



UPPSC - CSE

Combined State / Upper Subordinate
Services Examination

Prelims & Mains

**Uttar Pradesh Public Service
Commission, Prayagraj**

General Studies

Paper 6

**Economy, Geography and Science &
Technology of Uttar Pradesh**



Economy, Geography and Science & Technology of Uttar Pradesh

Paper - 6

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1 Chapter

State Budget-2024-2025

Under Article 202 of the Constitution of India, the statement of estimated receipts and expenditure of the State Government, presented before the Legislature in respect of each financial year, which is from 1st April to 31st March, is called "Annual Financial Statement" in the Constitution. This statement is colloquially called budget or income-expenditure.

Government accounts are kept in three parts: -

Part - 1 - Consolidated Fund

Part - 2 - Contingency Fund

Part 3- Public Account

- Uttar Pradesh Finance Minister Suresh Kumar Khanna presented the budget for the financial year 2024-25 in the state assembly (this is his 5th budget). The total outlay of ₹7,36,437.71 crore for the next financial year includes new schemes worth ₹24,863.57 crore,
- Of the total expenditure, ₹5,32,655.33 crore has been allocated to the revenue account and ₹2,03,782.38 crore to the capital account.
 - For the next financial year, the total receipts in the Uttar Pradesh government budget are estimated at ₹7,21,233.82 crore, which includes estimated revenue receipts of ₹6,06,802.40 crore and capital receipts of ₹1,14,531.42 crore.
 - This is the state's biggest budget of more than ₹7.36 lakh crore.
 - the economy of UP is the second largest economy of the country.
 - UP is now a revenue-surplus state. Due to the focus on schemes related to 'mother power' and women in the state, this budget is being called 'Pink Budget'.
- Revenue surplus (GSDP%)- 2.97- 74147 CR
- FISCAL DEFICIT – 3.46%- 86530CR
- DEBT-(GSDP%)- 32.7%- 816926.2CR"
- Budget presented by Finance Minister Suresh Kumar Khanna
- In the budget, the governance of the state was said to be **inspired by Ram Rajya**.
- In the ranking of "Ease of Doing Business", the state which was earlier at 14th place, is now at second place in the country. Today Uttar Pradesh has become the leading developing state of India.
- Today the unemployment rate in the state is only 2.4 percent.
- Semiconductor policy has been approved by the state government. This policy will pave the way for establishment and development of semiconductor units in the state, which will bring large-scale investment in the state from within the country and abroad. Uttar Pradesh has become the fourth state in the country to bring such a policy.
- Uttar Pradesh was honored with the State Champion in Aviation award at the Wings India Avadd-2024 held in Hyderabad.
- Under the Pradhan Mantri Kisan Maan-Dhan Yojana, small and marginal farmers of the state are being provided a fixed monthly pension of Rs 3000 for both men and women on attaining the age of 60 years.

Women and Child Development

- Under the Destitute Women Pension Scheme, the amount of pension payable to the eligible beneficiaries has been increased from Rs 500 per month to Rs 1000 per month.
- Under the Chief Minister Kanya Sumangala Yojana, a total assistance of Rs 15,000 is being provided to eligible girls in 6 different categories.
- 17.82 lakh beneficiaries have benefited from this scheme from the financial year 2019-2020 to 2023-2024.
- Under the Women Farmers Empowerment Project, the target is to provide technical support by forming 200 producer groups in the financial year 2024-2025.
- Under the Uttar Pradesh Rani Laxmibai Mahila and Bal Samman Kosh, there is a provision to provide financial compensation ranging from Rs 1 lakh to Rs 10 lakh to women and girls who are victims of heinous crimes.

Youth

- 124 rural stadiums/multipurpose halls have been constructed in 117 development blocks of the state.
- 53,800 Yuvak Mangal Dal and 51,300 Mahila Mangal Dal have been formed in the Gram Panchayats of the state. Through these parties, participation of youth has been ensured in works of national and social importance.
- Uttar Pradesh's folklore team won the gold medal by securing first position in the 26th National Youth Festival held in Karnataka from January 12 to 16, 2023.
- Under Operation Trinetra, 8,54,634 worth of CCTV cameras have been installed.

Labor Welfare

- About 8.32 crore workers of Uttar Pradesh have been registered on the "e-Shram" portal created by the Government of India, which is the highest in the country.
- From August 26, 2021 to October 31, 2021, approximately Rs 1600 crore was paid at the rate of Rs 2 thousand under maintenance allowance to 80.11 lakh workers registered on the e-Shram portal.
- By integrating the Construction Workers Death, Disability Assistance and Disability Pension Scheme and Construction Workers Funeral Assistance Scheme, a new scheme has been made "Construction Workers Death and Disability Assistance Scheme". In all the schemes, till November 2023, 40,183 workers were benefited and an amount of Rs 433 crore was spent.
- Under the Construction Workers Critical Illness Assistance Scheme, 100 percent reimbursement of treatment expenses is being provided for serious illnesses in government hospitals.

Financial Inclusion

- Under Pradhan Mantri Jan Dhan Yojana, Uttar Pradesh ranks first in the country with 9 crore accounts in the state.
- Uttar Pradesh is at first place with 5 crore 54 lakh enrollments in the state so far under the Prime Minister's Suraksha Bima Yojana.
- Under the Pradhan Mantri Jeevan Jyoti Bima Yojana, Uttar Pradesh is at second place with 1.90 crore enrollments in the state so far.

Industrial Development

- With the inauguration of Maharishi Valmiki International Airport, four international airports are operational in the state and South Asia's largest international airport is going to open soon in Jewar, Noida. With this, Uttar Pradesh will become the only state in India with five international airports.
- Uttar Pradesh has received the category of "Achievers" in the Ease of Doing Business Ranking and Accessibility of Logistics in Various States (LEADS-2023) ranking.

Medical Field

- Due to the efforts of the state government, the maternal mortality rate has reduced from 285 per lakh in the year 2014 to 167 per lakh in the year 2022 and the infant mortality rate has reduced from 48 per thousand in the year 2014 to 38 per thousand in the year 2020.

- In comparison to the year 2017, there will be a 76 percent reduction in the number of AES (Acute Encephalitis Syndrome) patients and a 98 percent reduction in the death rate in the year 2023, and an 85 percent reduction in the number of JE (Japanese Encephalitis) patients and a 96 percent reduction in the death rate has been done.
- Free dialysis facility is being provided in all 75 districts of the state.

Infrastructure and Industrial Development

- A new Industrial Development Authority (BIDA) is being formed in the Bundelkhand region, under which there is a plan to develop industrial, commercial and residential townships in the Bundelkhand region on the lines of Noida and Greater Noida.
- Along with special schemes related to semiconductor, data center, startup and IT sectors, a policy has also been implemented to encourage electronics manufacturing in the year 2022.
- Work is being done at a fast pace on a large scale in the Defense Corridor in the state. Out of 6 nodes of Defense Corridor, allotment of 3 nodes has been completed.
- Under Swami Vivekananda Youth Empowerment Scheme, a provision of Rs 4000 crore is proposed for distribution of tablets/smart phones. More than 25 lakh tablets/smartphones have been distributed in the current year.
- A provision of Rs 2057 crore 76 lakh is proposed for the Ganga Expressway project, which is more than twice as compared to the current year.

Some Important Provisions in the UP Budget are:

- Provision of Rs 4000 crore for free distribution of tablets and smart phones to the youth.
- Rs 2057 crore for Ganga Expressway project
- Rs 2500 crore for preparation of Maha Kumbh Mela in the year 2025
- Rs 100 crore for overall development of Ayodhya
- Rs 150 crore for expansion of Maharishi Valmiki International Airport in Ayodhya
- Rs 1150 crore for the construction work of International Airport in Jewar, Gautam Buddha Nagar.
- Rs 150 crore for setting up NIFT in Varanasi
 - Rs 200 crore for PM Mega Integrated Textile and Apparel Park in Lucknow-Hardoi
- The budget aims to achieve a growth rate of 5.1 percent for the agriculture sector in the state.

- Three schemes were announced to advance the agriculture sector. One of the schemes, Rajya Krishi Vikas Yojana, will have a provision of ₹200 crore.
- ₹200 crore has been allocated for the World Bank-backed UP Agris scheme. With an allocation of ₹60 crore, the third plan aims to install automated weather stations-automatic rain gauges in blocks and panchayats.
- An outlay of Rs 2,400 crore has been proposed to provide electricity at concessional rates for the operation of private tube wells of farmers.
- ₹449.45 crore has been proposed for the implementation of PM Kusum Yojana.
- Under the Green Energy Karandar-2 project of the Government of India, it is planned to develop a 4000 MW capacity solar park for solar energy production in the Bundelkhand region of the state.
- Ayodhya and Varanasi cities are being developed as model solar cities.
- A budget provision of Rs 914 crore is proposed as Uttar Pradesh's share in the Delhi-Ghaziabad-Meerut Corridor Regional Rapid Transit System Project.
- Keeping in view the urgency of local needs of the districts, a budget of Rs 95 crore is proposed under the Critical Gaps Scheme to fill the critical gaps of various development works.
- Under the Chief Minister Micro Entrepreneur Accident Insurance Scheme, which is operational from 2023, there is a provision to provide financial assistance up to a maximum of Rs 5 lakh to micro entrepreneurs.
- To encourage industrial institutions in the private sector, 10 pledge parks are being established in the state.
- A budget of Rs 150 crore is proposed for purchasing land for the establishment of National Institute of Fashion Technology (NIFT) in Varanasi district.
- To provide uniforms, sweaters, school bags, shoes, socks and stationery to the students, the purchase process is being stopped and the amount at the rate of Rs 1200 per child is being transferred directly to the accounts of the parents through DBT.
- Under the Uttar Pradesh Startup Policy-2020, AKTU has established an Innovation Hub under the Center of Advanced Studies in the university campus.
- Our government has resolved to achieve the target of 01 trillion dollars for the economy of the state.
- At present, there is a provision for vocational education as well as certification in 301 government schools under Praveen scheme through vocational education and skill development mission in 804 government and 729 aided schools at secondary level.

To provide long-term and short-term employment training to the youth, government industrial training institutes are being upgraded and new centers are also being established in underserved areas with the participation of private institutions.

In higher education institutions also, 113 colleges have been selected for skill-based courses – BBA (Retail), BBA (Logistics), BBA (Healthcare) and BBA (Tourism and Hospitality).

- Practical or vocational orientation program for students of class 6 to 8 for strengthening of vocational education and strengthening of vocational education plan at secondary level in the financial year 2024-2025 by developing schools as hub and spokes model to meet local demand.
 - as per ODOP, there is a plan to conduct courses as per National Curriculum Framework and National Credit Framework to more and more students in job roles/sectors.
 - In this, emphasis will be laid on providing certificates in computer education along with UP Board certificate on passing 12th through National Institute of Electronics and Information Technology.
 - The credit for the skill training received by the students will be included in their credit bank. With this, students will get the opportunity to get higher education along with employment.
- With the participation of Tata Technologies Limited, the construction of modern workshops and classrooms in 150 industrial training institutes in the state sector is in the final stage. Other such remaining 69 institutions of the state where less
- In order to provide training along with allowances to the youth in industries through apprenticeship, a provision of Rs 70 crore is proposed for the Chief Minister Apprenticeship Promotion Scheme in the financial year 2024-2025.
- In view of the need for excellent training for the players studying in residential sports hostels, arrangements have been made to engage 50 international players for training at an honorarium of Rs 1.50 lakh per month.
- A provision of Rs 50 crore is proposed for the award scheme to the winning players of national and international competitions.
- A provision of Rs 12 crore is proposed for the establishment of a Sports Science and Injury Centre.
- Under Mahakumbh, 2025, a budget provision of Rs 100 crore is proposed for various works.

- A provision of Rs 14.68 crore is proposed for the establishment of Nishad Raj Guha Cultural Centre, Shringverpur, Rs 11.79 crore for the establishment of Music College in Hariharpur of Azamgarh district and Rs 10.53 crore for the establishment of Maharishi Valmiki Cultural Centre, Chitrakoot.
- Rs 10 crore is proposed for the International Ramayana and Vedic Research Institute in Ayodhya.

Tourism

- More than 37 crore 90 lakh tourists came to Uttar Pradesh from January to October in the year 2023, out of which the number of Indian tourists is about 37 crore 77 lakh and the number of foreign tourists is about 13 lakh 43 thousand.
- Like every year, this year also the festival of lights was organized on a large scale in Ayodhya. On this occasion, a Guinness World Record was created by lighting 22 lakh 23 thousand lamps at Ram Ki Pauri.

Few Poem by Finance Minister in Budget

- Urdu poet Khurshid Haider - गैर परों से उड़ सकते हैं हृद-से-हृद दीवारों तक, अंबर तक वहीं उड़ेंगे जिनके अपने पर होंगे।
- Quoting Urdu poet and film lyricist Amir Qizilbash with a slight twist: "तेरे जुनून का नातिजा ज़रूर निकलेगा, इसी सिया समंदर से नूर निकलेगा (आपका जुनून निश्चित रूप से फल देगा, इस अंधेरे से रोशनी निकलेगी)
- यूनान, मिश्र, रोमा सब मिट गए जहाँ से, अब तक मगर है बाकी नामों-निशां हमारा।।- Allama Iqbal
- तुम्हारी शख्सियत से ये सबक लेंगी नई नस्लें, वहीं मंजिल पर पहुँचा है जो अपने पाँव चलता है- Masoom Ghaziabadi

Forest and Environment

- The state government is continuously making efforts to increase greenery in the state. At present, forest cover and tree cover in Uttar Pradesh is 9.23 percent of the geographical area of the state. The target is to increase forest cover and tree cover to 15 percent by the year 2030.
- In the current financial year 2023-24, for the expansion of greenery in Uttar Pradesh, the work of planting 36.16 crore trees was done on a large scale in the state against the target of 35 crore. A target of planting 35 crore trees is proposed in the rainy season-2024.
- A provision of Rs 600 crore is proposed for the social afforestation scheme.
- A provision of Rs 175 crore is proposed for the nursery management scheme.
- A provision of Rs 110 crore is proposed for the programs run under the Green India Mission.

- A provision of Rs 48.94 crore is proposed for Project Tiger and Project Elephant scheme.
- A provision of Rs 50 crore is proposed for the establishment of Kukrail Night Safari Park in Kukrail forest area located in Lucknow district.

Tribal Development

- Various types of skill development programs for economic development of Scheduled Tribes in districts Lakhimpur-Kheeri, Balrampur,
- Operated in Bijnor and Bahraich/Shrawasti and Maharajganj.
- Under the Minimum Support Price Scheme for Minor Forest Produce, the government is promoting marketing of minor forest produce, strengthening of haats and markets and construction of warehouses for purchasing non-timber minor forest produce at the fixed minimum support price.

Justice

- A provision of Rs 100 crore is proposed for the National Law University under construction in Prayagraj district.
- A provision of Rs 300 crore is proposed for the establishment of courts in various districts of the state.
- Under the pilot project, a provision of Rs 700 crore is proposed for the construction of the court complex.
- It has been decided to increase the Advocates Welfare Fund from Rs 200 crore to Rs 500 crore.
- In case of death of an advocate who is a member of Uttar Pradesh Advocate Social Fund Scheme, the maximum limit of permissible assistance has been increased from Rs 1.50 lakh to Rs 5 lakh.

Labor

- With a view to providing free quality and objective education to the children of construction workers, one Atal Residential School is being established in each division, the total construction cost of which is Rs 1267 crore.
- 16 Atal Residential Schools have been inaugurated by the Honorable Prime Minister. At present the academic session 2023-24 for class 6 has started.

Revenue

- A total of 3,72,039 complaints related to illegal encroachment have been received on the anti-land mafia portal in the state, out of which 3,70,748 complaints have been resolved and under the campaign, a total area of 66,872 hectares has been freed from illegal encroachment.
- Under the Nirbhaya scheme, 50 air-conditioned pink services are being operated for women, in which panic buttons are installed in all the buses for the safety of women passengers. In case of any disaster, traveling women remain in constant touch with the dial 112 service of Uttar Pradesh Police.

2

Chapter

Trade, Commerce and Industry in Uttar Pradesh

- Uttar Pradesh is the **largest producer of sugarcane** in India.
- Sugarcane cultivation in the state was **2.2 lakh hectares** and the total production was about **132.4 lakh tonnes**.
- Uttar Pradesh is the **second largest producer of vegetables** in the country.
- It is the largest producer of pointed **gourd, peas, potatoes, muskmelons, watermelons** and **pumpkins** in India.
- The state is also the **third largest producer** of sweet potatoes.
- Uttar Pradesh has the largest number of **micro, medium and small enterprises (MSMEs)** in India.
- With an investment of over **US\$4 billion, 175,000 MSME** units were set up during the **11th Five Year Plan**.
- The **largest consumer** with increase in **per capita income**,
 - Per capita income in Uttar Pradesh is continuously increasing, due to which it is one of the **largest markets for industrial houses**.
- There are a large number of vocational schools, engineering colleges and polytechnic institutes in Uttar Pradesh, which keep preparing skilled employees.
- The state ranks **second, third and fourth** in the number of **ITIs/ITCs, business schools** and **engineering colleges** respectively.
- Uttar Pradesh is the **largest milk producing state** in the country with about **17.6 percent (23.3 million tonnes)** of the total milk produced in the country.
- Growth rate of service sector – **CAGR 9.3% (CAGR) (Compound Annual Growth Rate)**
- The primary sector contributes **29.1% to the GSDP of Uttar Pradesh** as compared to **19.7% of the national GDP**.
- The percentage of state **GSDP in the service sector** has increased from **48% to 55%**.

Trade or Business in Uttar Pradesh

- Business begins with **production** and ends with **consumption**.
- A series of steps are involved in **delivering finished goods** to the consumer.

- The work of producing goods comes under industry and the remaining activities are related to commerce.
- In short, we call them '**Business**' which is a broad term and includes **industry, trade** and **commerce**.
- In ancient times many **major trading centres** were developed for import and export of goods, some of which were **Pataliputra, Peshawar, Taxila, Indraprastha, Mithila, Maduram, Surat, Ujjain** and **Kanchi**.
- Major **export commodities** were – **spices, wheat, sugar, indigo, opium, sesame oil, cotton, parrots, live animals** and animal products etc.
- **Major imports** were **horses, animal products, Chinese silk, linen, wine, gold, silver, copper** etc.
- There were **all types of cities** – **port cities, manufacturing cities, trading cities, sacred centres** and pilgrimage cities. Their existence is an index of the prosperity of the merchant communities and professional classes.
- **Commercial activities** led to the development of various aspects supporting trade such as **transportation, banking, finance** and **communication**, which increased the scope for trading activities.

Industrial Development

- Uttar Pradesh has a wide variety of industries including **textiles, food processing, leather, chemicals** and engineering.
- The state government has taken several initiatives to **promote industrial growth**, such as providing **subsidies and incentives** to industrial units, setting up industrial estates and parks and simplifying procedures for starting and running businesses.
- Organizing **GIS-Geographic Information System**.

Agro based Industry

- Agro-based industries such as **sugar, cotton textiles** and **food processing** are among the major industries in the state.
- UP is the **largest producer of sugarcane** and has a significant presence in the sugar industry.

Infrastructure

- The state has a strong infrastructure to support industries with a network of **roads, railways, airports** and **ports**.

- The state government is also investing in infrastructure development, such as the **construction of expressways, high-speed rail corridors** and **airports**.

Trade and Commerce

- UP has a strong trade and commerce sector, with several large wholesale markets and trade fairs held throughout the year.
- The state has several major commercial centres, including **Lucknow, Kanpur, Agra** and **Varanasi**.

MSMEs

- Micro, Small and Medium Enterprises (**MSMEs**) form an important part of the industrial landscape in UP.
- The state government has launched several schemes and initiatives to support the growth of MSMEs, such as providing **financial assistance, setting up incubation centers** and **promoting exports**.
- Overall, trade, commerce and industry are important sectors of the economy of UP, and the state government is committed to promoting their growth and development through various **policies** and **initiatives**.

Major Business Centers in Uttar Pradesh (UP)

- **Kanpur**
 - Kanpur is **one of the largest** industrial cities of UP with a vibrant trade and commerce sector.
 - The city is known for its **leather industry**, which is one of the largest in the country.
 - Kanpur also has a significant presence in the **textile, chemical** and **engineering** industries.
- **Lucknow**
 - Lucknow is the **capital** of UP and a major commercial centre.
 - The city has a diverse economy, with industries ranging from **textiles** and **handicrafts** to **software** development and **pharmaceuticals**.
 - Lucknow is also known for its traditional **Chikankari** embroidery, which is a major export item.
- **Agra**
 - Agra is famous for its historical monuments such as the **Taj Mahal**, but it is also an important trade center of UP.
 - The city is known for its **leather goods, handicrafts** and **tourism** industries.
 - Agra is also a major center for the production of **shoes** and **boots**.

- **Varanasi**
 - Varanasi is a holy city and a major center of **silk weaving** and **handicrafts**.
 - The city is known for its **Banarasi** silk sarees, which are famous all over the world.
 - Varanasi is also an important center for **brass goods, ivory work** and **wood work**.
- **Noida:**
 - Noida is a satellite city of **Delhi** and a **major industrial hub** in UP.
 - The city is home to several multinational companies and has a significant presence in the **software development, electronics** and **automotive industries**.
 - Noida also has a large wholesale market for consumer goods.

Industry in Uttar Pradesh

- There are diverse and naturally evolving industrial activities.
- **Foreign direct investment (FDI)**-Oct 2019 to Sep, 2023- \$ 1.44 bn
- **Fast growing IT hub.**
- **Services showing large-scale growth:** telecommunications, banking, insurance, logistics, transportation, health and education
- **Export products by State:** Software, electronics, computer hardware, chemicals, stone products, brass work, betel leaves, potato based products, hand printing, leather goods, cotton threads, sarees, silk dress materials, black soil Utensils, handicraft items, art products, jewellery.
- **Major factors** responsible for industrial development in UP:
 - Availability of **natural resources** and **raw materials**
 - Access to **strong infrastructure**
 - Wide Commutation Network
 - Availability of **skilled labour**
 - Provision of **large scale investment** and **incentives** proposed by the State.

Major Industries	Industrial Spectrum
Information technology, agro processing, tourism, mineral based industries, textiles, handlooms and handicrafts, food processing and sporting goods, vegetable and animal oils and fats, dairy products, grain mill products, animal feed, rugs and carpets.	Cement, vegetable oils, textiles, cotton yarn, sugar, jute, locks, carpets, brass utensils, glassware, bangles, marble, penmanship, food products and beverages, tobacco, chemicals and chemical products, metals, rubber and Plastic products, metal fabrication work motor

vehicles, trailers and semi-trailers, communications equipment, transportation equipment, electrical machinery and equipment, furniture, non-metallic mineral products, publishing, printing and media, paper and paper products, glassware and Leather related products etc.

Agro based Industries in Uttar Pradesh

- About **500 food-processing units** are located and functioning in this region.
- Agricultural produce – **Mustard, gram, peas**, lentils, groundnuts and mustard.
- **Sugarcane** – Major contributor to sugar production
 - The state has the highest contribution in the country's **sugar production**.
- The agricultural sector also actively participates in the conservation and processing of **potatoes** and **peas**.
 - Come a long way in the field of **food processing**.
- **Major food products** – juice making, canned food and various other raw, preserved or ready-to-eat options.

List of Major Industrial Centers/Districts of Uttar Pradesh

Sr. No.	Manufacturing Products	Major Centers/Districts
1.	Handlooms and Handicrafts	Bhadohi, Mau, Azamgarh, Tanda, Banaras, Meerut and Etawah
2.	Cement	Mirzapur
3.	Diesel-Electric Locomotive	Varanasi
4.	Chicken Embroidery	Lucknow
5.	Leather Products	Agra and Kanpur
6.	Musical Instruments and Sports Related Items	Meerut
7.	Khurja Pottery	Bulandshahr
8.	Brass Work	Moradabad
9.	Iron Sheet Metalware, Woodworks, Aluminum Artwork and Glassware	Agra, Aligarh, Bareilly, Prayagraj, Ghaziabad, Noida, Lucknow
10.	Software, Electronic Components, Mobile Phones, Automobile, Ites and Bpo	Noida (Greater Noida)
11.	Clay Toys	Agra
12.	Biscuits	Modinagar, Agra and Aligarh
13.	Perfumes and Fragrance Oils	Kannauj, Ghazipur, Jaunpur, Lucknow and Allahabad
14.	Chemical, Food Processing Units, Medicines, Fertilisers, Fmcg	Gajraula
15.	Chemical, Food Processing Units, Leather, Meat Processing Units, Quilt Manufacturing Units	Unnao
16.	Glass and Bangle Work	Firozabad
17.	Petroleum Refinery	Mathura
18.	Carpet Manufacturing	Bareilly, Agra, Aligarh, Etawah, Mirzapur
19.	Floor Cloth	Agra, Varanasi, Bhadohi, Mirzapur, Bareilly, Saharanpur
20.	Matchbox Industry	Bareilly, Saharanpur, Allahabad, Meerut
21.	Soap Industry	Kanpur, Agra, Modinagar, Ghaziabad, Meerut
22.	Furniture Industry	Hathras, Varanasi, Saharanpur, Bareilly
23.	Wooden Toys	Lucknow and Varanasi
24.	Cigarette Industry	Saharanpur, Ghaziabad
25.	Paint-and-Varnish Industry	Kanpur, Meerut, Ghaziabad, Modinagar
26.	Torch Making	Lucknow
27.	Pharmaceutical Manufacturing	Kanpur, Jhansi, Lucknow, Saharanpur
28.	Tap Pipe	Allahabad, Kanpur, Lucknow
29.	Chinese Pottery	Khurja, Allahabad
30.	Iron Weights	Saharanpur, Agra
31.	Cane Sticks	Bareilly

Minerals and Heavy Industry

- **Minerals found in Uttar Pradesh:** Limestone, dolomite, glass-sand, marble, bauxite, non-plastic fireclay, uranium, barytes and andalusite, sand-stone, pebbles, sand, salt panter, maurang sand, diaspor, sulphur, Magnesite, pyrophyllite, silica sand.
- **Copper, Lead, Iron ore and placer gold** – mined on a small scale in the Himalayas, **Bundelkhand** and parts of the **South-eastern districts**.

Sr. No.	Mineral	Situation
1	Coal	Singrauli Coalfields, Sonbhadra
2	Diaspor & Pyrophyllite	Hamirpur, Jhansi, Lalitpur and Mahoba
3	Silica Sand	Naini (Allahabad)
4	Glass Sand Mineral	Shankargarh, Lohargarh, Bargarh
5	Andalusite & Calcite	Mirzapur
6	Bauxite	Banda, Varanasi, Lalitpur
7	China Clay and Dolomite	Banda, Sonbhadra
8	Ochre	Banda
9	Granite	Banda, Hamirpur, Lalitpur and Mahoba
10	Felspar	Jhansi
11.	Fireclay, Limestone, Potash and Sillimanite	Sonbhadra
12.	Iron Ore (Hematite) and Rock Phosphate	Lalitpur

Major Industrial Policies of UP

Uttar Pradesh Data Center Policy 2021

- To further promote proposals for setting up data centers in the State, in line with the Centre's efforts for data localization.
- An investment target of **Rs 20,000 crore** has been set.
- The target is to develop a **250 MW** data center industry in the state and set up at least three modern private data center parks.
- Investors will be given provisions related to **capital, interest rates, subsidies** on land purchase, as well as **non-financial incentives**.
- Special incentives for proposals coming in backward areas **Bundelkhand** and **Purvanchal**.

Post Covid-19 Accelerated Investment Incentive Policy 2020

- Will try to ease investment conditions and generate employment on a large scale in the areas of **Purvanchal, Madhyanchal** and **Bundelkhand**.
- This applies to new investors who apply under it within **six months** of the notification.
- Existing units can also avail the benefits of the rules if they accelerate their investments as per the provisions of the **policy** and **80% of their investments** are made after the notification date.
- Industrial undertakings investing in expansion or diversification of existing units will not be eligible.

One District – One Product Scheme (2018)

- **Objective:** To provide employment to about **25 lakh persons** of the state.
- UP Government will give **Rs 25000/-** to local craftsmen and businessmen for the next 5 years.
- Initially launched on **24 January 2018**.
- Will help in increasing the **GDP** of the state by **2%**.
- The government will implement this project with the help of several industries operating in different states.
- Moreover, each district will be allotted one product under the **Uttar Pradesh One District One Product Scheme**.
- **Objective:**
 - Preservation and development of **local crafts** and **talents**, as well as promotion of the arts
 - Increase in **employment** and **income** of the state.
 - Improve **product quality**.
 - (Through various methods like **packaging, branding** and others).
 - Addressing the challenges of **regional inequality** and **economic disparity**.
 - After the success of the scheme, taking it to **national** and **international level**.

Uttar Pradesh Startup Policy 2020

- Applicable for **five years** from the date of notification.
- It will also help in corporatization of more than **10,000 startups**.
- Will also promote an enabling **ecosystem** and establish a **state-of-the-art Center of Excellence**.
- The country's largest **incubation hub** will also be established in **Lucknow**.
- Equal importance will also be given to startups in various sectors of **medical and health, agriculture, khadi, energy, education, transport, tourism** etc.

-
- Special emphasis on startup ventures with additional support and financial assistance in backward areas of **Bundelkhand** and **Purvanchal** regions.
 - Importance:
 - With over **35 lakh migrant workers** from other states arriving in UP after the COVID-19

lockdown, the UP state government is looking to utilize their skills.

- The aim of the government is to provide them jobs as per their efficiency and self-employment opportunities are also promoted in various sectors.



3

Chapter

Investment in Uttar Pradesh: Issues and Impact

- Investment in Uttar Pradesh, India's most populous state, can bring significant improvements in terms of **economic growth**, **employment generation** and improvement in **living standards**.
- However, there are also several challenges and issues that need to be addressed for the investment to have a positive impact on the state's economy.

Some of the main issues affecting investment in Uttar Pradesh -

Infrastructure:

- The infrastructure of Uttar Pradesh is often considered inadequate to support business activities.
- To attract investments the state needs to invest in developing better **transport**, **communication** and **power infrastructure**.

Bureaucracy:

- Uttar Pradesh has been criticised for **bureaucratic barriers**, which may delay or discourage investors from setting up businesses in the state.
- Streamlining administrative processes and **reducing red tape** could make the state more attractive to investors.

Labour Laws:

- Labour laws in Uttar Pradesh are often seen as **restrictive** and **inflexible**, making it difficult for businesses to hire and fire workers.
- Reforms in labour laws can create a business-friendly **environment** and encourage **investment**.

Education and Training:

- Uttar Pradesh has a large and growing workforce, but there is an acute **shortage of skilled labour**.
- Improving education and training programs can create a more skilled workforce and attract more investment.

Law & Order:

- Security and law and order are important for any **business to operate safely and efficiently**.
- Uttar Pradesh has a history of **communal and social tension**, which can sometimes affect the security situation in the state.

- The government needs to maintain law and order to ensure a safe and secure environment for businesses.
- If these issues can be resolved, investment in Uttar Pradesh could have a significant impact on the state's economy.

Importance

- Investment can create new **employment** opportunities,
 - Can promote **innovation**
 - Can encourage **development** in various sectors.
- The investment can help reduce **poverty** and improve the **standard of living** of people in Uttar Pradesh.

Why to invest in Uttar Pradesh?

- With a rich resource base, Uttar Pradesh is India's **third largest economy**, contributing about **8%** to the **National GDP**.
- The state has the **country's largest consumer** base consisting of approximately **24 crore population**.
- Uttar Pradesh has a major **demographic dividend** (**56%** of its population falls in the **working class**) which will be a major factor in future progress.
- Uttar Pradesh today stands proudly second in the country in the field of "**Ease of Doing Business**" under the "**Business Improvement Action Plan**" of the Department of Industry and Internal Trade Promotion, working under the **Ministry of Commerce and Industry**, Government of India.
- To come **second** in "Ease of Doing Business" ranking with an improvement of **10 points in the last 3 years**
- **Big Market:**
 - Uttar Pradesh is the **most populous state** of India with a population of over **200 million people**. This makes it an attractive market for businesses looking to expand their customer base.
- **Strategic Location:**
 - Uttar Pradesh is strategically located in the centre of India with easy access to major markets in the **northern**, **eastern** and **central** regions of the country.
 - This can be beneficial for businesses looking to establish a **distribution network** or **supply chain**.
- **Abundant Resources:**
 - Uttar Pradesh has a rich pool of natural resources,

- Which includes **fertile land, minerals and water**.
- This can be beneficial for businesses in **agriculture, mining and manufacturing**.
- **Low Cost of Labour:**
 - Uttar Pradesh has a large and relatively low-cost workforce, which may be attractive to businesses that want to keep labor costs under control.
- **Government Incentives:**
- The Uttar Pradesh government has introduced **various incentives and subsidies** to attract investment in the state. This includes **tax breaks, land allocation and infrastructure support**.
- Note- All these factors can contribute to the profitability of investment in Uttar Pradesh. However, it is important to note that investing involves **risk, and businesses need** to carefully evaluate the potential return on investment before committing capital.

Investment Areas in Uttar Pradesh

Area of Focus

- **Food processing and dairy-**
 - First- In the production of **milk, grains and sugarcane** in India.
 - Second– **Fruit** production in India
 - Third – Domestic production of **fishes** in India
- Largest exporter of processed **frozen meat** in India
- **Handloom and textile**
- **Information Technology**
- Startup
- Tourism
- **Micro, Small and Medium Enterprises**
- Electronics manufacturing
- Movie
- Renewable Energy
- Civil Aviation

Emerging Sectors

- Medicinal
- Logistics and Warehousing
- Electric Vehicle Manufacturing
- Defence and Aerospace

Benefits of Investing in Uttar Pradesh

- Investment in Uttar Pradesh can have a significant impact on the state's economy and society. Some of the potential impacts of investing in UP are:
- **Economic Development:**
 - Investment in Uttar Pradesh can stimulate economic growth by **creating new jobs, generating income and boosting economic activities**.

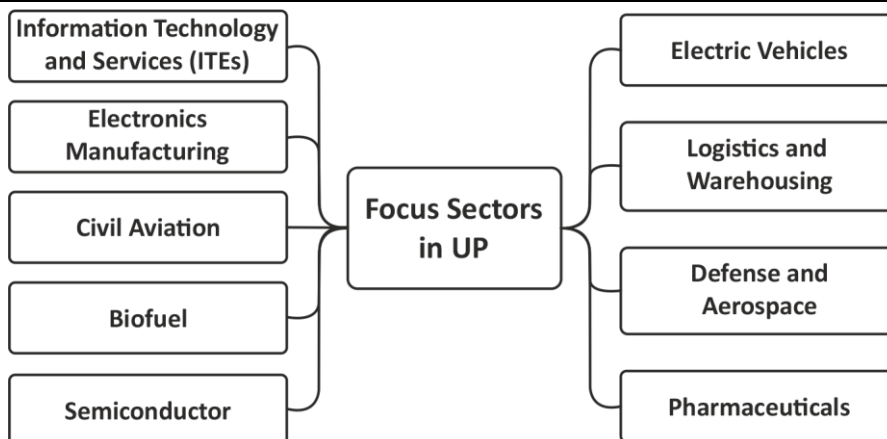
- This can lead to **higher GDP growth, increased tax revenue and improved living standards** of the people in the state.
- **Diversification of the Economy:**
 - The investment could help diversify Uttar Pradesh's economy, which is currently **dominated by agriculture and manufacturing**. New industries and businesses can be established, creating a more balanced and resilient economy.
- **Skill Development:**
 - Investment can also help develop skills in the state's workforce by providing **training and employment** opportunities.
 - This can lead to increased productivity and efficiency, which can contribute to overall economic growth.
- **Better Infrastructure:**
 - The investment could help improve Uttar Pradesh's infrastructure, including **transportation, communication and power infrastructure**.
 - It can increase the **connectivity** of the state, reduce **logistics** costs and make it easier for businesses to operate.
- **Social Development:**
 - Investments in Uttar Pradesh can also have a positive impact on social development by promoting **education, health care** and other **social services**.
 - It can help reduce poverty, improve people's quality of life and promote social inclusion.

Foreign Investment in Uttar Pradesh

- **Foreign Direct Investment (FDI) Inflows:**
 - According to the **Department for Promotion of Industry and Internal Trade (DPIIT)**, Uttar Pradesh witnessed a total FDI inflow of **USD 5.5 billion** between April 2000 and June 2021.
 - The **top sectors** attracting FDI in the state are the **services** sector, **construction** development, **computer** software and hardware, and **automobiles**.
- **Ease of Doing Business Ranking:**
 - In the latest ranking released by the Government of India in 2020, Uttar Pradesh was ranked **second** among all Indian states.
 - The state has implemented several business-friendly reforms, such as the **online single-window clearance system** and the land bank portal.

- **Special Economic Zone (SEZ):**
 - There are **14 operational SEZs** in Uttar Pradesh, with another **8 SEZs under development**.
 - These SEZs are spread across various sectors including **IT/ITES**, textiles, food **processing** and **engineering**.
- **Top Foreign Investors:**
 - According to DPIIT -Department of Promotion of Industries and Internal Trade, the top foreign investors in Uttar Pradesh between April 2000 and March 2021 are **Singapore, Mauritius, Netherlands, Japan and the United States**.
- **Uttar Pradesh Investment Summit:**
 - The Government of Uttar Pradesh has been organising the **Uttar Pradesh Investment Summit** since **2018** to showcase the investment potential of the state and attract domestic and foreign investors.
 - The 2020 edition of the summit saw the participation of over **5,000 delegates from 26 countries**, and MoUs worth over **INR 65,000 crore (USD 8.8 billion)** were signed.
- **UP Global Investor Summit-2023**
 - A total of investment proposals worth **Rs 33 lakh, Rs 50 thousand crore** were received in **3 days** from **10 to 12 February 2022**.
 - With this, a total of **19058 MOUs** were signed here.
 - This will provide employment to about **93 lakh, 82 thousand, 607 people**.
 - The State Government has launched a new online system called '**Nivesh Sarathi**' for the convenience of investors and to monitor the implementation of the MoU.
- **Uttar Pradesh Cricket Association** has signed an MoU with the state government to build a stadium with a capacity of **30 thousand** in **Barabanki**.
- In the **UK Partner Country Session** on the last day of the UP Global Summit, UK companies signed 6 MoUs in the security, technology and defense sectors.
- Proposals worth **Rs 63,475 crore** have been received in this sector.
- Singapore investors signed MoU worth Rs 29,000 crore for spirituality and eco-tourism in Uttar Pradesh at the **Uttar Pradesh Global Investors Summit**.
- Uttar Pradesh Global Investors Summit 2023 is an initiative aligned with Prime Minister Narendra Modi's vision to make India a **US\$ 5 trillion economy**, for which the Uttar Pradesh government has set the aspirational target of making the state a **US\$ 1 trillion economy** in the **next 5 years**.
- The summit saw the participation of over **10,000 delegates** (domestic and international) from over 20 countries.
- In December 2022, the state government had organized road shows in **16 countries** and **8 major cities** of India for **UPGIS 2023**, to attract investors and increase investment in Uttar Pradesh.
- Many progressive economies like the **United States, United Kingdom, Canada, Japan, South Korea, Singapore, Germany, Netherlands and United Arab Emirates** have been 'partner countries' in this summit.

Focus Sectors of Investment in Uttar Pradesh



4

Chapter

Uttar Pradesh: Public Finance and Fiscal Policy

Public Fund/Finance

- The **English** word **Public Finance** is also made up of two words Public and Finance.
- Here the word '**Public**' means: **Public Authorities (public authorities or governments)** and the word '**Finance**' means: Receiving income and spending.
- "Public finance is the study of **income and expenditure** of public authorities and their mutual coordination."

Parts of Public Finance

- Public Expenditure
- Public Revenue
- Public **Debt**
- Financial **Administration**
- Fiscal **Policy**

State Public Finance

- Uttar Pradesh is the largest state of the country in terms of population, where according to the **2011 census, 16.6 percent** of the total population of the country resides.
- The economy of the state is basically **agriculture based**.

- About **77.7 percent** of the total population of the state lives in rural areas.
- Although the **contribution of agriculture sector** in the tax revenue of the state is relatively less.
- The urban area mainly contributes to the **non-tax revenue of the State**.

Revenue Generation

- The resources of the state are obtained mainly on the basis of the **state's own resources** and **transfer** from the central government.
- The main sources of revenue of the state are **tax, non-tax revenue** and **transfer** from the central government.
- The sources of central transfer are the state's share in the **divisible share of central taxes and grants** received from the centre.
- According to the data of year **2022-23**, the total revenue income of the state is **Rs 4,99,213 crore**.
- **Rs 2,44,062 crore** from **tax and non-tax revenue** of the state
- **Rs 2,55,150 crore** was received from the Center as **divisible share of taxes and as central grants**.

The revenue receipts of the state for the last five years are shown in the table. (Rs. in crores)

Years	State's Own Revenue		Central Infection		Total Revenue Receipts
	State Taxes and Duties	State Non-Tax Revenue	Share in Central Taxes	Grant-in-aid from the Central Government	
2017-18	97,393.00	19,794.86	1,20,939.14	40,648.45	2,78,775.45
2018-19	1,20,121.85	30,100.71	1,36,766.46	42,988.49	3,29,977.51
2019-20	1,22,825.83	81,705.08	1,17,818.30	44,043.96	3,66,393.17
2020-21	1,19,897.30	11,846.15	1,06,687.01	57,745.88	2,96,176.33
2021-22	1,60,349.78	15,524.02	1,14,894.19	87,963.41	3,78,731.40
2022-23	2,20,655.00	23,406.48	1,46,498.76	1,08,652.47	4,99,212.71

- The share of tax and non-tax revenue of the state was **47 percent**.
About 53 percent share is received through transfer from the Central Government.
- Continuous efforts are being made by the state government to increase resources.
- Important efforts made by the State Government for resource augmentation as outlined in the **Medium Term Fiscal Restructuring Policy, 2022-23** are highlighted.

Commercial Tax Department

- With the aim of providing facilities to brick kiln manufacturers and earning more revenue, the **Special Rate Scheme** has been made effective from **01 April 2022**.
- The **Vehicle Tracking System System** on mobile team vehicles is being continuously strengthened.
- A **Centralised Command Centre** has been established at the headquarters where it is continuously monitored.

- Continuous efforts are being made to increase the **number of registered traders** in the state.
- To increase revenue collection, the department is making maximum use of IT facilities in both **tax assessment** and **enforcement work**.
- In view of the progress in enforcement works, **weekly/fortnightly** review is prevalent at the field level.
- A dashboard has been created to review the progress of **tax assessment** and **enforcement works**.

Excise Department

- The excise policy for the Financial Year **2021-22** was determined.
- Processing fees of **country liquor, renewal fees of retail shops, MGQ-Minimum Guaranteed Quality** etc. were increased.
- Processing fees of **model shops** and **renewal fees** of retail shops were increased.
- **Beer processing** fees and renewal fees of retail shops were increased.

Transportation

- To increase the revenue receipts of the department, along with expediting the **enforcement works**, review meetings were held continuously at the departmental level.
- Revenue was increased by recovering the arrears by running **regular special checking campaigns** against the vehicles driven in arrears.
- Demand letters were sent regularly to the owners of vehicles remaining in arrears and even then, if the dues are not recovered, recovery letters are being issued like **land revenue**.

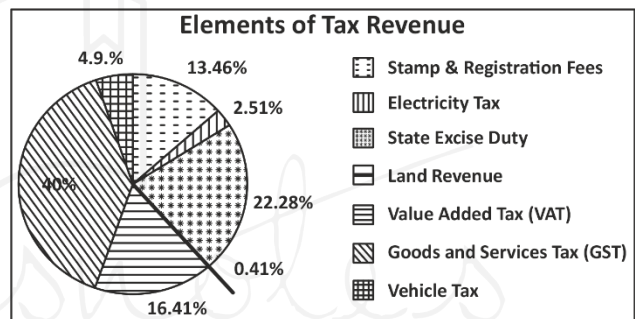
Stamp and Registration Department

- In order to get the **old/pending stamp cases** resolved immediately, a special stamp court / resolution scheme was organised by the government till **March 31, 2022**, in which the old pending cases were immediately resolved with penalty.
- Additional revenue was achieved by making special efforts to register unregistered flats by **Noida Industrial Development Authority** and **Greater Noida Industrial Development Authority**.

Geology and Mining

- Special efforts were made for transparency in enforcement works and **prevention of tax evasion** so that maximum revenue could be obtained.

- **The Goods and Services Tax (GST) System** has been implemented in the country from **July 2017**. It is known that except the tax received from **petroleum products**, all the components of **Value Added Tax (VAT)** are included in GST. are included in
- The **entertainment tax** and **luxury tax** have been included in **GST**.
- According to the budget estimates for the financial year **2022-23**, **GST** will be included in the state's own tax revenue. The share of is about **40.00 percent**
- Whereas the share of **VAT** is about **16.41 percent**.
- The share of state excise duty has reached **22.28 percent** and the share of stamp and registration duty is about **13.46 percent**.
- The **state's own tax revenue** mainly depends on the taxes received from these items.



Revenue Expenditure

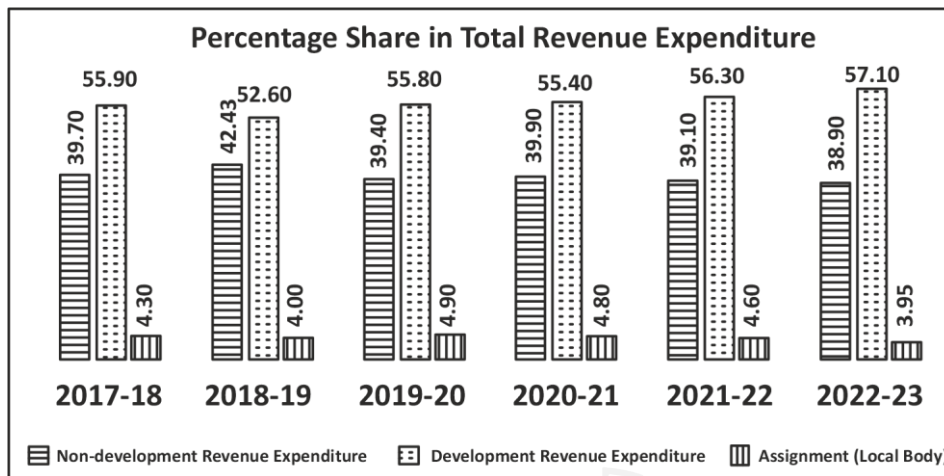
- The main parts of revenue expenditure are-
 - **Payment of interest** incurred on recovery of state taxes,
 - Expenditure on **administrative** and **general services**
 - Expenditure on **social** and **economic services**
- The revenue expenditure on general, social, economic services and grants of local bodies in the period from **2017-18** to **2022-23** is given in the table. **(Rs. in crores)**

Year	Total Revenue Expenditures	Elements of Revenue Expenditure			
		General Services	Social Services	Financial Services	Grants to Local Bodies
1	2	3	4	5	6
2017-18	2,66,223.52	1,05,781.67	84,251.68	64,634.76	11,555.41
2018-19	3,01,727.96	1,31,057.25	91,311.73	67,258.59	12,100.39
2019-20	2,98,833.04	1,17,674.86	1,03,848.76	62,809.42	14,500.00
2020-21	2,98,543.46	1,19,057.50	1,09,726.67	55,550.91	14,208.38
2021-22	3,56,624.21	1,39,315.57	1,27,198.88	73,609.73	16,500.02
2022-23	4,56,089.06	1,77,692.39	1,69,118.02	91,300.62	18,000.02

- Expenditure on **social and other services** comes in the economic developmental category and expenditure on general services comes in the category of **non-developmental expenditure**.
- In the financial year **2022-23**, the share of non-development revenue expenditure in the total

revenue expenditure is estimated to reduce to the level of **38.9 percent**.

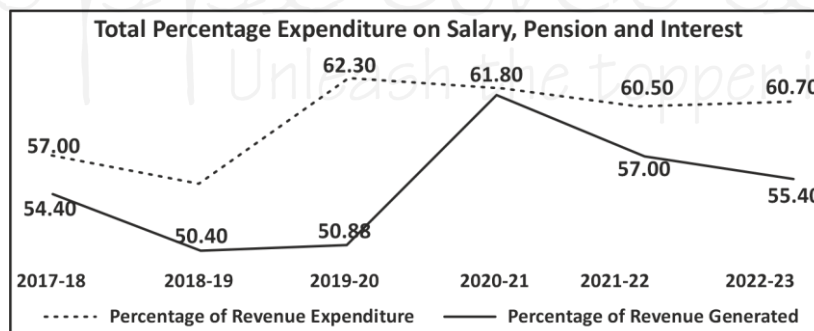
- Development expenditure is estimated to be **57 percent in 2022-23**.



Salary, Pension, Interest

- A large part of the state's expenditure is spent in the form of **salaries** and **wages/pension** of state employees.
- This is a **committed expenditure** of the State Government which is mandatory to be borne by the State Government.

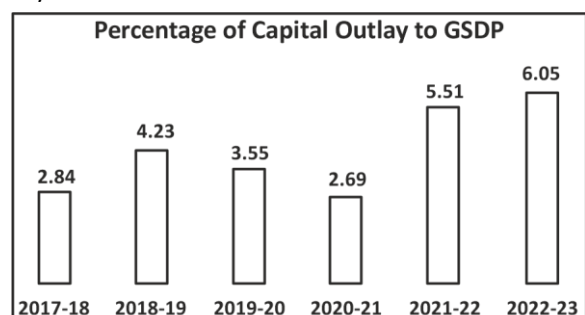
- The total expenditure on salary, pension and interest has been shown through a **graph as a percentage** of the **state's revenue receipts** and **revenue expenditure**, which clearly shows that the state government is making meaningful efforts to keep these committed expenditures under control.



Capital Outlay

- Capital outlay is the expenditure reflecting the **developmental activity** of the state.
- Although there is no set standard for capital outlay, the higher it is as a percentage of **Gross State Domestic Product (GSDP)**, the better it is for the state.
- In the **Financial Year 2017-18**, loan redemption was done by the state government in view of the years-long debt problem of small and marginal farmers, due to which there was a reduction in the outlay in the year 2017-18.

- After this, it increased in the years **2018-19 and 2019-20**, but in the year 2020-21 due to Covid-19, there is a decrease again.
- Capital outlay is expected to increase in the financial years **2021-22 and 2022-23**.



Use of Loan

- Loan plays an important role in the developing system, but loan taken in the absence of **financial discipline** can adversely affect the economy.
- To finance **public utility projects** of the state, the state government takes loans through many means.
- According to the **theory of public finance**, taking loan to meet expenditure is not bad provided that loan is used for creation of assets.
- For example, in the year **2002-03**, only **46 percent** of the loan taken was used for capital outlay, which means that more than half of the loan was not being used for capital works, which indicates a **disorganized economy**.
- It was **above 100 percent level** in the period **2016-17 to 2018-19**. Which means that not only **100 percent**

loan was used for development works but a large part of the revenue savings is also being used for capital works, which is **indicative of a healthy economy**.

Financial Indicators

- There was a revenue deficit situation in the state from **1988-89 to 2005-06**.
- In the year **2004 F. R. B.** After the passing of **M. Act**, the situation of revenue surplus could be achieved in the year **2006-07** and since then the situation of revenue surplus was maintained continuously.
- But in the year **2020-21**, due to the **Covid-19 pandemic**, the revenue was affected and the state fell into a revenue deficit situation.
- The **financial indicators** of the state in the past years can be understood from the table.

Major Indicators of Fiscal Position (in crores)

Years	Revenue Surplus	Fiscal Deficit	Primary Deficit
2017-18	12,551.93	27,809.56	-1,326.27
2018-19	28,249.56	35,203.11	3,161.02
2019-20	67,560.13	-11,082.68	-45,895.70
2020-21	-2,367.13	54,622.11	17,193.63
2021-22	22,107.19	74,745.63	32,241.38
2022-23	43,123.65	81,177.98	35,190.52

Fiscal Deficit

- Fiscal deficit is described by the government as 'the excess of total disbursements (except debt repayments) over **total receipts** (except debt receipts) in the **Consolidated Fund of the State** during a financial year'.
- In simple words, it shows the decrease in the income of the government compared to its **expenditure**.
- A government which has a **high fiscal deficit** spends more than its means.
- It is calculated as a **percentage of GDP** or **total money** spent in addition to income.
- In any case, only **taxes** and other **revenues** are included in the income figures and the amount borrowed to meet the revenue shortfall is not included.
- **Fiscal Deficit = Total Expenditure of the Government (Capital And Revenue Expenditure) – Total Income of the Government (Revenue Receipt + Recovery Of Loans + Other Receipts)**.
- The **most important indicator** to assess the financial condition of any state is the **Fiscal Deficit as a percentage of GSDP**.
- In the **14th Finance Commission Period 2015-20**, it was changed to GSDP. Efforts were made to keep it within **3 percent**.

- GSDP of Fiscal Deficit during the Financial Year **2019-20**. The ratio was within the targets set by the **Fourteenth Finance Commission**.
- In the said year, there was fiscal surplus of **0.66 percent** against the target of keeping fiscal deficit at **3 percent**
- According to the actual figures for the year **2021-2022**, the net fiscal deficit is ₹ **39,286.42 crore**. According to the budget estimates for the year **2022-2023**, the fiscal deficit was ₹ **81,177.98 crore**, which is estimated to increase to ₹ **81, 325.63 crore** according to the revised estimates.
- The fiscal deficit in the financial year 2023-2024 is estimated to be ₹ **84,883.16 crore**, which is **3.48 percent** of the **Gross State Domestic Product**.

Primary Deficit

- The amount obtained by **subtracting the total expenditure** burden of **interest payments** from the amount of fiscal deficit represents the primary deficit.
- In other words **Primary deficit = Fiscal Deficit – Total Expenditure** burden of interest payments.
- The primary deficit of the state is estimated to be around **1.72 percent in the year 2022-23**.

Deficits, Debt, and FRBM Targets for 2023-24

- The **Uttar Pradesh Fiscal Responsibility Act, 2004** provides annual targets to progressively reduce the outstanding **liabilities, revenue deficit and fiscal deficit of the state government.**
- The budget estimates a revenue surplus of Rs 68,512 crore (or 2.8% of the GSDP) in **2023-24.**
- In 2023-24, the fiscal deficit is estimated to be **3.48% of GSDP.**
- For 2023-24, the central government has **permitted a fiscal deficit** of up to 3.5% of GSDP to states, of which **0.5% of GSDP** will be available only upon carrying out certain power sector reforms.
- As per the **revised estimates**, in 2022-23, the fiscal deficit of the state is expected to be **4% of GSDP**, which is same as the budget estimates.

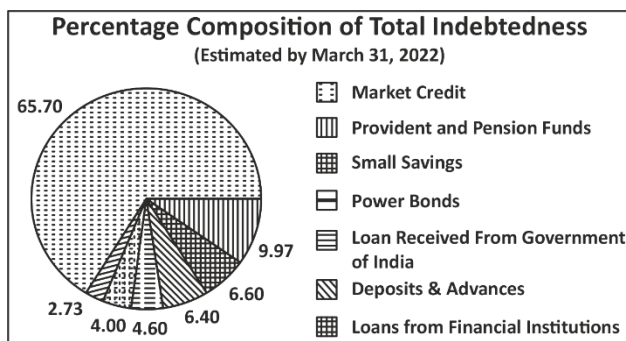
- Fiscal deficit is projected to be lowered to **3% of GSDP by 2025-26.**
- At the end of 2023-24, the outstanding liabilities is estimated to be **32.1% of GSDP**, lower than the revised estimate for **2022-23 (34.2% of GSDP).**
- The outstanding liabilities has risen significantly as compared to **2019-20 level (29.6% of GSDP).**

Total Indebtedness of the state

- For various **developmental schemes and social upliftment works** in the state, the state government needs to take loans keeping in mind its **limited resources.**
- **State Total Indebtedness (Rs. in Crores)-**

Year	Market Credit	Small Saving	Provident and Pension Funds	Energy Bond	Other *	Total Indebtedness
2017-18	2,02,050.26	60,608.32	51,263.76	49,674.02	45,120.13	4,08,716.49 (29.6)
2018-19	2,35,356.93	55,736.67	54,907.14	49,674.02	49,528.48	4,45,203.24 (30.2)
2019-20	2,89,383.00	50,614.60	58,220.80	49,674.02	52,075.13	4,99,967.55 (29.6)
2020-21	3,54,683.00	45,492.53	59,283.21	43,331.16	61,299.56	5,64,089.46 (29.1)
2021-22	4,01,353.00	40,370.45	60,986.81	39,016.00	69,555.16	6,11,281.42 (34.9)
2022-23	4,66,003.00	35,248.33	62,690.41	34,700.85	67,510.80	6,66,153.39 (32.5)

- Others include loans from **financial institutions, loans, deposits and advances** from the Government of India and other liabilities.
- The figures in brackets are shown relative to the **Gross State Domestic Product.**
- The economy of the state of Uttar Pradesh is developing, due to which the state government collects **loans** from many sources.



Sources of Credit

- Market debt has the largest share in the **State's Debt Structure.**
- According to the revised estimates till the year **2021-22**, more than half of the **total indebtedness i.e. 65.7 percent** has been obtained from market loans only.
- After this, the loan taken from the **National Small Savings Fund (NSSF)** is about **6.60 percent.**

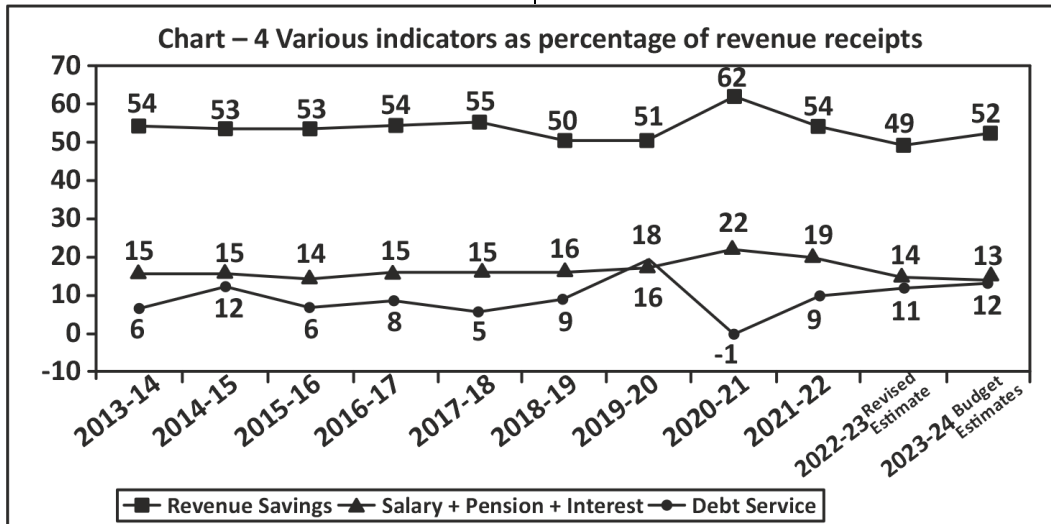
- As per the recommendations made by the **14th Finance Commission, N. SSF** It is continuously decreasing due to the end of the loan taking process by the state government.
- **Provident and Pension Funds** also contribute appropriately to the state debt.
- With the implementation of the **12th Finance Commission** from the financial year **2005-06**, the loan received from the Central Government was discouraged by giving more importance to the market loan, after which it has continuously decreased to the level of **only 4.6 percent. .**
- It is known that the **repayment period and interest rates of loans** received by states from different sources vary according to the terms and conditions of the loan.

Loan Limit and Loan Service

- The debt limit for the states is determined by the Government of India every year on the basis of the recommendation of the **Central Finance Commission.**
- For the last many years, the loan has been taken every year by the state of Uttar Pradesh only under the prescribed limit.
- The debt service of the state government has two components-

- Repayment of loans
- Interest payment
- In which there has been a **continuous decrease** in the last years.

- In this chart, **revenue deficit, expenditure on salary, pension and interest and expenditure on debt service** have been displayed as a percentage of total revenue receipts from the year **2013-14 to 2023-24**.



Tax and Economic reforms

- As the economy reaches further stages of development, the contribution of different segments of the state's economy changes.
- The contribution of the the **Primary Sector** continuously decreases and the contribution of **Secondary** and **Tertiary Sector** increases. According to the quick estimate for the year **2021-22**, the growth rate of **Gross State Domestic Product (GSDP)** at constant prices has been **9.64 percent** and at **current prices 16.76 percent**.
- According to the quick estimate for the year 2021-22, the growth rate of **primary, secondary and tertiary** sectors at constant prices has been **14.59 percent, 10.32 percent, 6.53 percent** respectively in the year **2021-22** and at prevailing prices it has been **16.16 percent, 14.90 percent, 14.02 percent** respectively. .
- According to the quick estimate for the year **2021-22**, the contribution of primary, secondary, tertiary sectors in the year **2021-22** in **GSVA** at constant prices will be **25.33, 26.74 and 47.93 percent** respectively and at prevailing prices will be **28.44, 24.61 and 46.95 percent** respectively.
- According to the quick estimate for the year **2021-22**, the **state's per capita income** at prevailing prices in terms of **Net State Domestic Product** will increase from **Rs. 32002** in the year **2011-12** to **Rs. 61374** and **Rs. 70792** in the year **2020-21** and **2021-22** respectively.

Capital Investment

- The state government has set a target of creating at least **\$ 1 trillion US dollar economy**. To achieve this

goal, the state government is continuously making efforts for **rapid industrialization**.

- In the past years, Investors Summit, two ground breaking ceremonies, **Pravasi Bharatiya Diwas** were organised.
- There has been **continuous improvement in Ease of Doing Business** in the state and the state has been ranked among the achievers states.
- Eleventh Defense Expo organised in **Lucknow** –
 - **On February 9, 2020**
 - More than **3 thousand** representatives of Defense Sector from abroad and more than **10 thousand participants** from the country participated in it.
 - A conference of Defense Ministers of more than 40 countries was organized, in which **23 MOUs** were signed on behalf of the **Defense Corridor of the State Government**.
 - Due to this expected investment of about **Rs 50 thousand crore** is expected in the State.
- **Global Invest Committee 2023** was held
- Single Window as **Nivesh Mitra** and **Nivesh Sarathi** have been created.

Speedy Justice and Law and Order

- It is very important to have a suitable environment to attract investors. Considering its importance, the state government has established **courts and tribunals** and appointed **judges** for speedy disposal of legal cases.
- It has been decided to constitute **218 courts** for speedy disposal of criminal cases prevalent under the **POCSO (Protection of Children from Sexual Offences) Act** in the state.