

Role of Exports in the Economic Development of Haryana

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Abstract - Income per person in Haryana is fourth highest in India. Haryana's development organisations have created 103 separate industrial parks. Haryana's industrial estates are the product of a collaborative effort by the state's Developers in Haryana, including those working for the state and the Haryana Urban Development Authority, as well as those working on their own time. The Gurgaon region has developed tremendously over the years, notably in terms of creating a thriving industrial sector. Because of this, it is expected to become a major centre for Haryana's industrialization. Haryana has its own State Export Policy that provides many tax incentives and the most cutting-edge facilities in order to promote exports. A government agency in India called Software Technology Parks of India (STPI) oversees the Software Technology Park initiative. The Ministry of Communication and Information Technology launched it back in 1991. Power and infrastructure are two areas that the government must invest heavily on. For us to compete on a worldwide scale, it is essential that we have access to financing at market rates. Since VAT has already been introduced, the federal government should exclude state and municipal fees.

Keywords - Export Oriented Units, Investment region, Special Economic Zones

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ECONOMY OF HARYANA

One-third of Haryana's land area is included in the National Capital Region, which is why the state is strategically located near Delhi. One of the country's most important commercial and consumer hubs is located here. The average income in Haryana ranks fourth highest in India. Between 1994 and 2003, the Haryana economy grew at an average yearly rate of 6.5%. Approximately \$7 billion in GDP makes Haryana the thirteenth largest economy in India.

Haryana is one of the smallest states in India, spanning just 1.37 percent of the country, but its proximity to the National Capital Region, a major commercial and consumer hub, gives it a distinct edge. As a result, the state now has the fifth-best Human Development Index score in the United States. Gurgaon, a suburb of Delhi, in the state of Haryana, has grown rapidly in recent years to become its primary suburb. The State Government is encouraging the establishment of SEZs and EOUs in order to increase exports.

Aspect of the State's Industry

In Haryana, 103 different types of industrial estates have been constructed. Haryana's industrial estates are the product of collaboration between the state's industrial development agency, the urban planning body, and private developers. Through collaboration with other public and private sector organisations, HSIDC intends to develop a venture capital fund to

stimulate new enterprises in high-potential fields such as nanotechnology, genetics, biotechnology, communications technology, etc.

The government of the state is working towards a goal of increasing the number of public, private, and cooperative research and development facilities. It is proposed to rename the Haryana State Industrial Development Corporation as the "Haryana State Industrial and Infrastructure Development Corporation" to promote coordinated infrastructure development and the participation of the private sector, including FDI. The manufacturing sector is a target for attracting foreign direct investment. At Manesar, HSIDC has built a model industrial town following contemporary plans. The user industry has enthusiastically embraced this initiative, making it a huge success. It has been planned that the construction of two IMTs be carried out during the following five years.

The city of Gurgaon has seen phenomenal expansion throughout the years, especially in the field of manufacturing. As a result, it is now recognised as a prime location for manufacturing in the state of Haryana. The district's industrial sector now generates over 46,000 crores in yearly revenue and attracts investments of over 10,000 crores. More than two million people are employed by the manufacturing industry. Approximately 8000 small-scale companies have an investment of approximately Rs. 890 crores, whereas 402 large- and medium-scale enterprises have invested Rs.

Many large and well-known companies produce things like automobiles, motorcycles, motorcycle components, telecommunications equipment, electrical goods, software, hardware, sporting goods, rubber products, and ready-made clothing. Products from the fields of light engineering, medicine, food, towels, air conditioning, footwear, pesticides, insecticides, and the like.

In the early 1980s, Suzuki Motors of Japan helped establish Maruti Udyog Limited, ushering in a new era of rapid industrialization in Gurgaon and establishing the city on the global stage. Growth accelerated with the introduction of such automobile companies as Hero Honda, Honda Motors of Japan, the Suzuki Motor Cycle, and their respective ancillary businesses. The automotive industry in Gurgaon is producing vehicles and parts for them to the tune of Rs. 28000 crores. In 2009-2010, Haryana's overall exports were valued Rs 43,031 billion, with only this district alone accounting for approximately 71%, or Rs 30,608 billion.

It is becoming more and more clear that a cluster based strategy is the most sustainable, cost-effective, and all-encompassing way to ensure the local sector's enhanced competitiveness and promote the expansion of auxiliary sectors. The state administration enacted this measure to stimulate economic growth in the state. Saha and Rai both have food parks, Bahadurgarh has a shoe park, Barhi has a textile park, Karnal has a farm machinery park, Kundli has an electronics hardware technology park, and Panchkula, Rai, and IMT Manesar all have IT parks.

The State of India has proposed to the Ministry of Civil Aviation and the Airport Authority of India that they set up an International Cargo Airport and Aircraft Maintenance Hub in Northern India. Assuming the project's practicality, it would provide new opportunities for the expansion of international commerce inside the state, especially in the immediate vicinity of the planned location.

RESEARCH METHODOLOGY

Examining how exports have helped Haryana's economy grow is the primary goal of this study. The research employed secondary data to do this, and the results are summed up in the conclusion section.

Exports made by the State

Since the beginning of the past five years, the state's export industry has done an excellent job of attracting foreign investment and so growing the state's economy. Kundali-Sonepat Investment zone caters to the agro-processing, leather, carpet, handloom, and handicrafts sectors, while Manesar-Bawal fulfils the demands of importers of biotechnology, pharmaceutical products, and textiles. There is significant potential for export of Haryana's handlooms, floor coverings, handicrafts, scientific equipment, food products, glassware, automobiles,

automobile components, clothes, and sports goods. Ambala is famous for its export of scientific equipment; Karnal is recognised for its export of agricultural tools; and Panipat is famous for its export of handmade fabrics and garments.

The state is a major producer, since it is home to both the biggest passenger car manufacturer in India and the largest maker of two-wheeled vehicles in the world.

In order to maintain a positive trade balance and sufficient foreign currency reserves, the government of India has an export-import strategy that offers beneficial incentives and concessions to boost exports. The state of Haryana has its own State Export Policy to complement these initiatives by providing the highest quality infrastructure and a variety of tax breaks and other financial benefits to exporters. STPI is a government body in India that runs the Software Technology Park plan. It was founded in 1991 under the Ministry of Communications and Information Technology.

It's a plan to make it easier to sell computer programmes and services abroad. For example, registered units may take advantage of the STP Scheme's tax benefits, duty-free import and indigenous procurement, CST reimbursement and DTA entitlement, considered export status, and more. While it was anticipated that exports from Haryana's STP facilities would increase dramatically in 2009-10, actual exports dropped in 2010-11. (Figure 1).

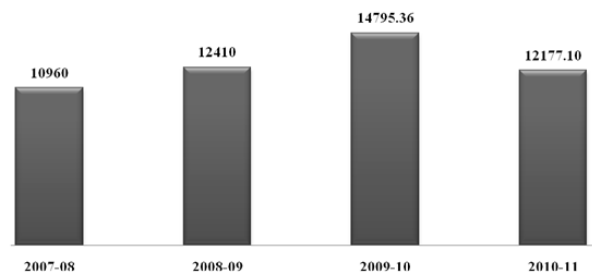


Figure: 1 The sum of all money gained by exporting Indian software via Haryana's technology parks. (Rs. Crores)

Source: http://en.wikipedia.org/w/index.php?title=Software_Technology_Parks_of_India&oldid=499423904

Haryana started shipping potatoes to Malaysia in March 2012, when Chief Minister Bhupinder Singh Hooda sent the first shipment on its way from Panchkula. The HSAMB planned to send 100,000 metric tonnes of potatoes to Malaysia this year.

The Haryana State Small Industries & Export Corporation Ltd., or HSSI&EC, is a government-owned and -operated business. The Corporation is involved in a wide range of initiatives designed to boost micro- and small-scale production in rural and

suburban Haryana. The Corporation is an authorised Export House, and it is actively seeking out international bids to promote the export of the State's SSI units.

In 2008-09, IT and IT-enabled service exports from Haryana reached Rs 21,000 crore. After peaking at about Rs 10,700 crore in 2005-06, the state's IT and ITES exports increased to the tune of Rs 14,000 in 2006-07 and Rs 18,500 crore in 2007-08. Recently, Gurgaon has become more popular among businesses in the information technology sector. A large number of internationally recognised corporations, including IBM, Microsoft, Genpact, Oracle, Dell, Samsung, Siemens, Fidelity, HCL, Wipro, TCS, Hughes, Silicon Graphics, Alcatel, Convergys, Google, Accenture, Aricent, Hewitt, Polaris, and Sapient, etc., have established operations in the city.

According to a Nasscom-McKinsey estimate, Haryana's IT and ITES exports would increase by 11%-12% in 2009-2010. Each year, the Haryana State Co-operative Supply and Marketing Federation sells more than Rs 600 crore worth of wheat and rice on the export market, which is equivalent to more than 10.5 lakh tonnes.

The government of the state is actively promoting the establishment of SEZs and EOUs in order to increase exports. To enable public and private sector investment, solely or in partnership mode, the Government proposes to adopt a distinct Act/policy on establishing SEZs and EOUs. The state of Haryana is part of the Special Economic Zone (SEZ) in Noida. The following table displays the location of SEZs throughout the states.

Table: 1 Distribution of operational EOUs by state and their export in 2007–2008

Zone	States/UTs	Functional EOUs as on 31/3/2008	Zone total Functional EOUs	Export(Prov.) in Rs Crores	Export(Prov.) in US \$ Million	Zone wise Total Export in Rs. Cr.	Zone wise Total Export US \$ Million
Noida SEZ	Delhi	61	452	881.59	218.97	8768.4	2177.91
	Uttar Pradesh	111	---	4197.59	42.60	---	---
	Haryana	116	---	1588.00	394.43	---	---
	Chandigarh	3	---	7.76	1.93	---	---
	Jammu & Kashmir	3	---	29.98	7.45	---	---
	Himachal Pradesh	6	---	45.61	11.33	---	---
	Rajasthan	121	---	1417.00	351.96	---	---
	Punjab	27	---	579.05	143.83	---	---
	Uttarakhand	4	---	21.82	5.42	---	---

Source: Dev. Commissioner, All SEZs based on Quarterly Performance Report (QPR) filed by EOU.

According to Table 1, Haryana is the second most prosperous state in terms of exports, totaling Rs. 1588 Crore from 116 special economic zones.

Between April 2005 and December 2010, Haryana received 73 FDI projects totaling over Rs 9,500 crore.

CONCLUSIONS

The results of this research show that Haryana's export industry is a key driver of economic growth. The government must invest heavily in electricity and infrastructure. If we want to compete on a global scale, we need access to financing at market rates. In order to boost output and quality, exporters should use cutting-edge technologies. The liberalised policies of the federal and state governments should be used by exporters. Haryana's business owners aren't putting enough money into cutting-edge research and development, inferior goods, and expanding exports. Multiple export duties are a significant burden for Haryana's exporters. Until a replacement for the Value Added Tax is found, the federal government should exclude state and local taxes.

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