

9-Status & Critical Issues in Bundelkhand

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Status

- The Bundelkhand region in UP is one of the emerging markets in the state with its population growing at 17.6% and urbanising at the second highest rate in the State (Census 2011).
- It is one of the most resourceful region in Uttar Pradesh with abundance of land parcels for industrialisation and a vast mineral wealth. The region is best suited for manufacturing sector, led by mineral based industries and others.
- The region is strategically located on the industrial spine of the State and the country. The National Highway 44 passes through Jhansi and Lalitpur in the region.
- The region has access to all major exporting hubs in the State and is gateway to Central India through rail and road network.
- The nodes of Eastern Dedicated Freight Corridor (EDFC) are in close proximity to major districts of the region like Chitrakoot, Banda, Hamirpur and Jalaun.
- To add to the connectivity advantage of the region, the Government of Uttar Pradesh has proposed a 293 kms long Bundelkhand Expressway which will connect Chitrakoot to Etawah on the Agra Lucknow Expressway.
- In 2018, Government of India has announced two Defence Industrial Corridors in the country, one of which is in UP. The Defence Industrial Corridor will mobilize the vast manufacturing base in the region, and is expected to attract investments worth INR 20,000 crores and create 2.5 lakh employment opportunities. Jhansi and Chitrakoot being the 2-identified nodes of the corridor have strong potential in terms of ancillary base to cater to the needs of Defence manufacturing industry in India.
- The regions have strong ancillary and MSME base, across various sectors including apparels, food processing, wood products, and basic metals manufacturing, contributing to the highest employment, employing a combined total of over 56% of the Bundelkhand Region's MSME workforce.
- The region is known to receive high Solar irradiation levels range between 5-5.5 kwh/sqm. for 300 to 330 days in a year. The region has huge potential for Solar power production in India, and investments in the sector in this region has already gained momentum. There are wide opportunities from manufacturing solar cells/ panels to setting up private solar parks & plants in the region.
- Given to the promising Solar sector in the region, the State Government is already coming up with a 'Green Corridor' in Bundelkhand and ensuring transmission infrastructure along the hotspots for solar parks/ plants. Therefore, investments in transmission infrastructure is also an opportunity.
- Jhansi is one of the identified Smart City in the region, while there are 5-cities identified under Amrut in Bundelkhand. There are numerous opportunities in these cities in urban planning and financing and e-governance in this context.

Critical Issues

Water Resources-Bundelkhand region is largely water stressed and therefore, investment in upgradation and creation of water infrastructure in the region is a thronging opportunity to improve the water supply network coverage and per capita availability.

Green Wealth (Forest Cover)–Bundelkhand region has nearly 12% of total forest cover of the entire State with around 30 lakh hectares land notified as forest land across 7 districts–primarily Lalitpur, followed by Jhansi, Jalaun, Banda and others. This green wealth of the region has been a hub for medicinal plants in the State. However, the forest cover across the State, including Bundelkhand region is rapidly declining.

Urban Centres-With 2nd highest urbanization rate in the State, the region has huge demand to develop urban centres and related infrastructure. Jhansi and Chitrakoot can be identified as 2-major centres.

Skilled manpower-High impetus to skilling, investments in setting up skill centres, professional learning centres etc. to create industry ready skilled/ semi skilled labour in the region is another critical area for development of the region.

Ease of doing business–Given the area is far away from the Administrative Capital of the state, ensuring minimal human interface in business-to-government interactions is a critical area for the development of the region. Towards this,the state has already developed one of the best single windows in the country–Nivesh Mitra in addition to various other steps towards ensuring EoDB in the state.

Power Supply & Distribution–There is only 1 distribution centre in the Bundelkhand region at Jhansi, and the region has high transmission losses with rapidly penetrating household electrification network. Therefore, investments in upgrading the discom infrastructure to minimize the losses, and construction of new substations, feeders, smart metering, etc. are some of the opportunities.

Logistics-Mobilising the potential of the exporting hubs in the region, development of logistics infrastructure is another critical area. Development of Container Depots/ Freight Stations or an integrated Logistics park in Jhansi and Chitrakoot is promising investment opportunity. Capacity augmentation and upgradation of warehouses and cold chains to improve their utilization is another area to strengthen the logistics infrastructure in the region. Thereby, related investments in automation, material handling techniques, etc. is also an opportunity.

Financing-Credit services in the region need to expand their reach, reaching every household, and servicing it in its time of need. Bankers need to look at small manufacturing units catering to local needs as bankable.

Sustainability—Ensuring a pollution free growth of the region would be another challenge which needs to be addressed and all development plans should consider this fact.

Investment Promotion

- In February 2018, the State organised one of its kind UP Investors Summit which attracted investments worth INR 4.28 lakh crores through 1045 MoUs signed across various sectors spread throughout the State. Total 43 MoUs were signed for Bundelkhand region worth nearly INR 21,000 Crores, i.e. 5% of the total investment intents filed.
- These were mostly for harnessing the huge potential in Solar energy in the region with total 14 MoUs signed for establishing Solar plant or park in the region, followed by manufacturing with total 12 MoUs signed primarily for Defence or cement manufacturing.
- Eventually, 81 projects worth INR 61,847 Crores were grounded within 5-months of holding the summit, in July 2018. For GBC1, 3% projects matured in Bundelkhand worth INR 190 Crores in manufacturing sector, including one project in defence manufacturing.
- Continuing to implement major sector specific policies and systemic & procedural business reforms, the State Government is grounded 290 projects worth INR 64,860 Crores in July 2019. Of these, 4% projects worth INR 2635 Crores matured in Bundelkhand for GBC2, primarily in Solar energy sector.
- The projects grounded were from various sectors spread across the Uttar Pradesh. With this, the state government has grounded nearly 25% of the leads generated at UP Investors Summit 2019, and of these total investments worth INR 2825 Crores matured in the Bundelkhand region for implementation.
- Hindustan Unilever Ltd. establishing soap based toiletries manufacturing unit in Hamirpur, RSPL setting up milk processing unit in Jhansi, Bastille Solar Pvt. Ltd. for establishing Solar Plant in Chitrakoot, etc. are certain key investors in this regards.