

# Maharashtra, Gujarat top in manufacturing: Assocham

## OUR BUREAU

Ahmedabad, September 26

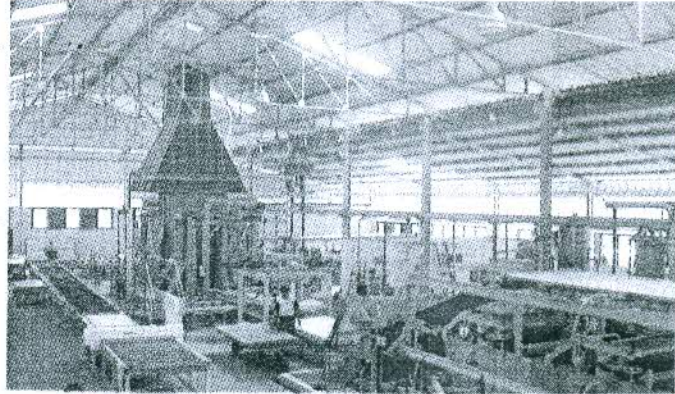
Maharashtra and Gujarat are the top States in manufacturing emergence in India, according to a recent study conducted by the apex industry body Assocham.

"While Maharashtra has topped with the highest growth in entrepreneurs' memorandum (EM) part-II filed by micro, small and medium enterprises (MSMEs), Gujarat has performed very well on parameters such as change in capacity utilisation, operational ratio, value addition and input cost," said a study titled 'Manufacturing excellence and emergence in India: The State-level analysis', conducted by the Associated Chambers of Commerce and Industry (Assocham).

### Rankings

With a ratio of 1.29, Maharashtra has emerged on top in EM part-II filed by MSMEs at district industrial centres in FY15 over FY13. The State also performed well on other parameters with the third highest ratio in terms of change in return on capital, operational ratio, value addition and input cost.

It was ranked fifth in terms of change in total factor productiv-



The Assocham Economic Research Bureau had considered various parameters such as the number of factories, output value, working capital etc. to ascertain the States' performance

ity, fixed capital income ratio and growth in manufacturing gross value addition (GVA) in FY15 over FY13. However, Maharashtra should focus more on improving capacity utilisation (8th rank) and efficiency (11th rank), the study said.

Gujarat is ranked second in terms of change in capacity utilisation, operational ratio, value addition and input cost. It has also scored the fourth and fifth positions in terms of change in return on capital and efficiency respectively.

It should focus on improving growth in manufacturing GVA

(8th rank) and in filing of memorandum by entrepreneurs (14th rank). Besides, improvement is needed on factor productivity (15th rank) and fixed capital income ratio (16th rank).

### Parameters

The Assocham Economic Research Bureau had considered various parameters such as the number of factories, output value, working capital, net fixed capital formation, fixed capital, finished goods, capital invested, total inputs and others to ascertain the States' performance, Assocham said here on Tuesday.

# Maha tops with 129% spike in MSME registrations

**Sanjay Jog**

sanjay.jog@dnaindia.net

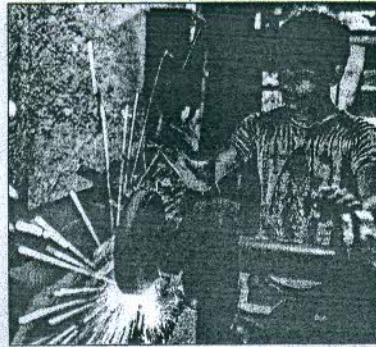
**Mumbai:** Maharashtra has logged the highest growth in entrepreneur registrations, pipping Gujarat which has outperformed other industrial parameters.

Maharashtra has recorded highest growth rate of over 129% in terms of registration of micro, small and medium enterprises (MSMEs) under entrepreneurs memorandum (EM) part-II – from 16,136 in FY13 to 36,992 in FY15.

EM is an application for acknowledgement of a unit.

These are the findings of a 'Manufacturing excellence and emergence in India' report by industry chamber Assocham.

Uttar Pradesh ranked second with about 69% growth followed by Tamil Nadu (57%), Goa (55%)



and West Bengal (47%).

Gujarat registered a fall of 6% in MSME registrations to 64,160 in FY15 from 68,235 in FY13, ranking ranked 14th in terms of EM II growth.

Gujarat has performed extremely well on parameters such as the change in capacity utilisation, operational ratio, value ad-

## ENTREPRENEURIAL SPIRIT

■ Gujarat registered a fall of 6% in MSME registrations at 64,160 in FY15 from 68,235 in FY13

■ UP ranked second with about 69% growth followed by TN (57%), Goa (55%), West Bengal (47%)

dition and input cost.

Karnataka has emerged as the best state in manufacturing excellence in the mainstream states category, Assam and Tripura in northeastern states and Himachal Pradesh in Himalayan states.

The Assocham report said Maharashtra performed decently well on various parameters with

third highest ratio in terms of change in return on capital, operational ratio, value addition and input cost.

Besides it is ranked fifth in terms of change in total factor productivity, fixed capital income ratio and in terms of growth in manufacturing gross value addition (GVA) in FY15 over FY13.

The report said Maharashtra needs to focus more towards improving capacity utilisation (8th rank) and efficiency (11th rank).

As far as Gujarat is concerned it has also performed decently with fourth and fifth position in terms of change in return on capital and efficiency respectively. However, Assocham said Gujarat will have to focus on improving growth in manufacturing GVA (8th) and in filing of memorandum by entrepreneurs (14th)

### **Prabhu to Set Up Panel to Look Into Regulatory Framework**

**Our Bureau**

**New Delhi:** Commerce and industry minister Suresh Prabhu on Tuesday met industry representatives to address issues coming in the way of private investment and to discuss measures that can be taken to revive growth.

Representatives of Ficci, CII, Assocham and PHD Chamber of Commerce and Industry attended the meet.

"We had a useful, productive and forward looking meeting. We will see what we can do together to push growth to a higher trajectory," Prabhu told the media after the meeting. The meeting was also attended by chief economic adviser Arvind Subramanian.

Following the meeting Prabhu directed the industry department to set up an advisory group looking into the regulatory framework. The group would have representatives of all industry chambers and medium and small scale enterprises and will suggest ways to improve ease of business. It will be headed by the DIPP secretary.

## Govt to set up panel on regulatory issues for industry

FE BUREAU  
New Delhi, September 26

**THE COMMERCE AND** industry ministry will soon come up with a review committee to look into regulatory issues hindering industrial growth and suggest measures to propel India into the high-growth trajectory again, commerce and industry minister Suresh Prabhu said on Tuesday.

In a meeting with top industry associations such as CII, Fici, Assocham and PHDCCI on Tuesday, Prabhu also decided to set up a mechanism to monitor investment proposals, both domestic and foreign.

"We had a useful, productive and forward looking meeting. We will see what we can do together to push growth to a higher trajectory," Prabhu told the media after the meeting. The meeting was attended by DIPP secretary Ramesh Abhishek, commerce secretary Rita Teotia and textiles secretary A K Singh and chief economic adviser in the finance ministry, Arvind Subramanian.

The regulatory review committee will be chaired by the department of industrial policy and promotion secretary Ramesh Abhishek, with members from industry.

Prabhu will hold a similar meeting with the micro, small and medium enterprises for their inputs on challenges being faced by them, which include access to cheap credit.

A senior official said that the ministry has asked the industry to give a sector-wise report on ways to increase capacity utilisation, which is around 74% on an average.

## Telangana attracts Rs 5.9 lakh cr investments in FY17

**T**ELANGANA had attracted total outstanding investments worth about Rs 5.9 lakh crore as of FY17 which is up from Rs 3.3 lakh crore worth of investments attracted by the region as of FY12, an Assocham study titled, 'Telangana: Analysis of economic growth & investment performance' said. The state accounted for 3.3% share in total investments worth over Rs 177 lakh crore attracted by top industrial states across India as of FY17, highlighted the study prepared by Assocham Economic Research Bureau (AERB).

Between FY15 and FY17, the investment growth rate in Telangana has been 68.5% which is more than the national average growth rate of 20.8%. In terms of year-on-year growth in investments, the state has registered considerable improvement from 0.6% in FY13 and 5.6% in FY14 to about 24% in FY15, over 22% in FY16 and about 12% in FY17. Over one-fourth of the total investments attracted by Telangana are in irrigation sector (28%) as of FY17 and it is followed by non-financial services (25%), electricity (18.5%) and manufacturing (11%) amid sectors that have major share in this regard.

The study said that about 370 projects with investments worth about Rs four lakh crore of the total live investments attracted by Telangana are under different stages of implementation. The state has also registered significant improvement in this regard as the under-implementation rate of projects has declined from over 78% in FY16 to 66% in FY17 while nationally it has remained constant at 54% for past two years. Electricity sector has the major share of 85% in all projects under implementation in Telangana followed by non-financial services (76%), mining (72.5%), irrigation (67.5%) and manufacturing (23%).

In terms of state's economic performance, Telangana's economy accounted for over 4% share gross value added (GVA) across India as of FY17. Telangana has also outperformed the national average in terms of economic growth. While in terms of year-on-year growth Telangana region's economy grew from 2.7% in FY12 to reach 8.5% in FY17, the all-India average growth has grown from 5.4% to just 6.6% during the same period.

Considering that over 55% of state's total population of 3.5 crore (2011 census)

directly and indirectly depends upon agriculture and allied activities for livelihood, the sector recorded about 15% year-on-year growth in FY17 after registering a negative growth of about 10% and over 6% in FY15 and FY16 on account of deficient rainfall.

In terms of services sector's performance, the growth has been sustainable from 8.4% in FY13 it grew to over 10% in FY17. About 3% of state's total population is engaged in industrial activity (2011 census) and after registering a negative growth of 7.5% in FY15 there has been considerable improvement as the state recorded industrial growth of about 10% and 4.1% in FY16 and FY17, respectively.

Fast-tracking irrigation projects together with improving the productivity and yield in agriculture sector based on a public-private partnership model needs prime focus as a majority of state's population is dependent upon this sector for their livelihood. Besides, the state government should also lay more focus on further developing the industrial sector which is also a major avenue for employment generation in Telangana.

