Overview of Haryana's Economy 2
Gross State Domestic Product (GSDP) Trends 5
Sectoral Contribution: Agriculture, Industry, and Services 6
Agriculture and Allied Activities 10
Industrial Development in Haryana 11
Haryana's Service Sector Growth 15
Haryana's Investment Climate 17
Key Industries in Haryana 20
Haryana's Agro-Based Industries 23
Automobile Industry in Haryana 26
Information Technology and ITES Sector 27
Textile Industry in Haryana 31
Micro, Small, and Medium Enterprises (MSMEs) 33
Infrastructure Development in Haryana 37
Road and Transportation Network 39
Railways and Connectivity 43
Power Sector in Haryana 44
Irrigation Infrastructure 48
Haryana's Renewable Energy Initiatives 50
Urbanization and Smart Cities in Haryana 54
Public-Private Partnerships (PPP) in Haryana 56
Haryana's Export Profile 60
Role of Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) 61
Haryana's Financial Institutions and Banking Sector 65
Labour and Employment Scenario in Haryana 66
Haryana's Skill Development Initiatives 70
State Budget and Fiscal Policy 71
Taxation and Revenue Collection 75
Poverty and Unemployment Rates 77
Haryana's Welfare Schemes and Subsidies 80
Haryana's Agricultural Policies 82
Challenges in Haryana's Economy 86
Impact of Green Revolution in Haryana 87
Economic Impact of COVID-19 in Haryana 91
Future Prospects for Haryana's Economy 92

Overview of Haryana's Economy

Haryana, located in the northern part of India, is a prominent state known for its rich historical significance and rapid economic development. The state was carved out of Punjab in 1966 and has since emerged as one of India's most economically developed regions. Haryana's economy is characterized by robust agricultural practices, industrial growth, and a burgeoning service sector.

Geographic and Demographic Context

Haryana spans an area of approximately 44,212 square kilometers, strategically situated near the National Capital Region (NCR). It is bordered by Punjab, Himachal Pradesh, Rajasthan, and Uttar Pradesh, with Delhi encircled by Haryana on three sides. This advantageous location has significantly contributed to its economic growth.

As per the latest census and estimates, Haryana's population is over 29 million, with a high literacy rate and a demographic dividend that supports economic activities.

Key Sectors of Haryana's Economy

1. Agriculture

Agriculture is the backbone of Haryana's economy, employing nearly 50% of the workforce. The state is a leading producer of grains, especially wheat and rice, contributing substantially to India's food security.

- **Cropping Pattern**: Haryana's fertile soil and irrigation facilities support a diverse cropping system. Major crops include wheat, rice, sugarcane, cotton, and mustard.
- **Green Revolution Impact**: The Green Revolution in the 1960s had a profound impact on Haryana, transforming it into the "Rice Bowl of India."
- **Irrigation Infrastructure**: The state has an extensive canal and tubewell irrigation network. Key canals include the Western Yamuna Canal and Bhakra Canal.

Challenges in Agriculture

- Overuse of groundwater.
- Declining soil fertility due to excessive use of fertilizers.
- Need for diversification into high-value crops.

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2. Industry

Haryana is a significant industrial hub in India, especially in automobile manufacturing, IT, and textile industries.

- **Automobile Industry**: Gurgaon and Manesar are centers for automobile production, hosting companies like Maruti Suzuki and Hero MotoCorp.
- **Industrial Estates**: Haryana has several industrial estates developed by the Haryana State Industrial and Infrastructure Development Corporation (HSIIDC), such as Kundli, Faridabad, and Panipat.
- **Textiles**: Panipat is known as the "Textile City of India," producing a large volume of rugs, carpets, and other textile products.

Special Economic Zones (SEZs)

- Haryana has numerous SEZs to attract foreign and domestic investments. Notable ones include the Gurgaon SEZ and the Sonipat SEZ.

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3. Services Sector

The services sector has become a major contributor to Haryana's Gross State Domestic Product (GSDP).

- **IT and ITES**: Gurgaon, now known as Gurugram, is a global IT hub hosting numerous multinational companies like Google, Microsoft, and IBM.
- **Real Estate**: The proximity to Delhi has fueled the growth of real estate, especially in Gurgaon.
- **Banking and Finance**: The state has a well-established banking and financial sector, supporting business and agricultural credit needs.

Economic Indicators

Gross State Domestic Product (GSDP)

- Haryana's GSDP has witnessed consistent growth over the years, with a compound annual growth rate (CAGR) of around 7%.
- The state ranks among the top contributors to India's GDP.

Per Capita Income

- Haryana has one of the highest per capita incomes in India, reflecting its economic prosperity.

Export Contribution

- Haryana is a leading exporter of software, automobile components, and agricultural products.

Infrastructure Development

1. Transport

Haryana boasts a robust transport network:

- **Roads**: The state has an extensive network of National Highways and State Highways, including the Delhi-Mumbai Expressway and Kundli-Manesar-Palwal Expressway.
- **Railways**: Key rail routes pass through Haryana, connecting major cities to the rest of the country.
- **Airports**: The Indira Gandhi International Airport in Delhi serves Haryana, while the upcoming Hisar Airport is set to boost regional connectivity.

2. Power

Haryana is self-reliant in power generation and is working toward renewable energy adoption. The Yamunanagar Thermal Power Station and Faridabad Solar Power Plant are key contributors.

3. Water Supply and Irrigation

Efficient water management systems ensure the state's agricultural and industrial requirements are met.

Social and Human Development

Literacy and Education

Haryana's literacy rate is above 75%, supported by initiatives like the Beti Bachao Beti Padhao campaign and programs to enhance education infrastructure.

Healthcare

The state has made strides in healthcare with improved rural health centers, hospitals, and initiatives to combat diseases.

Challenges and Opportunities

Challenges

1. **Environmental Degradation**: Pollution and overuse of resources are significant concerns.

2. **Urbanization**: Rapid urbanization has led to challenges in infrastructure and housing.
3. **Economic Disparities**: Regional economic imbalances persist within the state.

Opportunities

1. **Agricultural Diversification**: Promoting organic farming and horticulture.
2. **Industrial Expansion**: Harnessing new SEZs and industrial corridors.
3. **Tourism**: Leveraging historical sites like Kurukshetra and the Sultanpur National Park.

Gross State Domestic Product (GSDP) Trends

Haryana, despite being one of the smaller states in India, has emerged as a significant economic powerhouse. Its Gross State Domestic Product (GSDP) has witnessed consistent growth over the years, driven by a diversified economy and strategic policy initiatives. Let's delve into the key trends shaping Haryana's GSDP:

1. Steady Growth Trajectory:

Haryana's GSDP has been on a steady upward trajectory. While the exact figures may fluctuate depending on the source and method of calculation, the overall trend indicates robust growth.

- **Recent Performance:** According to the Haryana Budget Analysis 2024-25, the GSDP for 2023-24 (at constant prices) is expected to grow at 8%, compared to 7.9% in 2022-23. This is higher than the national GDP growth estimate of 7.6% for the same period.
- **Long-term perspective:** Over the past decade, Haryana has consistently outpaced the national average GDP growth rate. This sustained growth can be attributed to various factors, including a favorable business environment, infrastructure development, and a focus on key sectors like manufacturing and services.

2. Sectoral Contributions:

Haryana's economy is characterized by a balanced mix of agriculture, industry, and services.

- **Agriculture:** While agriculture's contribution to the GSDP has been declining over time, it remains a vital sector, particularly for rural employment and food security. The state is a major contributor to India's agricultural exports, especially in basmati rice.
- **Industry:** Haryana has emerged as a major industrial hub, with key sectors including automobile manufacturing, IT, pharmaceuticals, and textiles. The presence of several industrial clusters and Special Economic Zones (SEZs) has further boosted industrial growth.
- **Services:** The services sector is the largest contributor to Haryana's GSDP, driven by robust growth in areas like IT, finance, real estate, and trade. Gurgaon, in particular, has become a major hub for IT and financial services.