Economy of MP

Economy of Madhya Pradesh comprises of agriculture and industries of Madhya Pradesh. In fact, industries and agriculture form the backbone of economy of Madhya Pradesh, whereas the supporting bones are mining, tourism and banking.

Precisely speaking, the economy of Madhya Pradeshis divided into five different heads, namely:

- Agriculture
- Industries
- Mining
- Tourism
- Banking and Finance

Agriculture

Agriculture is the largest area of occupation in Madhya Pradesh. Around 1/5th of the cultivated land is under irrigation. The major food crops here include,jowar, wheat, rice and gram. Among the other crops, the oilseeds, cotton and sugarcane are some of those that need a mention.

Talking about the first aspect of the economy of Madhya Pradesh, it can be mention that Madhya Pradesh is an agricultural state where the main occupation of the people is agriculture.In spite of the growth of industries, agriculture is moving steadily in the economic backdrop of the state.

Some of the important crops that are vital to agriculture in Madhya Pradesh are follows, along with a study of their average production (in kilogram per hectare):

- Rice - 1,058
- Wheat - 1,867
- Javar - 1,342
- Gram – 932
- Soybean - 1,132
- Sugarcane - 4,215
- Cotton - 557

In Madhya Pradesh, about 74.73% of people come from villages who are far from the influence of industrialization. True, that Madhya Pradesh is unhinged by industrialization - mechanization has indeed seeped in, but the rustic feel is still there with the prevalence of agriculture.

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In Madhya Pradesh, about 49% of the land is cultivable, i.e. majority of the land surface is favourable for cultivation. The following data would further sort all queries regarding utilization of land in Madhya Pradesh for agriculture (according to a 2003-2004 survey):

- Net Area Sown - 15,048 hectares
- Gross Cropped Area - 19,891 hectares
- Double Cropped Area - 4,843
- Net Irrigated Area - 5,631
- Gross Irrigated Area - 5,776

Mining

Coal and iron are among the more important of the minerals of Madhya Pradesh. The iron ore found in Madhya Pradesh is of high grade and occurs in the Dury, Jubalpur, Bastar and Gwalior districts. Manganese is another important mineral, which occurs in Madhya Pradesh in the Balaghat and Chhindwara districts.

There is bauxite which is required in the production of aluminum and which is available in the Katni tehsil of Jabalpur. Madhya Pradesh has a large deposit of limestone required for the production of cement. The Panna region has a rich diamond bed and is well known for the production of diamonds. Marble is also available in the state in several districts.

The Government of Madhya Pradesh first formulated a Madhya Pradesh Mineral Policy in 1995. Mining and mineral wealth considerably contributes to the development of the state and thus, the nation. The Government of India announced a National Mineral Policy in respect of non-fuel and non-atomic minerals in 1993.

Pre-bifurcation Madhya Pradesh contained vast mineral deposits and the scope of mining was immense. However when the state was divided in 2002, deposits of minerals like Iron ore, Tin ore, Corundum, Coal, Limestone, Dolomite and Bauxite passed over to Chhattisgarh. So it became imperative to introduce a new mining policy to mark formerly unidentified mineral deposits and ensure mining takes place scientifically to maintain environmental balance.

The state has rich granaries of food. In the northern part sillimanite and ochre

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are excavated. Other natural products are steatite and China clay. There are many flourishing textile mills in the state and artificial silk manufacturing plants located at Ujjain, Nagda, Indore and Gwalior. In the public sector, huge plants, namely the Bhilai Steel plant, the Heavy Electrical and the Bailadilla are the major achievements.

The Nepa Mills produces newsprint for the country. Diesel engines are manufactured at Indore and attractive pottery and carpets are produced at Gwalior. \

Tourism

Madhya Pradesh tourism offers some very popular tourist spots. The main attractions of Madhya Pradesh tourism are Khajuraho temples in the northern part and Bandavgarh and Kanha in the eastern region.

The latter two are included in India's finest game sanctuaries. Buddhist stupa of Sanchi and 15th-16th century citadels of Mandu in the southwestern part of Madhya Pradesh are worth visiting.Madhya Pradesh tourism offers a lineage of cultural heritage of Hinduism, Buddhism, Jainism, and Islam. Spectacular monuments, temples, stupas, forts and palaces are spread all over the state. Madhya Pradesh has enormous mountain ranges, meandering rivers and stretches of dense forests which offer a variety of wildlife in sylvan surroundings.

The stoneworks of the place bear the history of empires, warriors, and philosophers. The giant fort of Gwalior evokes memories of a momentous past. The series of temples and forts of Orchha has a medieval touch. Mandu bears testimony of the time when the Afghans marched in and crafted its stones. At Khajuraho, poetry is created on stone by the warrior race of ChandellaRajputs. The oldest Buddhist shrines at Sanchi reflect the glory of Ashokan times.

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Main Features of Budget of Madhya Pradesh

Budget Highlights

The **Gross State Domestic Product of Madhya Pradesh** at current prices for 2017-18 is estimated to be Rs. 7,35,246 crore. This is 13.9% higher than the revised estimate for 2016-17.

Total expenditure for 2017-18 is estimated to be Rs 1,69,954 crore, an 8.5% increase over the revised estimate of 2016-17. The revised estimate for 2016-17 is Rs 2,083 crore lower than the budgeted target.

Total receipts (excluding borrowings) for 2017-18 are estimated to be 11.4% higher, at Rs 1,45,111 crore. In 2016-17, they fell short of the budgeted target by Rs 4,111 crore.

Revenue surplus for the next financial year is targeted at Rs 4,596 crore, or 0.63% of the Gross State Domestic Product (GSDP). Fiscal deficit is targeted at Rs 25,689 crore (3.49% of GSDP). The Fiscal Responsibility and Budget Management Act, 2005 mandates a fiscal deficit ceiling of 3.5% of GSDP. Primary deficit is targeted at Rs 14,148 crore (1.9% of GSDP).

Rs 33,564 crore has been allocated for the Agriculture Budget in 2017-18. Rs 400 crore has been allocated to the Rashtriya Krishi Vikas Yojana, and Rs 305 crore has been allocated to the National Food Security Mission.

Allocations to the departments of Urban Administration and Development, School Education and Rural Development increased by 22%, 10% and 7% respectively, over the revised estimates of 2016-17. However, allocation to the Department of Energy has decreased by 21%.

Budget estimates

The total expenditure in 2017-18 is targeted at Rs 1,69,954 crore. The expenditure in 2016-17 was Rs 1,56,630 crore, which is 1% (or Rs 2,083 crore) less than the budgeted target.

The expenditure in 2017-18 is proposed to be met through receipts (other than borrowings) of Rs 1,45,111 crore and borrowings of Rs 24,392 crore. Total receipts for 2017-18 (other than borrowings) are expected to be 11% more than the revised estimate of 2016-17.

Budget expenditure

Government expenditures can be divided into

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revenue expenditure, such as payment of salaries, and

capital outlay, which affects the assets and liabilities of the state.

Total revenue expenditure for 2017-18 is proposed to be Rs 1,34,519 crore, which is an increase of 8% over revised estimates of 2016-17. Total capital outlay is proposed to increase by 10.3% to Rs 35,435 crore from the revised estimates of 2016-17. This includes creation of assets, repayment of loans, etc.

Budget allocated to different sectors

Irrigation: Rs 9,850 crore is proposed to be spent as capital expenses for irrigation schemes. In addition, Rs 140 crore has been allocated for micro-irrigation.

Horticulture : Rs 92 core was allocated for Rashtriya Krishi Vikas Yojana.

Rs 62 crore was allocated for National Horticulture Mission.

Rs 50 crore was allocated for Crop Insurance Scheme.

Rs 50 crore was allocated to increase storage capacity for onions.

Education: 36,000 new teachers are proposed to be recruited; 520 high schools and 240 higher secondary schools are proposed to be upgraded.

A provision of Rs 214 crore has been allocated for the construction of school buildings. Rs 92 crore has been allocated for the purchase of NCERT books.

A provision of Rs 48 crore has been made for the establishment, management and security of girls' hostels.

Rs 703 crore for ST students, Rs 740 crore for SC students and Rs 850 crore for OBC students as scholarships/stipends.

Energy: Rs 4,622 crore is proposed to be spent on the UDAY scheme in 2017-18. In 2016-17, Rs 7,568 crore was provided as assistance to power distribution companies under UDAY scheme.

This allocation includes Rs 4,622 crore under the UDAY scheme. A scheme of Rs 4,200 crore is proposed to convert temporary connections into permanent connections.

Rural Development : Rs 2,000 crore has been made to the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

Rs 2,850 crore has been allocated to the Pradhan Mantri Gram Sadak Yojana (PMGSY).

Rs 1,127 crore has been allocated for the provision of basic amenities to Panchayats.

Urban Development and Environment : A provision of Rs 600 crore has been made for the Swatchh Bharat Abhiyan.

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