and ideas, forming a melting pot of Punjabi civilisation.

The land of the five rivers Punjab, **Punj+Aab**, reminds you of richness and royalty. The lush-green state is widely famous for its rich heritage, food, tradition, and culture. The culture of Punjab is known to be one of the oldest and richest ones in the world. The diversity and uniqueness of the state are seen in the poetry, spirituality, education, artistry, music, cuisine, architecture, traditions of Punjab. Punjab's economy has been primarily agriculture-based since the Green Revolution due to the presence of abundant water sources and fertile soils; most of the state lies in a fertile alluvial plain with many rivers and an extensive irrigation canal system. Punjab makes up for about 17% of India's wheat production (second highest amongst Indian states and union territories after Uttar Pradesh, the latter producing more than 30% of the nation's supply), around 12% of its rice production, and around 5% of its milk production, being known as India's breadbasket.

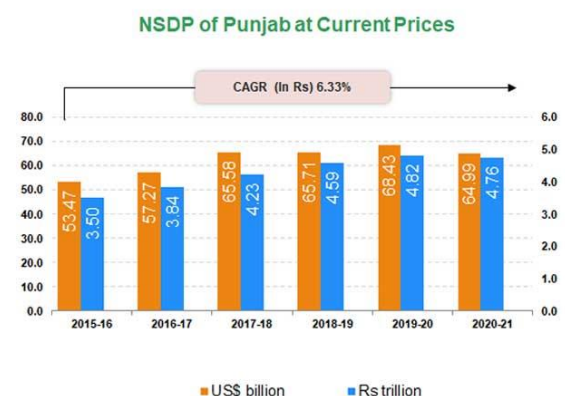


The state's GSDP (in Rs.) increased at a compound annual growth rate (CAGR) of 6.78% between 2015-16 and 2020-21. As of March 2022, Punjab has a total installed power generation capacity of 14,512.42 MW, with 4,187.70 MW

Under the central sector, 3,281.20 MW under state utilities, and 7,043.52 MW under the private sector. Of the total installed power generation capacity, 8,729.51 MW was contributed by thermal power, 3,818.28 MW by hydropower, and 1,767.82 MW was generated from renewable energy. According to the Department for Promotion of Industry and Internal Trade (DPIIT), cumulative FDI inflow in the state stood at US\$ 778.73 million between October 2019-December 2021.



Source: Ministry of Statistics & Programme Implementation



Source: Ministry of Statistics & Programme Implementation

RECENT DEVELOPMENTS

- ❖ Total merchandise exports from Punjab stood at US\$ 6.38 billion in FY22 (until February 2022).
- ❖ On April 27, 2022, Punjab Director General of Police (DGP), Mr. VK Bhawra, inaugurated a state-of-the-art 'Punjab Road Safety and Traffic Research Centre' in Mohali to reduce road accident fatalities using futuristic scientific tools of artificial intelligence and machine learning.
- ❖ In April 2022, Punjab's Minister of Health, Dr. Vijay Singla, announced plans to set up 333 urban wellness centres in urban and semi-urban areas across the state.
- ❖ Under the Samagra Shiksha initiative, the Union Ministry of Education authorised a budget of Rs. 1,126 crore (US\$ 152.91 million) for school education and teacher training in Punjab for FY22.
- ❖ In June 2021, the National Highways Authority of India (NHAI) announced planned infrastructure development work worth Rs. 1,417 crore (US\$ 194 million) in Punjab for the current fiscal (FY22). The annual plan will cover 295 kms of national highways.
- ❖ In March 2020, the Punjab government allocated an outlay of Rs. 100 crore (US\$ 7.45 million) under a 'Smart School Policy' for smart schools and digital education.

GOVERNMENT VISION FOR THE STATE



Infrastructure

Build international airport in each of the regions of Majha, Malwa and Doaba.



Agriculture

Diversify into other crops after considering their global market demand.



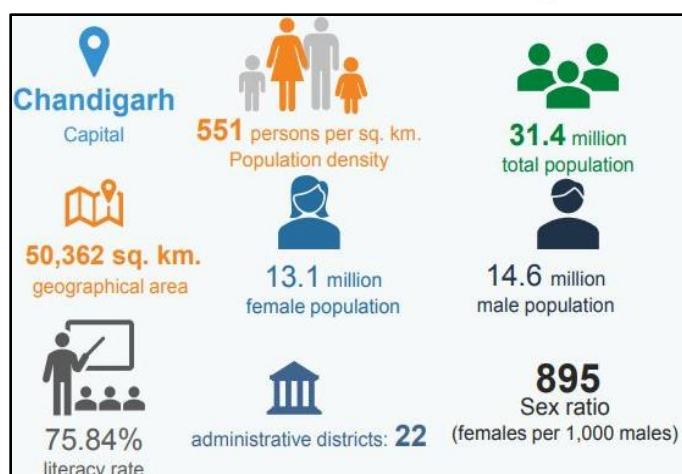
Environment

Check the diversion of agriculture/forest land for urbanisation and industrialisation.



Industries

Encourage SMEs through adequate financing and policy initiatives to increase employment. Set up an SEZ in each region and develop backward and border areas.



Basic statistics

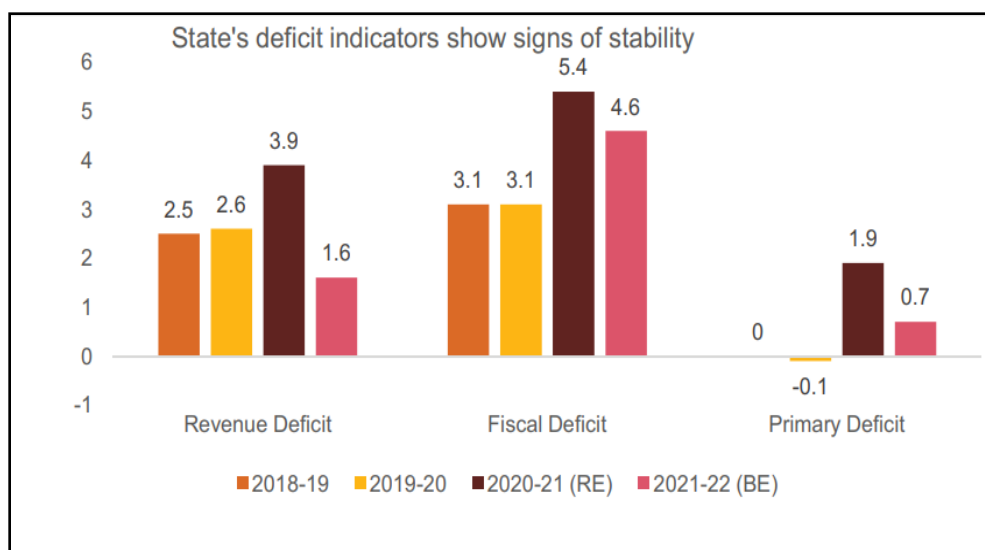
<i>Units</i>	<i>Measure</i>
<i>Area</i>	50362 km ²
<i>Division</i>	5
<i>Districts</i>	23
<i>Towns</i>	143
<i>Cities</i>	74
<i>Inhabited Villages</i>	12581
<i>Population</i>	277.43 lakh
<i>Rural Population</i>	173.44 lakh
<i>%age of rural population</i>	62.52
<i>Urban Population</i>	103.99
<i>Percentage of urban to total population</i>	37.48
<i>Density of population</i>	551
<i>Literacy</i>	75.8%
<i>Sex-Ratio</i>	895
<i>Vidhan Sabha Seats</i>	117
<i>Lok Sabha Seats</i>	13
<i>Rajya Sabha Seats</i>	7

Source: Statistical Abstracts of Punjab, 2020

Economic Highlights

Units	Measure
<i>GSDP at 2011-2012 prices</i>	39589433
<i>GSDP at current prices</i>	54151821
<i>Growth rate of GSDP</i>	4.5%
<i>Per Capita Income at 2011-2012 prices</i>	111833
<i>Per Capita Income at current prices</i>	154517
<i>Fiscal deficit</i>	24239.68 crores
<i>Revenue deficit</i>	8622.31 crores
<i>Total Expenditure</i>	1,00,517.61 crores
<i>Revenue Receipts</i>	72,042.42 crores
<i>Total outstanding liabilities</i>	2,52,880 crores

Source: Statistical Abstracts of Punjab, 2020



Social Indicators

<i>Death Rate</i>	6.6
<i>Life Expectancy</i>	(a) Male 71 Yr (b) Female 74.8 Yr
<i>Infant Mortality Rate</i>	19
<i>Maternal Mortality Rate</i>	129
<i>Proportion of children (aged 12 to 23 months) which received all basic vaccinations</i>	76.2%
<i>Underweight children under 5 years of age</i>	16.9%
<i>Medical institutions of Punjab</i>	4553
<i>No. of Government Hospitals</i>	816
<i>Primary Health Centers</i>	524
<i>Population served per medical institution</i>	8144
<i>Population per doctor</i>	957
<i>Population per bed</i>	1636
<i>No. of Universities</i>	31
<i>Higher/Senior Secondary Schools</i>	5267
<i>Middle Schools</i>	5229
<i>Primary Schools</i>	13813
<i>Households with electricity</i>	100%
<i>Households with no latrine</i>	0.2%
<i>Households with source of drinking water</i>	100%
<i>Population below poverty line</i>	5.59%

Source: Compiled from different sources

Education & Skill Development

Voices of Punjab

“Better and affordable educational facilities from the government sector”

“More public libraries with Wi-Fi facilities”

“Establishment of Foreign University Centres as well as formulating clear ‘Standard Leave Rules’ and ‘Pay Rules’”

“Parents trust need to be built up in sending their kids to government schools”

“Taking measures to abate Brain-drain of young kids to foreign lands”

“The government should formulate pro-active and pro-poor policies for the development of the state”

“Initiate some skill development centres as a non-profit organisation so that it can attract youth with bright ideas”

Current Challenges - Skill Development:

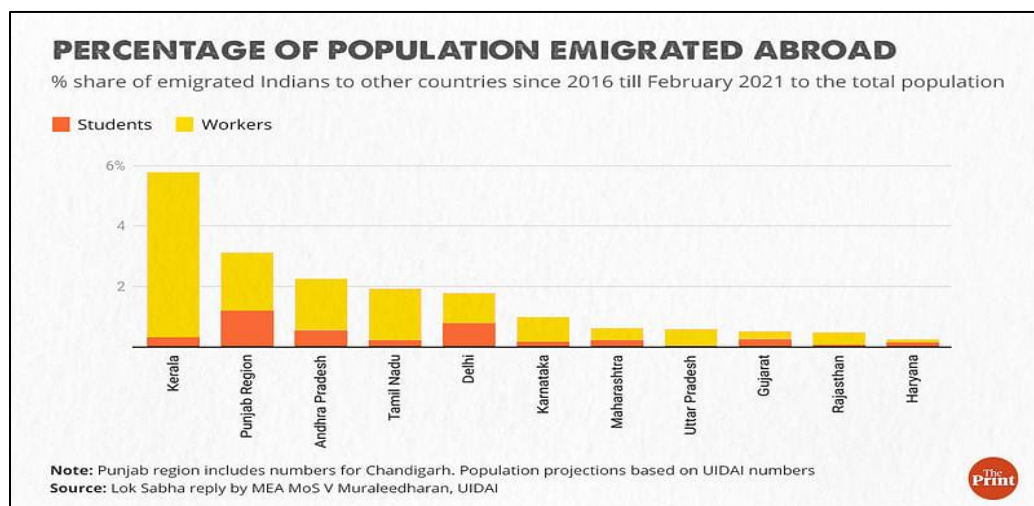
- ❖ The fundamental problem pertaining to the development of skills is the divergence between demand for and supply of skills
- ❖ The advancement of technology brings changes in production processes. Due to this, the nature of demand for skills changes both in terms of quantity and quality
- ❖ Regional imbalance is a big challenge. The majority of formal and private sector institutions are situated in urban areas as compared to rural areas. Youth is more inclined to self-employment in industrially backward districts like Fazilka, Faridkot, Mansa, Sangrur, etc. Because of the low absorption capacity of labour by industries in these areas, people prefer self-employment in Punjab
- ❖ Due to the non-revision of the curriculum continuously, industries found it hard to employ candidates from different ITIs as there is a mismatch in expectations. Currently, there is no formal device to periodically review and revise the curriculum which is based on industry requirements.

- ❖ Dropout rates are observed after completion of school education across the state, resulting in low enrolments in higher education. The districts like Muktsar, Faridkot, and Mansa have considerably high dropouts even at the school levels.
- ❖ Most of the prospective students in the country do not go for vocational education due to a lack of awareness about industrial requirements and the accessibility of corresponding vocational courses
- ❖ There is a low reputation associated with vocational courses and also low return levels among people with such skills. All of these prevent the students from joining vocational education because of their unawareness of the importance of vocational courses that can develop their career prospects.

Current Challenges - Education:

- ❖ Punjab has one of the poorest averages of just four classrooms per school at the primary level in government schools. Approx. 19.33 percent of government primary schools in Punjab have SCR greater than 30
- ❖ Lack of classrooms, over-congestion of existing ones, and unavailability of basic electricity or drinking water are some reasons why students dropped out or cut classes
- ❖ Underpaid teaching staff
- ❖ Poor infrastructure
- ❖ An unmotivated student population
- ❖ Gender disparity resulting from financial and societal obstructions that prevent girls to access primary education
- ❖ Even as 6.97% of the school at the primary and 1.7% at the upper primary level have an adverse pupil-teacher ratio, there are a total of 9,955 surplus teachers at the elementary level

Source: The Print



Action Points:

- ❖ There is a requirement for a few highly qualified middle and lower-level skilled personnel for modern technology. A training system is required that produces exactly this type of manpower
- ❖ The gap between the requirements of industry and the machinery being used for training becomes wide. There is a need for its expansion and up-gradation so that it can provide well-organized training capabilities to potential aspirants
- ❖ There is a need to carry demand assessment survey and skill gap study to identify the potential sectors
- ❖ Special focus should be on primary schools as qualitative education serves as a strong foundation in the academic career of a child
- ❖ To take the quality of elementary education in Punjab to a new level, it is strongly felt that something innovative needs to be done to make this qualitative learning creative and joyful
- ❖ The basic skills of reading, writing, and arithmetic are acquired at the Primary stage, values are inculcated, and environmental consciousness needs to be sharpened. Hence, special focus should be on primary schools as qualitative education serves as a strong foundation in the academic career of a child and has a direct impact on the nation's progress as well.
- ❖ To give impetus to education, schools and institutes should focus on providing good infrastructure and faculty to not only ensure 'schooling for all' but also 'learning for all'.
- ❖ The system of education should be learning-centric rather than exam-centric.
- ❖ In a bid to strengthen the foundation of primary education, educators need to draft strategies that entail periodic evaluation of schools and teachers' work alongside, the inclusion of co-curricular activities as extra curricula activities such as sports, literary and cultural activities, positively boost the morale of the students.

SI No.	Target Group	Training		Testing & Certification of Competencies
		Skill acquisition	Skill up-gradation	
1	Less educated/Out of school youth/unemployed/ persons without employable skills	✓		✓
2	Workers who have acquired skills informally		✓	✓
				✓
3	ITI graduates		✓	✓

Infrastructure & Urbanization

Voices of Punjab

“Metallic Road connectivity to the villages should be prioritized”

“The farmer needs support from information technology by setting up ‘virtual mandis’ for regional, national, and international trading”

“The farm and rural sector require assured supply of good quality electricity for production of cash crops, agro-processing, storage, and to ensure the working of computers and telecom devices”

“The real growth potential in future is anticipated to be in agro-processing”

“There is a need for laying down broad-band telecom networks, assured power supply, reliable transport infrastructure, & international airport.”

“The tertiary sector depends upon knowledge enhancement”

Current Challenges:

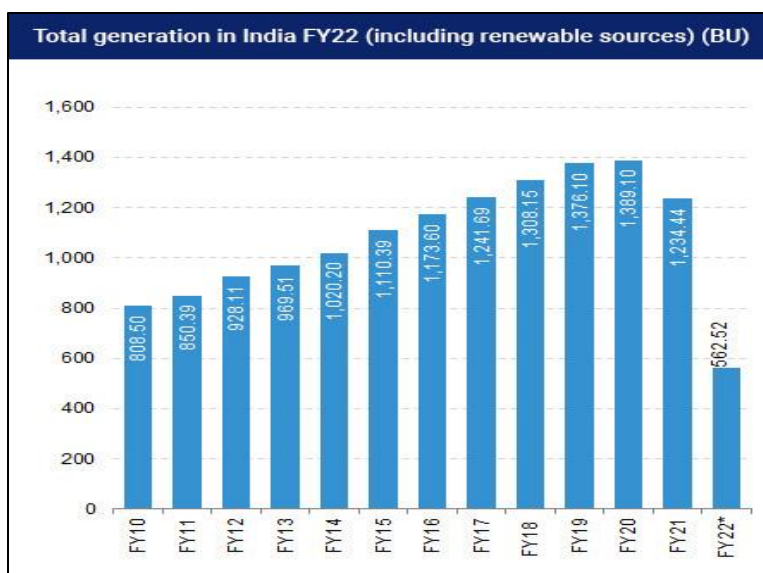
- ❖ **Shortage of Houses:** The problem of majority of urban dwellers is that of finding an appropriate place to live in. There are both quantitative and qualitative housing shortages in Punjab. Both public and private sector have failed to supply decent affordable housing to LIG/EWS segment. This is where 99% of the housing shortage in Punjab exists. Amritsar suffers from dilapidated housing as most of the housing built in walled city is pre-partition construction. Same is the problem in the core areas of Ludhiana and Jalandhar.
- ❖ **Proliferation of Slums:** Ludhiana, Amritsar and Jalandhar have 210, 65 and 97 slums respectively. Almost 30-40% of the population of most of cities of Punjab is living in slums. Lack of supply of developed land to the LIG/EWS section is the major cause for proliferation of slum and all the planning agencies are guilty of for this. Notably in Amritsar alone, all the planning agencies i.e., Improvement Trust, Municipal Corporation, Town and Country Planning Department put together have not supplied more than 5% of the developed land to LIG/EWS section.

- ❖ ***Un-authorized Development:*** Thousands of unapproved colonies have led to the mushrooming up of un-authorized housing and colonies in Punjab due to lack of vigilant planning agencies and poor scrutiny/enforcement planning system. Costly and unaffordable land supply by formal public and private planning agencies, long gestation period, speculation in land and building material markets, violations of planning norms and procedures and lack of permanent/stable policy for regularization of unauthorized colonies and houses in Punjab leads to status quo in this regard.
- ❖ ***Critical inadequacies in public utilities:*** Massive problem have emerged due to rapid growth of urban population without a corresponding increase in urban infrastructure like safe drinking water, preventive health services, sanitation facility, adequate power supply and provision of basic amenities. 48%, 55% and 60% slum dwellers in Jalandhar alone don't have access to municipal water supply, sewerage network and paved roads respectively. Problems in Ludhiana and Amritsar are grave. Most of the cities still don't have operational sewage treatment plants causing damage to underground waters of Punjab which is a major hazard for agro-based economy. Moreover, most of the cities don't recycle, even 10-15% of its municipal water wastes.
- ❖ ***Shortage of supply of developed land and poor land disposal measures:*** Due to rapid urbanization the development of urban areas is very fast and not according to the rules and regulations framed by the state government. Many of the approved government/private sector colonies do not reserve the minimum areas for LIG/EWS section which is mandatory. Such gross violations throw the needy urban poor out of the market on the one hand and the other hand there are vacant MIG/HIG housing units built in Mohali which are lying vacant.
- ❖ ***Paucity of Transportation facilities:*** The narrow roads and streets, their poor conditions on one hand and the other hand, the numerous vehicles together create a unique scene of traffic congestion and traffic jams. More so in the central business area and other importance zones in the city. Moreover, transport network has become a major source of environment pollution due to traffic jams and poor conditions of vehicles.

Action Points:

- ❖ In order to overcome the problems, the promotion of the small towns on a regional planning principle is desirable. Notably only one district of Punjab i.e. **Mohali** has prepared a regional plan. This will control the migration of the smaller towns and villages to major cities thus leading to balanced urban development in Punjab. It will help the rural people to use the educational, medical, and economic facilities in their closer vicinities if regional development principle is followed

- ❖ Demarcation of jurisdiction of different planning and development agencies is required to avoid overlapping. The policies should be detailed so that the phenomena of multiplicity should not prevail
- ❖ Strengthening of the industrial activities in the north and south zone of the Punjab. To strengthen the industrial economy of the state further, small scale and medium scale industrial units should be setup.
- ❖ Provision of economic activities in all classes of towns so that population should not be concentrated in class 1 and class 2 towns alone. There should be balanced development in the state.
- ❖ The urban areas should develop self-sufficient units which have minimum intra city movements.
- ❖ The development of the small and medium towns with the help of government schemes and programmes
- ❖ To promote the private sector for the development of the urban areas with the provision of incentives.
- ❖ To overcome the problems which arise due to urbanization the comprehensive planning and development approach should be followed. Master and regional plans must be regularly updated.
- ❖ There should be consistency in the policy of regularization of unauthorized development.
- ❖ There should be special cells in Municipal Corporations to deal with slums for better dedicated planning and results. Special building bye-laws can be framed for walled cities i.e., Amritsar and slums.
- ❖ There must be a separate cell for tapping financial resources from central government in all the Urban Local Bodies to enhance resource base of Municipalities.



Healthcare

Voices of Punjab

“Punjab, as such, does not have any specific health policy of its own”

“there has been a steady increase in the health facilities available in the Punjab State but, unfortunately, the gains made had been absorbed by the growing population”

“There should be qualitative improvements in the service rendered to the community”

“It was felt that there is an urgent need to expand the health facilities at a faster rate than the rate of growth of population particularly in Sangrur, Bhatinda, Ferozepur, Rupnagar, Hoshiarpur and Gurdaspur districts”

“meet the need for special inducement and facilities provided to the medical and paramedical personnel”

“There were proposals to open new Ayurvedic/Unani dispensaries, and to establish common medical facilities in rural areas, including diagnostic facilities such as X-Ray, laboratory, operation theatre and library for doctors serving in these areas, and completion and improvement of existing district hospitals”

Current Challenges:

Punjab is no longer a state of health and prosperity it is believed to be. A recent investigation by Down to Earth (DTE) has shown the state has a growing health crisis- an ever-increasing number of people suffering from severe and chronic diseases but with a state public health system that has crumbled badly

- ❖ Lack of adequate staff and manpower
- ❖ Lack of infrastructure facilities, including routine, high-end investigation facilities, essential drugs, and consumables
- ❖ Lack of desired work and service culture.

- ❖ Medical colleges also need special attention as these colleges establish and guide the standard of care in the state
- ❖ Chronic and serious diseases such as hepatitis C, cancer, reproductive disorders, depression, arthritis, among others, are prevalent in Punjab
- ❖ Reports indicate growing number of vacancies in public health system, but reduction in number of primary health centres (PHCs)
- ❖ Private care five times more expensive than care in public health facility, finds study
- ❖ A train – also known as ‘Cancer Express’ – which is used by the cancer patients of Punjab to travel to the neighbouring state of Rajasthan to get treated at a charitable hospital.
- ❖ Muktsar district, known as the “cancer capital” of Punjab, has “a cancer story” in almost every village. In one of the villages, Kotkapura, nearly all households have had at least one cancer patient.

Action Points:

- ❖ Ensure effective manpower management and monitoring of performance
- ❖ There should be networking of PHCs/CHCs/DHs/medical colleges for referral facility as a routine norm.
- ❖ Ensuring that the public healthcare system is improved, so that good quality healthcare is available to all sections of society and to prevent out-of-pocket expenditure on healthcare.
- ❖ The government should support charitable organisations which provide good and affordable healthcare services
- ❖ Need to regulate private entities to ensure evidence-based care and prevent any exploitation
- ❖ Checks and balances must be built in to ensure that clinical care, diagnostic and therapeutic procedures are carried out as per the evidence-based guidelines
- ❖ The government should consider adopting The Clinical Establishments Bill after due discussions with the private sector, to avoid an inspector raj approach
- ❖ It is important to initiate steps to attract bright professionals to public sector facilities by offering attractive, deserving remuneration and other facilities

Sports

Voices of Punjab

“Sports should be given an impetus in Punjab”

“Sports aspirants should be given enough incentives so that they are motivated to pursue sports as a career”

“Industry of Sports is facing some challenges for which government should take necessary steps to boost them in the international market as well”

“The Indian sports goods industry is a highly labour-intensive industry which provides employment to the weaker sections of society and also employs a large number of women”

“Jalandhar ranks second in India in the rate of urbanisation and has the highest density of population. The reason is due to industrialisation of Sports Goods”

Current Challenges:

- ❖ The biggest impediment is the lack of government's willingness to invest in sports. After toiling for years and tasting success, meritorious athletes are made to wait for jobs and cash prizes
- ❖ There are countless athletes who have been applying for jobs under sports quota without success
- ❖ The lucrative offers of Haryana have led to talent drain as every Punjab sportsperson who does not have a job, or a steady income looks for ways to shift to Haryana. Also, the cash awards are not even half the amount offered by Haryana
- ❖ There are infrastructural issues. Jalandhar and Ludhiana, once considered the hub of athletics, have not seen an infrastructural upgrade for a long time now
- ❖ The sports department ropes in coaches from the Punjab Armed Police (PAP) on deputation. These are athletes from the police department with an active career of a few years. They are not coaches, and hence, are not trained to coach athletes
- ❖ Of the nearly 1,000 sports goods manufacturing units here, about 25 per cent have already migrated to Meerut and Jammu

- ❖ The industry, which produces about 2 lakh footballs per day among other products, providing direct employment to nearly 60,000 and indirect employment to about 1.5 lakh people, is today fighting hard for survival in Punjab due to unreasonable taxation and the state government's apathy
- ❖ The necessity to submit C-forms is proving to be a major hassle for traders involved in inter-state trade who have to submit C-forms and other relevant declarations with the annual statement every year
- ❖ The non-availability of local raw material is another problem faced by the industry
- ❖ Another major threat to the sports industry is the cheap Chinese sports products. Several sports manufacturing units have shut down due to the Chinese products.
- ❖ Give the sports aspirants jobs, cash prizes and due respect so that more children are attracted towards sports

Action Points:

- ❖ We need to incentivize medal-winning sportspersons so that parents encourage children to take up sport.
- ❖ Infrastructural issues that need to be sorted out at the earliest
- ❖ Creating a supportive environment and a conducive sports culture through various sports programmes and schemes which encourages the youth of the state to develop their full potential as sports persons with the provision of appropriate opportunities
- ❖ C-forms, which have become redundant after the introduction of VAT, must be withdrawn
- ❖ We have to expand our products portfolio as out of 140 sports items we are only manufacturing 40 of them due to lack of labs, R&D centres and other training facilities
- ❖ Setup a Ergonomics laboratory in Jalandhar so that customised sports products could be designed in accordance with the player and game requirements making products more competitive in the global market
- ❖ The government should emphasise on importing technology and know-how instead of finished goods
- ❖ The European Union had recently imposed 25 per cent anti-dumping duty on the finished Chinese sports goods and India should follow the suit
- ❖ Government should encourage organised plantation of the plants like mulberry used in hockey; mango used in manufacturing chess and carrom boards; English willow and Kashmir willow for cricket bats so that sports goods industry in the state could survive stiff domestic as well as global competition

Agriculture

Voices of Punjab

“The agriculture sector needs to be improved as a vast majority of population is engaged in this sector”

“Proper agricultural waste management should be established”

“In the Punjab, instead of service. Farming is also the major source of the common people. So, GOP need to pay more attention to bring revolution changes”

“Shift the disguised labour of agriculture to the manufacturing sectors”

“Application of twin blade combines for paddy harvesting needs to be explored”

“Promoting and properly implementing crop diversification programme started in 2013-14 in the original green revolution states on a large scale”

“Paddy straw can be used for cardboard manufacturing, ethanol, power generation, and mushroom cultivation”

Current Challenges:

- ❖ **Monocropping and Faulty Cropping Practices:** The double monocropping of winter wheat (kanak) and summer rice (chona / munji) has increased the grain harvest in Panjab since the sixties. However, this has resulted in water use beyond its sustainability due increased demand for irrigation. the excessive use of chemical fertilizers and pesticides has added to the environmental degradation. Rice is not a traditional crop in Panjab. The rice fields in Punjab state are consuming 85% of all freshwater supplies.
- ❖ **Pricing of Agricultural Products:** Ceilings on the pricing of agricultural products imposed by the Central government of India on the Panjabi farmers have restricted the planting of crops other than wheat and rice. It places restrictions on free movement of agricultural products that have resulted in the farmers being forced to accept lower prices. The production of food crops has become a loss-making venture.
- ❖ **Marketing and Distribution of Agricultural Products:** Farmers in Punjab state cannot sell their agricultural produce in the open market, but only in the mandis (wholesale markets) in a weekly village market or at a nearby town. The mandis are controlled by

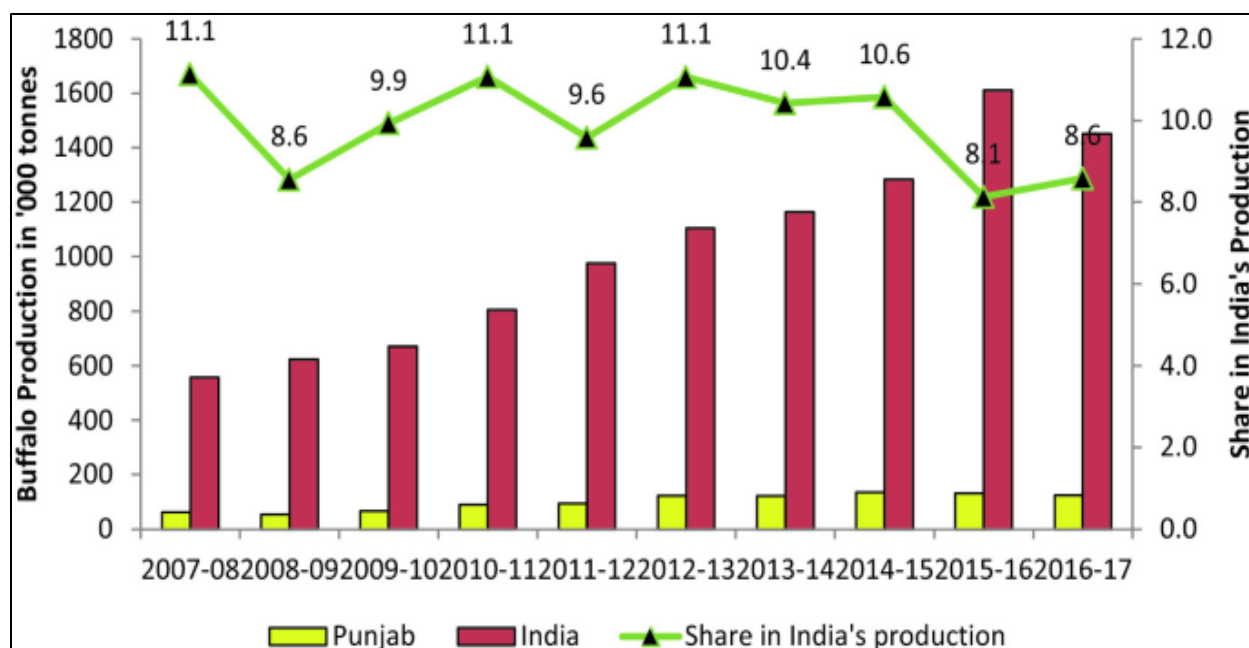
the arthiyas (commission agents) and mashokars (middlemen) who pay a fee to the government.

- ❖ **Debts and Suicides:** The cost of agricultural production has increased every year but the income of the Panjabi farmers has not increased. Farmers are spending more to buy costly inputs for agricultural production. They face endless power cuts. Land is mortgaged to the banks and sahuikars (moneylenders) and the owners have no resources to repay their debts. The Punjab state government has confirmed that 2,116 farmers have committed suicide since 1988.
- ❖ **The Pesticide Dilemma:** Although Punjab state is only 1.5 % of the land area of India, it uses about 18% of the total pesticide usage in India. Moreover, the south-western districts of Malwa region are consuming about 75% of pesticides used in Punjab state. There are serious environmental problems and health concerns resulting from the use of pesticides.
- ❖ **Women's Rights:** Women's employment in family farms is rarely recognized as economically productive. Moreover, the men generally control any income generated from this work. With the degradation of the environment and water scarcity, women will also be forced to trek several kilometres just to fetch water.
- ❖ **Landless Farmers:** Many farmers are in debt and are unable to pay their loans. They are then forced to sell their land and have become landless labourers. However, most of these agricultural workers live below the poverty line. Some of them get loans from the landlords and these accumulate over time as they have high interest rates.
- ❖ **Environmental Concerns:** There has been a significant fall in the ground water table, increase in soil fertility imbalance, and appearance of new pests and weeds, posing major threats to the long-term sustainability of agriculture. Farmers invested heavily to develop land and ground water initially and again for deepening of the wells as the water table receded leading to indebtedness.

Action Points:

- ❖ There is an urgent need for the diversification of agriculture in Punjab with the emphasis on the application of integrated farm principles, implementation of sustainable practices, organic farming, green farming and environmental friendly techniques.
- ❖ There must be changes in cropping patterns to include the planting of vegetables, fruits, herbs, mushrooms, fiber crops, oilseeds, and fodder crops.
- ❖ Punjabi farmers can also diversify through floriculture, horticulture, aquaculture, animal husbandry, apiculture, and silviculture. These will provide rural employment through village based agro-industries.

- ❖ There has to be adequate infrastructure for harvesting, post-harvest handling, processing, storage, quality control and assured marketing.
- ❖ One of the crucial ways of tackling desertification, salinization, and land degradation, is through the planting of native tree species for shelterbelts to retain soil moisture and to reduce soil erosion.
- ❖ Allow leasing of agricultural land, geo-tagging of all farmers to land records and making the conversion to non-agricultural use more predictable
- ❖ Punjab should strive to reduce the area under paddy by about 1 million ha, out of 3.1 million ha. It could be achieved over the next few years by diversification from paddy to less water-guzzling crops
- ❖ With one kilogram of rice consuming 3000-5000 litres of groundwater, Punjab has no option but to reduce the area under paddy
- ❖ As a state which has provided food security to the nation for three decades, Punjab, however, should be allowed a special package from the Centre for reducing the area under paddy over the next seven years so that the farmers can be compensated for the loss of income due to switching from paddy to an alternative crop.
- ❖ Increase the area under high-value fruits like plums, peaches, litchi, guava and vegetables like potatoes, peas and chilli etc. Amritsar and Malerkotla are important centres of vegetable production in Punjab. Air freight subsidy for export from Punjab should be applicable.



Manufacturing

Voices of Punjab

“The industrial sector of Punjab faced a minimum estimated loss of Rs 40,000 cr due to waste of 482 man days because of covid-19 lockdown”

“Punjab Industries face numerous problems of infrastructural bottlenecks”

“Varsity-industry linkage needs to be nourished for manpower”

“Industrialists demand reduced rate of Power at par with adjoining States”

Current Challenges:

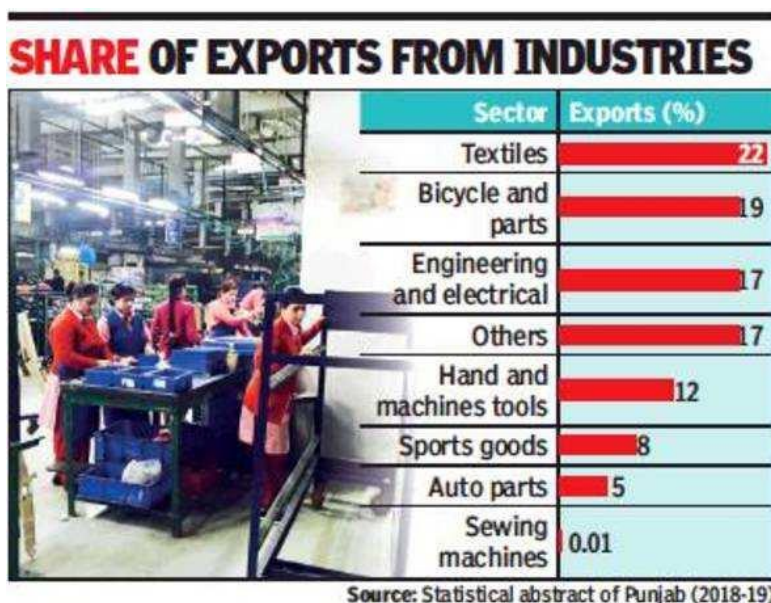
- ❖ Industry plays a vital part in the Punjab's economy. Industrial sector of the State contributes 24.67% to GSVA. The total contribution of Micro, Small, Medium and Large Industrial Units in the State is about INR 86,324 crore in terms of fixed investment. The industrial sector (including construction) contributes 36.4% towards employment generation. But they have not been given much attention.
- ❖ MSMEs in particular have to face some hardships to avail the existing incentives laid down by Punjab Industrial and Business Development Policy.
- ❖ Industrial development in Punjab is dominated by micro, small and medium enterprises. Economic liberalisation, globalisation and especially cheaper Chinese goods have eroded their competitive edge. A number of units have moved out, mainly due to locational disadvantages and central government's tax holidays to neighbouring hill states.
- ❖ Punjab is a laggard when it comes to adopting Industry 4.0. Many industrial units are not willing to apply advanced digital technologies like artificial intelligence, internet of things, 3D printing, robotics, cloud computing in the manufacturing processes.
- ❖ Continue Marketing support subsidy & Quality certification subsidy but make the procedure simple.
- ❖ Fiscal incentives get stuck, even after approval due for allocation of funds.
- ❖ In the last 2 years, exporters have been the most vulnerable to the lockdowns, strikes power cuts and other such disruptions. These have led to the export houses missing on their export commitments and losing their valuable international clients. Also, it has led to the state to forego a part of its revenue and its reputation as favourable business destination.

- ❖ Sector 102, Mohali, SAS Nagar, as of now is classified as "Transport Nagar " under the SAS Nagar Master plan. This approx. 225 acre Sector is not defined in any industrial policy and hence devoid of any development.
- ❖ Textile industry uses humidification plants from 15th March to 30th September every year and do not use these from 1st October to 15th March. These account for 20% - 25% of total power consumption during summer months and industry pays fixed charges on 80% of contract demand in winters. 80% fixed charges are considerable for summers but for winters for specific industry, fixed charges should be not be levied on 80% of contract demand
- ❖ Punjab is among three states which recorded worse growth in the service sector during the pandemic, revealed the Economic Survey – 2022. During 2020-21, the service sector share in the GSVA contracted by almost 10 per cent in Punjab
- ❖ The banks in Punjab lists slow growth, fiscal stress, and weak institutions.
- ❖ Punjab had adopted some modern approaches such as Government e-Marketplace (GeM) and e-procurement for capital goods, works, and services, but the system still had operational inefficiencies, contract execution delays, and high costs.
- ❖ The bank finds Punjab fiscally stressed and rigid in spending on interest payments, salaries, pensions, power subsidies.

Action Points:

- ❖ Industrialisation of Punjab in the 21st century cannot be achieved by adopting an incremental model. It needs a new model altogether, in tune with the fourth industrial revolution, comparative advantages and job aspirations of educated youth.
- ❖ High-tech agro-based industries. advanced digital technology and knowledge driven industries can provide foundations for the 21st century industrialisation of Punjab.
- ❖ In addition to industries of the future, the state needs a policy for the expansion of existing industries.
- ❖ Sorts goods, Hand tools, Agriculture implements/tools & parts, (EVs), Light engineering goods, Capital goods, Paper-based packaging units, and Logistics (warehousing) should be included in Thrust Sectors
- ❖ Freight subsidy for MSMEs should be simplified and conditions of ZED should be abolished.
- ❖ As Central government has launched certain PLI schemes for the national level focused/thrust sectors, it is advisable that the State government should also introduce PLI incentives for its industries

- ❖ Any unit expanding under Anchor/Thrust sector certified as 'Star' rated export houses, by Ministry of Commerce based on export performance criteria (as laid down for Large industries and MSMEs) should qualify as **Essential Industry**.
- ❖ Any industry saving water in sister company or related company (e.g., rainwater harvesting by green industry) should be allowed to credit the liters, and to be offset by other related unit (in orange / red zone) where harvesting is not possible/allowed.
- ❖ Own DG set should be allowed to fall under definition of Captive power plant for certain category of industries, especially, continuous process industry. This will help exporters in the hour of temporary crisis (as in July 2021) to procure LSD from Oil Corporations without taxes for that period thereby reducing costs.
- ❖ Solar banking should be allowed, private players having additional land should be allowed to bank power to PSPCL and draw it elsewhere within the state within a period of 1 month for captive use.
- ❖ Industry uses 0.7% of the total water, 99.3% is used by other end users. Hence, the industry feels that the proposed charges are high. For manufacturing industry, these should be 50% of proposed charges in order to be competitive.
- ❖ In case of Expansion and Modernization, the period under which the unit must undertake expansion/modernization should be allowed to be completed in phases within 3 years' time period (with the exception of electronics – which is expected to continue for few more years as deliveries of capital goods itself is a challenge).
- ❖ ECS in case of general industry should be reduced to 0.5 instead of current range of 1.0 to 1.5.
- ❖ Parking should not be dependent on height of the building.
- ❖ For single story complex remove reduction of ground coverage based on height of the building.
- ❖ Factory Licence Fee & renewal Fee exemption for 7 years should be extended.



Services

Voices of Punjab

“Rather than restricting banking correspondent as a teller for banks, it should be deployed as a feasible instrument for increasing financial inclusion”

“Punjab should build its own policy & export strategies for services sector with a focus on standards i.e., quality assurance, timely delivery etc.”

“Focus on education & skill development is key to development of services sector particularly in the health care sectors in lines with the Kerala Government. ”

“The local Tourism industry should enter into partnerships with global companies in order to attract the best practices for effective development of Service Sector”

“The Government should focus on the importance of having a friendly regulatory structure for development of services sector”

“Some impetus should be extended from the Punjab Government to the Exporters & Importers of the State so as to attract more people into the business”

Current Challenges:

- ❖ **Lack of Skilled Labour:** Small and medium enterprises in India are highly labour-intensive. The SMEs cannot provide enough wages to the workers and adequate working conditions to retain them. Many skilled workers migrate to other countries where they can find jobs with better wages and working conditions.
- ❖ **Taxation:** The sector suffers from multiple direct and indirect taxes and it makes it one of the most taxed sectors at present. The contribution of the service sector to the Punjab economy has seen significant growth over the years, with the employment generation focusing on this sector.
- ❖ **Lack of Infrastructure:** The development of infrastructure facilities and services is the responsibility of both the Central and State Governments. In India, different infrastructure facilities exist under different departments and agencies such as electricity, urban transport, road transport, railways, water supply, sewerage and solid waste management, and telecommunications.

- ❖ **A Cultural Shift:** From artificial intelligence (AI)-enabled wearables that monitor the wearer's health to smart thermostats that enable you to adjust heating settings from internet-connected devices, technology has become ingrained in our culture – and this extends to the banking industry. In the digital world, there's no room for manual processes and systems.
- ❖ **Regulatory Compliance:** Regulatory compliance has become one of the most significant banking industry challenges as a direct result of the dramatic increase in regulatory fees relative to earnings and credit losses since the 2008 financial crisis.
- ❖ **Changing Business Models:** The cost associated with compliance management is just one of many banking industry challenges forcing financial institutions to change the way they do business.
- ❖ **Outdated Mobile Experiences:** These days, every bank or credit union has its own branded mobile application – however, just because an organization has a mobile banking strategy doesn't mean that it's being leveraged as effectively as possible.
- ❖ **Security Breaches:** over the past few years, security is one of the leading banking industry challenges, as well as a major concern for bank and credit union customers. Financial institutions must invest in the latest technology-driven security measures to keep sensitive customers safe.

Action Points:

- ❖ A more proactive approach and proper institutional mechanism is needed to weed out unwanted regulations and tap the opportunities in the services sector in a coordinated way
- ❖ promotional activities for service exports
- ❖ Speeding up disinvestment in some services sector PSUs could not only provide revenue for the government but also speed up the growth of these services
- ❖ addressing multiple taxation issues
- ❖ skill and etiquettes training to cater to the needs of tourists, special focus on cleanliness at tourist sites and safety of tourists

Arts, Media & Entertainment

Voices of Punjab

“The Films, televisions and songs are particularly popular in Punjab; considering this, the Government of Punjab should allow single-window clearance system for applications of film shooting permissions”

“Around 80 movies are released in the language every year with an annual investment of around Rs 3 – 7 Cr each”

“Promoting Punjab as a film shooting destination in the national and international mark”

“Promotion of infrastructure in the Entertainment Industry”

“Development of Film City on PPP model with world-class amenities”

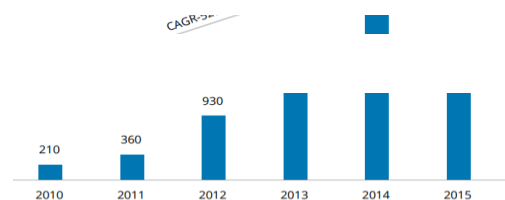
Current Challenges:

- ❖ Many institutes in India promise to give young people a chance in the media by offering attractive advertisements, but after completion of studies, many students do not get the opportunity.
- ❖ Many initiatives have been undertaken to encourage participation and investments and thereby growth of the Punjabi media and entertainment industry. However, the industry continues to face several challenges which limits contribution of Punjabi cinema to the Indian film industry
- ❖ While Indian films generate 13% of their revenue from satellite and TV rights, Punjabi films have so far met with limited success in monetizing this channel
- ❖ There is no dedicated film channel for Punjabi movies.
- ❖ It is estimated that ~90% of Punjabi films are shot with a digital camera. However, film makers face difficulty in finding cinematographers and production houses to shoot and edit digital, 3D and animated films in Punjab
- ❖ Use of VFX, animation, and CGI in Punjabi films is not common. ‘Chaar Sahibzaade’ series (I and II) was one of the few animated 3D films with VFX. It had one of the largest box office collections in the history of Punjabi cinema establishing the interest of Punjabi audience in such films.

- ❖ Punjab currently also requires investments in studios with post production technical capabilities and digital film making. Most theatres in Punjab have upgraded to digital technology, however the state lacks the necessary production and post-production skillsets for shooting and processing digital films.
- ❖ Lack of skilled manpower increases cost and time of productions thereby acting as a deterrent for film makers to choose Punjab as a preferred state.
- ❖ The Indian media and entertainment industry witnesses large influx of untrained, unskilled, and self-trained personnel who are trained on the job. While there is competition for actors, there is a huge supply gap when it comes to content creators, cinematographers, technicians—especially the special effects technicians

Action Points:

- ❖ It is necessary to ensure that the placement facility is available after the completion of the campus. The institutes can contact the old students for this
- ❖ Production houses need to play a larger role in the films they produce by bringing in technical expertise and industry knowledge to enable larger acceptance of Punjabi films at the national stage
- ❖ Punjabi films are promoted primarily in Punjab, Haryana, and parts of Rajasthan. This results in a lost opportunity to monetize other probable markets across the country with substantial Punjabi population
- ❖ While a few Punjabi film festivals are being organized currently, organizing an international film festival in cities within Punjab can further help the industry. These festivals help showcase Punjabi films on the same platform as other regional, national and international films.
- ❖ They also provide an opportunity for regional technicians and filmmakers to gain exposure to technology and techniques employed by the industry leaders.
- ❖ This can further contribute to the maturity and quality of films produced in the region and provide an opportunity to attract audience to films produced in Punjab.
- ❖ Punjab film industry could benefit from the growth in screen density especially in tier-II and below cities
- ❖ Multiplexes can play a role in attracting middle class audience to regional films.
- ❖ Punjabi audience prefer Punjabi films over Hindi or English films, provided the content is appealing. Thus, regional film tickets, if priced lower than Hindi films, can lead to higher occupancy



Note: The revenues have been estimated based on box office collections reported by films released in the corresponding years
Source: News Articles, Industry expert interviews

Climate & Sustainability

Voices of Punjab

“Temperature and precipitation changes might also adversely impact agriculture which could lead to cascading of number of socio-economic impacts”

“Punjab Industries face numerous problems of infrastructural bottlenecks”

“Varsity-industry linkage needs to be nourished for manpower”

“Industrialists demand reduced rate of Power at par with adjoining States”

“A greenhouse gas inventory for the state needs to be prepared for long-term mitigation planning”

“Devising a framework for applying the adaptation strategies and interventions identified under the SAPCC at the local level is required”

Current Challenges: Forests

- ❖ The open and scrub forests constitute 60 per cent of the forest cover, which is largely degraded due to high demand of forest products and encroachments
- ❖ As per 2011 census estimates, households consume 13.4 thousand tonnes of firewood in Punjab, which is far beyond the sustainable production in the State
- ❖ There has been a decline in area under fodder crops in the State by more than 25%
- ❖ Economically important species, such as *Acacia nilotica* and *Dalbergia sissoo* are declining rapidly in the State
- ❖ Weed infestation especially of *Lantana camara* is a serious threat to forest in areas of Punjab. According to an initial survey, a forest area of over 500 sq. km have been lost in the State due to the invasion of *Lantana camara* and this will continue, if remained unchecked

Action Points:

- ❖ The productivity of planting material can potentially be increased manifold by using superior planting stock raised through tree breeding programmes as well as through clonal technology and tissue culture

- ❖ Annual productivity of a seed-raised Eucalyptus plantation presently is only 6 to 10 cu. m per ha, which can be increased up to 40 to 50 cu. m per ha annually with the introduction of genetically-improved plants.
- ❖ Of this 13 per cent area, around 2–3 per cent area could be targeted from the private lands in the form of agroforestry plantations. Rest could be taken from the forest land, community private forest land and waste land, etc., across the State.
- ❖ Species, such as Shisham, Kikar, Drek, and Eucalyptus could be encouraged based on the site specific conditions.
- ❖ By undertaking 100 sq. km annually under green cover, it will help achieve the target of approximately 13 per cent (6,547 sq. km) by 2047

Current Challenges: Air Quality

- ❖ **Agriculture Residue Burning:** Around 16 million tonnes of paddy and 8 million tonnes of wheat straw are burnt in the agricultural fields every year leading to air pollution in the State and nearby areas
- ❖ **Industrial Pollution:** There are nearly 194,000 small scale industrial units in the state in addition to 586 large and medium units. In 2011–12, around 13,070 industrial units in Punjab were put under red category (highly polluting) industries by the Central government.
- ❖ **Emissions from transport:** Number of registered vehicles in the State reached approximately 63 lakhs in 2012, which is almost double of the figure a decade ago

Action Points:

- ❖ Looking at the growth rate of vehicles, more stringent steps should be taken with regard to air quality measures in the transportation sector, instead of following chronological order for the norms
- ❖ Government should conduct awareness programmes at the community level to sensitize the public about the growing levels of pollution due to vehicles and promote public transport systems
- ❖ Government should ensure regular vigilance of open burning activities. New sustainable technologies should be introduced in the State
- ❖ Instalment of Air Pollution Control Equipment in all industrial units should be made mandatory
- ❖ In brick sector, government should emphasize on adoption of cleaner technologies like vertical shaft brick kiln and tunnel kilns

- ❖ In order to have more regular control, number of air quality monitoring stations in the State should be increased

Current Challenges: Water

- ❖ The depleting water table is a cause of grave concern as it has given rise to water quality issues in Punjab. The cumulative fall in groundwater in Central Punjab during last three decades is more than 9 m (SAPCC 2014)
- ❖ Consumption of synthetic fertilizers and pesticides in Punjab is the highest amongst all states and union territories in India
- ❖ Over use of fertilizers and pesticides has resulted in high Nitrate, Organo-Chloride, and Organo-Phosphates in drinking water sources

Action Points:

- ❖ New technologies for construction of underground storage tanks and reservoir for surface water needs to be explored
- ❖ Given the over-exploited groundwater tables and deteriorating groundwater quality in most of the blocks in Punjab, there is a critical need to develop a comprehensive water conservation and management plan to rejuvenate water bodies and restore lakes and rivers that ensures the replenishment of water to the local aquifers and in general improves the water availability scenario in the State
- ❖ Integrated wastewater management by treatment, recycle, and re-use by identifying and designing innovative solutions for domestic and/or industrial sectors with appropriate use of decentralized and/or centralized options
- ❖ There is an urgent need to strengthen the institution of Water Users Association along with a management information system platform with innovative information and communication technology tools and technologies for an integrated and efficient monitoring



Confederation of Indian Industry

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 9,000 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 strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Inclusiveness, Globalisation, Building Trust' has prioritized 6 action themes that will catalyze the journey of the country towards the vision of India@100.

With 65 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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