

Himachal Pradesh Economic Survey 2020 - 21



Important Highlights



Part I

Chapter 1 to Chapter 3



+917814622609



civilstaphimachal@gmail.com

Economic and Statistics Department of the State presents the Economic Survey of the State every year in the State Vidhan Sabha, normally a day before the presentation of the State Budget in the Vidhan Sabha.

CHAPTER 1: GENERAL VIEW

Growth Overview: India

GDP at Constant Prices

- GDP at Constant Prices (2018-19): ₹140.03 lakh crore
- GDP at Constant Prices (2019-20): ₹145.69 lakh crore (Growth Rate: 4.0 %)
- Expected GDP at Constant Prices (2020-21): -7.7 %

GDP at Current Prices

- GDP at Current Prices(2018-19) : ₹188.87 lakh crore
- GDP at Current Prices(2019-20) : ₹203.51 lakh crore (Growth Rate: 7.8 %)

GVA at Constant Base Prices

- GVA at Constant Base Prices(2018-19): 5.9 % growth
- GVA at Constant Base Prices(2019-20): 4.1 % growth

Per Capita Net National Income

- Per Capita Net National Income (2018-19): ₹92,241
- Per Capita Net National Income (2019-20): ₹ 94,566 (Growth Rate: 2.5%)

Reason behind decline in Growth Rate of India:

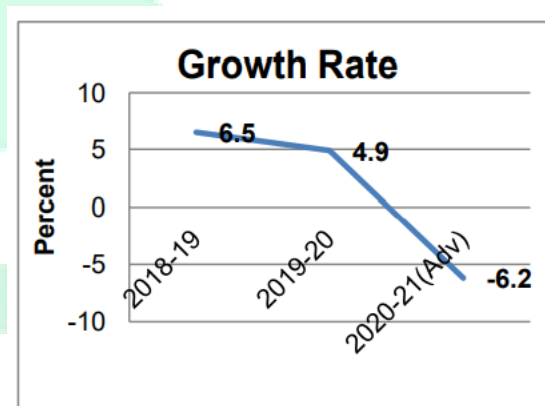
- Lower growth in "Mining Quarrying", "Manufacturing", "Electricity, Gas, Water Supply & Other Utility Services", "Construction" "Trade, Repair, Hotel & Restaurant" and "Financial Services".

Overview of Himachal Pradesh Economy:

Due to the impact of **pandemic covid-19** the economy of the State is expected to have a negative growth of **6.2 percent** in the current financial year **2020-21**.

Gross State Domestic Product (GSDP) at Constant prices:

- Gross State Domestic Product (GSDP) at Constant prices (2018-19): ₹ 1,16,570 crore
- Gross State Domestic Product (GSDP) at Constant prices (2019-20): ₹1,22,284 crore (Growth: 4.9%)



Gross State Domestic Product (GSDP) at current prices

- Gross State Domestic Product (GSDP) at current prices (2018-19): ₹1,49,442 crore
- Gross State Domestic Product (GSDP) at current prices (2019-20): ₹ 1,62,816 crore (Growth: 8.9%)

Share of Different Sectors:

- **Share of Agriculture:** Percentage contribution of agriculture in total State Domestic Product has declined from 57.9 per cent in 1950-51 to 55.5 per cent in 1967-68, 26.5 per cent in 1990-91 and to 10.05 per cent in 2019-20.
- **Share of Industries and Service Sector:** The share of industries and services sectors which was 1.1 & 5.9 per cent respectively in 1950-51 increased to 29.2 and 43.5 per cent respectively in 2019-20.

Tourists' inflow in Himachal Pradesh:

Year	Indian	Foreigners	Total
2010	128.12	4.54	132.66
2011	146.05	4.84	150.89
2012	156.46	5.00	161.46
2013	147.16	4.14	151.30
2014	159.25	3.90	163.15
2015	171.25	4.06	175.31
2016	179.28	4.53	184.51
2017	191.31	4.71	196.09
2018	160.94	3.56	164.50
2019	168.29	3.83	172.12
2020(Up to Dec)	31.70	0.43	32.13

Important Schemes launched by Himachal Pradesh government for the welfare of People:**Himachal Health Care Scheme (HIMCARE):**

- Under Ayushman Bharat, families have been selected by the Government of India on the basis of SECC, 2011 and Rastriya Swasthaya Bima Yojana (RSBY). For providing the cashless treatment coverage on the analogy of Ayushman Bharat to the left-out families, the State is implementing Himachal Health Care Scheme (HIMCARE) since **1st January, 2019**.
- Under HIMCARE Scheme, cashless treatment coverage up to Rs. 5.00 lakh per year per family is being provided on family floater basis. In case of more than five members, the remaining members are being enrolled as a separate unit subject to the capping of five members for each such additional unit.
- **Premium Amount:** Zero (BPL families, MGNREGA workers); 365 per year (Ekal Naris, Anganwari workers, contractual employees etc.) ; 1000 per year (others).
- Under this scheme 4.62 lakh families have been registered and 1.25 lakh beneficiaries have availed ₹129.97 crore cashless treatment since the inception of this scheme.

Senior Citizen Health Insurance Scheme (SCHIS):

- Under this scheme the Government provides top-up coverage of up to ₹30,000 per senior citizen in the State. This scheme will cover all senior citizens who are the smart card holders of Rashtriya Swasthya Bima Yojna (RSBY).
- The age of the candidate has to be more than **60 years**.
- Himachal Pradesh government started implementing this scheme in 2017.

Old age pension Scheme:

- Under this scheme a sum of **₹850 per month** is given to all the persons between 60 to 70 years, having individual income below ₹ 35000, and the persons above 70 years, a sum of **₹1,500 per month** is given without any income criteria.

Mukhya Mantri Awas Yojana:

- Under this scheme, the Government is providing an amount of ₹1.50 lakh to the poor families affected by natural calamities. In addition, the Government has a target to build 1,000 houses this year. This scheme was launched during annual budget 2016-17.

Mukhyamantri 1 Bigha Scheme:

- Under this scheme the State Govt will empower 1.50 lakh rural women by helping them become self-sufficient and get employment under MGNREGS.
- The scheme envisages strengthening of rural economy by linking Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) under which a woman or her family who owns a land up to one bigha (or 0.4 hectare) can raise a backyard kitchen garden by growing vegetables and fruits.
- It was launched in 2020.

eUdyan Portal:

- This acts as single window portal where farmers can avail Horticulture Farming Service benefits while sitting in their home.

Saur Sinchai Yojana (Solar Irrigation Scheme)

- The State govt. will provide Solar Pump Sets to farmers for agricultural / irrigation purposes.
- Under this scheme, Government will provide 90% financial assistance to small and marginal farmers for purchase of pump-sets and will also provide 80% subsidy to all individual medium and big farmers.

Mukhya Mantri Shahri Aajeevika Guarantee Yojana:

- Under this scheme Government will ensure livelihood security to urban households by providing a guaranteed employment for 120 days.
- MMSAGY scheme will facilitate skill enhancement of persons engaged in wage labour jobs to provide them better livelihood opportunities.

Atal Vardi Yojana:

- Under this Scheme, all the students of class 1st to 12th get free uniforms.
- Under the Atal Vardi Yojana, students of 1st, 6th and 9th class are also being provided with school bags in addition to two uniforms in a year.

Grihini Suvidha Yojana :

- Union government envisioned a scheme Pradhan Mantri Ujjawala Yojna, under which gas connections were provided free of cost to poor women of rural areas. The State Government had launched Himachal Grihini Suvidha Yojna to cover the left out families of the State, who were not covered under the Centre Scheme.
- This scheme has resulted in women empowerment and will also help in creating a pollution free environment in the State.
- Over 2.95 lakh families have been given Gas connection under this scheme.

Medha Protsahan Yojana 2021

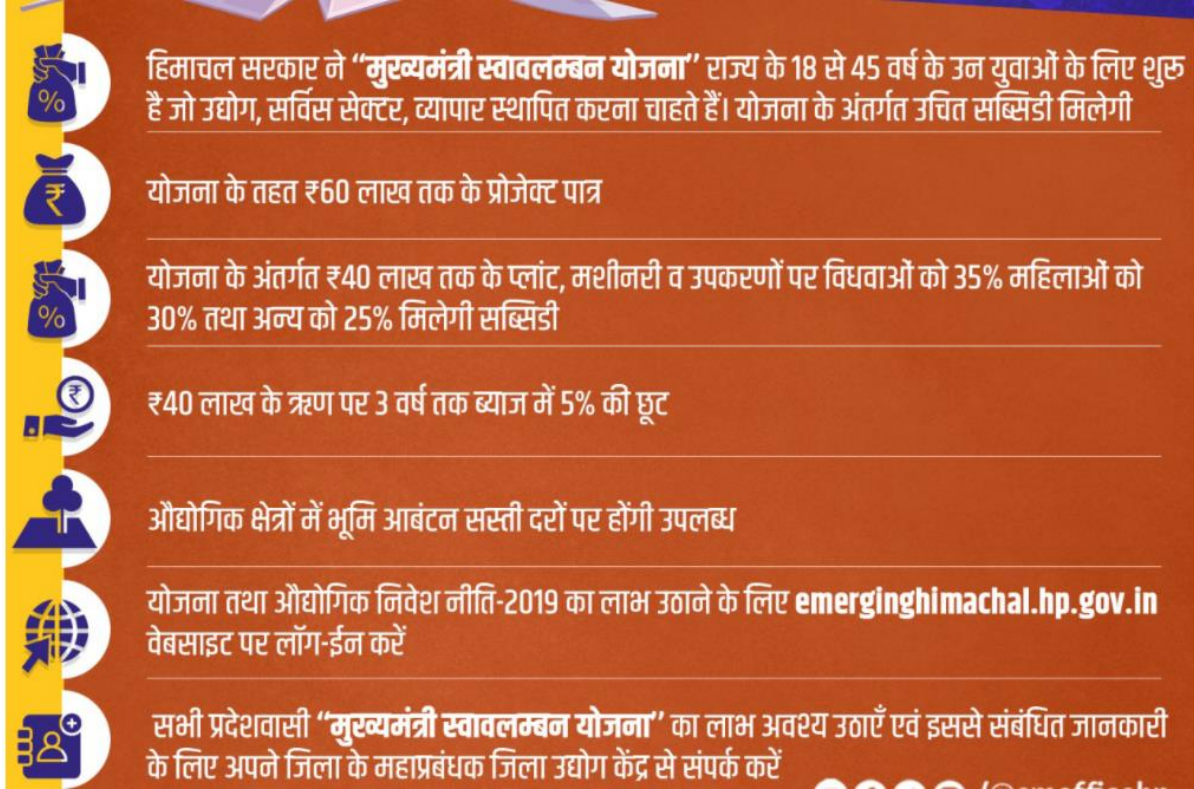
- Under this scheme, assistance up to ₹ 1.00 lakh is provided to the meritorious students to provide guidance at coaching centers located inside or outside the State.

Mukhyamantri Seva Sanklap Helpline (Dial1100):

- A toll free facility was introduced to address problems of people and talk to the CM on mobile phone and by e-mail to CM via Mail ID cmofficehp@gov.in

Mukhya Mantri Swavlamban Yojana:

- To encourage the youngsters male entrepreneurs Government has decided to give subsidy up to 25 per cent on machinery cost and 30 per cent for Female investors.



The infographic is a vertical list of seven items, each with a blue icon on the left and text on the right. The background is a dark red color. The icons are: a hand holding a coin, a rupee symbol, a hand holding a coin, a hand holding a coin, a hand holding a coin, a globe, and a hand holding a coin.

- हिमाचल सरकार ने "मुख्यमंत्री स्वावलम्बन योजना" राज्य के 18 से 45 वर्ष के उन युवाओं के लिए शुरू है जो उद्योग, सर्विस सेक्टर, व्यापार स्थापित करना चाहते हैं। योजना के अंतर्गत उचित सब्सिडी मिलेगी
- योजना के तहत ₹60 लाख तक के प्रोजेक्ट पात्र
- योजना के अंतर्गत ₹40 लाख तक के प्लांट, मशीनरी व उपकरणों पर विधवाओं को 35% महिलाओं को 30% तथा अन्य को 25% मिलेगी सब्सिडी
- ₹40 लाख के ऋण पर 3 वर्ष तक ब्याज में 5% की छूट
- औद्योगिक क्षेत्रों में भूमि आबंटन सस्ती दरों पर होगी उपलब्ध
- योजना तथा औद्योगिक निवेश नीति-2019 का लाभ उठाने के लिए emerginghimachal.hp.gov.in वेबसाइट पर लॉग-ईन करें
- सभी प्रदेशवासी "मुख्यमंत्री स्वावलम्बन योजना" का लाभ अवश्य उठाएँ एवं इससे संबंधित जानकारी के लिए अपने जिला के महाप्रबंधक जिला उद्योग केंद्र से संपर्क करें

Jan Manch Yojna:

- This scheme was started on 3rd June, 2018 with the objective to establish a direct dialogue with the public and provide on spot redressal to their grievances.

HP Buy Back Single Use Plastic:

- The scheme was introduced on the 150th birth anniversary of Mahatma Gandhi in 2019 to eradicate single use and non-recyclable waste and fixed minimum price @ ₹ 75/-per Kg. to buyback such waste

Vishesh Mahila Utthan Yojna:

- This scheme is specially launched for rehabilitation of physically and sexually abused women through technical and vocational training. The objective of the scheme is to train & rehabilitate women. Under this scheme beneficiary, women are provided vocational training, monthly stipend, financial loan to be self-employed at 4% rate of interest and subsidy of Rs. 10,000. Women residents of Himachal Pradesh and victim of rape can apply to the scheme.

Ek Buta Beti Ke Naam:

- The scheme has been launched to sensitize people about the importance of daughters and forest conservation. Through this scheme a plant /sapling along with a kit will be provided to the parents on the birth of a girl child.

Uttam Pashu Puruskar Yojna:

- Under this scheme the Government encourages the farmers (Pashupalak) to increase milk production and gives an award to the farmer for producing 15 liter and more milk in a day.

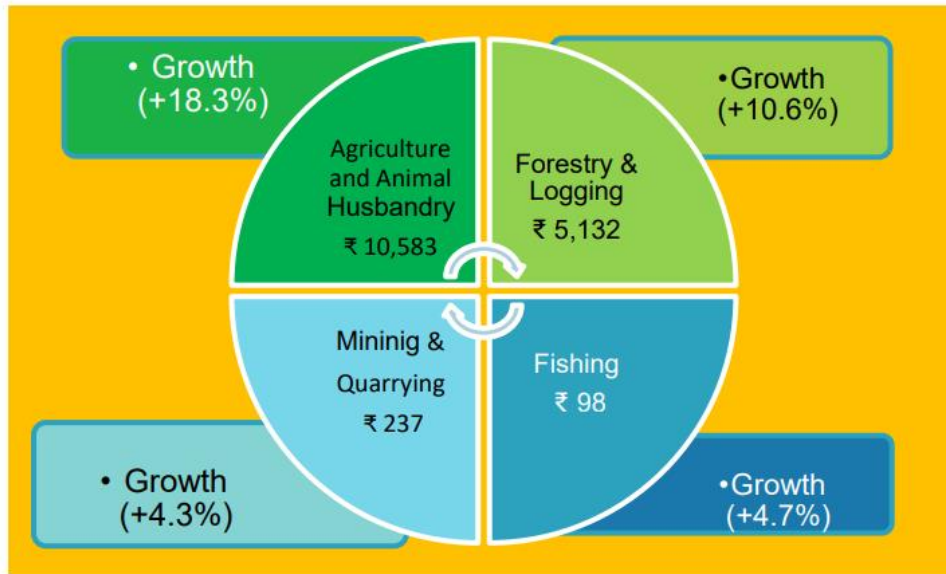


CHAPTER 2: STATE ECONOMY, PUBLIC FINANCE AND TAXATION

Primary Sector:

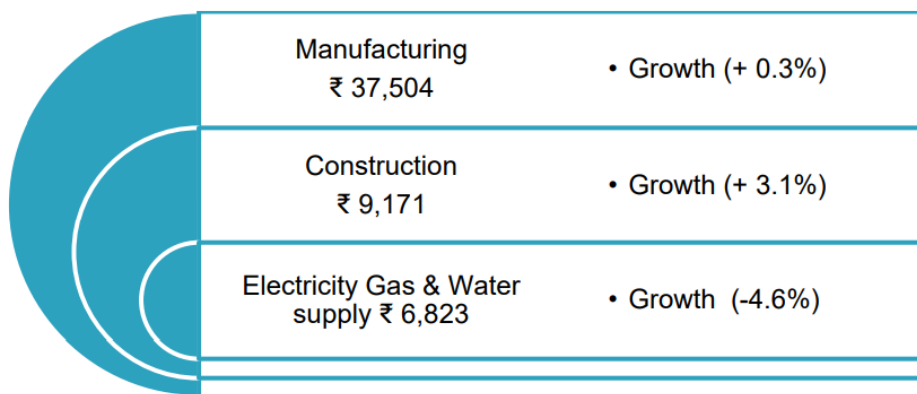
CivilsTap Hlmachal

Primary Sector 2019-20 (FRE) GVA ₹ 16,050 crore, Growth (15.4%)
(₹ in crore)



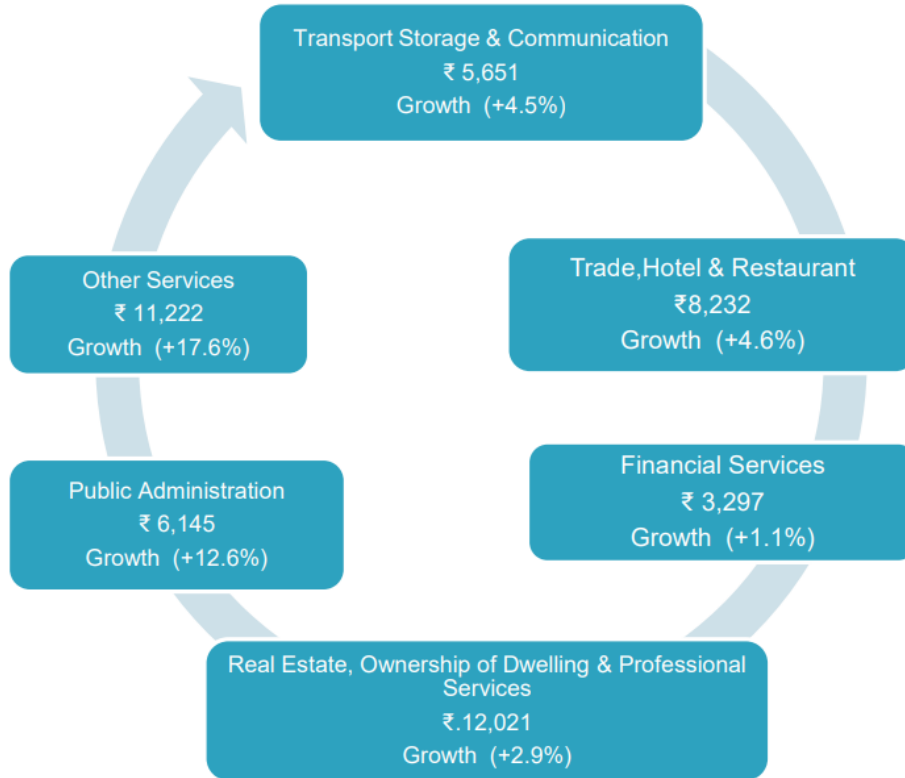
Secondary Sector:

Secondary Sector 2019-20 (FRE) GVA ₹ 53,498 crore, Growth 0.1%
(₹ in crore)



Tertiary Sector:

**Tertiary Sector 2019-20 (FRE) ₹ 46,568 crore, Growth 7.7%
(₹ in crore)**



Sector Wise Contribution:

Table 2.1
Sector wise Contribution of GVA 2017-18 to 2019-20(FRE)
At Current Prices (Value in ₹ crore & contribution in per cent)

Sectors	2017-18	2018-19 (SRE)	2019-20 (FRE)
Agriculture & Allied activities (Primary Sector)	16,473	17,836	22,280
	(13.01%)	(12.74%)	(14.58%)
Secondary Sector	56,692	63,347	64,063
	(44.78%)	(45.27%)	(41.94%)
Services (Tertiary Sector)	53,434	58,764	66,411
	(42.21%)	(41.99%)	(43.48%)
Gross Value Added (GVA) at current Basic Prices	1,26,599	1,39,947	1,52,754
	100.00	100.00	100.00
Gross State Domestic Product (GSDP) at Market Prices	1,38,551	1,49,442	1,62,816

Per Capita Income:

Per Capita Income

Years	Per Capita Income At Current Prices (in Rupees)	
	Himachal Pradesh	All India
2011-12	87,721	63,462
2012-13	99,730	70,983
2013-14	1,14,095	79,118
2014-15	1,23,299	86,647
2015-16	1,35,512	94,797
2016-17	1,50,290	1,04,880
2017-18 (TRE)	1,65,497	1,15,224
2018-19 (SRE)	1,76,460	1,25,883
2019-20 (FRE)	1,90,407	1,34,186

CHAPTER 3: COVID-19 IMPACT ON HIMACHAL PRADESH ECONOMY AND STATE'S RESPONSE

According to the International Monetary Fund (IMF), due to COVID pandemic the global economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown since the Great Depression of the 1930s.

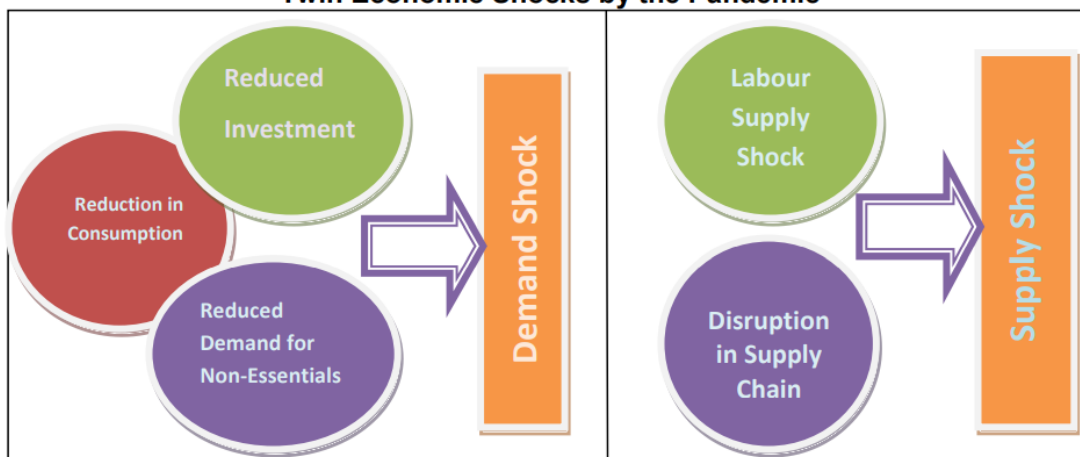
On 24th of March 2020, the Government of India imposed nationwide lockdown for 21 days, limiting the movement of the entire 1.3 billion population of India as a preventive measure against the COVID-19 pandemic.

The first case of the COVID-19 pandemic in India was reported on 30th January 2020, originating from China. Slowly, the pandemic spread to various states and union territories including the state of Himachal Pradesh. The first case was recorded in the region on 20th March 2020.

Negative impact of COVID:

The pandemic has been a unique economic shock that has triggered both supply and demand-side shocks simultaneously for economies around the world. Increased uncertainty, lower confidence, loss of income, weaker growth prospects, fear of contagion, curtailment of spending options due to closure of all contact-sensitive activities, the triggering of precautionary savings, risk aversion among businesses and resultant fall in consumption and investment-leading to the first order demand shock.

Twin Economic Shocks by the Pandemic

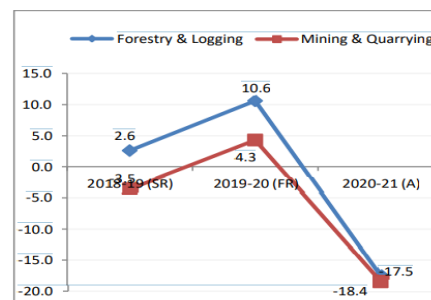


IMPACT OF COVID-19 ON HIMACHAL PRADESH:

1. Primary Sector: Forestry & Logging and Mining and Quarrying:

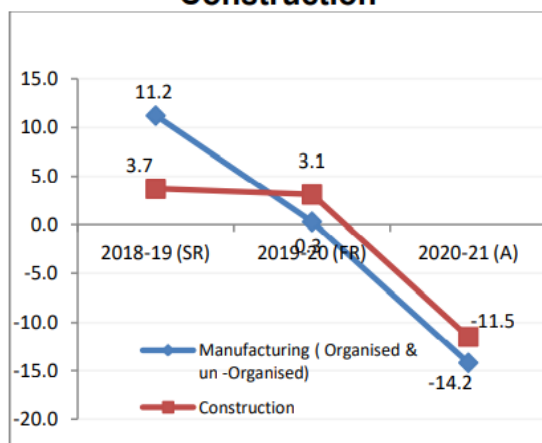
The highest fall under primary sectors can be seen in the Mining and Quarrying (-18.4 per cent) followed by Forestry (-17.5 per cent). This is due to the nationwide lockdown for Corona-19 outbreak which forced everyone to stay at homes to maintain social distancing. The unavailability of labour to work in forest and logging on the one side, and the decrease in the demand on the other side led to twin shocks to these sectors.

Figure 3.2
Growth Rate of Forestry and Logging and Mining and Quarrying



2. Secondary Sector:

Figure 3.3
Growth Rate of Manufacturing (Organised and un-organised) and Construction



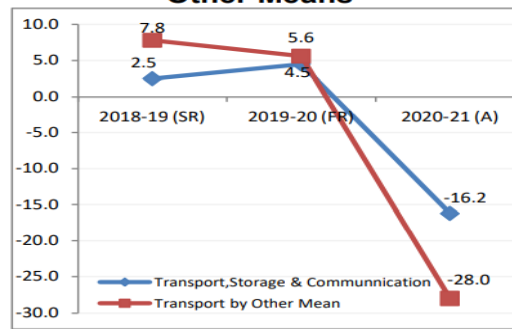
3. Tertiary Sector:

Figure 3.3
YoY Growth Rate of Tourist Inflow



Note: The data for these figures pertains to calendar year
Source: Tourism Department, Govt. of Himachal Pradesh

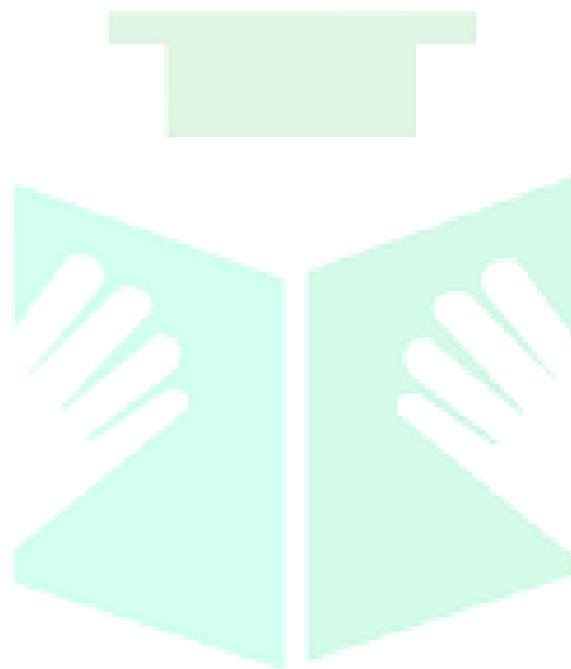
Figure 3.4
Growth Rate of Transportation and Communication and Transport by Other Means



STEPS TAKEN BY HIMACHAL PRADESH GOVERNMENT:

- **Active Case Finding (ACF) campaign:** Under ACF, approximately 16,000 ASHA (Accredited Social Health Activists) and Anganwadi workers went door-to-door to collect health information of every individual residing in the State (approximately 70,00,000) after the State-wide curfew was implemented. This data was shared with the Department of Health and individuals who showed Influenza-like symptoms were then tested for coronavirus.
- Inter-state and Intra-state movement was suspended. Movement of essential goods was permitted and regulated.
- Masks and hand sanitizer were put in the essential commodities list.
- State Government installed a COVID-19 helpline number (104).
- Dedicated COVID-19 Care Centres (DCCCs) were created for the quarantine of all international passengers, interstate travellers, and contacts, who did not have a facility for quarantine at home as per guidelines. COVID-19 hospitals were designated for the management of symptomatic patients.
- Physical distancing was maintained to avoid spread of virus from infected people. For this purpose, all social, cultural, sports, political, religious, academic, family mass gatherings of any kind for any purpose were banned in the State.
- The State Surveillance Unit was notified as a competent authority for surveillance, prevention and control measures of epidemic-prone diseases in the State. Similarly, the District Surveillance Unit was also notified.
- Curfew e-passes were issued on WhatsApp for movement of people and essential goods in the State.
- Curfew timings were relaxed for buying essential items.
- Families in the State under the National Food Security Act (NFSA) were given quota of food grains for two months in April itself on a priority basis.
- Social security pension for widows and physically challenged people was increased to `1,000 per month.
- State Government has released total Grant/ Equity/Subsidy amounting to ` 570.00 crore to the Himachal Road Transport Corporation (HRTC) in addition to
- the budgeted grant for the current year, `258.00 crores over and above the budgetary provisions.

- Energy Demand Charges deferred for six months to the Industries and hotels in which `35.00 crore has been spent.
- Industries and hotels have been charged domestic rate of water supply for 6 months at cost of approximately `1.00 crore.
- State Government has transferred `2000 per month from April to June 2020 in the accounts of 1.26 lakh workers registered under the Building and Construction Workers Welfare Board.
- Total benefit released was `75.00 crore approximately. In addition, the board has also provided support to the registered workers towards health needs, marriage and education of their children for which a sum of `7.33 crore was released.
- Financial assistance @ ` 2000 per fisherman (Total `1.07 crore) to 5,350 registered Fishermen of Govind Sagar, Koldam, Ranjeet Sagar, Chamera and Pong Dam Reservoirs has been transferred.



CivilsTap Hlmachal