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**New Investment and Economic Policy of Haryana and
their Impact on Global Investors, Special Focus on FDI
and Global Investor Meet, 2016, Haryana**

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Abstract - This paper investigates the effect of FDI on economic growth of Haryana .New government policies attract the world investors to invest in Haryana the emerging economy of India .Haryana as an attractive investment destination, Chief Minister Manohar Lal khattar (in his visit to Washington, San Francisco, Vancouver and Toronto) has invited US companies to invest in the state in sectors like IT, auto and defence production while assuring them full government support for the ease of doing business .As result in Happening Haryana - Global Investors Summit" in Gurgaon state government had signed 357 MoUs during the Summit for a total potential investment of Rs 5.84 lakh crore , which far exceeds the expectations of the government. Investment of this order is expected to generate employment opportunities for about 5 lakh people .This paper study the economy of Haryana, their policies, investment trends and opportunities for new businesses. Also know the benefits to society and country of these new investments and their opportunities. we find that FDI is very important component to growth a economy and creating jobs ,increasing life standard and long term development.

Keywords: *Haryana, Economy, foreign direct investment, Global Investors Summit.*

I. INTRODUCTION

FDI is the major monetary source economic development in any country. FDI is a non debt capital flow and is a leading source of external financing .It brings capital as well as technology and competitiveness, employment, good product and services, innovation for a economy of any state or country.

Today Haryana becomes an increasingly and investor friendly destination. The economy of Haryana is rapidly growing especially in services sector, like IT, BPO. **HARYANA** has emerged as the largest recipient of investment per capita in India. The state surrounds the country's capital Delhi on three sides which is called NCR .The state producer of 50% of the passenger vehicles ,60% of motorbikes in India .second largest producer of grains,4th in infrastructure,60% of basmati rice export, highest per capita income ,highest BPO workforce ,13 districts in NCR region ,2 industrial corridors DMIC AND AKIC .2 international airport NEW DELHI and Chandigarh. only 1.3% of the country area the Haryana contributes 4%.Panipat, Rohtak, Gurgaon, Rewari, Faridabad and Sonapat have special potential for accelerated socio-economic development being located in NCR.

Why Haryana?

- **Skilled Manpower-** national level education/training institutions like ; Indian Institute of Corporate Affairs (IICA), IMT Manesar; Central Institute for Plastics Engineering and Technology (CIPET), Murthal;
- National Institute of Food Technology, Entrepreneurship and Management (NIFTEM), Kundli;
- Footwear Design and Development Institute (FDDI), IMT Rohtak;
- National Automotive Testing and R&D Infrastructure Project (NATRIP), IMT Manesar;
- State Institute of Film & TV, State Institute of Fashion Design,
- State Institute of Fine Arts, State Institute of Communication, Rohtak etc.
- The location for setting up National Institute of Design (NID) and National Institute of Fashion Technology (NIFT) is also being finalized.

- **Theme parks** - Food Parks at Saha & Rai, Footwear Park at Bahadurgarh, Textile Park at Barhi, Agricultural Implements Park at Karnal, Electronic Hardware Technology Park at Kundli and IT Parks at Panchkula, Rai & IMT Manesar.

- The state economy attract investment of Rs 59000 crores during the last about six years

- Rs 1 Lakh crore is in the pipeline.

- Major players include Honda, Maruti Suzuki, Bharti Airtel, Denso, Yokohama, Asian Paints, Nestle, Mitsubishi, Baxter, YKK, JCB, Agilent, Mitsui, Harvel, Smithkline Beecham, Holister, Harley-Davidson, Samsung, POSCO, Yamaha etc.

DMIC Project – Investment Opportunities

- Supportive and very positive Government for development and growth.

- Indira Gandhi International Airport for world connectivity.

- Four major National Highways passes through the state -

1. NH-1 (Delhi-Ambala-Amritsar),

2. NH-2 (Delhi-Faridabad-Agra),

3. NH-8 (Delhi-Gurgaon-Jaipur)

4. NH-10 (Delhi-Rohtak-Hisar-Sirsa)

- Excellent law and order.

- The industrial relations are harmonious and cordial. Strikes/lockouts are minimum.

- Infrastructure facilities- road and rail network are very strong and full obtainable. well-developed industrial estates, top banking facilities, strong communication network, modern technology and their institutes and developed and spread commercial markets.
- Haryana offers a number of opportunities for the investors to invest and grow. Primary Sector contributed 19.7%, Secondary Sector 29.2% and **Tertiary Sector 51.1%** to the State Gross Domestic Product
- **The Gurgaon-Manesar-Bawal belt has emerged as the AUTO HUB of the INDIA**
-As per a study by CII-McKinsey, **Haryana's economy has grown by 17.5% during the last five years.**

Haryana 's share in National Production

- **80 % Cranes**
- **52% Excavators**
- **50% Passenger cars**
- **37% Two wheels**
- **15% Tractors**
- **20% Scientific Instruments**
- **25% Sanitary ware**
- 1st in the country to achieve 100% electrification.
- 1st in the country to link all villages with all weather roads.
- 1st in the country to provide safe drinking water facilities.
- 2nd largest in production of wheat to the national .
- 3rd largest in production of rice to the national.

- 1st exporter of Basmati rice.
- Highest per capita net domestic product in the country – (2011)
- leading states in terms of GDP growth between 2005 to 2010.
- *Highest investment implementation rate of more than 82%.*
- *Haryana has a 'continental' climate in summer 45°C and freezing point in winter. Average annual rainfall being 80cms.*

Objectives

1. **To know the flow of investment in Haryana.**
2. **To evaluate the impact of FDI on the economy of Haryana.**
3. **To assess the determinants of FDI inflows in Haryana.**

II. RESEARCH METHODOLOGY

All the information and data are collected from various secondary sources like journals, books, newspapers, web and economic reports etc.

ECONOMY OF HARYANA

GSDP at Current Prices (2014-15)-Rs. 4,35,310 crore

Role in National GDP-3.5%

Growth rate (2014-15)-7.8%

Agriculture sector production – 14.1%

Industries products – 27.0%

Services has play great role in the economy of Haryana – 58.9%

Income per capita is -Rs. 1,47,076

Generation of power in the state –over 10,000 MW.

ROLE OF HARYANA'S ECONOMY IN THE NATIONAL ECONOMY

- In the National Gross Domestic Product is nearly 3.5%.

- Manufacturing Hub - Haryana is known as agrarian economy and strong industrial base -80% of escalators, 52% of cranes, 50% of cars and 33% of two-wheelers are manufactured in the Haryana. The State enjoys its proximity to national capital along with access to international airport and network of national highways passing through the State.
- Size of Economy (2014-15) - The Current Economy size (State GDP) is Rs. 4.35 lakh crore (US\$ 67 billion), GDP growth rate of 7.8% and Per Capita Income (current prices) of Rs. 1,47,076 (US\$ 2,260).
- Economy composition (Primary/Secondary/Tertiary Sector) – (1) 59% of the State's GDP is contributed by the Services Sector,(2) about 27% by the Secondary/Industries and(3) 14% by the Agriculture Sector.
- Strategic location of the State - Haryana is also located as it surrounds Delhi from three sides. The State is well connected and 4 major National Highways. Nearly 57% falls within the National Capital Region (NCR) and more than 66% under the influence zone of the Delhi Mumbai Industrial Corridor (DMIC) project.

5. Large and MSME Units - 1,670 Large and Medium Enterprises which have catalyzed investments of Rs. 49,000 crore and generated employment for 3.36 lakh persons. Besides, there are around 90,000 MSMEs with total investment of Rs.15,000 crore and employing more than 8.90 lakh persons.

- Thrust Areas/Sectors of Investment
- Auto, Auto Components & Light Engineering
- Agro-based, Food Processing & Allied Industry

- Textiles / Apparel / Knitting / Embroidery / Technical textiles
- Footwear & Accessories
- Electronics & IT/ITES
- Defence and Aerospace Manufacturing
- Renewable Energy & Solar Parks
- Pharmaceutical & Chemical Industry
- Enterprises Promotion Policy-2015

"Enterprises Promotion Policy-2015" launched in August 2015. This Policy envisions GDP growth rate higher than 8%, an investment -Rs. 1 lakh crore, employment generation for more than 4 lakh persons.

New Enterprises Promotion Policy MAIN features;-

- Ease of Doing business;
- Increased competition.
- Equal Regional Growth
- promote to the MSME Sector;
- Monitoring and implementation of policy and grievance redressal.
- Reducing the cost and maximize the profit.
- (New Industrial Regulation by Automatic Approvals and Delegation in Haryana) Scheme has been launched which focuses on time bound approvals & clearances and self-certification & 3rd party verification under the same roof through the Haryana Enterprise Promotion Board. 31 blocks as 'No CLU Blocks' and 75 blocks as 'Auto CLU Blocks'.
NIRBAADH -

- (Financial Incentives and No Enhancements) introduce to reduce the cost of doing business and no enhancement in cost of plots allotted by HSIIDC in future. A subsidy upto Rs. 36,000/- per year would be provided to industries employing local youth. FINE -
- (VAT, Interest, Stamp Duty, Tax, Audit Assistance and Rating) it provides for subsidy in VAT, Interest, Stamp Duty, Tax, Audit & Ratings. VAT subsidy upto 75% for Micro, Small & Medium enterprises. VISTAAR
- (Professionals and New Entrepreneur Tax Assistance) introduced with the MSMEs, both manufacturing & services, professional & technically qualified entrepreneurs would not be required to pay any State tax upto Rs. 3 crore for 3 years. Upto 25% of plots in HSIIDC. PRANETA
- Mega Projects in manufacturing, Tourism, Logistics, Wholesale etc. involving land of minimum 500 acres and investment of Rs.6,000 crore. Maha Nivesh Yojana

Main Sectors For Investment are :-

1. Agro based and Food Processing
2. Automotive Industry
3. Aerospace and Defence
4. IT/ITeS & ESDM
5. Footwear & Accessories
6. Pharmaceuticals & Chemicals
7. Renewable Energy
8. Textiles.

MoUs

- 2 -Aerospace and Defence sector,
- 10- Education and Skill Development,
- 117 - Manufacturing,
- 22 - Real estate,
- 16 - Infrastructure,
- 48 - Agro, Food Processing and allied industries,
- 39- Energy, renewable energy and solar parks,
- 35 - Electronics, Information Technology (IT) and Information Technology Enabled Services (ITES),
- 8 - Pharmaceutical and chemical industry,
- 13 - Auto, auto components and light engineering,
- 15- Textile, apparel, knitting, embroidery and technical textiles,
- 9 - Footwear and accessories
- 23 - Other sectors.

2016 Happening Haryana Global Investors Meet

- 500% more than target of Rs 1 lakh crore
- 357 MoUs Rs 5,84,000 crore,

- participation- 3,000 delegates
- including 160 from 12 partner international countries,
- 15 Union Ministers, Global CEOs.

The MoUs include

- ITC Rs 550 crore
- DLF Rs 22,808 crore
- DMIC DC Rs 12,500 crore Wanda Group Rs 60,000 crore
- Indiabulls Rs 25,000 crore
- Rataan India Power Rs 9,000 crore
- IKEA Rs 500 crore
- Walmart India Rs 500 crore
- Patanjali Ayurvedic Rs 5,000 crore

Inside the meet

- 39 MoUs -non-industrialized areas outside NCR
- 30 per cent MSME sector
- Manufacturing sector - 40 per cent ,
- While over 10 per cent -MNCs.
- Centre would undertake 23 highway projects in the state within six months,

- 1,183 kilo metres and an investment of over Rs 11,000 crore.
- Centre would be investing Rs 32,000 crore in the national highway projects over the next two years. government would be investing more than Rs 1,000 crore for constructing flyovers
- Mr Gadkari said that a new expressway covering Haryana, Punjab and J&K would soon be a reality – at an investment of over Rs 40,000 crore. The modernization of the Delhi-Jaipur highway and other projects will raise the opportunities for Haryana.
- The Centre would soon declare the first waterways project of Haryana, recycling of sewage water and introducing bio-CNG transport projects in the state.
- 18 cities across Haryana would be funded under the Central plan of AMRUT (Atal Mission for Rejuvenation and Urban Transformation)
- A railway coach factory would be set up over an area of 120 acres.

III. Conclusion

This government is very active and development oriented. FDI has a positive impact on the state and country's economy. FDI inflow supplements domestic capital, as well as technology and skills of existing companies. It also helps to establish new companies. All of these contribute to economic growth of Haryana as well as the Indian Economy. Haryana has great opportunities and environment for growing any business and industry which is very positive sign for a developing economy .This is the first global meet in Haryana which is great opportunities for investors, foreign MNCs and also for host. Investment meet of this order is expected to generate employment opportunities for about 5 lakh people.

In the last we can say that FDI and MNCs ,industrial development leads to a country high life standard ,employment ,world class product and services ,new technology which is main component of a developed economy .

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