CHALLENGES AND OPPORTUNITIES OF MANUFACTURING SECTOR OF UTTARAKHAND

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Abstract:
The present study is related to challenges and opportunities of manufacturing sector of Uttarakhand. Manufacturing is the backbone of economic development of a state. It brings many direct and indirect benefits for the state. An attempt was made to know the problems of manufacturing sector and suggestions have also been given to overcome these problems. If these suggestions are implemented by the State Government, then Uttarakhand can become a manufacturing hub of Northern India.

Keywords: Manufacturing Sector, Infrastructure, Research and Development, Tax concession, Skilled labour.

INTRODUCTION:
In general, manufacturing refers to the process of changing the form of articles extracted from earth, sea and air and makes it more useful to the consumer by adding new utilities to it.

Manufacturing sector is concerned with the changing of the form of the raw materials and semi-finished goods into finished goods. They add form utility by converting raw material into finished and semi-finished goods. Generally, the products of primary industry become raw materials for the manufacturing sector.

Manufacturing happens when there is consumption. India is a huge consumer market with unprecedented capability to be potential market for the world. The escalating domestic demand and the growing export orientation have brought an upsurge in the Indian manufacturing sector. Heavy growth is registered by Automobile sector, iron and steel, machinery and equipment, including transport and basic chemical sectors.

Disregarding the belief that China is good for manufacturing and India for services, the manufacturing sector in India has been moving up gradually. India has tremendous potential for manufacturing, which is yet to be achieved. India has an existing advantage in custom-based manufacturing. India’s edge lies in its ability to turn out low-volume, high-variety parts, in which the engineering content is high, from vertically integrated manufacturing units – despite the fact that the size of India’s factories are much smaller than those in China, United States and emerging economies.

It is an appropriate time to discuss the future competitiveness of Indian manufacturing industry in terms of market share, costs, awards and certifications demonstrating high standards of quality, global scale, adopting contemporary manufacturing practices, etc. At the
same time we should not ignore the fact that large sections of Indian manufacturing industry suffer from slow pace of reforms, mismatch between policy intent and implementation, under-utilization of technology, sub-optimal scales, poor infrastructure, overstuffed operations, expensive financing and bureaucracy. Despite progressive liberalization of policies over the last decade, the sector’s performance has not been in proportion to the potential.

Growth Of Indian Manufacturing Over The Years:
India being a developing economy, the importance of manufacturing cannot be under-emphasized. Indian manufacturing constitutes nearly one fifth of the economy. It employs nearly 1.8 million people in the organized sector alone, and contributes more than 75% of Indian exports. Thus, the manufacturing sector has a significant role to play in India’s prosperity and growth. India’s manufacturing sector has been registering healthy growth right from the 1950s to the present. Manufacturing sector started accelerating in 1980s and got a further fillip in 1990s. Several reasons are cited for this- investment in public infrastructure, gradual reduction in government controls and higher inflow in private investments.

Manufacturing value added grew at the rate of 7.4% during the period 1980-90. From $ 29.8 billion in 1980, the Gross Value Added (GVA) had increased to $ 72.8 billion in 1995. In the process, the share of manufacturing in India’s Gross Domestic Product (GDP) had gone up from 16% to 19%. However, when compared to other key developing countries, India’s performance is quite low.

Manufacturing Sector In Uttarakhand:
Uttarakhand state is bestowed with bountiful natural resources of water, forests, herbs, hydropower, minerals, cool and dust free environment. All such factors provide favorable conditions for setting agro-based, forest-based, food processing and electronic industries in the state. The programmes of industrial development in the region have been divided into three categories:

- Khadi and village industries.
- Micro and Small-scale industries.
- Medium and Large-scale industries.

Uttarakhand is one among the newest States in the country and has seen a significant growth at the macro level. The mid-term appraisal conducted by the Planning Commission has given recognition to the strategies and approaches experimented in Uttarakhand and also indicated areas of focus for the way forward.

Manufacturing sector, which was almost non-existent before the creation of the State, is now showing impact on the composition of revenue of the state. During a short period of five years the state has been able to create an investor friendly atmosphere resulting in attracting many big industrial houses. However, shortage of electric power and unreliable supply of power are universally recognized as a drag on the pace of India's development. Roads, rail and other infrastructure facilities constantly need to be strengthened.

The existing industrial policy was framed in the backdrop of potentialities and expectations of the newly created State of Uttarakhand. The aim of the New Industrial Policy is to provide a comprehensive, investor friendly environment for ensuring rapid and
sustainable industrial development in Uttarakhand and, through this, to generate additional employment opportunities and to bring about a significant increase in the State Domestic Product and eventual widening of the resources base of the State.

The state wants to promote industrialization both in the organized and small-scale sector, particularly those with backward linkages to agriculture and forest resources. The aim is to strike a balance with the large pool of forest resources. Finally, the objective is to exploit its proximity to the National Capital Region and New Delhi, which is huge market for absorbing the manufactured products. The state aims to promote leading edge technologies and sunrise industries in the State in the areas of Information Technology and Biotechnology. Public/private sector involvement in generation of Power and strengthening of the transmission and distribution network will be encouraged in the state.

The state new industrial policy and tax holiday schemes announced by the central government have been able to attract several leading private companies to set up factories in the state. The Govt. of India declared a package of incentives for the State. According to the policy, the industrial units set up in Growth Centres, Industrial Infrastructure Development Centre, Industrial Estates, Export Processing Zones, Theme parks and other notified areas were entitled to:

(a) 100% Central Excise exemption for 10 years on items other than those mentioned in the negative list in the concessional industrial package announced by the Central Government.
(b) 100% Income tax exemption for first 5 years and 30% for next 5 years for the companies and 25% for others.
(c) CST @1% for 5 years.
(d) Capital investment subside @15% with a maximum of Rs. 30 lakhs (Rs. 3 million).
(e) Central transport Subsidy extended till 2007.
(f) Exemption from entry tax on plant and machinery for setting up industry for undertaking substantial expansion and modernization.
(g) Land use conversion and development charges and regime will be rationalized.

With industry friendly policies, no red tape and total transparency, Uttarakhand is fast emerging as the favorite destination among industrialists. Several industries have already signed on to set up their units in two integrated industrial estates in Haridwar and Pantnagar envisaging an investment of Rs. 4,000 crores.

The state's initiative in attracting investment appears to have paid off in attracting industrial investment. During August 1991 to March 2001, Uttarakhand attracted a total of 292 Industrial Investment Proposals. The total industrial investment proposals jumped to a total of 1100 proposals till March 2007. Though the bulk of these investments are from domestic sources, the ramp-up of industrial infrastructure is bound to translate into some interest from foreign direct investors in the near future.

Among major investors that have set up units here are Hindustan Lever Limited with an investment of Rs. 400 crore and Dabur companies setting up units include Sahara Systems, South Africa; Gujarat Borosil Ltd.; Vestel Group of Companies, Globally managed service, India; Maharshi Ayurveda Products Ltd.; Woodland Group; Dalmia Consumer Care; Asahi Float Glass, India; Haldiram; Mahindra & Mahindra; Britannia industries Ltd; LG Electronics India Ltd.; Videocon, Atlas Cycles, India; Parle, etc.

Land has already been allotted to most units and once these industries start functioning, over 50,000 persons would get employment. To felicitate investors, the Uttarakhand Government has declared its new industrial Woodlands Policy. Efforts are also...
underway to develop export zones, food parks, tourism destinations, roads, airports, industrial towns, etc., for private sector. SIDCUL has successfully initiated Pharma City in Selaqui Industrial Area, Chakrata Road, Dehradun and is expanding the Pharma activities in other areas of Uttaranchal, to name some – Haridwar, Pantnagar, Kotdwar, Sitarganj.

Uttarakhand Government has also set up the ‘State Industrial Development Corporation of Uttaranchal Ltd.’ (SIDCUL) to attract investors. SIDCUL is the first industrial corporation in India. SIDCUL is functioning as the Nodal Agency of the State to administer all Government of India and Government of Uttarakhand schemes for industrialization and industrial promotion. The corporation plays a stellar role in the promotion of industries, providing adequate and timely finance, developing the required infrastructure, ensuring development, technology up-gradation and setting up high-technology pollution free industries. SIDCUL ensures the speediest clearances to enable the shortest lead-time in setting up industrial projects. The corporation follows single window system to provide all facilities and clearances to investors.

Besides this, the Government has set up a number of world-class Industrial Infrastructure units:

Integrated Industrial Estates (IIE) at BHEL, Haridwar;
Integrated Industrial Estates (IIE) at Pantnagar;
Industrial Infrastructure Development Centre (IIDC) at Dehradun, Haridwar and Pantnagar;
Growth Centre at Pauri;
Pharma City, Selaqui, Dehradun
Integrated Industrial Estate (IIE) at Sitarganj.

Factors Supporting Growth Of Manufacturing Sector In Uttarakhand:

- The State has significant hydro-potential (15,000 MW) of which only 1124 MW has been realized.
- The state is promoting establishment of industrial estates, industrial parks and growth center in the State.
- Vast pool of natural resources adds to the state’s attractiveness as an investment destination.
- The Literacy rate in the State is 72%, which is indicative of abundant availability of quality human resource base at competitive rates.
- The State has a peaceful pollution free environment conducive for Industrial development and good quality of life. The law and order and security situation in the State is very good.
- Marketing assistance to Khadi and Village Industries, SSIs, Cottage Industries, Wool-based industries, Handloom, silk and Handicrafts industries.
- Uttarakhand compares favorably with the all India aggregates in terms of the spread of basic infrastructure facilities.
- Investments in Uttarakhand enjoy a number of fiscal benefits like the Concessional Industrial package offered by the State and Central Governments.
- The Tehri Hydro Development project is one of the highest multipurpose projects built across Ganga.
• The State’s proximity to the National Capital Region (the large urban and industrial cluster around New Delhi) to market.
• Uttarakhand has been successfully able to attract some of the key players of the manufacturing sector.

**REVIEW OF LITERATURE:**

Some research studies have been carried out on manufacturing sector in India with reference to some states. All the work on the subject cannot be possibly covered but a brief survey of the major studies related to manufacturing sector has been covered here.

- “India’s Manufacturing Sector: Policy Framework” published by Academic Foundation, New Delhi is a compilation of 3 top ranking independent reports of IIM Lucknow, IIT Madras and Anderson Business Consulting outlining a comprehensive manufacturing policy framework for India. The book reveals the competitive strength of Indian Manufacturing sector in the global market and also the barriers in the path of its progress. The book also recommends the policies in the key areas of the manufacturing sector.
- The book “Economy of Uttaranchal- Profile and Dynamics of Change” edited by P.C.Pandey, D.C.Pande, P.S.Bisht and Rajnish Pande is a compilation of 31 conference papers by noted scholars and social scientists. These papers emphasize on various issues such as new relationship of private and public sector, policy of development, entrepreneurial and industrial growth, financial and sector growth of Uttarakhand. The book further intends to furnish suitable solution to the deep-rooted problems that make the region highly vulnerable for development.
- The book “Uttaranchal: Vision and Action Programme” edited by M. L. Dewan and Jagdish Bahadur is an effort to outline the steps for the human and economic development for Uttarakhand. Taking the stock of wealth of this hill state, the book addresses various issues concerning its natural resources. The book also discusses some vision projects such as the people’s participation programme, tourism, industrial watershed development, socio-economic empowerment of rural elderly women and role of Science and Technology in the integrated development of the State.
- Shri Nilachal Ray in his article “Unorganized vis-à-vis organized sector in India” has presented few comparisons between unorganized manufacturing sector economy based on NSS 56 round survey and organized manufacturing sector economy based on major findings of Annual Survey of Industries (ASI). The paper describes the facts and figures of organized and unorganized sector in terms of industrial capability, capital productivity, wage productivity, wage rate and workers performance.
- Sudhanshu Raj and Avishek Sengupta in their paper “Indian manufacturing sector does it have the potential of becoming world’s manufacturing hub” have discussed about India’s potential of gaining strength in manufacturing sector. They have compared India’s economic status in manufacturing sector with China, highlighted India’s achievements in manufacturing sector and stated the factors on which India’s sustainability will depend.
- Pankaj Chandra and Trilochan Sastry in their paper “Competitiveness of Indian manufacturing” report the findings of a survey to study the competitiveness of Indian manufacturing sector. The paper conceptualizes these findings in terms of priorities of Indian manufacturing firms, the programmes that they undertake to reach their objectives, and the outcome or the performance of these firms. They also present some international
comparisons based on a similar study done in the USA. The paper highlights the role of innovation and supply chain management, as a part of any robust manufacturing strategy, in developing world-class operations.

**OBJECTIVES OF THE STUDY:**
Following are objectives of the study:
1. To analyse the present scenario of manufacturing sector of Uttarakhand.
2. To study the opportunities and challenges of manufacturing sector of Uttarakhand.
3. To suggest remedies for sustainable development of manufacturing sector of Uttarakhand.

**RESEARCH METHODOLOGY:**

**SCOPE OF THE STUDY**
The study was conducted in the state of Uttarakhand. In the study, the manufacturing sector is divided into product categories which are further segmented into micro, small, medium and large scale companies. According to Annual Survey of Industries,

- **Micro** industries are those which have investment in plant and machinery up to Rs.25 lakhs;
- **Small** scale industries which have investment in plant and machinery between Rs. 25 lakhs – Rs.5 crores;
- **Medium** scale industries have investment in plant and machinery between Rs.5 crores – Rs.10 crores;
- **Large** scale industries have investment in plant and machinery of more than Rs.10 crores.

Though all types of industries are spread throughout the state yet in a pilot survey it was found that few states have concentrations of specific industries like IT Park and Pharma city are found in Dehradun. Some core automobile companies like Tata motors, Baja Auto Ltd., Mahindra & Mahindra, and Hero Honda are situated in Pantnagar and Haridwar. Similarly, Haridwar has concentration of FMCG, plastic goods and electronics companies. Food based industries are found in large number in Pantnagar. The handloom and handicraft industries are concentrated in Nainital and Almora. Due to chill factor conditions, the agro and forest based industries like food processing, floriculture, and herbal and medicinal plants cultivation are concentrated in the hilly areas like Uttarkashi, Pithoragarh, Bageshwar and Garhwal.

**SAMPLE SIZE OF THE STUDY**
The state has thirteen districts although the concentration is found in eight districts only. The micro, small and medium manufacturing units also exist throughout the state whereas the units having large investment are restricted to Dehradun, Haridwar and Udham Singh Nagar as all the three districts have SIDCUL. A detailed list of industries has been prepared and number of these industries/units has been decided from the total existing registered and unregistered units in the selected sample areas. Four districts, namely, Dehradun, Haridwar and Udham Singh Nagar have been selected as the representative of the entire manufacturing sector in Uttarakhand. A total number of 245 manufacturing units were finally considered after rejecting incomplete questionnaires. among these 245 units are micro, small, medium and large enterprises.
STATISTICAL TOOLS AND OTHER TECHNIQUES

Statistical tools like Sampling Technique and t-test were applied using SPSS to determine the significance of observed data.

METHOD OF DATA COLLECTION

- **Primary sources:**
The primary source of data collection was collected from manufacturers of Uttarakhand in 3 districts as all three districts there is SIDCUL available. MSME and large manufacturing units were considered. The data was collected through structured questionnaires made for the study and conducting direct interviews. Efforts were made to cover all aspects which are related to manufacturing sector of Uttarakhand. Basic motive was to know present scenario, problems and opportunities of manufacturing sector in Uttarakhand.

- **Secondary sources:**
In order to capture a complete view of Uttarakhand manufacturing sector, the secondary data is collected from Government departments, nodal agencies and other support system. It includes the reports from Annual Survey of Industries, Census of India, and Census of manufacturers, National Sample Survey Organization, Central Statistical Organization and State and District level data.

DATA ANALYSIS AND INTERPRETATION:

Manufacturers were contacted and data was collected with the help of structured questionnaire. Questionnaire covered various aspects relating to manufacturing in the state of Uttarakhand such as quality of goods produced, cost of production, sales, infrastructure, government assistance, regular power supply, availability of skilled labour etc. To know the government’s side officers are also contacted through interview.

This process helped in understanding the whole picture of manufacturing sector in the state. Collection of data on empirical basis cleared that there are various challenge available in the state for various manufacturer.

CHALLENGES FACED BY MANUFACTURING SECTOR IN UTTARAKHAND

Despite the fact that Uttarakhand has great potential for manufacturing sector, the potential is hardly being realized. The vast resources of Uttarakhand, both natural and human, are left unutilized or under-utilized. The State Government is not able to attract the big companies as done by neighbouring states. For instance, a unit of Ranbaxy is running profitably in Poanta Sahib (Himachal Pradesh), which is hardly 25 Kms from Selaqui (Dehradun), having similar geographical features and infrastructural facilities. Manufacturing sector does account for 20 percent of net output but it is mostly concentrated in the plains of Haridwar, Udham Singh Nagar, Pantnagar, Kotdwar and Dehradun districts. There is negligible contribution of hilly area in the industrial output as there is adverse environment for industry.

Industrial base of the region is very weak. Small and household industries are, however, in large numbers spread over all the districts in the region. Most of them skill-based, and are afflicted with severe problems on raw material and marketing fronts.
Uttarakhand state is facing the following challenges relating to the manufacturing sectors in the state: These are as under:

1. There is lack of infrastructure required for manufacturing sector.
   It has been found that manufacturer has lot of complaints about the availability of infrastructure in the state. They have complaints about other infrastructure such as roads, transport, water supply, railways, availability of raw material, marketing issues etc. Power supply is available but with interruption. Question was asked that “Are they satisfied with the infrastructure provided by the government in the industrial area” The question was asked on 7 points likert scale assuming “1” for “very dissatisfied” and “7” for “very satisfied”. Average score of 245 respondents was 2.2122 and SD was .76545. Actual Mean was far below the neutral answer that is “4”. T Test was applied with the help of SPSS, which shows that there was significant difference. p-value was less than .05. Therefore hypothesis that government has built required infrastructure for manufacturing sector stands rejected. Results are as under:

   T-Test

   **One-Sample Statistics**

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<th>N</th>
<th>Mean</th>
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<td>2.2122</td>
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<td>.04890</td>
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   **One-Sample Test**

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<td>-1.8841 to -1.6914</td>
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</table>

2. There is a lack of Research and Development in production process and planning.
   We don’t have a good Research and Development Facilities where the young engineers can try and learn new things. Where they can come with new innovations and begin to apply in large business. If we don’t build organisation with Innovation as a primary focused agenda for growth, how can we build next generation?

   The question was asked on 7 points likert scale assuming “1” for “very dissatisfied” and “7” for “very satisfied”. Average score of 245 respondent was 2.0041 and SD was .80723 Mean was far below the neutral answer that is “4”. T Test was applied with the help of SPSS, which shows that there was significant difference. p value was less than .05 . Therefore hypothesis that there is a lack of Research and Development in production process and planning is rejected.
Following is the output of SPSS:

### T-Test

#### One-Sample Statistics

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<td>.80723</td>
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<td>-1.99592</td>
<td>-2.0975, -1.8943</td>
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3. **There is a shortage of skilled labour in the state.**

State has lot of higher educational institutions available but they are unable to meet the demand of skilled personnel. People from outside state ready to come if there pay package are good. Young generation is more interested in service sector so there is less supply of skilled labour force in manufacturing sector.

The question was asked on 7 points likert scale about the availability of skilled labour in the state, assuming “1” for “very dissatisfied” and “7” for “very satisfied”. Average score of 245 respondents was 3.1388 and SD was .9566. Mean was below the neutral answer that is “4”. t-Test was applied with the help of SPSS, which shows that there was significant difference. p-value was less than .05. Therefore hypothesis that there is easy availability of skilled labour in the state stands rejected.

Results are as under:

### T-Test

#### One-Sample Statistics

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<tr>
<td>VAR00001</td>
<td>245</td>
<td>3.1388</td>
<td>.95660</td>
<td>.06112</td>
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4. There is an issue in the regular power supply.
The state has lot of power producing sources still there is interruption in regular power supply. A separate question was asked about the supply of power on regular basis, which was not so adversely answered as other questions were answered, but they acknowledged that power cut is there. Following are results of SPSS:

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<tr>
<td>VAR00001</td>
<td>-14.092</td>
<td>.000</td>
<td>-.86122</td>
<td>-.9816</td>
<td>-.7408</td>
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</table>

Mean score of this variable was close to 4 and SD was .79921 p-value was more than .05 it means difference was insignificant but still attention is needed to resolve this problem. Hypothesis that There is an issue in the regular power supply stands rejected.

5. High operating cost of production.
Questions were asked on total cost of production of goods manufactured in the state. The responses were adverse as regard to the total cost of production. Manufacturers are of the opinion that raw material is brought in the state from outside and finished goods sent back to market available outside state. Tax concession is the main attraction of coming to Uttarakhand state for manufacturing, otherwise they may be disinterested in establishing their manufacturing unit in the state. This is an alarming situation for the policy makers.
There is a need to make environment of production on sustainable basis.

Tax concession brings their cost of production down, otherwise there is in issue in the cost.

The question was asked on 7 points likert scale assuming “1” for “very dissatisfied” and “7” for “very satisfied”. Average score of 245 respondents was 3.1388 and SD was .95660 Actual Mean was below the neutral answer that is “4”. t-Test was applied with the help of SPSS, which shows that there was significant difference. p-value was less than .05. Therefore hypothesis that cost of production is low in Uttarakhand stands rejected.

Following are the results of SPSS:

T-Test

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<td>-.86122</td>
<td>-.9816</td>
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There is a lack of will power of state government to make a conducive environment of industrial development. There is no political will to take the state at a new heights.

Opportunities For Manufacturing Sector Of Uttarakhand:

The state carries lot of opportunities for manufacturing sector. Some of the main opportunities are as under:

1. Tax Concessions:

Tax Concession granted by the government to the manufacturing industries is an opportunity for them. In the present study, it was found out that such tax concessions by the Central Government for newly established business and industries for a long duration have become an attraction for the entrepreneurs to establish their business units. Due to these concessions, cost of production has reduced in the state. It has attracted majority of industries to establish their set up here in the state of Uttarakhand. This policy of giving concession serves as a tool for an underdeveloped newly formed state to attract more industries.
The question was asked on 7 points likert scale assuming “1” for “very dissatisfied” and “7” for “very satisfied”. The question was framed as tax concessions is main reason of establishing the manufacturing unit in Uttarakhand. The question was answered in a positive way and average score was very high.

Average score of 245 respondents was 5.0899 and SD was .07520. Actual Mean was above the neutral answer that is “4”. t-Test was applied with the help of SPSS, which shows that there was significant difference. p-value was less than .05. Therefore hypothesis that tax concession is not the main reason of establishing unit in Uttarakhand stands rejected. Following are the results of SPSS:

T-Test

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One-Sample Test

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<td>Lower</td>
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<tr>
<td>VAR00001</td>
<td>14.493</td>
<td>244</td>
<td>.000</td>
<td>1.08980</td>
<td>.9417</td>
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</table>

2. Employment Creation:
Establishment of new industries in the state leads to more employment opportunities for youth. Employment generation has become the basis for economic development which is a thrust area for Uttarakhand. Youth of Uttarakhand goes outside for employment. If more industries are established here in Uttarakhand, then we can retain them in the state.

3. Scope for growth of other service sectors:
The growth of manufacturing industries in the state would bring in the more employment opportunities. It will result in more employment i.e. more people. Such people will need other services for themselves as well as for their families. Eventually, industrial growth brings more employment opportunities and consequently increases demand of other service sectors. The service sectors which will be in demand would be hotels, transport, schools, hospitals, houses, banks, insurance companies, etc.
4. **Revenue collection of government goes up due to more economic activities:**
Employees give various direct and indirect taxes as their personal taxes are not exempt. More Real-Estate transactions are needed, which gives stamp duty revenue to the state government. Directly or indirectly, government is also benefitted due to enhancement of economic activities relating to manufacturing sector.

**SUGGESTIONS:**

Following are some important suggestions to make manufacturing sector of Uttarakhand a successful sector:

1. The foremost need of the hour is to make a permanent manufacturing friendly environment of manufacturing in the state, so that, Uttarakhand can become a manufacturing hub of Northern India. For this, Uttarakhand government has to take care of the challenges faced by the manufacturer. All hurdles of manufacturer should be removed. Only strong will of state government can bring drastic changes. State has all potential of becoming a hub of manufacturing. Proper care of manufacturer can bring positive results.

2. State Government should convince the Central Government that geographical situation of Uttarakhand is not favourable for industrial development due to hilly terrain. There is a basic deficiency of infrastructure in the hilly areas. This was the basic reason behind the separation of Uttarakhand from Uttar Pradesh. As we are very much aware of the famous saying that, “A Rome was not built in a day”. Accordingly, this development cannot be achieved immediately in 5-10 years of the date of formation. So, there is a need of granting such concessions for long years from now, so that we can retain manufacturers on a permanent basis.

3. Quality of Higher Education needs to be improved in the state. Skilled labour force is an outcome of good quality of Higher Education Institutions. Problem of shortage of skilled labour forces can be resolved by improving the quality of Higher Education. Although, for school level education, state is famous in entire India. But, Higher Education is still a weaker area. State has huge number of engineering colleges. But, they are only giving degrees not the quality of education. IIT Roorkee may be an exception in this field, where admissions are given on the basis of National Level Test. In this Institution, people from entire India come just for the sake of degree full of quality and then they go back to their respective cities or states. Few more good quality Engineering Institutes are required equivalent to IIT level, so that we may get trained personnel in the state. State Government should take necessary steps to improve quality of available Engineering Institutes.

4. A regular power supply to industrial areas at concessional rates should be provided. Uttarakhand is known as power state as we have lot of dams in the state, so government has to maintain the reputation of uninterrupted power supply in the state. It will attract entrepreneur to establish more units of manufacturing.

5. Research and Development activities at the state level should be incorporated. Government should promote research and development activity in the state so that innovative ideas can be used in improving the products.
If above suggestions are implemented in an appropriate manner, then, manufacturing sector of Uttarakhand will be able to reflect a bright future ahead and manufacturing sector can become the backbone of economy of Uttarakhand. With the help of growth of industry and manufacturing we can also overcome the problem of migration from Uttarakhand.

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