Jharkhand Economy

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Jharkhand Economy

An Overview

Economy growth of Jharkhand has been slow in comparison with the national average. The economy depends mostly on mineral resources, industries, agricultural, and tourism sectors. The

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State's Gross Domestic Product amounted to US $ 14 billion in 2004, which moved to US $ 22.46 billion in 2010-11. Jharkhand‘s per capita income increased by 40.82 percent in the last ten years. The per capita GSDP in the State in 2000-01 was INR 16,084 (at 2004-05 prices), which increased to INR 27,180 in 2010-2011.

The economy of the Jharkhand gets it revenue from the mineral resources sector for the State has a rich storehouse of minerals. The State has almost 40 percent of the mineral reserves found in India. The various kinds of minerals found in Jharkhand are iron ore, granite, coal, copper, mica, bauxite, and chromite. Jharkhand also exports its mineral products to various countries such as Saudi Arabia, Bangladesh, South Africa, and Nepal. This sector has given a major boost to the economy of the State. The economy of the State of Jharkhand depends for its revenue on the industrial sector to a very large extend. This is due to the fact that the State has industrialized cities such as Bokaro, Jamshedpur, and Dhanbad. In Jharkhand there are companies like Tata Iron and Steel Company, Indian Tube Company, Sriram Bearing, Usha Martin, and Tata Engineering and Locomotive Company. The industries have contributed to the growth of the economy in Jharkhand.

The economy in the State of Jharkhand gets its revenue from the agricultural sector, as almost 75 percent of the people of the State are dependent on this sector. The various kinds of crops grown in Jharkhand are rice, oilseeds, wheat, potatoes, maize, and pulses. The State also produces a wide variety of vegetables and fruits like ladies finger, brinjal, tomato, cabbage, mango, lemon, and papaya. Jharkhand produced in land of round 18.05 lakh hectares more than 21 lakh tonnes of agricultural produce. This sector has also to a certain extend helped the State‘s economy to grow.

Schemes Introduced by Jharkhand Government

1. Under "Kisan Kushali Yojna", the farmers are allowed to grow more than one crop (i.e. produce dual crop). They can also rear livestock
2. Proposal for "Krishi Bazaar Samiti" marketing complex at Ranchi has come as a boon for farmers
3. The integrated Co-operative Projects scheme aims to provide financial assistance to the Co-operative societies through state government in the form of loan as well as subsidy
4. National Agricultural Insurance Scheme aims to provide financial security to the farmers
5. Jharkhand state government has launched "Mukhya Mantri Kisan Credit Card Yojana".Interest subsidy is provided to farmers who repay their loan within stipulated time
6. The state government has also proposed to improve the infrastructure for storage of seeds and fertilizers. Construction of office buildings for field offices and godowns too will be undertaken
7. Work for setting up processing units in Co-operative societies is under progress. Some Co-operative societies work especially for welfare of SC/ST/OBC/Women. State government gives assistance in the form of Share Capital Contribution and subsidy/grants.

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8. State Government provides Share Capital Contribution to the following state level federations:

- JASCOLAMF (The Jharkhand State Co-operative Lac Marketing and Procurement Federation Limited.
- VEGFED (The Jharkhand State Vegetable Co-operative Marketing Federation)
- JHAMCOFED (Jharkhand State Minor Forest Produce Co- operative Development and Marketing Federation Limited

Government is trying to bring more area under irrigation, increase production by improving quality of seeds, fertilizers, agricultural tools and pesticides etc. Potential is being seen in horticulture, medicinal and aromatic plants which can be exported. Completion of major irrigation projects and renovation of old systems is being undertaken. Traditional irrigation systems like ponds, tanks and check dams, multiple cropping, horticulture and bio-fertilizers are being encouraged Jharkhand‘s economy also gets its revenue from the tourism sector but this sector's contribution is comparatively less. This is due to the fact that although the State has places of religious and archaeological significance and also lakes, hills, and wildlife to attract the tourists, the State government has not fully exploited this sector. The other sectors that contribute to the economy in the State of Jharkhand are cottage industry, IT industry, and silk goods. In order to boost the economy, the State government has started to make some efforts by developing the infrastructure and also by promoting the setting up of new industries.

The economy survey report 2011 says the performance of the primary sector declined in the last decade, though the secondary and tertiary sectors performed well in relative terms. In the primary sector, agriculture growth remained stagnant in the last ten years, mainly due to inadequate irrigation. Jharkhand irrigated only 12 per cent of its cultivable land. The primary sector, which also includes animal husbandry, forestry and fishing, declined to 23.30 percent of GSDP from 30 per cent in the last ten years. However, Jharkhand is expected to collect US $ 463.32 million (INR 2,086 crore) as royalty from mining and sale of minerals in the current financial year 2010-11. By December 2010, the royalty collection was US $ 284.65 million (INR 1,281.6 crore) In the financial year 2009-10, the royalty collection was US $ 384.31 million (INR 1, 730.3 crore). Meanwhile, the Jharkhand government has proposed US $ 7.36 billion (INR 33,121.70 crore) Annual Budget for the coming fiscal year 2011-12, laying extra focus on development of infrastructure both in urban as well as rural areas and irrigation facilities.

The GDPS of the State has been projected to US $ 30.66 billion (INR 1,38,028 crore) in the coming fiscal year. While the non-plan expenditure has been kept at US $ 3.58 billion (INR 16,096.77) crore against the current fiscal of US $ 2.89 billion (INR 13,022.82 crore), the government has identified road, energy, education, agriculture and health as thrust areas to work with enhanced fund allocation. Jharkhand Economy has grown slowly over the years but the recent efforts taken by the State government are bound to ensure results and rise the economy of the State.

An Overview of Jharkhand Industries

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The new state of Jharkhand, widely acclaimed as the region of future, has enormous potentialities for industrialization. With its large deposits of minerals, it provides a solid launching pad for all kinds of industries.

Born out of partition from old Bihar state in 2000, Jharkhand produces about 70% of the output of the old Bihar state. It is known for its rich store of minerals: therefore, mining in Jharkhand forms an integral part of the economy of Jharkhand. Since it is rich in minerals, the state per capita income is likely to increase in the coming years. Jharkhand has a concentration of some of the country‘s highly industrialised cities such as Jamshedpur, Ranchi, Bokaro Steel City and Dhanbad. It also has several firsts in India, including:

- Largest fertiliser factory of its time in India (since shut down) at Sindri, Dhanbad
- First Iron & steel factory at Jamshedpur
- Largest Steel plant in Asia, Bokaro steel plant, Bokaro.
- Biggest explosives factory at Gomia, Bokaro.
- First methane gas well at Parbatpur, Bokaro.

Major industrial units

- Bokaro Steel Plant, Bokaro.
- Tata Steel Plant, Jamshedpur.
- Tata Motors, Jamshedpur.
- Tata Cummins, Jamshedpur.
- TRF Limited, Jamshedpur.
- BMW Steel, Bokaro.
- Lafarge Cement, Jamshedpur.
- TELCON, Jamshedpur.
- BOC Gases, Jamshedpur.
- Praxair, Jamshedpur.
- Tinplate, Jamshedpur.
- Heavy Engineering Corporation,(HEC Ltd.,Dhurwa), Ranchi.
- Patratu Thermal Power Station, Ramgarh.
- Chandrapura Thermal Power Station,Chandrapura,Bokaro.
- Bokaro Thermal Power Station, Bokaro Thermal,Bokaro.
- Indian Explosive Limited, Gomia, Bokaro
- JP Cement, Bokaro
- Maithon Hydro Power Station,Maithan, Bokaro.
- Panchet Hydro Power Station,Panchet, Damodar Valley Corporation
- Telaiya Hydro Power Station,Telaiya, Damodar Valley Corporation
- Tenughat Thermal/Hydro Power Station, Bokaro.
- Jindal Steel Plant, Patratu.
- Electrosteel Plant, Bokaro.
- Bharat Refractories Limited. Bokaro

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- Usha Martin, Ranchi.
- Central Coalfields Limited.
- Bharat Coaking Coal Limited.
- Eastern Coalfields Limited.
- Central Mine Planning & Designing Institute Limited.
- Metallurgical and Engineering Consultancy(MECON) Limited.
- Ashok Industries, Bokaro Industrial Area

Talking about the business and economy of Jharkhand, it can be said that Jharkhand houses two major steel plants in India. The steel plants at Bokaro and the Tata Iron and Steel Company are the two major plants housed within the territory of Jharkhand. These steel plants largely contribute towards the economy of not only Jharkhand, but India. Among the other important steel plants that form an integral part of the business and economy at Jharkhand are:

- Indian Tube Company
- Sriram Bearing
- Tata Engineering and Locomotive Company
- Usha Martin, etc.

Besides, the topography of Jharkhand is rich in minerals. The abundance in minerals also enhances the prospects of the industries in Jharkhand. Some of the important minerals found in Jharkhand & their ranging from (state‘s rank in the country) from Iron ore (1st), coal (3rd), copper ore (1st), mica (1st), bauxite (3rd), Manganese, limestone, china clay, fire clay, graphite (8th), kainite (1st), chromite (2nd), asbestos (1st), thorium (3rd), sillimanite, uranium (Jaduguda mines, Narwa Pahar) (1st), gold (Rakha mines) (6th), silver and several other minerals are found in the state. It is noteworthy that these minerals form the foundation of all the major industries in Jharkhand, one of the biggest industrial belts in India.

Large deposits of coal and iron ore support concentration of industry in centers like Jamshedpur, Bokaro and Ranchi.

Tata Steel, an S&P CNX 500 conglomerate has its corporate office in Jharkhand. It reported a gross income of Rs.204, 910 million for 2005.NTPC will start coal production from its captive mine in state in 2011-12, for which the company will be investing about Rs 1,800 crore.

Jharkhand is a state of Mines, Minerals and Industries. Mines are located in almost all parts of state. Dhanbad District are known as coal capital of India, Koderma District is known as Mica capital of India, Singbhum District (Jamshedpur and Chaibasa) is the home of Tata industries and rich in iron and ore as well as Bokaro District has Asia‘s largest steel production centre setup by government of India.

Iron Ore - The total reserve of Hematite in Jharkhand region is over 3000 million tones. Out of this total reserves 2000 million tones occur in Chiria, near Monoharpur in the Singbhum district is one of the largest single deposits of the world. The average quality of Chiria deposits 62- 63% Fe content which should be judiciously exploited in, phased manner to suit the long term need of our country.

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