

Economy of Madhya Pradesh – An Introduction

INTRODUCTION

The economy of Madhya Pradesh is based on its rich forest resource, land and soil type, climate and its strategic location in the heart of India. Agriculture, forest produce, industries, minerals together constitutes the dimensions of economy of Madhya Pradesh. The economy of Mp is chiefly an agrarian economy as more than **71.25%** of the people of the state depend upon this sector for the livelihood. The forests of MP (covering over **1.7 million ha**) also play a significant role in state's economy with forest produce contributing significantly towards state revenue.

Though MP's industrial sector is not yet highly developed, it is picking up pace owing to the rising demand as well as the various policy initiatives of the state government. The strategic location in the middle of India and connectivity to other states has been the chief driver of industrial growth in the state. Mineral resources also contribute to the revenue and economy of the state as the state is a rich storehouse of minerals. In fact, **Industries and agriculture** form the backbone of economy of Madhya Pradesh, whereas the supporting bones are mining, tourism and banking and services sector.

REASONS FOR EMERGING ECONOMY OF MADHYA PRADESH- ADVANTAGES

Madhya Pradesh government is committed towards faster economic development of the state. Some of the factors that promote the growth of economy of the state are as follows:-

- **Strong foundation of the economy:** One of the fastest growing states in India backed by an impressive Compound Annual Growth Rate (CAGR).
- **Strategic location:** Located in the heart of India within close proximity of all major markets and tier-one cities across the country, thus markets are easily accessible. Impressive network of transportation facilities adds to this value.
- **Proactive government approach and enabling environment:** Madhya Pradesh government has introduced investor-friendly policies. The state government is committed to providing every single help which facilitates investment and economy of the state.

- **Robust industrial infrastructure:** 231 notified industrial areas, 19 growth centers, numerous Special Economic Zones (SEZs) and 12 product specific industrial parks to facilitate industrial investment and foster growth.
- **Excellent connectivity:** A robust road network-99403 km, make MP an ideal destination for centralized manufacturing and distribution.
- **Large land parcels for industrial use:** Over 16,000 ha of land for industrial use is available at various strategic locations across the state and the too at investor friendly cost.
- **Strong market and consumer base:** With population of over **72 million**, the state has decadal growth rate of **20.3%** and people with employment and impr4oved purchasing power capacity.

Precisely speaking, the economy of Madhya Pradesh is divided into five different heads, namely.

1. Agriculture
2. Industries
3. Mining
4. Tourism
5. Banking, Finance and Services