Chapter Seven

DYNAMISM IN THE INFORMAL MANUFACTURING SECTOR

The informal sector has grown substantially in almost all the States in terms of enterprise number, employment and share in total manufacturing output. However, this growth and productivity of the informal units have been different across different states and rural-urban locations. Particular industry groups in certain states have exhibited marked improvement in efficiency, employment generation, capturing of market share and consolidation. It was found that for each state there are certain activity groups, which have not only grown in number and employment but also has shown such signs of Dynamism. Their productivity levels are not only improving, but, in some cases, returns to capital are higher than that in the factory sector also. Thus it was felt that effort should be made to identify the particular activity groups for each state that are showing signs of dynamism and consequently have the potential to prosper if properly nurtured.

Measures of Dynamism

The present study uses three different measures of dynamism, capturing different aspects of improvement.3

I. The first measure labels industry groups as dynamic if all three measures of productivity (VA per unit of Capital, VA per unit of Labour, and VA per enterprise) are increasing over time. This aspect measures whether the units are using their resources – Labour and Total Capital, more efficiently than before and whether returns to the

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3 Kundu and Lalitha, in their study, has segregated the activity groups within the informal sector into three groups based on their performances over time. Refer to Kundu, A. & N. Lalitha (1998).
entrepreneurs (per enterprise productivity) are increasing or not. So, in other words, this is a measure of increasing operational efficiency.

II. The second measure of dynamism investigates which are the activity groups in different states that are having growing importance in the manufacturing sector. So, those industry groups are considered to be dynamic whose share in total manufacturing sector output is increasing. To ensure that their share is not increasing at the cost of other segments of the informal sector and is not merely due to rise in the number of enterprises, two additional criteria are also imposed. Firstly, it was checked whether the share of informal sector as a whole is also rising or not, and secondly, it was seen whether the output is growing at a faster rate than the number of enterprises (i.e. output per enterprise is rising). Thus, according to this measure, those activity groups are labelled dynamic whose share in total manufacturing sector output is increasing, where share of the informal sector as a whole is rising and where this rising share is not only due to increased number of units but also due to increased contribution of the units. So, this measures increasing relative importance and increasing market share of the activity groups along with improved performance of the units in terms of increased output per enterprise.

III. The third measure of Dynamism identifies those activity groups as dynamic that are expanding in terms of enterprise number and employment, are consolidating or expanding at unit level by having rising employment per enterprise, and are also having rising productivity (both labour productivity and per enterprise productivity). This measure thus reflects the aspects of expansion along with consolidation and improvement in performance of the Units.

Dynamic Activity Groups using Different Measures

A. Identification using the First Criterion

When the first measure was applied to the data for 1989-94 period, various activity groups in each state were identified as dynamic – across
enterprise types and location. A variety of activity groups, different for different enterprise types and location, are showing signs of dynamism. An overall view suggests the following.

**Andhra Pradesh**: In the Urban areas of this state Dynamic activity groups are Food Products (20), Paper Products (28), Basic Metal (33), Electrical & Electronic Equipment (36), Transport Equipment (37), Repair of Capital goods (39) and Miscellaneous Manufacturing Products (38). In the Rural areas Food Products (21), Cotton Textile (23) and Textile Products (26) are showing signs of dynamism.

**Bihar**: It was found that Paper and Leather Products (28,29) are showing increasing productivity levels in Urban Bihar, while in the Rural areas increasing productivity levels are observed in Wool & Silk Textile (24), Basic Metal (33) and Electrical & Electronic Equipment (36).

**Delhi**: In this predominantly Urban area dynamic activity groups are Paper Products (28), Rubber & Plastic (31) and Electrical & Electronic Equipment (36).

**Gujarat**: In Urban Gujarat Non-Metallic Mineral Products (32) and Metal Products (34) are showing signs of dynamism. In the Rural areas Non-Electrical Equipment is showing dynamism. OAMEs in both Rural and Urban areas producing Non Metallic Mineral Products are Dynamic.

**Haryana**: An overall view shows that in urban Haryana the dynamic activity groups are Food Products (21), Paper Products (28), Rubber & Plastic (31), Transport Equipment (37) and Miscellaneous Manufacturing Products (38). In the Rural areas Food Products (20), Textile Products (26), Non Metallic Mineral Products (32) and Repair of Capital goods (39) are found to be dynamic across all enterprise type. OAMEs in both Rural & Urban areas producing Food Products (20,21), Textile Products (26), Paper Products (28), Non Metallic Mineral Products (32) are also dynamic.

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4 For detailed Tables on Performance Indicators used to measure Dynamism (following all the three criteria), please see Appendix Tables D-1 to D-5.
Himachal Pradesh: While in Urban Himachal Pradesh no overall pattern is envisaged, in Rural areas dynamic activity groups are Food Products (21), Paper Products (28), and Metal Products (34).

Karnataka: Dynamic activity groups in an overall sense are Beverages (22), Metal Products (34), Electrical Equipment (36) and Transport Equipment (37) in Urban areas and Cotton Textile and Non-Metallic Mineral Products (32) in Rural areas.

Kerala: It was found that Natural Fibre Products (25) are dynamic among all enterprise types in both rural & urban areas in Kerala. Apart from that Food Products (21), and Electrical & Electronic Equipment (36) industries are showing dynamism in Rural areas. OAMEs and NDMEs producing Food Products are dynamic in both rural and urban areas.

Madhya Pradesh: No overall pattern was evident in Rural Madhya Pradesh. In the Urban areas, units producing Cotton Textile (23), Paper Products (28), Wood Products (27), Rubber & Plastic (31) and Non-Metallic Mineral Products (32) are dynamic. OAMEs producing Transport Equipment & NDMEs producing Food Products (20) and Metal Products (34) in both Rural and urban areas are also dynamic.

Maharashtra: An overall picture suggests that urban units producing Food Products (20) and Paper Products (28) are dynamic. Also OAMEs in both Rural and Urban areas producing Textile product (26), Basic Chemicals (30) and Non-metallic Mineral Products (32) are found to be dynamic.

Orissa: In Urban Orissa, units producing Beverages (22), Basic Chemicals (30), Metal Products and Miscellaneous Manufacturing items (38) are found to be dynamic for all enterprise types. The same is true for rural units producing Textile Products (26), Rubber & Plastic (31) and Non-Metallic Mineral Products (32).

Punjab: In Urban Punjab, Leather Products (29) and Rubber & Plastic Products (31) are found to be dynamic for all enterprise types. Also, in both rural and urban areas, OAMEs producing Cotton Textile (23), Natural Fibre Products (25), Basic Metal (33) and Non-electrical Machinery (35)
and NDMEs producing Food Products (20) and Transport Equipment are found to be dynamic.

**Rajasthan** : In Urban Rajasthan, dynamic activity groups are Food Products (21), Textile Products (26) and Repair of Capital goods (39). In Rural areas Food Products (20), Cotton Textile (23) and Non-metallic Mineral Products are showing signs of dynamism. Also, OAMEs producing Wool & Silk Textile (24) and Basic Metal (33), and NDMEs Producing Non-Electrical Machinery (35) in both rural and urban areas are dynamic.

**Tamil Nadu** : Overall view suggests that dynamic activity groups are Food Products (20) Cotton Textile(23), Basic Metal & Metal Products (33-34) and Transport Equipment (37) in Urban areas, and Beverages (22), Wool & Silk Textile (24), Basic Chemicals (30), Non-Metallic Mineral Products (32) and Non-Electrical Machinery (35) in Rural Areas. Apart from these, OAMEs producing Miscellaneous Manufacturing items (38) in both rural and urban areas are also dynamic.

**Uttar Pradesh** : In Uttar Pradesh, units producing Beverages (22), Basic Metal & Metal Products (33-34) and Electrical & Electronic Equipment (36) in all Urban enterprise types are found to be dynamic. Rural units producing Wool & Silk Textile(24) and also Textile Products (26) are found to be dynamic.

**West Bengal** : Units producing Paper Products (28) and Electrical & Electronic Equipment (36) are found to be dynamic for all three enterprise types in both Rural and Urban areas. Moreover Urban units producing Rubber & Plastic (31), Metal Products (34) and Miscellaneous Manufacturing items (38) are found to have rising Productivity levels.

The industry groups showing signs of dynamism in majority of the sixteen major states considered were identified as Dynamic at the national level. It was found that among rural OAMEs, activity groups producing Non-metallic Mineral Products (32), Food Products (20,21) and those engaged in Repair Services (97) are dynamic. Among Urban OAMEs, dynamic activity groups are Paper Products (28), Basic Metal (33), Repair Services (97), Miscellaneous Manufacturing Products (38), Electrical & Electronic Equipment (36), Transport Equipment (37) and Basic Chemicals
In Urban NDMEs, dynamic activity groups are Paper Products (28), Metal Products (34), Rubber & Plastic (31), Repair of Capital goods (39), Textile Products (26) and Food Products (20). In Urban DMEs, units producing Basic Chemical(30) are showing dynamism at the national level. Considering all enterprise types together, it is evident from the results that the dynamic groups at the national level are Food Products (20-21), Textile Products (26), Non-metallic Mineral Products (32) and Repair services (39,97) in the Rural Areas. In the Urban areas dynamic groups are Food Products (20-21), Paper Products (28), Basic Metal & Metal Products (33-34) Basic Chemicals (30), Transport Equipment (37), Electrical Equipment (36) and Textile Products (26). On an aggregative basis it can be commented that the activity groups showing dynamism across the country are Food Products (20-21), Basic Metal and Metal Products (33-34), Basic Chemicals (30), Paper Products (28), Textile Products (26), Non-Metallic Mineral Products (32), Repair Services (97) and Miscellaneous Manufacturing items(38).

B. Identification using the Second Criterion

It was found that according to the second measure, diverse activity groups are showing dynamism across different states, enterprise types and location. The common trend that emerges from them in each state can now be discussed.

Andhra Pradesh: It is observed that during 1989-94, dynamic activity groups in urban Andhra Pradesh are those engaged in manufacture of Paper Products (28) and Leather Products (29). Other prominent ones are small urban units (OAMEs & NDMEs) producing Electrical & Electronic Equipment (36), Miscellaneous Manufacturing Products (38), and those engaged in Repair Services (97).

Bihar: It is found that OAMEs producing Natural Fibre Products (25) and Basic Metals (33) are dynamic. Among others, mention must be made of small units in the urban areas producing Non-electrical equipment (35) and urban DMEs and NDMEs producing Wood Products (27).
**Delhi**: In urban Delhi OAMEs and NDMEs producing Electrical and Electronic Equipment (36) and DMEs offering Repair Services (97) are found to be having rising share in output.

**Gujarat**: In Urban Gujarat units producing Metal Products (34) and in Rural Gujarat NDMEs and DMEs producing Leather Products (29) are the notable ones among the different activity groups showing signs of dynamism.

**Haryana**: Units engaged in Repair of Capital goods in both Rural and Urban areas, Urban OAMEs and NDMEs producing Textile Products (26) and DMEs producing Wool & Silk Textile (24) are having increased market share. Few others are also dynamic as can be seen from the Appendix tables.

**Karnataka**: In rural Karnataka, units producing Non-metallic Mineral Products (32) are found to be dynamic for all enterprise types. Rural OAMEs and NDMEs producing Transport Equipment (37), rural NDMEs and DMEs producing Electrical & Electronic Equipment and Urban OAMEs and NDMEs producing Food Products (20), Miscellaneous Manufacturing items (38) and offering Repair Services (39, 97) are the other prominent activity groups showing dynamism.

**Kerala**: An overall view suggests that NDMEs producing Textile Products (26) and rural informal units producing Electrical & Electronic Equipment (36) are the notable ones showing signs of dynamism.

**Madhya Pradesh**: OAMEs producing Cotton Textile (23), DMEs producing Transport Equipment (37) and Urban OAMEs and NDMEs producing Wood & Paper Products (27, 28) are the most prominent dynamic groups.

**Maharashtra**: An overall picture shows that signs of Dynamism are exhibited by different activity groups across enterprise type and location. Among them mention may be made of OAMEs producing Non Metallic Mineral Products (32) both in Rural and Urban Areas.

**Orissa**: Among different dynamic activity groups, notable are NDMEs producing Paper Products (28), Metal products (34), Miscellaneous Manufacturing Products (38), and units engaged in Repair services (97).
Punjab: Notable dynamic activity groups are OAMEs and NDMEs engaged in Repair Services (97) and Urban OAMEs and DMEs producing Basic Chemicals (30) and Electrical & Electronic Equipment (36).

Rajasthan: Among different activity groups showing signs of dynamism in Rajasthan, mention may be made of Rural small units producing Electrical & Electronic Equipment (36).

Tamil Nadu: In Tamil Nadu different activity groups are dynamic across enterprise types and location. Common trend suggests that notable among them are OAMEs producing Basic Metal (33), NDMEs Producing Electrical & Electronic Equipment (36) and DMEs producing Wood Products (27).

Uttar Pradesh: Rural OAMEs and NDMEs producing Natural Fibre Product (25), Urban OAMEs, NDMEs and Rural DMEs producing Leather Products (29) and both Rural and Urban DMEs producing Miscellaneous Manufacturing items are the most prominent ones among different activity groups showing dynamism.

West Bengal: A variety of activity groups are showing increasing market share. The prominent ones among them are OAMEs producing Basic Metal (33) and Electrical & Electronic Equipment (36), NDMEs producing Food Products (21), Textile Products (26) and Electrical & Electronic Equipment (36) and DMEs producing Transport Equipment and urban units producing Metal Products (34).

C. Identification using the Third Criterion

The third criterion of dynamism revealed that during 1989-94 different activity groups under different enterprise types and location were dynamic in different states. The overall picture that can be inferred from the results is as follows.

Andhra Pradesh: Among various activity groups showing dynamism in different locations and under different enterprise types, mention may be made of Urban informal units producing Miscellaneous Manufacturing Items (38),
NDMEs producing Textile Products (26) and OAMEs offering Repair services (97).

**Bihar** : OAMEs and NDMEs producing Wool & Silk Textile (24), Basic Metals (33) in rural areas and Leather Products (29) in Urban Areas are notable among different activity groups showing dynamism.

**Delhi** : DMEs producing Leather Products (29) and Rural OAMEs and NDMEs producing Textile Products (26) are the prominent activity groups showing signs of dynamism.

**Gujarat** : Different activity groups are found to be dynamic for different enterprise type and location. Among them, mention may be made of Urban OAMEs and DMEs producing Metal Products(34) and NDMEs producing Natural Fibre Products in both Rural and Urban areas.

**Haryana** : Among various dynamic activity groups, notable are NDMEs and DMEs producing Natural Fibre Products (25), Textile Products (26) and Metal Products(34) in the Urban areas, and enterprises producing Wool & Silk Textile (24) in the Rural Areas.

**Karnataka** : Diverse activity group are showing dynamism for different location and enterprise type. Of them Rural NDMEs and DMEs producing Transport Equipment is noteworthy.

**Kerala** : Rural OAMEs and Rural NDMEs in the Equipment sector (35,36,37) and Urban NDMEs in the Natural Fibre Products (25) are showing dynamism.

**Madhya Pradesh** : OAMEs offering Repair services and NDMEs producing Food Products (20), and Wool & Silk Textile (24) in both rural and urban areas are the prominent ones among the different activity groups showing dynamism.

**Orissa** : OAMEs and NDMEs of both rural and urban areas engaged in manufacture of Metal Products (34), rural OAMEs and NDMEs producing Basic Metal(33) and Urban OAMEs and DMEs producing Non-electrical Equipment (35) are the notable dynamic activity groups.
**Punjab**: Rural OAMEs and rural NDMEs producing Basic Metal (33) and Urban units producing Non-electrical Equipment (35) are found to be dynamic.

**Rajasthan**: Among the different dynamic activity groups across location and enterprise types mention may be made of Urban OAMEs and NDMEs producing Textile Products (26) and DMEs producing Leather Products (29) in both rural and urban areas.

**Tamil Nadu**: Rural OAMEs and NDMEs manufacturing Non-Metallic Mineral Products (32) and DMEs engaged in Repair of Capital goods(39) in both rural and urban areas are notable dynamic activity groups.

**Uttar Pradesh**: Rural NDMEs and DMEs manufacturing Leather Products (29) and rural enterprises producing Wool & Silk Textile(24) are the prominent ones among the different dynamic activity groups.

**West Bengal**: Urban OAMEs and NDMEs producing Basic Metal(33), Urban NDMEs and DMEs producing Food Products (21) and DMEs manufacturing Rubber & Plastic and Transport Equipment in both Rural and Urban areas are to be mentioned among the different dynamic activity groups.

**SUMMARY**

When all the three measures of dynamism were considered, it was observed that there is a wide variety across enterprise types and location regarding the activity groups that are showing signs of dynamism, even within each state. Prominent among them are noted below (Table 7.01).

A summary finding regarding activity groups in each state that are showing signs of dynamism in an aggregate sense are as follows:-

- **In Andhra Pradesh**, dynamic activity groups are Paper Products (28), Electrical & Electronic Equipment(36), Basic Metal (33) and Miscellaneous Manufacturing Products(38).

- **Wool & Silk Textile** (24), Natural Fibre Products (25), Leather Products (29), Basic Chemicals (30) and Basic Metals (33) are showing dynamism in Bihar.
In Delhi, Paper and Paper Products (28), Electrical & Electronic Equipment (36) sector is showing dynamism in an overall sense.

Activities like Rubber & Plastic (31) and Metal Products (34) are showing dynamism in Gujarat.

In Haryana, dynamic activity groups are Wool & Silk Textile (24), Textile Products (26), Leather Products (29) and Basic Chemicals (30).

Wood Products (27), Paper Products (28) and Metal Products (34) are showing signs of dynamism in Himachal Pradesh.

In Karnataka, Non Metallic Mineral Products (32) and Transport Equipment (37) are showing dynamism.

Electrical & Electronic Equipment (36) and Natural Fibre Products (25) are showing dynamism in Kerala.

Dynamic activity groups in Madhya Pradesh are Cotton Textile(23), Wool & Silk Textile (24), Wood Products (27) and Non Metallic Mineral Products(32).

In Maharashtra, Food Products (20) and Non Metallic Mineral Products (32) are showing dynamism.

Metal Product industry (34) and Miscellaneous Manufacturing Items (38) are showing dynamism in Orissa.

In Punjab, Textile Products (26), Leather Products (29), Rubber & Plastic (31), Basic Metal (33) and Non-electrical Equipment (35) are identified as dynamic activity groups.

In Rajasthan, informal units producing Leather Products(29) are showing dynamism.

Activity groups showing dynamism in Tamil Nadu are Non Metallic Mineral Products (32) and Basic Metals (33).
In Uttar Pradesh, activity groups showing dynamism are Wool & Silk Textile (24), Natural Fibre Products(25), Leather Products(29), Metal Products(34) and Electrical & Electronic Equipment (36).

Dynamic activity groups in West Bengal are Food Products (21), Rubber & Plastic (31), Basic Metal (33), Metal Products (34) and Electrical & Electronic Equipment (36).

The above analysis gives an idea about the activity groups showing signs of Dynamism in each state. Let us now try to identify the activity groups in each state that are Sustainable.

Sustainability of Activity Groups

It is expected that the activity groups likely to have assured demand would be sustainable in the long run. Such demand for the products would come from two sources - Final Consumers, and Intermediate Users.

The Consumer non-durables are likely to have a ready market because of the final demand factor. Out of this total final demand, the informal sector is supposed to have an ample share because of its ability to produce cheap and indigenous products conforming to local tastes and preferences. Consequently, activity groups like Food Products and Beverages, Textiles & Textile Products, Leather Products, etc. are likely to have at least a moderate market demand.

The demand for the intermediate goods produced by the informal sector depends basically on the local pattern of industrialisation. The informal units, because of marketing constraints, cater mainly to the local demand. The primary purchaser of these intermediate products is mainly the manufacturing sector itself, within which, the factory sector plays a dominant role. So, demand for intermediate goods produced by the informal sector would largely depend on two factors - predominant industries in the factory sector in that region, and, the commodities demanded by those industries (i.e. backward linkages of the factory sector). So, the predominant industries in the factory
sector in each state are identified. The backward linkages of these industries were determined using the INPUT OUTPUT TRANSACTIONS TABLE for the Indian Economy (1989-90). The Product groups thus identified are expected to have an assured demand, and so, the activity groups in the informal sector producing them are likely to be sustainable in the long run as far as demand is concerned.

It is observed that Basic Chemicals (30), Rubber & Plastic (31), Metal Products (34) and Non-Electrical Equipment (35) are some of the basic ingredients demanded by the factory sector in all the major states. So, these activities are likely to have assured market demand in all the states. Moreover, as the pattern of industrialisation is different for different states, predominant industries and their backward linkages would be different for different states. Consequently, different product groups are supposed to have intermediate demand in different states. State specific results reveal the following (Table 7.02).

Apart from the four industries already mentioned above, activity groups likely to have sustainability are:-

- Food products, Paper products and Basic Metal in Andhra Pradesh;
- Food Products and Paper Products in Gujarat;
- Food products, Basic Metal and Transport Equipment in Haryana;
- Basic metal, Wool & Silk textile in Himachal Pradesh;
- Basic Metal, Paper and Food Products in Karnataka;
- Paper Products, Food Products and Natural Fibre Products in Kerala;
- Basic Metal, Food Products and Non-Metallic Mineral Products in Madhya Pradesh;

Information on Regional Distribution of Manufacturing Industries showing Five Major Industry Groups for each state are provided by Annual Survey of Industries published by CSO.

GOI (1997).

Casting of metals, Re-processing and re-rolling of metal scraps are included within the Basic Metal category. Informal manufacturing sector units are often found to be engaged in such activities.
Paper Products, Basic Metal, Food Products and Transport Equipment in Maharashtra;

Paper products, Natural Fibre Products and Non-Metallic Mineral Products in Orissa;

Paper Products, Food Products, Transport Equipment and Wool & Silk Textile in Punjab;

Food Products, Non-Metallic Mineral Products and Wool & Silk Textile in Rajasthan;

Basic Metals and Cotton Textile in Tamil Nadu;

Basic Metals and Food Products in Uttar Pradesh;

Basic Metals in West Bengal;

Cotton Textile, Wool & Silk Textile, Natural Fibre Products, Paper Products, Basic Metals and Textile Products in Delhi.

The above outlines the product groups that are likely to have forward linkage with the factory sector in each state.

Identification of Focus Groups

We have, so far, identified the product groups in different states that are showing signs of dynamism and also those that are likely to be sustainable. The dynamic product groups are exhibiting improving efficiency in the recent past. The Sustainable product groups, on the other hand, are likely to have close linkages with the factory sector because the latter demand those products for their intermediate use. Now, the product groups that are both dynamic and sustainable, are therefore those that are not only experiencing betterment of internal performance but are also likely to enjoy external conditions conducive to their growth (as far as demand is concerned). So they have the potential of not only survival but also of prosperity (Table 7.03). The product groups having such potential have been identified for each state as –
Food Products, Paper Products and Basic Metals in Andhra Pradesh;

Basic Chemicals in Bihar;

Paper Products and Rubber & Plastic in Delhi;

Rubber & Plastic, Metal Products and Non Electrical Equipment in Gujarat;

Food Products, Basic Chemicals and Transport Equipment in Haryana;

Wool & Silk Textile and Food Products in Himachal Pradesh;

Metal Products in Karnataka;

Food Products and Natural Fibre Products in Kerala;

Rubber & Plastic, Non-Metallic Mineral Product and Metal Product in Madhya Pradesh;

Food Products and Paper Products in Maharashtra;

Basic Chemicals, Rubber & Plastic, Non-Metallic Mineral Products and Metal Product in Orissa;

Rubber & Plastic, Non Electrical Equipment and Transport Equipment in Punjab;

Food Product, Wool & Silk Textile, Non-Metallic Mineral Product and Non Electrical Equipment in Rajasthan;

Cotton Textile, Basic Chemicals, Metal Products and Non Electrical Equipment in Tamil Nadu;

Metal Products in Uttar Pradesh; and

Rubber & Plastic, Basic Metal and Metal Products in West Bengal.

[It is to be noted that sustainability is viewed only in terms of intermediate demand and prospective linkage with the factory sector. Demand for final use has not been considered here.]
Thus, it can be concluded that there are certain segments and activity groups within the informal sector that are showing signs of dynamism and thus represent the vibrant, competitive and efficient section of the informal sector. Some of the intermediate product groups among them are likely to be sustainable in the long run because of favourable demand condition. **This part of the informal sector having high chance of survival and prosperity defy the common belief that the informal sector is a transitory phenomenon and only a stop-gap solution to problems of unemployment and poverty.**

However, it should be admitted, that given the tremendous heterogeneity of the informal sector, and the diverse trends exhibited by different segments of it even within each state, it is very difficult to bring out a clear picture and compartmentalise activities into Dynamic and Non-dynamic groups. The effort in this chapter was to capture the common trend from this diverse patterns, and identify the activity groups in each state where the attention and care should be concentrated.
### Table 7.01
Dynamic Activity Groups in Each State

<table>
<thead>
<tr>
<th>Andhra Pradesh</th>
<th>Paper Products (28), Electrical &amp; Electronic Equipment(36), Basic Metal (33) and Miscellaneous Manufacturing Products (38).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar</td>
<td>Wool &amp; Silk Textile (24), Natural Fibre Products (25), Leather Products (29), Basic Chemicals (30) and Basic Metals (33).</td>
</tr>
<tr>
<td>Delhi</td>
<td>Paper Products (28), Electrical &amp; Electronic Equipment (36).</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Rubber &amp; Plastic (31) and Metal Products (34).</td>
</tr>
<tr>
<td>Haryana</td>
<td>Wool &amp; Silk Textile (24), Textile Products (26), Leather Products (29) and Basic Chemicals (30).</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>Food Products (20-21), Paper Products (28), Metal Products (34);</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Non-metallic Mineral Products (32), and Transport Equipment (37).</td>
</tr>
<tr>
<td>Kerala</td>
<td>Electrical &amp; Electronic Equipment (36).</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>Cotton Textile(23), Wool &amp; Silk Textile (24), Wood Products (27) and Non Metallic Mineral Products(32).</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Food Products (20), and Non Metallic Mineral Products (32).</td>
</tr>
<tr>
<td>Orissa</td>
<td>Metal Product (34), &amp; Miscellaneous Manufacturing Items (38).</td>
</tr>
<tr>
<td>Punjab</td>
<td>Leather Products (29), Rubber &amp; Plastic (31), Cotton Textiles (26).</td>
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<tr>
<td>Rajasthan</td>
<td>Leather Products (29).</td>
</tr>
<tr>
<td>Tamilnadu</td>
<td>Non Metallic Mineral Products (32), and Basic Metals (33).</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>Wool &amp; Silk Textile (24), Natural Fibre Products (25), Leather Products (29), Metal Products (34) and Electrical &amp; Electronic Equipment (36).</td>
</tr>
<tr>
<td>West Bengal</td>
<td>Food Products (21), Rubber &amp; Plastic (31), Basic Metal (33), Metal Products (34) and Electrical &amp; Electronic Equipment (36).</td>
</tr>
</tbody>
</table>
### Table 7.02

**Activity Groups in Each State likely to have Linkage with Factory Sector**

<table>
<thead>
<tr>
<th>State</th>
<th>Activity Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>Food products, Paper products and Basic Metal;</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Food Products and Paper Products;</td>
</tr>
<tr>
<td>Haryana</td>
<td>Food products, Basic Metal and Transport Equipment;</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>Basic Metal, Wool &amp; Silk Textile;</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Basic Metal, Paper Products and Food Products;</td>
</tr>
<tr>
<td>Kerala</td>
<td>Paper Products, Food Products and Natural Fibre Products;</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>Basic Metal, Food Products and Non-metallic Mineral Products;</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Paper Products, Basic Metal, Food Products and Transport Equipment;</td>
</tr>
<tr>
<td>Orissa</td>
<td>Paper Products, Natural Fibre Products and Non-metallic Mineral Products;</td>
</tr>
<tr>
<td>Punjab</td>
<td>Paper Products, Food Products, Transport Equipment and Wool &amp; Silk Textile;</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>Food Products, Non-metallic Mineral Products and Wool &amp; Silk Textile;</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>Basic Metals and Cotton Textile;</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>Basic Metals and Food Products;</td>
</tr>
<tr>
<td>West Bengal</td>
<td>Basic Metals.</td>
</tr>
</tbody>
</table>
### Table 7.03

**Core Activity Groups in Each State likely to have Potential**

<table>
<thead>
<tr>
<th>State</th>
<th>Activity Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>Food Products, Paper Products and Basic Metals;</td>
</tr>
<tr>
<td>Bihar</td>
<td>Basic Chemicals;</td>
</tr>
<tr>
<td>Delhi</td>
<td>Paper Products and Rubber &amp; Plastic;</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Rubber &amp; Plastic, Metal Products and Non Electrical Equipment;</td>
</tr>
<tr>
<td>Haryana</td>
<td>Food Products, Basic Chemicals and Transport Equipment;</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>Wool &amp; Silk Textile, Food Products;</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Metal Products;</td>
</tr>
<tr>
<td>Kerala</td>
<td>Food Products and Natural Fibre Products;</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>Rubber &amp; Plastic, Non-metallic Mineral Product and Metal Product;</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Food Products and Paper Products;</td>
</tr>
<tr>
<td>Orissa</td>
<td>Basic Chemicals, Rubber &amp; Plastic, Non-metallic Mineral Products and Metal Product;</td>
</tr>
<tr>
<td>Punjab</td>
<td>Rubber &amp; Plastic, Non Electrical Equipment and Transport Equipment;</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>Food Product, Wool &amp; Silk Textile, Non-metallic Mineral Product and Non Electrical Equipment;</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>Cotton Textile, Basic Chemicals, Metal Products and Non Electrical Equipment;</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>Metal Products;</td>
</tr>
<tr>
<td>West Bengal</td>
<td>Rubber &amp; Plastic, Basic Metal and Metal Products.</td>
</tr>
</tbody>
</table>