

Towards a Viksit Gujarat @2047

Evolving an enabling ecosystem

2024



Contents

Section	Page
Message from Shri Bhupendra Patel, Chief Minister, Gujarat State	03
Message from Shri Balvant Singh Rajput, Minister of Industry, Gujarat State	04
Foreword by Knowledge Chamber of Commerce and Industry	05
Foreword by Grant Thornton Bharat	06
Executive summary	07
Context and state profile	08
Economic circumstances, trends and strategy	13
Enabling policy environment	17
Shaping the Viksit Gujarat workforce	27
Credit ecosystem	31
Infrastructure (including logistics)	34
Emerging sectors	39



Shri Bhupendra Patel
Chief Minister,
Gujarat State



Bhupendra Patel

Chief Minister, Gujarat State

Dt. 16-07-2024

Message

Gujarat has always been one of the most dynamic, growth oriented, investor friendly States in India. The state has skilled work-force, technical expertise and sustainable ecosystem. Gujarat state has become the role model for India as this state only has unveiled first ever visionary ‘Viksit Gujarat@2047’ document that outlines Gujarat’s roadmap for industrial, economic and social development until 2047. It became first state that introduced industrial policy, semiconductor policy etc. across the nation. **Honourable Prime Minister Shri Narendra Modi** has envisioned the concept of development and growth for stronger economy of the State and the Nation. He is always keen to incubate the startups, MSMEs and new ventures with a view to realize the dream of our new generation.

I am much pleased to learn that the **Knowledge Chamber of Commerce and Industry (KCCI)** is organizing “MSME Convention 2024” on its 6th Annual Foundation Day – **18th July, 2024** at **Ahmedabad**. I am delighted to learn that this event is being organized with a theme of “Strengthening MSMEs for Sustainable Growth and emphasis on the strategies, challenges and way forward. It is heartening to learn that prominent dignitaries are to grace and address the event. I hereby convey my best wishes to **Team-KCCI**, all the participants for the success of the event and for a bright future ahead.



(Bhupendra Patel)

To,
Shree Durgesh Agarwal, Chairman,
Knowledge Chamber of Commerce and Industry (KCCI),
The Emporio, Visat-Gandhinagar Highway,
Motera, Ahmedabad-380005.
Email: nakul@knowledgechamber.org
Mo: 9099993460

Apro/ug /2024/07/16/rs



Shri Balvant Singh Rajput
Minister of Industry,
Gujarat State

બલવંતસિંહ રાજપુત



ક્રમાંક: મંત્રી/ઓ.કુ.ઓ., ના.ઓ., શ્ર. અને રો./
સુભેચ્છા/૨૩૦
મંત્રી,
ઉદ્યોગ, લઘુ, સૂક્ષ્મ અને મદ્યમ ઉદ્યોગ, કુટિર, ખાદી
અને ગ્રામોદ્યોગ, નાગરિક ઉકૂચન, શ્રમ, કૌશલ્ય
વિકાસ અને રોજગાર,
ગુજરાત સરકાર
સ્વાહિમ સંકુલ-૧, બીજો માળ,
સચિવાલય, ગાંધીનગર-૩૮૨૦૧૦
ક્રોન નં. ૦૭૮-૨૩૨૫૦૨૩૬
ફેક્સ નં. ૦૭૮-૨૩૨૫૦૨૬૪
તારીખ : ૨૯/૦૭/૨૦૨૪

શુભેચ્છા સંદેશ

સનેહીશ્રી,

“નોલેજ ચેમ્બર ઓફ કોમર્સ એન્ડ ઇન્ડસ્ટ્રી” ના “કઢા વાર્ષિક સ્થાપના દિવસ” ના અવસરે “એમ.એસ.એમ.ઇ. સંમેલન-૨૦૨૪” નું આયોજન પ્રેરણાદાચી અને ઉત્સાહવર્ધક છે.

ભારતના યશસ્વી વડાપ્રદાનશ્રી નરેન્દ્રભાઈ મોટી સાહેબના વડપણ હેઠળ દેશમાં ઔદ્યોગિક, આર્થિક, માનવબળ અને સામાજિક ક્ષેત્રે ઐતિહાસિક સુધારણા સહ “નિયા ભારત” ના ઘડતરની સર્વોત્તમ કામગીરી થઈ રહી છે. વર્ષ ૨૦૨૪ સુધીમાં “વિકસિત અને આત્મનિર્ભર ભારત” ના સ્વપ્નને આપણે સૌથે સાથે મળીને પૂર્ણ કરવાનું છે. ગુજરાત રાજ્યમાં માન.મુખ્યમંત્રીશ્રી ભૂપેન્દ્રભાઈ પટેલ સાહેબના નેતૃત્વ હેઠળ સર્વાંગી વિકાસની દિશામાં તેમજ “આત્મનિર્ભર ગુજરાતથી આત્મનિર્ભર ભારત” ના સંકલ્પને ચરિતાર્થ કરવા અર્થે મક્કમ કાર્યો થઈ રહ્યાં છે.

“એમ.એસ.એમ.ઇ. સંમેલન-૨૦૨૪” માં ૫૦૦ થી વધુ એમ.એસ.એમ.ઇ. તથા ૨૦ થી વધુ સેક્ટર પર દ્યાન કેન્દ્રિત કરવામાં આવનાર છે. આ ઉત્તમ આયોજન સફળ થાય તેવી શુભકામનાઓ સાથે સંરથાના સૌને હોદ્દેદારો તથા સંકળાયેલા સૌને અભિનંદન.....

આપણો સનેહાધીન,

(બલવંતસિંહ રાજપુત)

પ્રતિ,
શ્રી દુર્ગોશ અગ્રવાલ-ચેરમેનશ્રી
નોલેજ ચેમ્બર ઓફ કોમર્સ એન્ડ ઇન્ડસ્ટ્રી,
૫૦૭-૫૦૮, ઘ એમ્પોર્ટીઓ, જરી સ્ક્વેરની સામે,
વિસ્તા-ગાંધીનગર હાઇવે, મોટેરા, અમદાવાદ-૩૮૦૦૦૫.

Foreword by Knowledge Chamber of Commerce and Industry

‘Atmanirbhar Bharat’ mission and various policy reforms have aimed at empowering MSMEs further, thus allowing easier access to credit, technology upgradation, and infrastructure support for their growth and sustainability.



Durgesh Agarwal
Chairman - Western Region
Knowledge Chamber of
Commerce and Industry

I am very happy to convey my message to the stakeholders of the micro, small, and medium enterprises (MSMEs). I compliment the **Knowledge Chamber of Commerce and Industry (KCCI)** for taking this very important initiative on the occasion of the Annual Foundation Day.

MSMEs form the backbone of India’s economy, contributing significantly to its growth and development across various dimensions. As of 2024, MSMEs in India account for over 6.3 crore enterprises, employing nearly 11 crore people. They contribute around 30% to India’s GDP, showcasing their substantial economic footprint, and thus, playing a vital role in exports. MSME exports amount to approximately 48% of India’s total exports, highlighting their significance in global trade.

‘Atmanirbhar Bharat’ mission and various policy reforms have aimed at empowering MSMEs further, thus allowing easier access to credit, technology upgradation, and infrastructure support for their growth and sustainability.

I am happy to learn that **KCCI and Grant Thornton Bharat are bringing out a research paper towards a Viksit Gujarat@2047**. I especially acknowledge the efforts put in by the KCCI team for the overall development of the programme and the Grant Thornton Bharat team for the report.

With all this inventiveness by the ministries and catalysts like KCCI, I’m sure that the MSMEs will be able to achieve all short-term and long-term objectives and goals.

With these words, I wish the convention and KCCI a great success.

Foreword by Grant Thornton Bharat

‘Towards a Viksit Gujarat @2047’ is a strategic guide that charts the course for sustainable and inclusive growth.



Prof. V. Padmanand
Partner,
Grant Thornton Bharat LLP



Dr. Dhaval Sheth
Partner,
Grant Thornton Bharat LLP

We are delighted to present ‘Towards a Viksit Gujarat @2047’, a knowledge paper co-produced by the Knowledge Chamber of Commerce and Industry (KCCI) and Grant Thornton Bharat LLP. This document provides a strategic roadmap for Gujarat to become a key player in India’s vision of achieving a developed status by 2047. Our collaborative effort highlights Gujarat’s significant progress across various sectors and pinpoints the key areas that will drive the state towards exceptional growth and prosperity.

Renowned for its dynamic business environment and entrepreneurial spirit, Gujarat leads in India’s industrial and economic development. The state’s solid infrastructure, proactive governance, and supportive policy landscape have consistently attracted investment, creating a dynamic economic ecosystem. As we move through the post-pandemic recovery phase, this paper emphasises the importance of strategic investments and policy measures in industry and infrastructure, which are vital for sustained long-term growth.

This paper examines the economic conditions and strategic trends shaping Gujarat’s growth trajectory. It showcases the state’s impressive accomplishments, including a 16-fold increase in the Gross State Domestic Product (GSDP) over the past two decades, strong industrial output, and a substantial contribution to national exports. These achievements demonstrate Gujarat’s resilience and strategic emphasis on leveraging its competitive advantages. Key themes, such as fostering an enabling policy environment, developing a skilled

workforce, enhancing the credit ecosystem, and building top-tier infrastructure, are recurrent throughout this document.

Emerging sectors, such as renewable energy, electric vehicles, and semiconductors, are set to transform Gujarat’s economic landscape. The state’s forward-thinking approach in adopting these new industries, along with its established strengths in textiles, chemicals, and manufacturing, positions it as a ready economy for the future. The paper provides detailed insights into these sectors, with practical recommendations for capitalising on their growth. By nurturing innovation, supporting start-ups, and strengthening the supply chain, Gujarat can play a significant role in India’s journey toward becoming a global economic powerhouse.

In conclusion, ‘Towards a Viksit Gujarat @2047’ is a strategic guide that charts the course for sustainable and inclusive growth. It invites collaboration from all stakeholders — government, industry, academia, and civil society — to unite in achieving this vision. We believe the insights and recommendations laid out in this paper will ignite transformative changes, propelling Gujarat to new heights of development and establishing a model for other states to emulate.

Executive summary

The Hon'ble Prime Minister has a vision of making India a developed nation in "Viksit Bharat@2047". In sync with this vision, the Hon'ble CM of Gujarat has resolved to embark on this transformative journey with "Viksit Gujarat@2047". This transformative journey identifies a few key domains - Industry, infrastructure, agriculture, education, and healthcare for achieving the long term vision of the state. Achieving this transformative change requires investment-led growth conditions, including an enabling ecosystem of competitive factor conditions and fostering of favourable demand conditions.

Gujarat is amongst India's most industrialised and urbanised states. It has a society with an inherent trait of business culture where challenges are turned into opportunities for business growth. Gujarat is poised to emerge as a stronger global value chain player, contributing significantly to the nation's prosperity and progress. Today, the state is one of the larger state economies of the country, with nearly 5% share of India's population and 8.3% of GDP, with a high growth trajectory.

Gujarat has witnessed a 16-fold increase in its GSDP from USD 17.7 billion in 2002-03 to USD 282 billion in 2022-23. The Gross State Domestic Product (GSDP) of Gujarat for 2023-24 (at current prices) was projected to be INR 25,62,975 crore, at a growth of 13% over the revised estimate of GSDP for 2022-23 (INR 22,61,715 crore). It holds 6% of the country's geographical area and contributes to 18% of industrial production. Gujarat's ports handle over 40% of India's cargo. In terms of sectoral composition, the manufacturing sector accounts for 45 % share in GSDP, while the agriculture sector accounts for 20% and the services sectors accounts for 35% share in GSDP, respectively (at current prices) per 2020-21 report. Notably, investment-led growth will have to drive the growth of the economy, given fiscal concerns. If the ecosystem is properly oriented, necessary investment may be leveraged.

Fostering a supportive environment for start-ups and agripreneurs specialising in quality input supply and crop advisory services with extension services, crop diversification, precision farming, good animal husbandry practices (GAHP) and stewardship councils/fora for export orientation could help seize the opportunities in agri and allied activities. These need to be complemented with an increased focus on the promotion of FPOs. Both higher yield and increased agri-GDP, as well as inclusive growth through FPO, will facilitate growth of the

agriculture sector. There is also larger scope for increasing rural incomes by way of promoting animal husbandry, horticulture, fisheries and poultry farming.

Industry, being the key domain in achieving Viksit Gujarat@2047, needs to be supported through various interventions and initiatives in credit facilitation, infrastructure, logistics, exports, renewable energy, artificial intelligence, fintech, skill development, etc.

In terms of credit facilitation, leveraging fintech with an AI-based approach to facilitate entrepreneurs' access to credits would provide digital intervention that aligns with digital India's goals. Impactful interventions like the Trade Receivables Discounting Services (TReDs) facility would facilitate the EODB, reduce delayed payments, and strengthen the credit ecosystem. Other initiatives like state-level credit guarantee schemes, cluster-based financing, green financing, and circular economy focus, and favourable public procurement systems would create an enabling ecosystem for MSMEs.

With respect to infrastructure and logistics, though Gujarat has been extensively engaged in building strongly connected networks, gaps exist in multi-modal logistics, infrastructure projects in PPP mode need to be upscaled, and appropriate twinning with GoI schemes will be apt.

In terms of skilling, there is a need to twin industry expectations with academic curriculum. Focused training modules with assessment criteria as per the German approach of both vocational and academic training would provide the necessary skilled workforce. Upskilling and re-skilling of the workforce creates a holistic environment for industries to thrive.

Gujarat offers potential in the areas of cargo exports, electric vehicles (EVs), and renewable energy (RE) projects. An enabling policy environment in terms of state GST refunds, electricity subsidies, and stamp duty waivers for a phased period, coupled with investment subsidies, are standard initiatives to be optimised to attract outside investments.

In conclusion, by focusing on the proposed thematic areas and an enabling ecosystem, Gujarat may contribute most significantly to Viksit Bharat@2047.

01

Context and state profile



‘Viksit Bharat 2047’ is the Indian Prime Minister’s vision towards making Bharat a developed economy and society by the time the country completes 100 years of independence. The CM of Gujarat announced that the state is determined to play a major role in making India Viksit Bharat 2047 and itself aims to become a Viksit Gujarat@2047. The CM states that the growth of the state has substantially facilitated in solidifying the concept ‘Gujarat means growth’.

Gujarat aims to be a USD 500 billion economy by FY27, from USD 271 billion currently. It has highlighted a 17% compound annual growth rate (CAGR) target for manufacturing exports from 2022 to 2027. It has set a goal to contribute 10% to India’s GDP and become a USD 500 billion economy by 2026-27 with the vision of making ‘Viksit Bharat@2047’.



USD 500 billion

Gujarat aims to be a USD 500 billion economy by FY27



17% CAGR target

for manufacturing exports from 2022 to 2027

1.1 Economic circumstance and strategic thrust

Gujarat is amongst India’s most industrialised and urbanised state. Presently, Gujarat, which has 5% of the country’s population, contributes about 8.36% to the country’s Gross Domestic Product (GDP). The state itself accounts for 33% of India’s total merchandise exports. The GDP growth of the state is 10.8%, positioning itself as third in this context in India as of 2021-2022.

In the last 20 years, Gujarat has witnessed a 16-fold increase in its GSDP from USD 17.7 billion in 2002-03 to **USD 282 billion in 2022-23**. The Gross State Domestic Product (GSDP) of Gujarat for 2023-24 (at current prices) was projected to be INR 25,62,975 crore, a growth of 13% over the revised estimate of GSDP for 2022-23 (INR 22,61,715 crore). It holds 6% of the country’s geographical area and contributes to 18% of industrial production in India. Hence, Gujarat’s economy has established the state as the growth engine of the Indian economy with its strong economic fundamentals.

As per the Annual Survey of Industries (ASI) 2021-22, Gujarat’s ports handle over 40% of India’s cargo. Additionally, Gujarat stands first in terms of the numbers of IEMs filed and actual investment reported for 2019. Gujarat has established itself as a manufacturing powerhouse for sectors such as auto and auto components, chemicals and petrochemicals, drugs and pharmaceuticals, cement, textiles, engineering, gems and jewellery, and ceramics. The state is home to some of the world’s largest companies, including 100+ Fortune 500 companies. It has 29,766 registered factories, comprising 11% of Indian factories as of 2022, standing at the second position.

Notably, Gujarat has a large MSMEs base, which also significantly serves as ancillary units to large firms contributing considerably to the state's industrial development. There are over 250 identified industrial and artisan clusters spread across the state. Gujarat is home to over 3.5 million MSMEs, which are a major source of employment. Some of the MSME clusters and related products categories are tabulated below:

Table 1: Clusters in Gujarat

Sub-sector/ Product category	Number of clusters	Major clusters
Engineering	21	Rajkot, Ahmedabad, Gandhinagar, Mehsana, Surendranagar
Chemicals	23	Ahmedabad, Ankleshwar, Surat, Nandesari, Vadodara, Vapi
Textiles	18	Ahmedabad, Amreli, Dahod, Kalol, Mangrol, Bhuj, Navsari, Rajkot, Surat
Diamond	10	Ahmedabad, Amreli, Banaskantha, Bhavnagar, Botad, Navsari, Surat
Mineral-based industry	16	Gandhinagar, Porbandar, Sabarkantha, Surat, Surendranagar
Agro and food processing	7	Anand, Bhavnagar, Veraval, Vadodara, Surat, Surendranagar

Source: Industries Department and stakeholder consultation

In terms of sectoral composition, the manufacturing sector accounts for 45% share in GSDP; the agriculture sector accounts for 20%, and the services sector accounts for 35% of the economy, respectively (at current prices), as per 2020-21 data. A comparative perspective of most industrialised states is presented below:

Table 2: Sectoral contribution to state GSDP at current prices (2021-22)

Sector	Gujarat	Maharashtra	Tamil Nadu
Agricultural	20%	16%	13%
Manufacturing	45%	25%	32%
Services	35%	59%	55%

Sources: Economic Survey Reports; PRS Legislative Research - Budget Analysis 2023-24

The agro and industrial manufacturing sector has a relatively stronger base contributing towards progressively making the nation “Factory of the World” and not only the “Office of the World.”

From 2019 to 2023, with a 16.37% contribution in FDI inflows, Gujarat has attracted foreign direct capital of INR 2,45,018 crore (USD 32,630 million). This reflects the relatively strong investment climate and supporting ecosystem.

A comparative table on the state's circumstance and performance across various parameters with comparator states of Maharashtra and Tamil Nadu is presented below:

Table 3: Circumstance and performance vis-à-vis comparator states

Parameters	Gujarat	Maharashtra	Tamil Nadu
FDI inflow (Oct 2019 – March 2024)	USD 39.21 Bn	USD 69.08 Bn	USD 10.93 Bn
Total merchandise export (April 2023 to Feb 2024)	USD 134.4 Bn	USD 67.21 Bn	USD 39.10 Bn
GSDP (current prices 2023-24) in crore	25,62,975	38,79,792	28,30,000
GSDP growth rate (YoY, 2022-23)	13.30%	10%	14%
Per capita income (current prices 2022-23)	USD 3429	USD 2633	USD 3276
Total MSMEs (NSS data in lakhs)	33.16	47.78	49.48
Employment distribution in the MSME (in lakhs)	61.16	90.77	96.73

Sources: Annual Report 2022-23 (MoMSME, GOI); <https://www.investindia.gov.in/>

The state leads in contribution to merchandise exports and in per capita income amongst the more industrialised and developed Indian states.

The strategic focus of Gujarat has been on sectors that define the current landscape of industries and on shaping its global future. Its strategic development in new and emerging sectors, such as semiconductors, green hydrogen, electric vehicles, renewable energy, and the financial services industry, stands as a prime example of the state's progress toward achieving the set ambitious goals of economic growth rate.

The government has identified 15 thrust sectors, 9 in core economy and 6 in the new economy, i.e., sunrise sectors. The focus thrust area and sub-sectors identified under them are: Automobile - electric vehicles (EV), alternate fuel vehicles; apparel- wearing apparel (including knitted and crocheted fabrics); basic metals – ferrous and non-ferrous, specialty steel, electronics - mobile manufacturing, semiconductor, and fab manufacturing, electrical machinery and equipment - batteries and accumulators (Li/Hydrogen batteries, advanced chemistry cell battery), solar PV, food processing - processing and preserving of fruit and vegetables, pharmaceuticals - APIs, textiles - technical textile, IT/ITES – BPM/financial and legal

process management, AI and data management, aerospace and defence – import substitute engineering and electronic products, financial and banking – specialised financial/ banking, aircraft leasing, etc., services at the International Financial Services Centre (IFSC), GIFT City.

Complementing these thrusts, the state government has launched policies and schemes incentivising investors to drive growth like the industrial policy, agro and food processing policy, health policy, solar and wind energy policy, electric vehicle policy, semiconductor policy, biotechnology policy, and renewable energy policy.

In summary, regardless of the existing and potential sectors with comparative advantage by virtue of raw material resources, skilled manpower, domestic or inter-sector demand, etc., there is a need to evolve sustainable competitive advantage. This will require the evolution of globally competitive factor conditions and facilitating market conditions, all within an enabling business environment.

1.2 Evolving an enabling ecosystem: Conducive environment and factor and demand conditions thrust

There is effectively a need for evolving an enabling ecosystem through adopting from best practices in terms of:

- 1 Policy environment
- 2 Access to quality inputs and competitive prices
- 3 Capacity building and skilling of workforce
- 4 Start-up ecosystem
- 5 Credit (including cluster-based financing) and green financing
- 6 Infrastructure (technical and physical)
- 7 Logistics
- 8 Facilitating market and demand connect
- 9 Channeling growth into emerging sectors of semiconductors, green energy hydrogen, electric vehicles, renewable energy, and financial services, these initiatives need to be complemented with supporting technology, as well as an innovation ecosystem.

This approach towards developing regional and national economies has also been adopted by many global development agencies, with team members at Grant Thornton Bharat having contributed to many such interventions in India and abroad.

02

Economic circumstances, trends and strategy



2.1 Macroeconomic strategy for Viksit Gujarat

Arguably, investment-led growth will have to propel the growth of the economy. Given the relatively favourable position vis-à-vis fiscal deficit, state government expenditure and investment can also be used to fuel economic growth to the desired extent. As a matter of fact, with an outstanding debt of INR 3.69 lakh crore, the debt to GSDP ratio amounts to about 15.20%. **In this context, public investment needs to be leveraged and complimented by private investment.** A comparative tabulation of the fiscal scenario vis-à-vis Tamil Nadu is presented below:

Table 4: Fiscal circumstances: Gujarat vs Tamil Nadu

Parameters	Gujarat	Tamil Nadu
Debt to GSDP ratio	15.3	25.6
Fiscal deficit (as % of GSDP)	1.64	3.89

Sources: PRS Legislative Research - Budget Analysis 2023-24

The fiscal scenario at the state level is better than in other states.

Economic growth heavily relies on investment and efficiency in deploying and using such capital. The growth rate can be considered as the rate of an investment over incremental capital-output ratio (ICOR) as per the classic Harrod-Domar growth approach, reflecting the capital required to produce an additional unit of output. With an ICOR of 3.5 in India and an investment rate of 35%, the growth rate in the Indian economy has been about 8.2%. Domestic and inward FDI need to be encouraged by evolving the right investment-facilitating ecosystem. A comparative picture of ICORs in India and Tamil Nadu is presented below:



Table 5: Comparative perspective on ICORs

Parameters	India	Tamil Nadu
ICOR	3.5	4
Investment rate	35%	40%
Growth rate	8.2%	10%

Sources: PRS Legislative Research - Budget Analysis 2023-24

Increasing the efficiency of investment will facilitate reducing the volume of investment required to achieve a targeted growth rate. This can be done through PPPs that are implemented in industrial, infrastructure, and agriculture projects. Furthermore, in the context of Gujarat, initiatives in terms of increasing yield in agriculture on PPP mode as has been recently demonstrated for the ground nut crop in Gujarat under the Public Private Partnership for Integrated Agricultural Development (PPPIAD in India) scheme and cluster-based interventions may increase the base of economic activities and reduce the required growth rate.

2.2 Required growth rate

From 2000 to 2004, the average growth rate of Gujarat was about 11.41%, even surpassing states like Maharashtra and Tamil Nadu. However, growth surged to 14.6% between 2004 and 2010 and remained at 14%, even above India's growth rate. Compared with all-India estimates, all-India growth rates were 8.20% (2005-06 to 2011-12) and 5.48% (2012-13 to 2021-22).

A higher, double-digit real growth rate (accounting for inflation) is achievable if the economic environment is made more conducive. This could propel the economy towards a Viksit Gujarat target within a decade, encompassing aggressive growth.



2.3 Structure of gross state domestic product: Trends

Investments in manufacturing show promise, like other developing economies, and the state economy has also witnessed a gradual expansion in the manufacturing and services sectors. At current prices, in 1960-61, the share of the primary sector was 41.8%, which went down to 38.7% and 17.6% in 1980-81 and 2000-01, respectively. In 2021-22 (Q), the share of the primary sector was 19.6%.

In 1960-61, the share of the secondary sector in the economy was 25.7%, which increased to 29.0% and 38.3% in 1980-81 and 2000-01, respectively. In 2021-22 (Q), it grew to 45.3%.

The share of the tertiary sector in the economy was 32.5% in 1960-61, which remained stable in 1980-81 at 32.3% and thereafter increased to 44.1% in 2000-01. In 2021-22 (Q), the share of tertiary sector was 35.1%.

Table 6: Sectoral contribution of GSDP - Trends

Parameters	% share in 2000-01	% share in 2021-22
Primary sector	17.6	19.6
Secondary sector	38.3	45.3
Tertiary sector	44.1	35.1

Sources: Economic Survey Reports 2022-23, 2023-24

Gujarat's shift towards manufacturing as a growth engine is noteworthy. Further, the services sector has also grown steadily, reflecting the "Office Economy" growth in tandem.



03

Enabling policy environment



Sound macroeconomic fiscal policies are required to nurture favourable factor conditions and lever investment into the state. As indicated, there includes fiscal outlays towards infrastructure and capital expenditure (on a PPP mode, where feasible) and a supportive business environment.



3.1 Potential for evolving into the ‘Factory of the world’

Following the global competition trend between industrial clusters, as highlighted, Gujarat boasts over 250 identified clusters, making it a strong contender. Some of these clusters, like Surat, rank among the biggest in India in terms of their respective sectors. The state is home to leading clusters like Surat (diamonds and textiles), Ahmedabad (textiles and Pharma), and Rajkot (engineering), which are not only dominant nationally but also competitive on a global scale. Surat, for instance, is a diamond polishing and cutting powerhouse, contributing significantly to the Indian diamond industry's global exports. Gujarat's chemicals, pharmaceuticals, and ceramics clusters are also prominent players. With rising labour and other costs in established global manufacturing hubs, Gujarat is well-positioned to attract businesses seeking to relocate and potentially become a more important player in the global manufacturing landscape.

3.2 Improve efficiency of investment (and ICOR)

Recognising typical limitations in a state's own project execution capabilities, Gujarat should prioritise and actively promote public-private partnership (PPP) models, particularly for infrastructure development. This can improve the state's Incremental Capital Output Ratio (ICOR), enhancing economic growth. To facilitate this transition, Gujarat must constantly develop a robust policy framework to attract and implement PPP ventures effectively.



3.3 Increased contribution of agriculture and allied activity of GSDP – increasing the base of growth

With its high contribution from the agricultural sector, Gujarat presents a significant opportunity to strengthen agri-extension services. This can be achieved by:

Encouraging agri-start-ups and agripreneurs: Gujarat can bridge the gap in extension services by fostering a supportive environment for startups and agripreneurs specialising in input and crop advisory services. These ventures can leverage technology and local knowledge to provide targeted advice to farmers.

Empowering farmer producer organisations (FPOs): FPOs in Gujarat can be empowered to play a crucial role as facilitators of extension services. FPOs can connect farmers with the latest agricultural practices, inputs, and market linkages by building capacity and providing resources. This not only strengthens the base for agricultural growth but also improves farmer income and overall agricultural sustainability.

Case illustration: Typical activity-mix of successful FPOs



1. Crop advisory

Farmers face challenges due to a lack of awareness about scientific farming practices and limited knowledge on selecting inputs. The crop advisory initiative focuses on adopting a master trainer model to deliver knowledge at the last mile, covering soil testing services, seed variety selection and treatment, weather station services, remote sensing services, integrated pest management (IPM), spraying services, integrated nutrient management (INM), and post-harvest management. This initiative often increases crop yields by approximately 3-4 quintals or boost income by 15%-25%, particularly when twinned with quality inputs supply.



2. Input facilitation

Farmers are currently facing challenges due to the high prices and limited quality of inputs available in the local market. Input shops by FPOs help address this issue by procuring seeds, pesticides, and fertilizers directly from manufacturers and supplying them to FPO members. This initiative involves establishing efficient distribution networks, obtaining required licenses, and collaborating with trusted manufacturers and distributors to ensure the availability of high-quality commodities. Through this intervention, farmers can benefit from 5%-10% reduction in costs and typical FPOs can generate an income of up to INR 10 lakh, with a member base of 400-1000 farmers.



3. Seeds production

- Farmers face challenges such as low-quality seeds, high seed prices, and lack of timely availability of seeds.
- Seed production facilitates addressing these issues through the facilitation of seed production, seed processing, and seed supply. This involves identifying agri-universities and firms, sourcing breeder and foundation seeds, preparing business plans, and facilitating credit linkages.
- As a result, farmers gain access to good-quality seeds at reasonable prices, ensuring uniform seed production that enhances market linkage. This effort can potentially lead to incomes of up to INR 7 lakh per acre over a two-year period.



4. Custom hiring services

Farmers face challenges related to the availability and cost of farm labour, and the unpredictable availability and high cost of vital farm mechanisation equipment. CHCs provide custom hiring services for equipment like tractors, harvesters, sprayers, tillers, processing machinery, storage facilities, farm implements, and drones. This initiative involves identifying manufacturers and distributors, procuring custom hiring equipment tailored to specific crops, and leveraging relevant government schemes. As a result, farmers can achieve a 5% to 7% reduction in costs and ensure timely operations, including sowing, weeding, input application, and harvesting. Typical FPCs serving 400-1,000 farmers can potentially generate incomes of up to INR 5 lakh through these interventions.



5. Market linkage

Farmers face challenges such as the unavailability of nearby markets, distant market access, distress sales, malpractices in mandis, and lower price realisation. The market linkage intervention addresses these issues through partnerships with large food processing firms for primary produce, contract farming agreements, and MoU-based direct marketing. This involves identifying processors and buyers, facilitating MoUs with processors and buyers, and enabling trade activities. As a result, farmers can benefit from a 10%-15% income increase, along with establishing long-term sustainable partnerships, and secure stable, assured markets for their produce.



6. Credit linkage

Farmers face constraints, such as the lack of finance for working capital, unavailability of collateral, and limitations of nationalised banks in financing FPCs, including funding for processing or value addition units. The credit linkage intervention focuses on facilitating FPCs' access to working capital and term loans from banks and NBFCs. This includes liaising with financial institutions, guiding FPCs on loan documentation, preparing business plans, and facilitating post-sanction processes. Through this intervention, farmers can sell their produce at the right time and place without resorting to distress sales and facilitating income increase from other interventions and access to infrastructure for processing.



7. MSP procurement

Farmers face the constraint of lower market prices for crops like paddy, wheat and other crops in the local market. The MSP procurement intervention involves the FPO obtaining an MSP license, enabling the FPC to aggregate produce and sell it to government agencies or authorised buyers at MSP prices. This initiative aims to increase farmers' income by INR 300 to INR 400 per quintal for various crops, ensuring they receive a fair price for their produce.



8. Capacity building of BoDs

Farmers face constraints like limited entrepreneurial and managerial skills among the BoDs of FPCs, and a lack of basic bookkeeping skills. The capacity building of BoDs intervention focuses on providing practical management inputs and training in business planning for growth. This includes business planning and management, accounts bookkeeping, futures trading, and statutory compliances, Udyog Aadhar, DML, and FSSAI application process. The intervention helps improve understanding of FPC compliances, raising awareness of quality and compliance standards.



9. Primary/secondary processing and storage through common facility centre

Farmers face challenges like low commodity prices, inadequate primary processing and packaging infrastructure for direct marketing, and insufficient secondary processing facilities. The intervention focuses on leveraging schemes to establish cleaning, grading, and packaging facilities for produce and fruits & vegetables, along with secondary and value-added processing. This initiative aims to increase the income by 8%-12% and generate income up to INR 20 lakhs for FPCs serving 400-1000 farmers.



10. Common service centres

Farmers currently face constraints due to the absence of CSCs for FPCs, limiting their access to crucial services and opportunities for growth in both farm, off farm and non farm activity. The intervention involves establishing CSCs for FPCs, providing access to over 300 services including agriculture, insurance, banking, legal, education, healthcare, and government scheme implementation. This initiative aims to bridge the information gap among farmers, enabling them to apply relevant schemes, e-Governance services, purchase and access various business services, thereby increasing their income.



11. Policy advocacy

Policy advocacy helps creating a suitable environment and favourable policies for the farming community. This helps the availability of suitable schemes for infrastructure, machinery, financial inclusion, marketing, input supply, credit and other required services for operating a FPC smoothly for benefitting the member and non-member farmers of a producer company. This creates new opportunities for income enhancement.



12. Off-farm activities

Farmers face constraints such as limited agricultural knowledge in vermicompost manufacture or mushroom cultivation, low yield and quality, low market prices, restricted financial returns, and the non-availability of quality spawn. The mushroom intervention includes FPC-facilitated mushroom skill training for beneficiaries, capacity building, financial literacy, market access, credit linkage, and collaboration with the horticulture department for technical support. The intervention results in a 10%-12% increase in income.



13. Animal husbandry advisory

Farmers face challenges, such as high livestock mortality rates and difficulties accessing feed and fodder. The intervention adopts a master trainer model for disseminating knowledge, ensuring easy access to feed and fodder, timely vaccination services, and post-natal care. This intervention can result in 10%-20% income increase, which can go up to 20%-35%.



14. Non-farm activities

Non-farm activities for farmers, particularly derive off-season times includes establishing raw material banks for affordable, quality materials, new product development, continuous skill enhancement, business skills development training, marketing linkages for broader market access, creating essential marketing collaterals, and securing credit linkages for working capital needs. Non-farm activity (handloom, handicrafts etc.) acts as an additional activity and as primary activity in few clusters. As an intervention, non farm can provide around 30% income increase.



15. Convergence

Convergence aims to address the challenge of farmers limited awareness of government schemes and their application processes. The intervention includes developing a knowledge compendium on government schemes in vernacular languages, facilitating in application process, and liaising with government departments. This convergence helps increase in income for farmers through leveraging facilities (Farm machinery, credit, infrastructure etc.) availed under Govt schemes.

Other initiatives like crop diversification, stewardship councils, and export orientation help to seize the opportunities in agri and allied activity.

Also, a state agriculture promotion agency, along the lines of iNDEXTb, can be created to promote the agriculture sector. The focus should be on building a value chain for agri products by creating agro and food processing zones. Kerala is evolving as one such entity, with support input from Grant Thornton Bharat.

Case illustration: Kerala agri business company (KABCO) model

The Government of Kerala has established the agribusiness company to facilitate and provide more income to farmers and related entrepreneurs. Department of Agriculture, Govt of Kerala has launched a CIAL model company for agribusiness namely Kerala Agri Business Company Limited (KABCO) in the state. The agriculture department will hold 33% of the shares whereas farmers/FPOs/public sector undertakings and other private sector investors will get the option to purchase the shares. The Initial capital of INR 10 crores with an expected annual turnover of INR 100-300 crores with a total value of INR 500-1000 crores over the next 3-5 years. As of today, the total paid-up capital of the company amounts to INR 30 lakh with a provision of increasing the equity base to INR 10 crores through public-private sector participation/FPOs, etc.

KABCO will be taking a lead role in implementing agritech facilitation centres in the state to facilitate appropriate technologies and processing facilities for small holder farmers and entrepreneurs along with other major interventions such as infrastructure development of the existing world markets for additional revenue through exhibitions/events, etc; establishment of agro-parks, establishment of new winery units and other important interventions based on the sectoral needs from time to time. The company will also explore opportunities in value addition, branding and marketing of agriculture products in tune with the advancements in food processing related technology. Furthermore, KABCO will also facilitate to network with project management agencies to secure govrnment of India funding under different schemes including and related to cold chain projects; agriculture infrastructure funds; national Horticulture Development Board, etc.



3.4 Reforming the skilling ecosystem with private partnerships

Gujarat may establish industry-driven skilling institutions across all districts. Furthermore, industry associations, particularly those concentrated in key clusters like textiles, chemicals, and automobiles, should actively participate in designing and delivering training programmes, providing apprenticeship opportunities, and collaborating with the government's skilling initiatives like Kaushalya (<https://kaushalyaskilluniversity.ac.in/>) and the Skill Development Mission.

Strategic considerations for Gujarat:

Leverage Kaushalya University: Align industry needs with the course curriculum and training programmes offered by the Kaushalya University to ensure graduates possess industry-relevant skills.

Focus on industry clusters: Develop specialised skilling programmes in collaboration with industry associations specific to prominent industry clusters across Gujarat.

Foreign collaboration: Explore partnerships with countries like Germany, known for their robust vocational education and training (VET) system, to incorporate best practices and enhance training quality.

Apprenticeship integration: Encourage large and medium-sized industries to offer formal apprenticeship programmes, providing practical work experience to graduates.



Following the HDFC Bank model, Gujarat can establish ‘Smart Banking Blocks’ in MSME clusters. These dedicated branches would cater specifically to the needs of MSMEs, offering streamlined loan processes and financial guidance.

3.5 Credit

Like the national scenario, Gujarat must prioritise reducing the cost of capital and improving the access to finance for its micro, small, and medium enterprises (MSMEs). This two-pronged approach will benefit both lenders and borrowers.

Reducing cost of capital

Digitalisation: Implementing digital loan processing with minimal manual intervention can significantly reduce administrative costs for banks, leading to lower interest rates for MSMEs.

Focus on MSME-specific schemes: Gujarat can explore government-backed loan schemes with attractive interest rates targeted towards MSMEs. A state-level credit guarantee fund may also be considered to avoid the effective cost of collateral hypothecation to targeted beneficiary segment and value chain activities.

Enhancing access to capital

Current scenario: Data suggests that a significant portion of Gujarat’s MSMEs currently rely on informal financing sources.

Smart banking blocks: Following the HDFC Bank model, Gujarat can establish ‘Smart Banking Blocks’ in MSME clusters. These dedicated branches would cater specifically to the needs of MSMEs, offering streamlined loan processes and financial guidance.

Cluster-based financing instruments: Develop financing instruments tailored to the specific requirements of different MSME clusters in Gujarat. This could involve collaborating with industry associations to design loan products that address the unique challenges faced by each cluster value chain.

ESG integration: Encourage MSMEs to adopt environmental, social, and governance (ESG) practices and obtain ESG ratings. Strong ESG performance can improve creditworthiness and unlock access to better loan terms.

New financing models: Explore innovative financing models like peer-to-peer lending and cloud financing to provide MSMEs with alternative funding options.

Case illustration: Institutionalisation of credit linkages in Andhra Pradesh

Grant Thornton Bharat facilitated APIIC in identifying 39 industrial parks based on allottable area, internal infrastructure, and plot occupancy and implemented a pilot activity to overcome lack of institutional linkage to MSEs for accessing credit from banks to set up industry in industrial parks.

In order to improve Institutional credit linkage to MSMEs in Andhra Pradesh, especially those who establish their units in the APIIC parks, Grant Thornton Bharat structured a formal arrangement of APIIC with reputed financial institutions such as the Union Bank of India, Bank of Baroda, Punjab National Bank and HDFC Bank to provide credit support in an affordable, timely and adequate manner. Therefore, park level MoUs between APIIC and the aforementioned banks were signed to provide credit facilitation to the existing as well as prospective MSMEs in APIIC Industrial Parks.

Case illustration: State Credit Guarantee Fund

MSMEs in Tamil Nadu faced liquidity crunch during pandemic period due to either delay in securing receivables from the market or very limited flow of institutional credit to some of the MSMEs. The state government recognised that access to credit from financial institutions and state financing agency is a critical issue for MSMEs which needs to be addressed immediately to enable more micro, small and medium enterprises to access institutional credit. The Tamil Nadu Industrial Investment Corporation (TIIIC) could also cover lend with guarantee cover, and also to medium sized units.

Grant Thornton Bharat, on behest of the state government's industry department carried out a study to get a status of collateral free financing under CGTMSE to micro and small enterprises in the state. As a result of the study, it was recommended to the department that there is need for state government's support in increasing the guarantee coverage, in order to provide comfort to the banks/FI for improving coverage under collateral free lending and bringing certain categories of the lenders also under the ambit of coverage who otherwise are not covered.

Considering the same, the state government evolved the Tamil Nadu Credit Guarantee Scheme (TNCGS) based on the discussion with Credit Guarantee Fund Trust for Micro Small Enterprises and signed an MoU with the Trust. The state government earmarked INR 100 crore for undertaking it in pilot scale.



To address high logistics costs compared to international competitors, Gujarat can benchmark successful practices globally and focus on skilling its workforce, adopting advanced technologies, and implementing efficient processes.

3.6 Infrastructure

Clustered development: Gujarat can attract private investment by strategically developing logistics hubs. This ‘clustered’ approach optimises resource allocation and facilitates collaboration between service providers and public-private partnerships (PPP), further expediting development and ensuring efficient resource utilisation.

In-house warehousing: Gujarat should encourage the development of in-house warehousing facilities within major industrial clusters to streamline storage and distribution processes.

Meeting the gig economy demand: Gujarat’s logistics sector, like Tamil Nadu’s, is experiencing a surge in gig workers. The state needs to invest in skilling programmes to cater to this growing segment.

Sustainability focus: The logistics sector must prioritise sustainability. Training programmes should incorporate strategies for reducing the carbon footprint of operations.

Benchmarking and skill development: High logistics costs compared to international competitors hinder Gujarat’s export potential. To address this, the state can benchmark successful practices globally and focus on skilling its workforce, adopting advanced technologies, and implementing efficient processes.

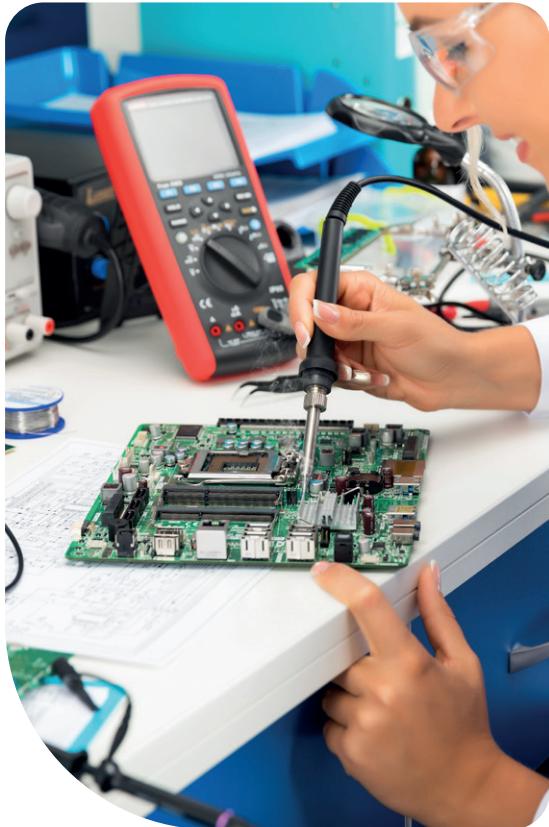
3.7 Logistics: Gujarat’s advantage

Gujarat has one of the best logistics infrastructure for exports. It has been the first among coastal category states and overall ranked 4th in the EPI index released by NITI Aayog in 2022-23. The state has 57 SEZs spread across 25 sectors with major multi-product export promotion zones.

The state is planning to make significant investments in developing a new Multi-modal Logistics Park under the PM Gati Shakti project, many new Industrial parks and zones across the DMIC corridor and Dedicated Freight Corridor (DFC), Bharuch-Dahej Region and PCPIR zone. New Industrial clusters, such as PMMITRA, Bulk drug park, Ceramic Park, etc., have been planned, twinning with the government of India scheme.

Gateway to international trade: Gujarat boasts several key ports, including India’s thirteenth major port. This strategic location provides a natural advantage for international trade.

Existing initiatives: Gujarat has a head start with its “Gujarat Integrated Logistics and Logistics Park Policy, 2021,” aimed at expanding logistics infrastructure and attracting private participation.



Electronics manufacturing holds immense potential for Gujarat. Similar to Maharashtra's and Tamil Nadu's success with mega clusters, establishing dedicated zones could propel hi-tech industries in Gujarat.

3.8 Procurement front: Advocacy for tariff rationalisation and raw material banks

Similar to the initiatives taken for the textiles and leather sectors at the national level, advocacy for rationalising import tariffs on inputs for value addition in Gujarat should be pursued after conducting detailed value-chain diagnostics of key industries in the state. Gujarat is a major hub for various industries, including automobiles, chemicals, textiles, pharmaceuticals, and gems and jewellery. Rationalising import tariffs on critical inputs for these sectors could significantly boost their competitiveness and growth.

3.9 Clusters and hubs for emerging sectors

Electronics manufacturing holds immense potential for Gujarat, as establishing dedicated zones could propel hi-tech industries in the state. While India's global electronics production share is 3%, strategic development in Gujarat can significantly improve this figure. Here's how Gujarat can leverage its strengths:

Cluster approach: Develop electronics manufacturing clusters that attract leading companies and foster a robust ecosystem. This can mirror the success of the Defence Industrial Corridor in Tamil Nadu, which has five key locations – Chennai, Coimbatore, Hosur, Salem, and Trichy.

Policy support: Implement an ‘induced cluster development’ approach, involving targeted policies and incentives to attract anchor companies in the electronics sector. These incentives can encompass land acquisition support, tax breaks, and subsidies on capital expenditure. A supportive policy framework will create a nurturing environment for ancillary and supporting industries to flourish around these anchor companies. Gujarat's ‘Electronics Policy 2022-28’ offers attractive incentives for electronics manufacturers, including capital subsidies, land cost support, and reimbursement of power tariffs. This policy aims to position Gujarat as a global hub for Electronics System Design and Manufacturing (ESDM) and semiconductor production.

3.10 Inclusive growth

To achieve sustainable and inclusive growth in Gujarat's agricultural and industry sectors, addressing the stakeholders' needs at the bottom of the pyramid is crucial. One key strategy is empowering small farmers through collectives or producer organisations. These platforms can provide farmers with quality inputs, access to credit, and improved market connections. Similarly, the vibrant MSME sector, a significant source of employment, can be further nurtured through facilitator platforms like Special Purpose Vehicles and consortia of micro, and small-sized enterprises, which can offer MSMEs joint chances for upgrading technology, bulk procurement, and wider market access, propelling their growth and contributing to a more equitable economy.

A professional setting with a woman in a polka-dot shirt gesturing while speaking to a man in a blue shirt. A purple graphic shape is overlaid on the bottom left.

04

Shaping the Viksit Gujarat workforce

With India's population estimated to have surpassed China's 1.417 billion, according to the World Population Review, and China's National Bureau of Statistics reporting a decline of 850,000 in 2022, ensuring a skilled and competitive workforce is even more critical. The rapid pace of technological advancements and the evolving nature of work demand continuous learning and upskilling to stay relevant. India's massive population boasts a significant advantage: a youthful demographic. With nearly half the country, a staggering 650 million Indians, under the age of 25, India possesses a large workforce and a vibrant consumer base that can drive future economic growth. This young population creates opportunities for innovation and entrepreneurship, but also presents challenges in providing education, employment, and infrastructure for such a large number of people.

India and Gujarat's young population present a 'demographic dividend,' an opportunity for economic growth. To capitalise on this, the state can bridge the gap between industry needs and workforce skills. Gujarat can create a more productive and employable workforce by aligning training programmes, apprenticeships, and on-the-job training with in-demand skills. This skilled workforce will contribute to various sectors like manufacturing, services, and agriculture, attracting investment and driving economic growth.

Germany offers a successful model for a successful vocational education and training system, combining industry needs with skill development to ensure graduates possess directly

applicable knowledge. This approach, featuring practical, hands-on learning fostered through close collaboration between businesses and educators, is also echoed in the strong VET programs of the Netherlands and Canada. When adapting these models, it's crucial to adopt best practices and tailor them to the specific context, like Gujarat's. The ever-evolving job market necessitates a workforce equipped with the agility to upgrade their skillsets continuously. A collaborative skilling ecosystem is essential to achieve this, demanding a concerted effort from the government, industry, and education providers.

We have much to learn from successful models like Germany's VET system, alongside the Dutch and Canadian approaches. These frameworks effectively integrate classroom learning with industry experience, ensuring individuals acquire both theoretical knowledge and practical competencies.

By fostering such collaborative ecosystems, we can empower individuals with the skills and knowledge they need to thrive in the dynamic world of work. This not only benefits employees but also strengthens the collective innovation and competitiveness of the workforce.

4.1 German education-related best practices

Germany's education system offers a unique three-pillar approach, guiding students from age 10 towards either vocational training or an academic path to university.

One pillar focuses on a strong vocational education and training (VET) system. This system is closely linked to Germany's labour market needs, ensuring graduates have the skills employers seek. Additionally, Germany prioritises continuous learning opportunities. This includes initiatives for upskilling low-skilled workers, encouraging women to pursue further education, and providing government-funded training programmes for those seeking to re-enter the workforce after a long absence. Finally, a high-quality assurance framework ensures consistent standards and effectiveness across all training programmes. This comprehensive system equips students with the skills and knowledge they need to succeed in their chosen career paths.





As the state-wide apex body for skill development, the Gujarat Skill Development Mission (GSDM) orchestrates a unified strategy across the state, ensuring seamless coordination and convergence between training programmes and employment opportunities.

4.2 The Gujarat context

Established in February 2009, the Gujarat Skill Development Mission (GSDM) serves as the nerve center for skilling Gujarat's youth for a brighter 2047. As the state-wide apex body for skill development, the GSDM orchestrates a unified strategy across the state, ensuring seamless coordination and convergence between training programmes and employment opportunities. This focus on skilling for employability is crucial for Vikasit Gujarat 2047, empowering Gujarat's youth to become the driving force behind the state's future economic prosperity.

To achieve Vikasit Gujarat 2047, a skilled workforce aligned with growing sectors is crucial. The report by the National Skill Development Corporation on district-wise skill gap study for the State of Gujarat (2012-17, 2017-22) identifies a significant demand for semi-skilled workers (35.15 lakh and 32.90 lakh new workers needed during 2012-17 and 2017-22 respectively) alongside skilling the high-skilled workforce. This highlights the need for a two-pronged approach:

- **Focus on semi-skilled training:** Bridge the gap in semi-skilled roles by expanding skilling initiatives in the manufacturing, construction, and logistics sectors.
- **Upskilling the existing workforce:** Equip the current workforce with advanced skills required in high-growth sectors like automobiles, chemicals, and textiles.

The report also emphasises the need to strengthen the current education system. Here's how this can benefit Vikasit Gujarat@2047:

- **Improved school education:** A strong foundation in science, technology, engineering, and mathematics (STEM) will prepare youth for future jobs.
- **Revamped higher and technical education:** Aligning curriculums with industry needs will ensure graduates have the right skills for immediate employment.

By addressing the skill gap and revamping the education system, Gujarat can create a future-ready workforce that drives **Vikasit Gujarat@2047**.



The key finding from the India Skills Report (ISR) 2024 for Gujarat is that it highlights the highest employable resources within the 26-29 age group, with an impressive 78.24% of this age demographic found to be employable.

4.3 Impressions from India Skills Report 2024

- The report highlights the growing demand for AI professionals in India. The Indian government is taking initiatives to address the skilling gap and prepare the workforce for the future. This suggests a need for more educational programmes and training courses focusing on AI skills.
- The report also details collaborations between educational institutions, industry, and government. This collaboration is essential for developing a skilled workforce that meets the needs of the Indian economy.
- The key finding from the India Skills Report (ISR) 2024 for Gujarat is that it highlights the highest employable resources within the 26-29 age group, with an impressive 78.24% of this age demographic found to be employable. This indicates a strong talent pool in Gujarat for employers seeking qualified individuals in this age range.

The India Skills Report (ISR) 2024 paints a hopeful picture of improvement in young India's employability skills. Here's a quick breakdown of the key takeaways:

Overall improvement: There's been a positive rise in young employability across India. The report pegs it at 51.25%, indicating more young people possess the skills employers seek.

AI on the rise: The report identifies artificial intelligence (AI) as a major factor shaping the job market. The Indian AI industry is expected to reach USD 28.8 billion by 2025, creating a massive demand for AI professionals. There's been a 14-fold increase in AI-skilled individuals since 2016.

Standout states: Some states are leading the charge in terms of a highly employable young population. Telangana tops the list with an impressive 85.45% of 18-21-year-olds demonstrating the required skills. Other states like Haryana, Maharashtra, Andhra Pradesh, Uttar Pradesh, and Kerala also show a high concentration of employable youth.

City slickers: Cities are showing promising signs, too. Pune takes the crown for the 18-21 age group, with 80.82% of candidates displaying high employability. Lucknow follows suit for the 22-25 age group, with a score of 88.89%. Bengaluru features in both the top spots for both age groups.

Skilling initiatives: The report acknowledges the Indian government's efforts to improve employability through skill development programs. It emphasises collaboration between academia, industry, and the government to bridge the skill gap and prepare the workforce for the future.

Overall, the ISR 2024 highlights positive developments but also underscores the need for continuous improvement to meet the demands of the evolving job market.



05

Credit ecosystem

A thriving credit ecosystem hinges on both access and innovation. This can be fostered by establishing a robust credit bureau system that incorporates alternative data sources beyond traditional credit scores. This, coupled with open APIs that allow collaboration between lenders, fintechs, and retailers, can create a marketplace for personalised credit products. This ecosystem can empower individuals to build credit responsibly and participate in the formal economy by prioritising financial literacy and consumer protection.

A robust credit ecosystem is crucial for MSMEs to thrive. This requires a two-pronged approach, i.e., ensuring timely and sufficient credit availability and diversifying funding sources beyond traditional banks and NBFCs. However, the focus should extend beyond just quantity. Financial institutions, including banks and rating agencies, should prioritise green

and sustainable financing. Banks can play a vital role by offering cheaper loans for renewable energy projects, while rating agencies can create distinct evaluation criteria that favour these initiatives. This will incentivise the development and expansion of eco-friendly businesses. Technology holds the key to unlocking these goals. Banks, the backbone of the credit system, can leverage digital tools like distributed ledger technology, cloud computing, and AI to streamline loan processes, particularly for MSMEs. These technologies can analyze alternative data sources to mitigate the risks associated with limited financial history or lack of collateral. By bridging the information gap, digital innovation paves the way for faster, cheaper, and more inclusive financial services for all.



5.1 Options for Gujarat

- **Leveraging financial technology (FinTech):** Partner with FinTech firms to offer microloans, credit scoring based on alternative data (e.g., digital transactions), and mobile banking solutions reaching unbanked populations, with virtual banking being one of its wide-reaching features. Enabled by digital technology and big data, the RBI should be encouraged to develop an ecosystem to promote fintech companies and increase the usage of green bonds.
- **Strengthening MSME (Micro, small and medium enterprises) credit guarantee schemes:** Enhance existing schemes or introduce new ones to mitigate lending risks for banks and encourage credit flow to MSMEs, the backbone of Gujarat's economy.
- Cluster associations need to work in synergy with banks and industry partners to promote cluster-based financing with customised instruments to meet 'ballooning' requirement, etc.
- Banks also need to ensure that credit is available to **enterprising farmers** through facilitator platforms like FPOs.
- Companies from Gujarat can tap into a growing trend of environmental, social, and governance (ESG) investing. Investors are increasingly seeking sustainable and responsible businesses. Strong ESG performance translates to transparency, better risk management, and long-term company stability. To benefit, Gujarat's industries should prioritise sustainable energy, water, and waste management practices that align with ESG frameworks. This focus will benefit the environment and society, attract inward investments, and enhance global market access.
- The Small Industries Development Bank of India (SIDBI) has been playing a key role in the industrial promotion and strengthening of the MSME ecosystem. Due to its concessional interest rate, the SIDBI Cluster Development Fund (SCDF) has been a prime enabler for various infrastructure development projects. The SIDBI Cluster Development Fund is a versatile scheme covering many projects that benefit infrastructure development in and around MSMEs. Therefore, it



The SIDBI Cluster Development Fund (SCDF) is a versatile scheme covering many projects that benefit infrastructure development in and around MSMEs. Therefore, it is possible to converge various projects in Gujarat with SCDF.

is possible to converge various projects in Gujarat with SCDF. The state technical education and employment and training departments would require INR 200-500 crore to upgrade the infrastructure of industrial training institutes, polytechnics, and engineering colleges, set mega technical and vocational-technical centers, and start new ITIs near the new industrial zones. The Gujarat Energy Department Corporations, such as GITCO and GUVCL, will require about INR 1,000 crore to develop and upgrade the existing transmission lines and the green energy initiatives around the cluster. Hence, there is vast scope for these new investments to be financed and supported through the SIDBI Cluster Development Fund.

Like other Asian countries, Gujarat can also explore ways to unlock the value of intangible assets like intellectual property (IP). Here's how some countries are doing it:

Loan and guarantee schemes: Set up funds or programmes to provide loans for IP development and commercialisation. This could be similar to Korea's 'Techno Banking' initiative.

IP Financing Scheme (IPFS): Singapore's IPFS offers loan guarantees for businesses pledging their IP as collateral. This aligns well with the guarantee programme concept mentioned earlier.



06

Infrastructure (including logistics)

Gujarat is strategically located on the western coast of India, and its world-class infrastructure is a critical value proposition to investors. The robust infrastructure includes a vast network of connectivity and utility till the last mile. Therefore, the state has prioritised developing new infrastructure facilities and upgrading the existing infrastructure to transform them into world-class standards. For this purpose, the state government has taken several initiatives in recent years to provide infrastructure as per the requirements of modern industry.

Presently, Gujarat has one of the best infrastructure facilities in terms of road network, railway connectivity, gas supply and integrated grid, ports, etc., and the coastline is one of the longest in India, facilitating 40% of India's cargo. Gujarat is a power surplus state with uninterrupted quality power available to the industry 24/7. There has been a shift in generating power with renewable resources such as wind and solar energy, both now contributing a significant share in power generation and increasing every year to account for almost 15.1% share of the country's total renewable power installed capacity. The GIDB and GIDC are the two key institutions involved in developing industrial and logistics infrastructure in the state. Gujarat has one of the best logistics infra for exports. It has been the first among coastal category states and is overall ranked 4th in the EPI index released by NITI Aayog in 2022-23. The state has 57 SEZs spread across 25 sectors with major multi-product export promotion zones.

Specialised parks, MMLP, ready-to-use infrastructure, logistics parks, etc., are infrastructure projects that are widely spread through the state's geography and are still in the pipeline. The state is also planning to make large investments in developing a new Multi-modal Logistics Park under the PM Gati Shakti project, many new Industrial parks and zones across the DMIC corridor and Dedicated Freight Corridor (DFC), Bharuch-Dahej Region and PCPIR zone. New Industrial clusters such as PMMITRA, Bulk Drug Park, Ceramic Park, etc., have been planned to twin with the government of India scheme. India's first International Financial Services Centre (IFSC) has been set up at Gujarat International Financial Tec-City (GIFT City) in Ahmedabad, attracting investments from foreign Investment and banking houses. Many of these newly planned infrastructure development projects can be supported under the SIDBI Cluster Development Fund, which is planned for and around the development of state MSME clusters.

- The GIDB is developing the upcoming western DFC and DMIC corridor, high-speed rail from Ahmedabad to Mumbai, Multi-Modal Logistics parks along the DFC corridor, development of Ports, RO-RO Ferry service, Coastal Highway, and Special Investment Regions.
- The GIDB, in collaboration with G-RIDE (a State JV of GOG & MOR), is also in the process of preparing the railway master plan for assessing the future logistics needs that can be met through the railway network in Gujarat and for providing support to the state for effective implementation.
- The GIDB is in the process of preparing an integrated Logistics Plan for EXIM and Domestic Cargo for all sectors like agriculture, health, urban, industrial, etc., and all modes, including air, waterways (port and inland), road and rail transport for the Gujarat state.
- The GIDC has 248 sanctioned estates, of which 216 are already functional. The largest number of GIDC estates exists in the Saurashtra and Kachchh region.
- Predominantly, the GIDC estates cater to the engineering sector with 164 estates, of which 15 estates have been specified solely for the chemical sector.
- The GIDC is also in the process of establishing a special Plastic and Petrochemical Industrial Region (PCPIR), Industrial areas, and large/sector-specific estates in the state. The core infrastructure within the GIDC consists of the following: Developed industrial plots, road, SWD and street lights, water supply, power supply network, utilities - gas, telecom, and pipeline. In addition, the support infrastructure consists of skill upgradation centres, Green spaces- parks and gardens, space for housing requirements in the industrial estate, etc. The estate offers plug and play facility. The GIDC provides encumbrance-free titles of land, regular maintenance, infrastructure upgradation, reasonable allotment price, and facilitates cluster benefits related to raw material, market, technology, common services, market linkages, etc.

Presently, around 35,000 acres of supply in Gujarat in terms of developed industrial parks are available (vacant plots), offered by the government and private industrial parks. Of this, around 77% is supplied by private industrial parks, and the rest from the government estates (GIDCs, PM MITRA park, Bulk drug park, Dahej SEZ, Biotech park, DSIR, SIPC Kandla). At the district level, Kachchh has the highest land supply, with around 32% share, followed by Bharuch (28%) and Ahmedabad (18%).



Gujarat has been named India's top state in terms of export preparedness among the coastal states as per the Export Preparedness Index (EPI) 2021, released by the NITI Aayog.

6.1 Infrastructure for exports

- Gujarat has been named India's top state in terms of export preparedness among the coastal states as per the Export Preparedness Index (EPI) 2021, released by the NITI Aayog.
- Gujarat is one of the leading states with respect to the logistics infrastructure capacity per capita for inland container depots (ICDs), container freight stations (CFSs), private freight stations (PFTs), rail goods sheds, warehouses, and cold storage.
- Gujarat has in place a favourable Export Promotion Policy, export infrastructure, and business environment in place.

Special economic zones (SEZs)

- The government of Gujarat has been encouraging the promotion of special economic zones (SEZs). SEZs are considered growth engines that can boost manufacturing, augment exports, and generate employment.
- Under the Gujarat SEZ Act, 2004, assistance is provided to the developer and co-developer of the SEZ for developing infrastructure facilities and providing services.
- Tax concessions are provided to the units coming up in the SEZ.
- The state government has also introduced labour reforms and has carried out amendments in some of the provisions of the Industrial Disputes Act, 1947, offering complete flexibility in employing labour by units located in SEZs.

The state government has developed 57 SEZs in Gujarat to promote export-oriented zones, mainly in Kachchh (16) and Ahmedabad (15). These SEZs primarily consist of SMEs and have 100 EOU units catering to various sectors.

The Gujarat Integrated Logistics and Logistics Park Policy 2021 aims to improve the state's supply chain and infrastructure connectivity, thus giving a thrust to export promotion industries.

Gujarat's futuristic projects and investments

- Gujarat has India's first DREAM City, an operational smart city, GIFT City, Dholera SIR (Dholera Special Investment Region), and Ahmedabad-Mumbai High-Speed Rail as futuristic projects in place. Mandal-Becharaji Special Investment Region, and Petroleum, Chemicals, and Petroch Petrochemicals Investment Region. PM MITRA Park, Bulk Drug Park, and Medical Devices Park are other projects poised to redefine industrial activities and development in the state.



The Vibrant Gujarat Global Summit has positioned the state as the most preferred investment destination. This summit will be a game changer for Gujarat, attracting billion-dollar investments into the state.

Plan in action for Viksit Gujarat

- The Vibrant Gujarat Global Summit has positioned the state as the most preferred investment destination. This summit will be a game changer for Gujarat, attracting billion-dollar investments into the state. Gujarat's 'Vibrant Bharat' event generated significant investment buzz, attracting over 2600 Memorandums of Understanding (MoUs) and promising investment opportunities exceeding INR 45,000 crore across 32 districts in the state.
- Gujarat has the lowest unemployment rate, less than 3% among the major state economies. The state has consistently ranked first in providing employment through the employment exchanges of India, with its lion's share of 81.5% (2018).

6.2 Options for logistics and infrastructure

Enhancing logistics and infrastructure

- **Focus on multi-modal logistics:** Invest in Multi-modal Logistics Parks (MMLPs) and connectivity between different modes of transport (road, rail, water, air) to create a seamless flow of goods.
- **Development of Dedicated Freight Corridors (DFCs) and industrial corridors:** Leverage existing projects like the DMIC and DFC to create world-class logistics infrastructure and attract industries along these corridors.
- **Upgradation of existing infrastructure:** Allocation of resources for modernising roads, railways, ports, and inland waterways to ensure efficient cargo movement.
- **Investment in green logistics:** Promotion of using electric vehicles and renewable energy sources for sustainable and efficient logistics operations.
- **Development of a statewide logistics masterplan:** Creating a comprehensive plan that integrates all logistics initiatives and addresses the state's future needs.

Strengthening exports ecosystem

- **Specialised SEZs:** Development of sector-specific SEZs to attract leading companies in those industries and boost exports.
- **Ease of doing business:** Streamline processes for customs clearance, permits, and regulatory compliance to make exporting easier.
- **Offering export incentives:** Provide financial and non-financial incentives to encourage companies to export, such as tax breaks, subsidies, and market access support.
- **Export promotion programmes:** Organise trade missions, participate in international trade fairs, and provide training programmes to help businesses navigate the export process.
- **Skill development:** Focus on skilling the workforce in areas relevant to export-oriented industries.



Leveraging technology

- **Single window platform:** Developing an online platform that integrates all export-related services for ease of access and transparency.
- **E-commerce:** Encourage businesses to adopt e-commerce platforms to reach a wider global audience.
- **Blockchain technology:** Exploration of the use of blockchain for secure and efficient trade finance and documentation management.

Collaboration and partnerships

- **Public-private partnerships (PPPs):** Collaboration with private companies to develop and maintain logistics infrastructure.
- **Partnerships with international logistics players:** Partnering with leading international logistics companies to bring their expertise and networks to Gujarat.
- **Inter-state collaboration:** Working with neighboring states to improve regional connectivity and create a more efficient logistics network.
- Other needs like technical infrastructure in manufacturing clusters, and service sector cluster development can benefit the industry. Strengthening infrastructure development through a PPP mode would facilitate optimum implementation.

07

Emerging sectors





The state of Gujarat can strategically focus on the energy sector to propel itself towards a Viksit Gujarat@2047.

7.1 Options for Gujarat

Gujarat, apart from being a leader in sectors such as textiles, chemicals and petrochemicals, gems and jewellery, and ceramics, has also emerged as a hub for the automobile sector, establishing itself as an economic powerhouse of the country.

It has embraced emerging sectors into its portfolio with semiconductors, renewable energy, electric vehicles, green hydrogen, aerospace and defence, plug-and-play parks, artificial intelligence, and smart greenfield cities. Gujarat can strategically focus on the energy sector to propel itself towards a Viksit Gujarat@2047 only with the availability of trained, motivated human resources, access to funding for small businesses, and investments/FDI coming in from states and abroad. Presently, the state's energy strategy can prioritise three key drivers: ensuring reliable power supply, creating sustainable clean energy, and affordability for all.

For utilities, the focus should be on:

- 01** Rapidly upscaling distributed renewable energy generation.
- 02** Shifting power supply to agriculture during the day using renewables.
- 03** Preferring RE-hybrids for large-scale procurement.
- 04** Attracting private capital in emerging areas like offshore wind and floating solar.
- 05** Implementing advanced planning to safeguard grid stability in a high renewable energy environment.



Initiatives such as green hydrogen parks, green tariffs, RE-powered electric mobility, and exporting renewable energy to other states can boost investments in Gujarat.

Additionally, initiatives like green hydrogen parks, green tariffs, RE-powered electric mobility, and exporting renewable energy to other states can boost investments in Gujarat. The state aims to increase the share of renewables in its energy consumption basket to 42% within the next two years. This focus on clean and reliable energy will be crucial for Gujarat's economic growth.

There is also a need to reverse the brain drain from the region, and we have been witnessing the migration of some of the best talent from the country to the West in search of a better quality of life and standard of living. To successfully reverse the trend, learning from some related and other best practices that nations like Canada, Taiwan, and Singapore have adopted is important.

South Korea



Targeted investment incentives: South Korea offers a variety of tax breaks and other incentives to foreign companies that invest in specific sectors or regions. Gujarat can identify its own priority sectors and develop targeted incentive packages to attract FDI in those areas.

Singapore



Skills development and targeted approach: Singapore heavily invests in developing a highly skilled workforce through its educational system and industry-specific training programmes. This ensures a ready pool of talent for foreign investors. Gujarat has a large young population, but skilling them for specific industries can attract the targeted FDI. While Gujarat has skill development programmes, a more targeted approach aligned with the FDI goals could be beneficial.

Ireland



Competitive corporate tax rates: Ireland offers a corporate tax rate of 12.5%, one of the lowest in Europe. This makes it financially attractive for businesses to locate there. Gujarat could consider offering tax breaks or other incentives for FDIs in specific sectors. Gujarat's corporate tax rate aligns with the national average. Offering competitive tax breaks specifically for FDI could be a differentiator.



In terms of renewable energy capacity installed, Gujarat ranks first in rooftop solar capacity, second in ground mount solar capacity, and second in wind capacity.

7.2 Green energy

Infrastructure facilities are considered essential for sustainable industrial development. Therefore, the state has prioritised developing new infrastructure facilities and upgrading the existing infrastructure to transform them to world-class standards. For this purpose, the state government has taken several initiatives in recent years to provide infrastructure as per the requirements of modern industry. Gujarat was one of the first states in India to implement power sector reforms and restructure its power sector utilities to wipe out losses. Today, the assured availability of good-quality power is one of the key distinguishing features of the state. It is a power surplus state with 30 GW capacity generation. Now, a third of its power is being generated using renewable sources, such as solar, wind, and hydro. The state has 15.1% share in the country's total renewable power installed capacity. Asia's largest solar captive power plant is situated at Mundra, Kachchh. Under the Jyotigram scheme, it has ensured three-phase, round-the-clock electricity in all the state's 18,000 villages, which has helped revive rural industries. These, along with assured water availability, have helped reduce the rural-urban divide and migration from villages to cities. In terms of renewable energy capacity installed, Gujarat ranks 1st in rooftop solar capacity, 2nd in ground mount solar capacity, and 2nd in wind capacity, which has been possible due to the favourable policy and regulatory regime.

Gujarat is seen as the front-runner in green energy infrastructure projects. Additionally, the Gujarat Energy Transmission Corporation Limited (GETCO), Gujarat Urja Vikas Nigam Limited (GUVNL), and Gujarat Energy Development Agency (GEDA) have undertaken projects in the space of transmission of energy, renewable energy, and green energy projects, including solar and wind generation projects of a few thousand MW. The state government is working to set up 30,000 MW hybrid Solar Wind Park in Kachchh which will involve huge investment. These investments in green space will align with the SDG goals and our commitments to reach energy targets of 500GW by renewables by 2030. Also, the Gujarat Energy Department Corporations, such as GITCO and GUVCL, will require around INR 1,000 crore to develop and upgrade the existing transmission lines and for the green energy initiatives around the cluster. Hence, there is vast scope for these new investments to be financed and supported through the SIDBI Cluster Development Fund initiative.

In the energy sector, the state strategy may be centred around three drivers - ensuring reliability of the power supply, create sustainable clean energy, and affordability for all. For energy utilities, the focus may be on rapid upscaling of distributed renewable energy generation, migrating power supply to agriculture during the daytime with renewables, preferring RE-Hybrids for utility-scale procurement, attracting private capital in emerging areas of offshore wind/ floating solar, etc., and advance planning to protect grid-stability in a high RE environment. In addition, green hydrogen parks, green tariffs, RE-powered electric mobility, and the export of RE to other states would boost investments in the state.



By promoting renewable energy and circular economy ecosystems, coupled with a focus on ESG, the state economy of Gujarat can grow in a manner that is conformant to global practices.

Upgrading over-aged conventional power plants along with fast-tracking renewable energy projects like pumped hydro projects, wind power projects (on shore, offshore) would support the infrastructure gap.

Sectoral parks for identified thrust areas, such as a renewable energy park, future mobility park, etc., would commit ourselves to sustainability. Proactive steps towards environmental and energy audit services across the industry will drive the Gujarat commitment of Viksit Gujarat @2047.

7.3 Sustainability orientation

Sustainability orientation is a means by which greater penetration of global markets may be realised. In this regard, alignment with the United Nations Sustainable Development Goals (SDGs) will be appropriate. Here's how:

- **Economic growth (SDG 8):** Sustainable practices can foster inclusive and sustainable economic growth in Gujarat. By promoting renewable energy and circular economy ecosystems, coupled with a focus on ESG, the state economy can grow in a manner that is conformant to global practices.
- **Environmental sustainability (SDG 13, 14, 15):** Protecting the environment is crucial for Gujarat's long-term development. Gujarat can ensure sustainable exploitation of resources by conserving biodiversity, combating desertification, and addressing climate change, including promoting climate-smart agriculture and animal husbandry practices.
- **Quality education and innovation (SDG 4, 9):** Gujarat can foster innovation in sustainable technologies, promote vocational training in green jobs, and further improve access to quality education, thereby contributing to sustainable industrialisation and innovation.
- **Partnerships (SDG 17):** Collaboration between government, businesses, civil society, and international partners is essential for achieving sustainable development goals. Stewardship Councils and fora, promoted in World Bank-aided initiatives in states like Maharashtra and Kerala, are necessary for market-oriented and compliant production of goods and services in different value chains.

By integrating sustainability into its development agenda, Gujarat can create a more resilient, inclusive, and prosperous economy while contributing to global efforts to achieve the SDGs. This will drive the vision of Viksit Gujarat@2047 and make it a more preferred destination for inward FDI with SDG compliance.



7.4 From ‘Brain drain’ to ‘Brain gain’ and investment gain

The non-resident Indian (NRI) population can play a more significant role in propelling Gujarat’s economy through several means:

- **Investment:** NRIs often invest in businesses, real estate, and infrastructure projects in Gujarat. This investment injects capital into the economy, stimulates growth, and creates job opportunities for the society’s backward sections, which will make Gujarat more economically and financially independent.
- **Skills and knowledge transfer:** NRIs bring back skills, expertise, and knowledge gained abroad, which can be dispersed amongst the local industries, thereby resulting in more innovation and increased sources of income.

As indicated, the brain gain schemes adopted by many East Asian economies, including repatriation and income tax benefits, may be adapted to leverage the knowledge base of returning NRIs. Special investment facilitation schemes may be introduced to attract resources from the NRI diaspora.

About Grant Thornton Bharat

At Grant Thornton Bharat, we are committed to bringing positive change to all that we do. We are a founding member firm of the Grant Thornton international network and India's premium consulting firm. We offer a range of solutions in assurance, tax, technology, managed services, deals, ESG and risk consulting to mid-market companies, government, large corporates, and digital natives. We **#GoBeyond** for our people, clients, and communities to shape **Vibrant Bharat**.

19 offices | 10,000+ people

**Part of GT international:
73,000 people | 150 countries**

Our offerings

Our offerings include solutions for Governments, large corporates, middle market and digital natives across various industries and channels:



Deals Consulting



Tax, Regulatory & Finance Consulting



ESG & Risk Consulting



Transformation Consulting



Global Delivery



Assurance

Acknowledgements

Authors

Prof. V. Padmanand

Partner,
Grant Thornton Bharat LLP

Dr. Dhaval Sheth

Partner,
Grant Thornton Bharat LLP

Shri Dev Kumar

Director,
Grant Thornton Bharat LLP

Shri Mohammad Y. Zaidi

Associate Director,
Grant Thornton Bharat LLP

Shri Anijit Bhattacharya

Manager,
Grant Thornton Bharat LLP

Acknowledging Inputs from

Shri Manoj Kharb

Partner,
Grant Thornton Bharat LLP

Shri Tejinder Gupta

Partner,
Grant Thornton Bharat LLP

Editorial review

Akshay Kapoor

Design

Gurpreet Singh

For media enquiries, write to

media@in.gt.com

References

- 1 Annual MSME Report 2022-23 (MoMSME, GOI) (<https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf>)
- 2 Economic Survey Report 2022-23, 2023-24
- 3 Analysis of State Budgets 2022-23 of Major States in India, National Institute of Public Finance and Policy, New Delhi (NIPFP | web page)
- 4 UDYAM Dashboard (MOMSME, GOI) https://dashboard.msme.gov.in/Udyam_Statewise.aspx
- 5 Department For Promotion of Industry and Internal Trade, MoCI (https://dpiit.gov.in/sites/default/files/FDI_Factsheet_30May2024.pdf - (contribution in FDI))
- 6 Ministry of Statistics and Programme Implementation State-wise SDP.xls (mospi.gov.in)
- 7 <https://statisticstimes.com/demographics/india/gujarat-population.php> - (Population)
- 8 https://financedepartment.gujarat.gov.in/Documents/Bud-Eng_1340_2024-2-2_77.pdf - (annualized growth rate)
- 9 <https://gujaratindia.gov.in/business/major-indus.htm> - (industrial production)
- 10 <https://www.mospi.gov.in/state-wise-no-factories-2021-22-annual-survey-industries> - (share of 11% of Indian factories)
- 11 <https://www.investindia.gov.in/state/gujarat> - (Foreign Direct investment)
- 12 <https://prsindia.org/budgets/states/gujarat-budget-analysis-2024-25> - (debt to GSDP ratio amounts)
- 13 <https://tradingeconomics.com/india/government-debt-to-gdp#:~:text=India%20recorded%20a%20Government%20Debt,percent%20of%20GDP%20in%201980.> - (Indian government debt to GDP)
- 14 [https://www.imf.org/en/Search?q=icor&sort=relevancy&f:country=\[India\]](https://www.imf.org/en/Search?q=icor&sort=relevancy&f:country=[India]) - (ICOR)
- 15 https://www.mospi.gov.in/sites/default/files/press_releases_statements/statewise_sdp1999_2000_9sep10.pdf - (average growth rate of Gujarat)
- 16 https://gujecostat.gujarat.gov.in/uploads/publicationsecmanagment/sdppublication1606202305_07_23_10_44_36.pdf - (Sectoral Contribution GSDP)
- 17 <https://www.investindia.gov.in/>
- 18 <https://prsindia.org/budgets/states/gujarat-budget-analysis-2023-24> (Gujarat economy)
- 19 <https://www.forbesindia.com/article/explainers/debt-to-gdp-ratio-indian-states/88469/1>

Disclaimer

This document is prepared by Grant Thornton Bharat LLP which served as the knowledge partner for the program organised by Knowledge Chamber of Commerce and Industry. The document users/third parties shall verify the facts and figures at their end and shall be solely liable for any action taken by it based on this document. Grant Thornton Bharat LLP, its partners, directors, employees or any officer shall not be liable for loss of whatsoever nature arising by using the content of this document. Grant Thornton Bharat LLP do not guarantee the accuracy of any data included in this report nor does it accept any responsibility for the consequences of its use. This work is for information purposes only. While due care has been taken during the compilation of this work to ensure that the information is accurate to the best of Grant Thornton Bharat LLP's knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice. Grant Thornton Bharat LLP shall not be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this work.



We are Shaping Vibrant Bharat

A member of Grant Thornton International Ltd, Grant Thornton Bharat is at the forefront of helping reshape the values in the profession. We are helping shape various industry ecosystems through our work across Assurance, Tax, Risk, Transactions, Technology and Consulting, and are going beyond to shape more **#VibrantBharat**.

Our offices in India

- Ahmedabad ● Bengaluru ● Chandigarh ● Chennai
- Dehradun ● Goa ● Gurugram ● Hyderabad ● Indore
- Kochi ● Kolkata ● Mumbai ● New Delhi ● Noida ● Pune



Scan QR code to see
our office addresses
www.grantthornton.in

Connect
with us on



@Grant-Thornton-Bharat-LLP



@GrantThorntonIN



@GrantThorntonBharat



@GrantThorntonBharatLLP



@GrantThornton_Bharat



GTBharat@in.gt.com

© 2024 Grant Thornton Bharat LLP. All rights reserved.

"Grant Thornton Bharat" means Grant Thornton Advisory Private Limited, a member firm of Grant Thornton International Limited (UK) in India, and those legal entities which are its related parties as defined by the Companies Act, 2013, including Grant Thornton Bharat LLP.

Grant Thornton Bharat LLP, formerly Grant Thornton India LLP, is registered with limited liability with identity number AAA-7677 and has its registered office at L-41 Connaught Circus, New Delhi, 110001.

References to Grant Thornton are to Grant Thornton International Ltd. (Grant Thornton International) or its member firms. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by the member firms.