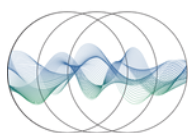


# PRIMER

## INDUSTRIAL LANDSCAPE OF PUNJAB

2024-25



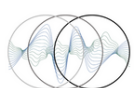
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# SUMMARY

The share of industry in Punjab's GSVA is 27.4%, quite close to the share of agriculture, and the average share of industry for India as a whole. Growth of Punjab's industry has been higher than that of agriculture, and similar to the average for the national average (Singh, et.al., 2024). This primer presents a landscape of current state of affairs of industry in Punjab. Data from government sources including Annual Survey of Industries, Punjab Government Data, shows that industry still has a long way to go. Even when Punjab has is the eighth state with the most number of industries in India, it has nearly half the total registered factories in comparison to Tamil Nadu, the top-ranking state.

The output story of existing industries is also not good. Output across major industry groups including electricity, paper, manufacturing of transport goods has stagnated over the past few years. Similar is the story of employment in industries. Employment in the most industrialised districts like Ludhiana has decreased in the last two years. Moreover, despite the fact that Punjab has more number of industries, it fares poorly in comparison with other states with lesser industries, in terms of employment numbers. This indicates absence of large-scale units in the state. Governments across years have recognised this gap, and have tried to rectify. Various initiatives related to registration, inspections, and compliances, have been reformed to attract more investment in the state.



# Overview

Per Annual Survey of Industries (2021-22), there are a total of **13,131** registered factories in Punjab. Tamil Nadu, the state with the most factories, has **39,512** factories.



## Employment

**6,18,026** persons employed in factories in Punjab (ASI, 2021-22)  
Haryana has lesser number factories in total, but more larger industries which employ **2.7 lakh more persons**

**Largest scale factory**

**Textile**  
**Motor vehicle**  
**Chemicals**

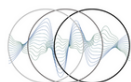
**Most profitable at per factory level**

**Textile**  
**Machinery and equipment**

Table shows the per factory profit generated across different types of subsectors in Punjab (2021-22). These sub-sectors account for **69% of GVA** in registered manufacturing.

Type of factory	Per factory profit (in lakhs)
Food products	83.42
Textile	564.57
Machinery and equipment	470.67
Non-metallic mineral products	68.71
Wearing apparel	105.57
Basic metals	193.1
Other transport equipment	99.76
Fabricated metal products	115.36
Motor vehicles	180.29
Chemical and chemical products	547.09

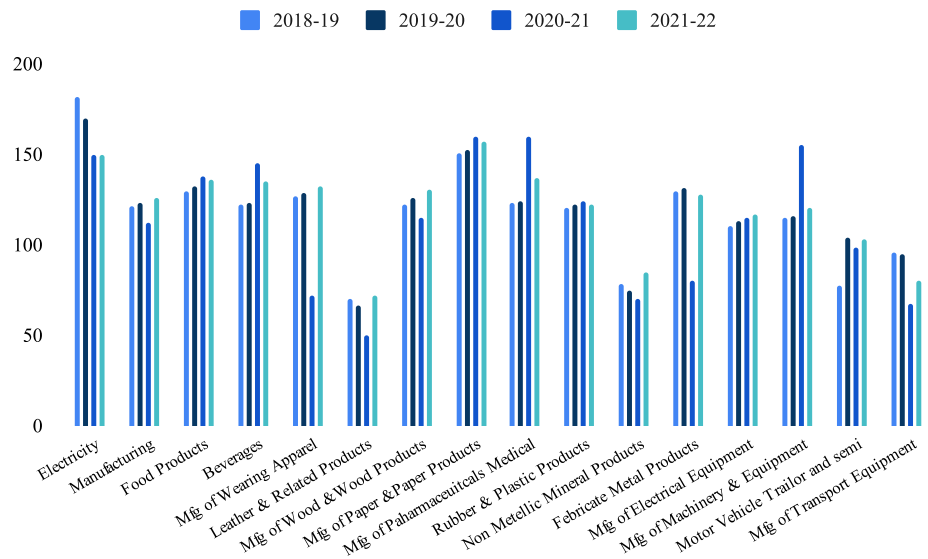
Punjab fares poorly in terms of inflow of Foreign Direct Investment (FDI). The **state received USD 741.23 FDI** between 2019-21. **Maharashtra**, however, received **USD 69,000**.



# State-wide industrial performance

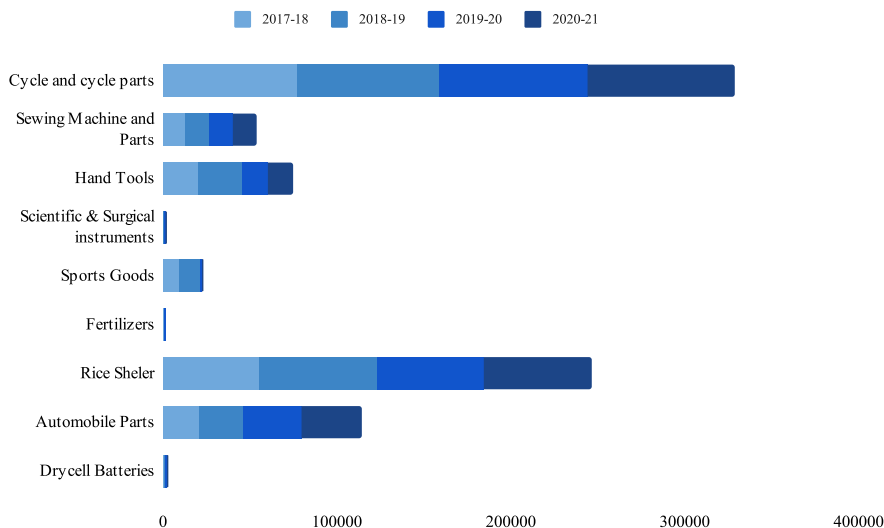
## Index of industrial production (IIP)

The Index of industrial production tracks the production of industrial goods over time. The average IIP across industrial groups between 2018-19 and 2021-22 was 4.8%. Electricity and manufacturing of transport equipment saw the worst declines (-17% and -16%).



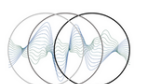
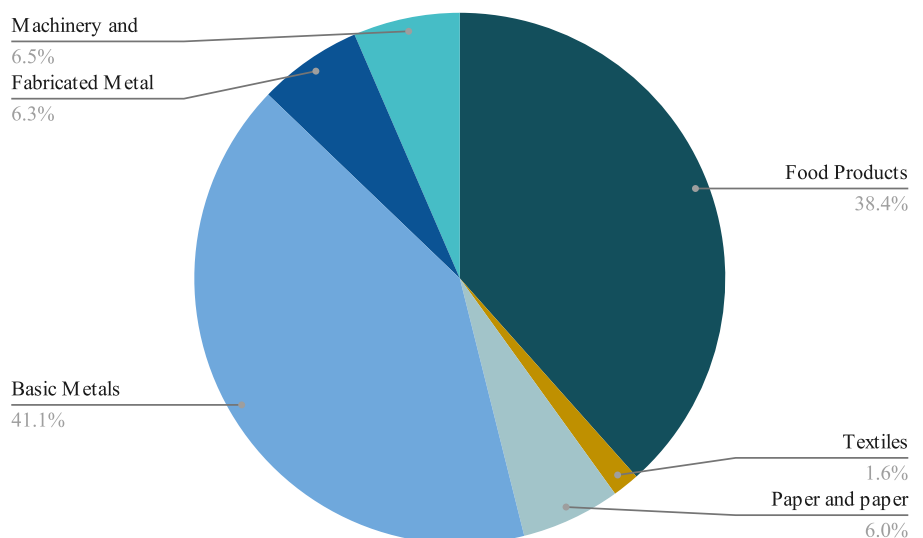
## Employment across different industries over the years

Largest employer was cycle and cycle parts manufacturing. However, employment in this industry was stagnant between 2019-20 and 2020-21.

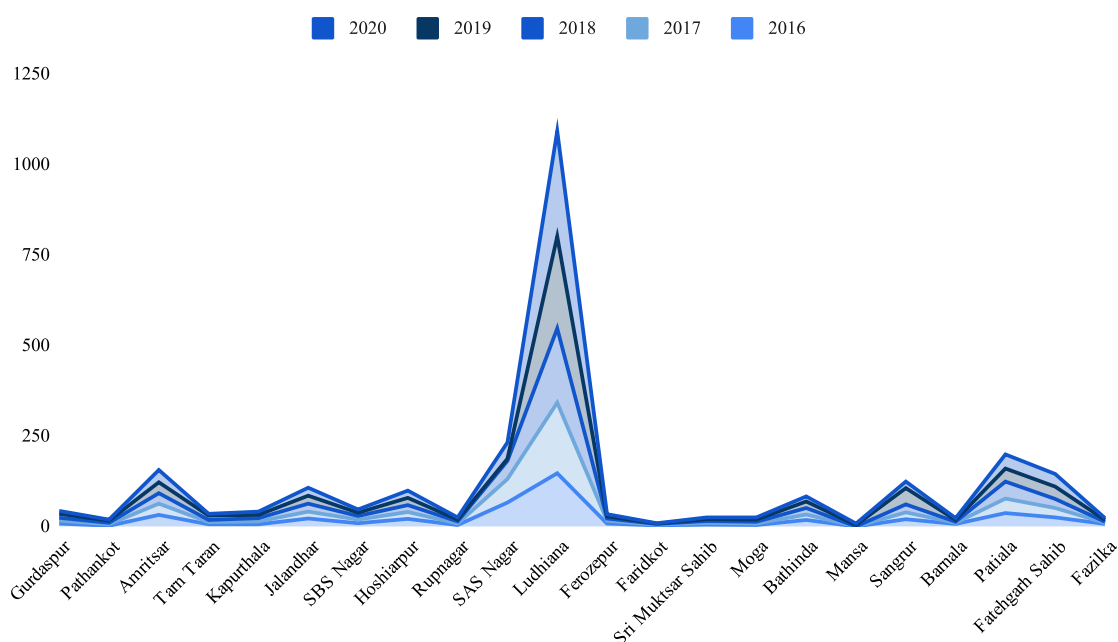


## Share in total output for different industries

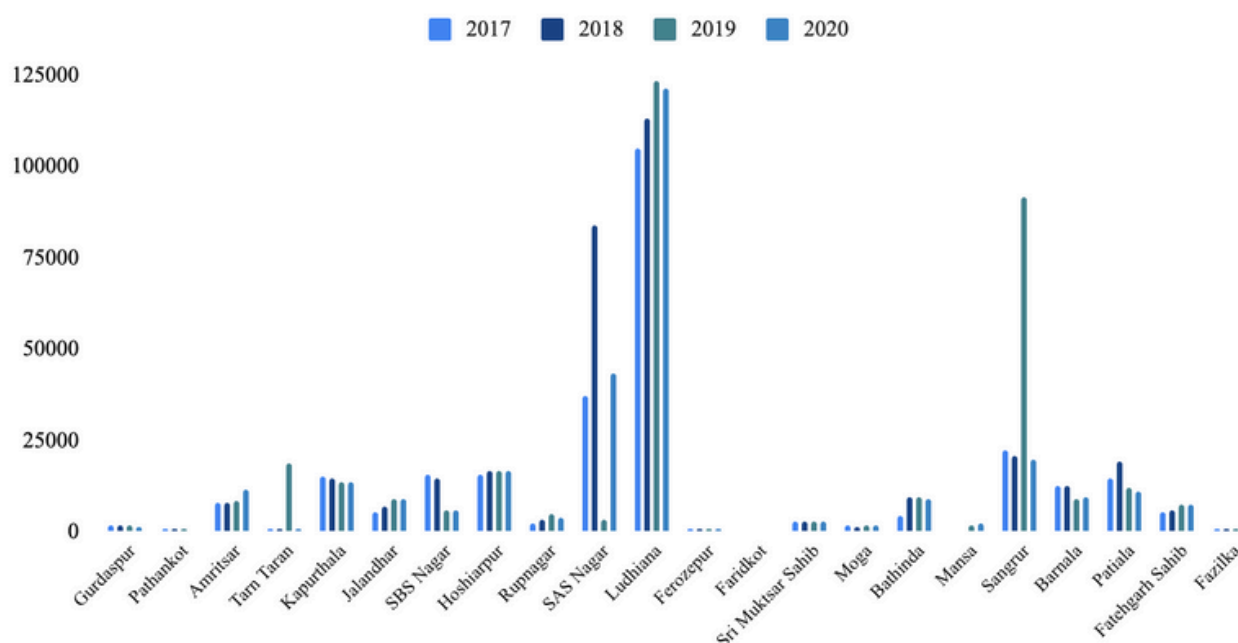
Textile has the largest share in the total output, followed by paper and paper products. However, the highest contributor to GVA is paper and paper products.



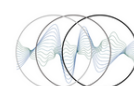
## District-wise industrial performance



District-wise view of number of large and medium units in Punjab. Most industrialised districts include Ludhiana (1,092) and SAS Nagar (232). The number of units in SBS Nagar, Pathankot, Faridkot, and Fazilka has decreased in 2020.



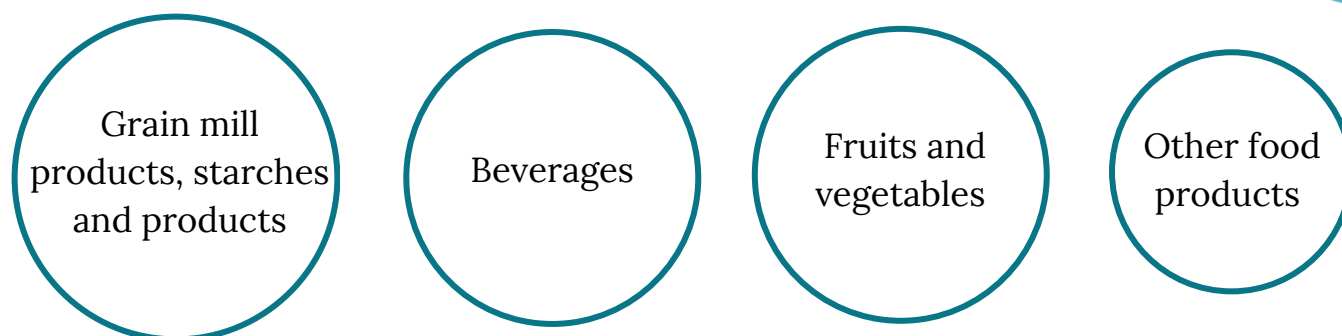
District-wise view of employment in industrial units in Punjab. Employment in medium and large scale units decreased by 1.6% between 2019 and 2020. While SAS Nagar saw a rise by 91% during the same period.



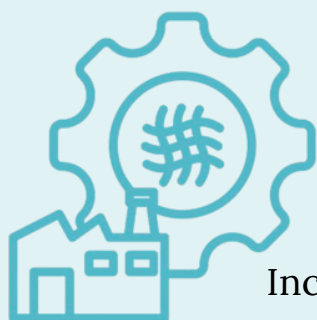
## Select industries overview

### Food processing industry

Contributed **52%** of the GVA in the registered manufacturing



*Top four contributors in terms of GVA share (2021-22)*



### Textile and apparel manufacturing

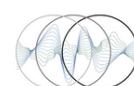
Total contribution to GVA = **18%**

**60.2%** of this GVA came from spinning, weaving, and finishing of cotton textiles

Incentives include: Exemption 100% SGST, Property tax, CLU

## Government initiatives for industries

- ✓ Centralised Inspection System (CIS) for compliance inspections
- ✓ Risk-based inspections and consolidated inspections by departments
- ✓ Online automatic deemed clearances issued on expiry of stipulated time period
- ✓ Single window portal for 140+ regulatory services of 23 departments

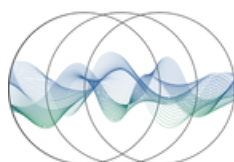




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