

Maharashtra's Organised Manufacturing Sector: An Appraisal

L G Burange and Rucha R Ranadive

The paper analyses the performance and growth of the manufacturing sector of Maharashtra for the period 1998-1999 to 2009-2010 at aggregated and disaggregated levels. The state's share in the manufacturing sector of India has declined over this period. The overall growth rates of number of workers, output, value-added and capital are lower than those of India. Paper and paper products, chemicals, machinery and equipments, electrical instruments and automobiles are some of the major industries located within the state. The manufacturing sector uses more capital-intensive technique which is adversely affecting the employment growth.

I Introduction

Maharashtra is a leading industrial state in India. It has been recognised as a centre of commerce, industry, finance and arts over many decades. Its manufacturing sector has been occupying a significant position in the Indian manufacturing sector, with its share being the highest among all the states during 1970s. However, this commanding position declined in the 1980s. Introduction of the New Economic Policy of 1991 gave an impetus to the manufacturing sector of Maharashtra. As reported in the Maharashtra Development Report (GOI 2007), the major manufacturing industries include refined petroleum products, other chemical products, basic chemicals, manufacturing of jewellery, musical instruments, sport goods, games and toys, etc., spinning, weaving and finished products of textiles, other food products, sugar, cocoa, chocolates, noodles, etc., basic iron and steel, and motor vehicles. The principal industrial zone in Maharashtra is located at the Mumbai-Nasik-Pune triangle.

The sectoral composition of state domestic income at current prices from 1998-1999 to 2009-2010 is shown in Table 1. It reveals that the percentage share of primary sector, viz., agriculture and allied activities, has slumped over the period. The decline in the share of primary sector can be attributed to the limited potential for the growth of agricultural sector and industrial-oriented state

LG Burange, Professor of International Economics, Department of Economics, University of Mumbai, Vidyanagari, Kalina, Santacruz (E), Mumbai 400098, Email: lgburange@hotmail.com.

Rucha R. Ranadive, Research Scholar, Department of Economics, University of Mumbai, Vidyanagari, Kalina, Santacruz (E), Mumbai 400098, Email: rucha.ranadive@gmail.com.

The authors would like to thank Dr. Shruti Yamini for comments and suggestions on an earlier draft. However, the authors remain solely responsible for the errors in the study.