

Punjab industry had to face Rs 40,000 crore loss during lockdown

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CHANDIGARH: The industrial sector in Punjab faced a minimum estimated loss of Rs 40,000 crore due to waste of 482 man days because of the Covid-19 lockdown. This has been mentioned by Amritsar-based Guru Nanak Dev University's assistant professor Swati Mehta in her study on the impact of Covid-19 on Punjab's micro, small and medium enterprises (MSMEs) and challenges ahead. The study, part of the policy series by Patiala-based Punjabi University's centre for development economics and innovation studies, highlights that Punjab industries face numerous problems of infrastructural bottlenecks, obsolete transport facilities and institutional hurdles. Out of the total 633.88 lakh MSMEs in India, Punjab has about 14.65 lakh enterprises (2.3%) providing jobs to nearly 24.80 lakh persons (2.2% of total MSMEs in India), as per the National Sample Survey Organization's (NSSO) 73rd round. Punjab is situated near the international border and is far from the national capital New Delhi, Mumbai and knowledge hubs at Noida, Bengaluru, Pune and Hyderabad.

SHARE OF EXPORTS FROM INDUSTRIES



Source: Statistical abstract of Punjab (2018-19)

‘Varsity-industry linkage needs to be nourished for manpower’

The study says although the road-link is a preferable option for imports and exports, the rationalization of rail-link cost is important. It recommends that the Punjab government should speed up the process of bringing Ludhiana, the manufacturing hub of Punjab, on the international air map which would be beneficial not only for local entrepreneurs, but also attract potential international investors to the state. The state industry depends upon other states and countries for most of the basic raw materials. Pig iron is transported to Punjab from Jharkhand and Odisha for auto-parts, hand-tools and machinetools clusters. Raw rubber is imported from Kerala and furnace oil from Jamnagar.

Policymakers point to the need to strengthen university-industry linkage for generating demand based supply of manpower. The ministry of MSMEs should also establish specialized technology centres for automated manufacturing systems to meet the future competitive requirements in Punjab.

The study says that flexibility in labour laws is largely being advocated by entrepreneurs and some school of thoughts, which is largely rejected by labour unions due to contrary interests. Therefore, there is a need to find alternative policy frameworks for finding the middle competitive, skill enhancing and evolutionary path.

Industrialists in Punjab are also concerned about infrastructural bottlenecks in Punjab. To put this in perspective, in the first month of 2020, industrialists demanded the reduced rate of power at par with adjoining states.

In the case of the textiles industry, the competition from countries like Bangladesh, Vietnam and Cambodia is increasing, for which textile parks could pave the way to gaining strength. Similarly, the study recommends, efforts should be made for 'product specific parks' with state-of art infrastructure and related organizations.

Punjab MSMEs are struggling with un-coordinated nodes in the development of its knowledge ecosystem. Therefore, there is a need for efforts to enable evolution of learning systems by developing specific linkages between researchers, research institutes (within and outside Punjab) and entrepreneurs. Learning within clusters should be appreciated for the overall growth and sustainability of production and trade.

The world is moving fast in adopting technologies of the fourth industrial revolution (IR 4.0) like automation, artificial intelligence, block-chain technologies and alike. Moreover, post Covid-19 world is also expected to redraw the 'rules of games' with changing world economic order. Therefore, the study says, to meet the future complexities of participation in regional or global production chains, Punjab should design coherent, dynamic policy for making learning an evolutionary process for its industrial sector.