CHAPTER II

INDUSTRIAL STRUCTURE OF GUJARAT

It is a widely recognized fact that Gujarat State is one of the prosperous states of India. The volume of economic activity, size of population and geographical region of Gujarat form a significant proportion of the corresponding aggregates at the national level. Gujarat state which came into existence in the year 1960, covers 5.96 percent of the geographical area of the country and houses around 5 percent of its population. It's contribution to net Domestic product is approximately 5.45 percent. Gujarat state has been classified as an industrially developed state along with states like Maharashtra, West Bengal, Tamil Nadu etc. To get a clear picture of Gujarat's position on the industrial map of India, a few salient indicators relating to ASI factory sector in 1982-83[1] may be examined. With just above Rupees (Rs.) 28081* crores worth of gross output and Rs. 15245 crores worth of value added from its factories numbering about 10,073; Gujarat accounts for nearly 10 percent of value added and 11 percent of Gross output generated by manufacture in the factory sector at all India level. In terms of industrial employment it is ranked 5th and creates 9.5 percent of industrial employment in the country. All indicators, including investment

1. Annual survey of industries, 1982-83, Summary results for the factor sector. C.S.O., New Delhi, 1986.

* 1 US dollar is equivalent to 15.5 Ruppes approximately.
  10 Lakh is equal to 1 million.
  10 million is equal to 1 crore.

in fixed capital has a high position as compared to its population base in the country. The inter state disparity in levels of industrialization, taking value added generated in the factory sector as an indicator is presented in Table 2.1. Maharashtra and west Bengal in that order, are the most industrialized states. Gujarat state which stood 3rd in position in 1960-61 has been replaced by Tamil Nadu by 1980-1981. Even to this day the pace of industrialization in Gujarat is impressive, however the primary sector remains a major sector in the state and the overall performance of the state economy is effected by this sector.

The importance of primary sector in the Indian economy can not be over emphasized. In terms of proportion of both employment and output generated, the primary sector remains the major sector of Gujarat economy because it still accounts for about 40 percent of the states income and provides employment directly to about 65 percent of the labour force. It also creates employment indirectly to a significant proportion of the nonagricultural population, through the development of agro-based industry and the linkage effect on the states economy. However, this major sector of Gujarat's economy had achieved the lowest growth rate among different sectors and there had been wide fluctuations in the growth rate of this sector. The secondary sector contributes to 21 percent to the state domestic product and employ 13 percent of the total working force. The tertiary sector contributes to 30 percent to the state domestic product

Table: 2.1 Inter-state Disparity in Levels of Industrialization.

State	Share of Value - added in Factory Sector					
	1960 - 61		1970 - 71		1982 - 83	
	Percent	Rank	Percent	Rank	Percent	Rank
Andhra Pradesh	3.1	8	4	8	6.1	7
Assam	.3	9	1.4	14	0.9	15
Bihar	6.5	5	5.5	7	6.7	6
Gujarat	10.5	3	9.1	3	9.1	4
Haryana	-	-	2.2	12	3.1	10
Karnataka	3.2	7	5.7	6	4.9	9
Kerala	2.7	11	2.9	10	2.9	11
Madhya Pradesh	2.4	12	3.6	9	5.7	8
Maharastra	26.7	1	26.8	1	21.6	1
Orissa	0.9 (a)	14 (a)	1.9	15	1.4	14
Punjab	3.0	10	2.3	11	2.7	12
Rajasthan	1.0	13	2.1	13	2.4	13
Tamil Nadu	7.9	4	9.8	4	10.1	2
Uttar Pradesh	6.3	6	6.6	5	8.9	5
West Bengal	20.5	2	13.6	2	9.8	3

Note : (a) Punjab including Haryana.

Source : Based on ASI data reported in CMIE.

and employ around 19 percent of the working force. The overall growth achievement of Gujarat is relatively better compared to many other states. The annual growth rate of per capita state Domestic product in Gujarat between 1971 and 1981 in real terms was 1.3 percent against 1 percent for all India.

The per capita domestic product by state is presented in table 2.2. The data indicates that the position of Gujarat in India has improved since 1960-61. Punjab, Haryana, Maharashtra, Gujarat in that order are the leading states in India. In the year 1960-1961 Gujarat was ranked 5th with per capita domestic product of rupees 684 (at 1970-1971 prices) and this has improved to rupees 993 by the year 1984-85 and is ranked 4th. Even though there is an overall growth in Gujarat economy the contribution of different sectors in found to vary and this has impact, on over all growth of the state.

The contribution of different sectors to the growth of economy and their inter relationships has been analysed by various economists. Because of great importance of agriculture in the state economy, the marked fluctuations in the agricultural sector effect the state domestic product as a whole, but the impact is much reduced or reversed by opposite movements in secondary and territory sector. One of the studies[2] estimate the trend growth rate to be 1.29%; 3.29% and 3.4% respectively for

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2. Ravindra, H. Dholakia, "Economic Growth and Fluctuations in Gujarat". In 'Gujarat Economy : Problems and Prospects' ; Allied Publishers Pvt. Ltd., 1983.

Table: 2.2 Per/capita Domestic product-by State
(1960-61 to 1984-85) at 1970-71 prices,(Rupees)

State	1960 - 61	1970 - 71	1984 - 85
Andhra Pradesh	530 (8)	585 (9)	705 (8)
Assam	497 (12)	535 (11)	584 (10)
Bihar	420 (14)	402 (15)	485 (15)
Gujarat	684 (5)	829 (3)	993 (4)
Haryana	698 (4)	877 (2)	1111 (2)
Karnataka	526 (9)	641 (7)	730 (6)
Kerala	509 (10)	594 (8)	645 (9)
Madhya Pradesh	508 (11)	484 (13)	568 (13)
Maharastra	745 (2)	783 (4)	1021 (3)
Orissa	236 (15)	478 (14)	512 (14)
Punjab	831 (1)	1070 (1)	1538 (1)
Rajasthan	534 (7)	651 (6)	577 (11)
Tamil Nadu	541 (6)	581 (10)	726 (7)
Uttar Pradesh	453 (13)	486 (12)	570 (12)
West Bengal	737 (3)	722 (5)	827 (5)
All India	559	633	772

Source : C.S.O. Estimates of state Domestic product
1960-61 to 1984-85 New Delhi,1986.

Note :- Figures in the brackets are ranks of the
states according to percapita domestic
product.

primary, secondary and tertiary sectors during the period 1960-61 to 1977-78. Overall Gujarat's performance both compared to other developed states of the country as well as India has been satisfactory and therefore its position in the Indian economy is undisturbed.

Gujarat enjoys a special place in the Indian Union. This state has good endowment of natural resources which are mainly useful for industrial growth. There is a reasonable stock of number of raw materials which are used for conversion and manufacture in the state. To name a few, Gujarat has raw material for manufacture of cement, ceramics, bauxite for manufacture of Aluminium. Lignite used as coal and as raw material in chemical industry, and above all the oil and gas reserves. The discovery of oil resources has changed the perspective of Industry in Gujarat and has resulted in the growth of chemical industry. Gujarat state also enjoys the advantages in terms of geographical or physical, social and organizational or human resources. There is industrial peace and law and order is satisfactory. In the first half of this century the industrial enterprises in Gujarat concentrated in textiles, cement and heavy chemicals to some extent. During the post independence period the activity of small and medium scale enterprises have increased at tremendous pace in all branches of industry. Generally small and medium enterprises assist and reinforce the work of large scale units. The small and medium enterprises in chemical pharmaceutical engineering, electronic, food processing and packaging industry has been progressing fast.

An analysis of Gujarat's industrial base in relation to that of the nation as a whole can be identified by using economic base study concepts [3], such studies may shed some light on the role of industrial structure in shaping its growth rate. For example, it can be said that where the location quotient in less than unity, Gujarat has less than its fair share and where it exceed unity has more than proportionate share of the industry in question as compared to the whole nation. From a prior knowledge it will be possible to identify a number of inter related set of industries in Gujarat based on the value of location quotients. One or more of such sets of industries can then be defined as constituting its industrial base.

To see whether the over all industrial system has a concentrated or a diversified pattern the concept of coefficient of specialization can be made use of. If the given region has an appropriate mix of industries identical with the national system the value of specialization coefficient will be Zero. In contrast, if all industrial employment of the regions is concentrated in a single industry, its value will be unity, changes in the value of specialization coefficient across regions and between different time points will reflect the degree of industrial diversification achieved in the given region. A less diversified industrial structure in a region is likely to cause a growth rate pattern some what different from the nation.

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3. Alagh, Y.K., Subramaniam, and Kashyap, S.P. "Inter Regional Industrial Structure in Developing Economy : A Conceptual Frame with a Case Study", Journal of Regional Science. Vol. II, no. 3, 1971.

Let us examine relative shares of different industry groups in total industrial employment generated in Gujarat's factory sector in 1982-83 (See table 2.3). More than 50 percent of the total industrial employment in Gujarat is accounted by Textiles (36 percent), Food products (11 percent), chemical and products (9.5 percent). Other important sources of factory employment include non metallic mineral; wool and silk, nonelectric machinery. The picture is slightly different if industries are categorized on the basis of value added and invested capital. Chemical and products, wool and silk electricity going in importance and textiles' position is down marginally. It can be noted from the table, that the significance of textiles, chemicals and products, wool and silk is high and these are expected to have great impact on the industrial base of the state.

On the basis of location quotients (Table 2.3) Gujarat's industrial base is observed to be dominated by textiles' wool and silk, chemical and products. These industrial groups show location quotients greater than one by all the three criteria, viz. employment, value added and invested capital. Some other industrial groups such as food products; Rubber, Petroleum etc., nonmetallic mineral; nonelectric machinery are also found to have considerable impact on the industrial structure. Because of the high relative importance of Textiles industry one finds that the relative importance of other industrial groups is found to be lower. Therefore, the location quotient is not the proper

Table: 2.3 Employment, value added and capital invested by
Industry in factory sector of Gujarat (1982-83).

| Industry | Employment | | Value-added | | Invested Capital | |
	Percentage Share in Gujarat factory sector	Location Quotient	Percentage Share in Gujarat factory sector	Location Quotient	Percentage Share in Gujarat factory sector	Location Quotient
Food Products	10.84	0.69	5.70	0.80	6.35	1.03
Beverages	1.61	0.29	0.30	0.19	0.72	1.00
Textiles	35.69	2.74	20.09	2.87	12.16	2.71
Wool,silk,synthetic	6.44	2.01	8.66	2.69	7.73	3.07
Jute textiles and Textile products	1.17	0.26	0.65	0.28	0.46	0.46
Wood and products	0.45	0.43	0.19	0.40	0.08	0.28
Paper and products	2.63	0.65	1.52	0.51	1.76	0.62
Rubber,petroleum etc.	1.64	0.66	4.69	0.82	6.58	1.37
Chemical and products	9.45	1.42	29.50	2.40	24.65	2.28
Non-metalic minerals	7.63	1.49	4.25	0.96	2.60	0.89
Basic metal and alloys	3.79	0.51	2.86	0.26	2.89	0.19
Metal products	2.24	0.89	1.64	0.72	1.23	0.94
Non-electric machinery	6.35	1.17	6.44	0.90	4.94	1.05
Electrical machinery	2.11	0.51	2.31	0.32	1.57	0.37
Transport equipment	1.72	0.28	1.15	0.15	0.77	0.14
Other manufactures	0.86	0.99	0.67	0.68	0.39	0.67
Electricty	3.49	0.37	7.76	0.54	24.73	0.80
Repair services	1.72	0.79	1.11	0.78	0.27	0.67

Note :- Estimated from Annual survey of Industries, summary results for factory sector
1982 - 83; C.S.O. New Delhi, 1986.
Location Coefficient is defined as

$$LQ = \frac{ei/ed}{Ei/E}$$

Where,
    ei - Employment with industry in Gujarat.
    ed - Aggregate industrial employment in Gujarat..
  Ei - Employment in a given industry in India.
  E - Aggregate industrial employment in India.

indicator of overall industrialization of the state as it shows relative picture in the state to that of India. Gujarat's industrial development is significant and much broad based. As the process of industrialization gains momentum one expects the industrial base of the region to get diversified, and the share of agro-based industries to fall. In this trend the Gujarat's industrial structure is very encouraging. A number of new industries have gained in importance in the state during the last two decades. As a result some of the traditional industries reduced in importance and modern industries increased in the industrial mix.

Traditionally textile industry has been the dominant industry and is still in dominant position. In 1960 it provided 69 percent of factory employment and its contribution fell to 37 percent by 1982, however it is still the largest industry in the state. The other industries like chemicals, non-metallic minerals electrical machinery, metal parts and machine tools have grown at a faster rate. The chemical industry which accounted for only 3.2 percent of factory employment in 1960, accounted for 9 percent of employment in 1982. The number of factories in this industry have increased from 84 to 1302 during the same period. In the last 20 years, modern factory sector has grown at faster rate than the traditional sector. Table - 2.4 shows the distribution of working factories and employment in them, by industry for various years. The table reveals the growing importance of the modern industry in Gujarat state.

Table : 2.4 Number of factories and workers employed in all registered factories in Gujarat state' (1960 - 1982).

Major Industry	1960		1970		1980		1982		Annual growth rate (1960 - 82)	
	Number of Factories	Number of Workers	Number of Factories	Number of Workers	Number of Factories	Number of Workers	Number of Factories	Number of Workers	Number of Factories	Number of Workers
Food and Food Products	542	21236	705	32783	1071	55768	1134	70921	3.41	5.63
Beverages, tobacco etc.	202	6970	266	8249	270	8941	175	8994	1.41	1.17
Cotton Textile	1327	237491	1314	235095	1267	248125	1338	258632	0.38	0.38
Synthetic textile and textile product	12	362	14	687	697	41986	913	51454	21.76	25.30
Wood and wood products	96	3952	141	4559	624	6847	727	9009	9.64	3.92
Paper, paper products and printing	165	5670	220	9786	376	15682	434	15488	4.49	4.67
Leather and fur products	24	435	31	641	41	513	43	778	2.69	2.68
Rubber, plastic&petroleum	106	5663	223	7547	437	16714	539	17789	7.67	5.34
Chemical and chemical products	84	11146	199	24298	1108	58557	1302	63651	13.27	8.24
Non-metalic mineral products	241	19451	548	29953	1037	40295	1258	50791	7.80	4.46
Basic metal and alloy products	106	2475	250	9042	555	18456	704	22434	8.99	10.54
Metal products parts except machinery and transport equipment	133	2659	299	8775	922	26135	1033	26052	9.77	10.93
Machinery, machine tools and parts except electrical machinery	362	12148	681	32965	1099	44833	1235	43144	5.74	5.93
Electrical machinery	12	287	94	7745	310	13945	372	14530	16.89	19.53
Transport equipment and parts	126	12338	207	16157	106	8815	122	9059	-0.15	-1.41
Miscellaneous	111	4179	352	9272	754	30172	866	31707	9.79	9.65
Grand total	3649	346462	5544	437554	10674	635784	12295	694628	5.68	3.21

Souece : Office of the chief inspector of factories, Ahemedabad.
 ‡ These factories include all registered industrial units employing 10 or more workers, using power and 20 or more when not using power.

The number of factories in Gujarat has increased from 3649 in 1960 to 14821 by 1985. The employment generated in these factories has increased from 3,46,462 to 7,23,181 during the same period. However during this period there had been major changes in the structural pattern of the industries. Industry groups such as milk and malted foods, vegetables and hydrogenated oils, agro-based products, textiles, chemicals and non metallic products together with non-electric machinery formed the core of Gujarat's economy in 1969.[4] This scene is significantly changing where in pharmaceuticals, petrochemicals, machinery both electric and nonelectric electronics have contributed much to the states industrial economy. Over time the modern industries, using modern technology, producing non traditional products have come up in large number. The importance of chemical and products; machinery and machine tools, nonmetallic mineral products; Electrical machinery have increase over time (see table 2.4) and at the same time the importance of food industries and textiles have reduced over time, though these form the industrial base of the state even to this day. During the period 1960-82 the number of factories in Gujarat have grown at annual compound growth rate of 5.7 percent and employment in these factories have growth at 3.2 percent per annum. Electrical machinery (20 percent) synthetic textiles (25 percent) have both reported high growth rates in employment and also in number of factories established. Few industries such as Beverages,tobacco; cotton textile; paper and

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4. Alagh, Y.K., et. al - op. cit.

products, leather and products; transport equipment have grown at a slower rate than the state average indicating relative decline in their position over time. All other industrial categories which largely consist of modern industries have grown at faster rate, there by indicating their growing importance in the states industrial structure.

It stands to reason that the overall industrial base of the state is still characterized by concentration rather than diversification. On the basis of Alagh's estimate of specialization coefficients of the regions in India (presented in table - 2.5). Gujarat has a higher concentrated industrial base as compared to major states, though this picture would have undergone a considerable change by now. Over time the value of specialization coefficient has shown a declining tendency suggesting thereby a process of industrial diversification in Gujarat. This is particularly indicated by the data presented in the earlier table. However, when one takes a look at the specialization coefficients for backward and developed regions in Gujarat state the results are disturbing (Table 2.6). The backward and developing regions of the state are less industrially diversified at the end of 1978 than in 1960 and 1969. The industrially developed region is much more diversified than it was in 1960 and 1969. This indicates that the development in developed regions is much more greater and of wider horizon than backward and developing regions.

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5. Pathak,P.G., "Industrial Structure of Gujarat - A Study of Spatial Dimension", in Gujarat Economy : Problems and Prospects, Allied Publishers, 1982, pp. 441 - 476.

Table : 2.5 Coefficient *of* specialisation of the Regions of India

Region	Specialisation Coeficient		
	1960	1965	1978
Maharastra	0.281	0.298	0.206
Madras and Pondicheri	0.405	0.303	0.286
Mysore and Goa	0.371	0.305	0.299
Uttar Pradesh	0.393	0.363	0.374
Madhya Pradesh	0.432	0.391	0.382
Punjab,Haryana and Himachal Pradesh	0.490	0.399	0.379
West Bengal and Andaman Nicobar	0.446	0.401	0.434
Delhi	0.475	0.400	0.440
Rajasthan	0.488	0.410	0.415
Gujarat	0.494	0.475	0.396
Andhra Pradesh	0.564	0.519	0.456
Bihar	0.610	0.540	0.520
Orissa	0.571	0.601	0.566
Kerala	0.638	0.658	0.566
Assam and Tripura	0.847	0.745	0.715
Jammu and Kashmir	0.889	0.759	0.753

Source : Table 10 from Y.K. Alagh "Some Aspects of planning policies in India" Lectures delivered at the Govind Vallabh pant social science Institute, Allahabad, March, 1985·

Note : Computed from ASI Data for the factory sector. Specialisation Coefficient is defined as

$$Sk = \sum_{i=1}^{n} [\frac{ei}{e} \frac{d}{d} (100) - \frac{Ei}{E} (100)].$$

Where,
ei^d = Employment in *ith* industry in Gujarat·
e = Aggregrate induatrial employment in Gujarat·
Ei = Employment in the *ith* industry in India·

E = Aggreate industrial employment in India.

Table : 2.6 Coefficients of Specialisation by industrially
homogeneous regions : Gujarat.

Industrially Homogeneous Region	Coefficient of Specialisation		
	1960	1969	1978
1 Backward Region	0.3159	0.3932	0.4038
2 Developing Region	0.2682	0.3212	0.3777
3 Developed Region	0.1664	0.1515	0.1295

Source : Table 11, Pravin G. Pathak, "Industrial structure
in Gujarat — A study in spatial dimension".

For the formula of specialisation coefficient see,
note Table — 2.5.

Note : 1) Computed with the data from chief inspector
of factories.
2) Out of 19 districts in Gujarat state 5 districts
(Ahmedabad, Rajkot, Baroda, Surat, Bulsar) have
been classified as developed; 4 districts
(Bhavnagar, Junagadh, Jamnagar, Kaira) have been
classified as developing districts, the other 10
districts are classified as Backward.

Gujarat has been categorized as an industrially more developed state along with Maharashtra, Punjab, Tamil Nadu and West Bengal. But with in the state, inter-district and intra-district imbalances in respect of industrial development are persisting and there is growing concern about this problem in the context of balanced regional development, which is one of the important objectives of planning. At one extreme we have Ahmedabad and Baroda cities with heavy concentration of industries and at the other extreme is the Dangs district which is industrially backward. When left to themselves industries tend to get concentrated in certain areas depending upon local advantages in order to realize the benefits of external economies. Many backward pockets exist even in developed districts, the people belonging to these backward pockets are much worse off, as those of industrial backward districts. Out of 56 talukas declared as backward by the Government of Gujarat as many as 22 belong to the relatively developed districts. Developed districts such as Baroda (5 out of 12 talukas) Surat (9 out of 13) and Bulsar (4 out of 8) have fairly large proportion of such backward regions on the other hand the most backward districts of Gujarat have their share of developed regions.

It is widely believed that proper spatial distribution of industrial activity could be achieved only through public policy intervention. When seen over a period of time, it is observed that industries tend to concentrate in few regions and the concentration increases over time. Table 2.7 shows the industrial

population in various districts of Gujarat. The industrial
development of Gujarat is characterized by some major defects.
The major part of industrial activity in the state is located
in few tracks and places. In 1960 out 3649 working factories in
Gujarat 25 percent was situated in Ahmedabad district alone and
the number of workers employed there was 48 percent of
industrial employment in the state. In 1984 the situation is no
way better off with 32 percent of working factories, creating 40
percent of employment of the state. In addition the concentration
of industries in centres like Baroda, Rajkot and Valsad have
increased. The concentration of industries is mainly on the track
joining Bombay, Ahmedabad and Ahmedabad-Rajkot to some extent.
This region is economically well developed and the
infrastructural facilities are best in the state. In 1960 the
concentration of industries was mainly in Ahmedabad, Kheda,
Baroda and Surat to some extend each contributing to more than 5
percent of industries in the state (Table 2.7). By 1984 Valsad
and Rajkot joined this group. The districts with industries less
than one percent showed little improvement, the percentage of
industrial workers in these districts increased marginally. Even
in case of small scale units, these districts are in no way
better off. However, one hopeful feature has been that, the share
of backward regions have increased over time. Amreli,
Banaskantha, Bharuch, Gandhinagar and Sabarkantha have all made
some progress in this respect.

Table : 2.7 Number of factories and workers employed in all registered factories by district in Gujarat state (1960 - 84).

District	1960		1970		1980		1984	
	Number of working Factories	Workers Employed	Number of Working Factories	Workers Employed	Number of Working Factories	Workers Employed	Number of Working Factories	Workers Employed
Ahmedabad	914 (25.05)	167310 (48.29)	1508	186296	3115	246701	4112 (31.72)	284639 (39.34)
Gandhinagar $	- -	- -	8	1166	33	3211	77 (0.59)	4992 (0.69)
Sabrkantha	53 (1.45)	4208 (1.21)	56	5052	85	7732	114 (0.88)	8039 (1.11)
Banaskantha	20 (0.56)	510 (0.15)	14	497	32	1289	44 (0.34)	1018 (0.14)
Mehsana	102 (2.79)	12793 (3.69)	123	15328	256	20679	418 (3.22)	27816 (3.84)
Kheda	299 (8.19)	18744 (5.41)	527	28033	585	34016	644 (4.97)	47264 (6.53)
Vadodara	251 (6.89)	29410 (8.49)	461	52444	1302	87478	1384 (10.68)	82170 (11.35)
Panch Mahal	60 (1.65)	5393 (1.56)	83	5618	174	8433	185 (1.43)	11028 (1.53)
Bharuch	68 (1.86)	8020 (2.31)	88	10538	223	14916	413 (3.19)	23514 (3.25)
Surat	696 (19.07)	23689 (6.84)	832	31543	1022	52751	1276 (9.85)	58832 (8.13)
Valsad	178 (4.88)	15371 (4.44)	337	21981	835	38252	1071 (8.26)	39731 (5.49)
Dang	1 (neg)	17 (neg)	2	58	2	120	2 (neg)	152 (neg)
Rajkot	295 (8.08)	11321 (3.27)	496	17966	1051	34927	1218 (9.39)	42521 (5.87)
Jamnagar	137 (3.76)	10638 (3.07)	223	13375	516	18262	528 (4.07)	22762 (3.15)
Kuchchh	39 (1.08)	3751 (1.08)	64	5032	114	6871	149 (1.15)	8881 (1.23)
Bhavnagar	232 (6.36)	13473 (3.89)	330	14019	499	16772	543 (4.19)	20562 (2.84)
Surendranagar	108 (2.96)	11881 (3.43)	129	11781	371	16401	439 (3.39)	21075 (2.92)
Junagadh	138 (3.78)	7764 (2.24)	203	14617	365	22383	288 (2.23)	15648 (2.16)
Amreli	58 (1.59)	2169 (0.63)	55	2215	88	4490	58 (0.45)	3118 (0.43)
All Districts (Total)	3649 (100)	346462 (100)	5554	437554	10674	635684	12963 (100)	723762 (100)

Source : Office of the chief inspector of factories, Ahmedabad.

$ Gandhinagar district come into existance in the year 1969.

Note : Figures in brackets corresponding to years 1960 and 1984
are percentages of corresponding totals at state level.

Over all the industrial development in Gujarat though fairly impressive does not similarly reflect the one at the regional level. Industrial development is at different levels · in the categories (Developed, developing, and backward regions) of the state. These regions have a variety of industry structure at the micro level · and the backward regions considerably lag behind other two regions in respect of industrial development. The regional development hinges primarily upon the availability of types of local entrepreneurial talents and human skills. The backward region lags in having necessary local entrepreneurial talents and skilled man power. Thus the industrial dispersal seems to be an effective alternative for the balanced regional growth.