

Economics Society

Organizes

A Group Discussion

On the topic:

Impact of present Unrest on Kashmir's Economy.

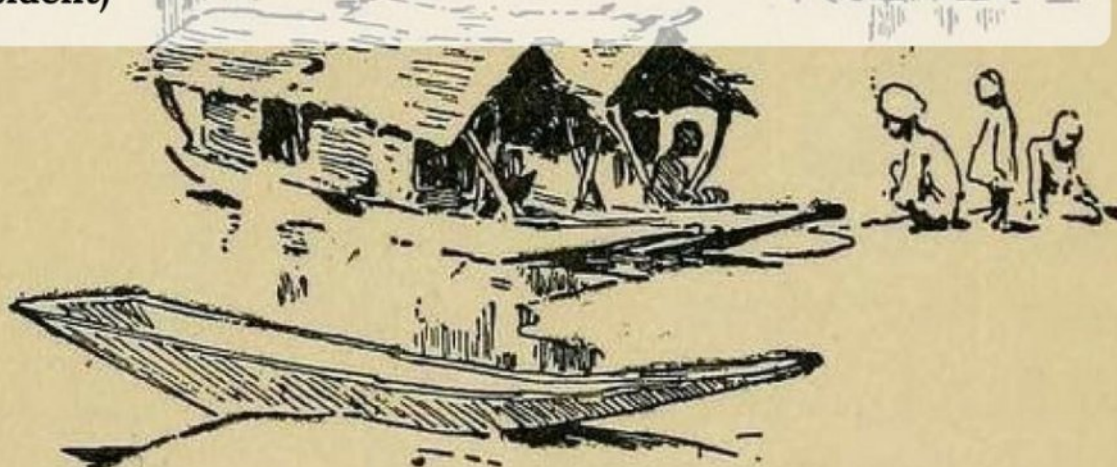
Moderator: Zulfiqar Sheth

03 September 2016, Saturday, 3:00pm
Smart Classroom, Deptt. of Economics, AMU

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Queries?
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IMPACT OF PRESENT UNREST ON KASHMIR'S ECONOMY

Literature for Group Discussion

Compiled By Zulfiqar Sheth ¹

Tourist and other business activities in Kashmir have come to a halt for the past 55 days after protests erupted in Kashmir following the killing of Hizbul Mujahideen commander Burhan Wani in an encounter with security forces in south Kashmir's Anantnag district on July 8. Clashes between protesters and security forces have claimed the lives of 71 people and left thousands of others injured.

The tourism sector, which is believed to be the major contributor towards the employment and economy in the State, has been dented badly by the ongoing unrest. Horticulture is one of the core sectors of the state economy which contributes around Rs 5000 crore annually, also severely hit by the present unrest.

IMPACT ON LOCAL ECONOMY

- 1) Mohd Yasin Khan, president of Kashmir Traders and Manufacturers Federation, told TOI the sector is bleeding by approximately Rs 135 crore every day. In the 46 days of curfew it would be upwards of Rs 6,000 crore," Mohd Yasin Khan, president of Kashmir Traders and Manufacturers Federation, said.
- 2) The violence in Jammu and Kashmir has hit tourism, one of the most important sector for the state economy. Tourist arrivals have gone down from 12,000 to 250 per day and hotel occupancy is around 3 per cent. The Valley is now a stopover destination for tourists who visit Ladakh and reach Srinagar to catch a flight back to New Delhi.

http://economictimes.indiatimes.com/articleshow/53834351.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

- 3) The number of tourist arrivals has come down to around 200 to 250 per day from around 12,000 to 15,000 per day. Hotel occupancy is at all-time low," a senior official in tourism department told Economic Times (Dated – Aug 24, 2016). The official said that every hotel in the Valley was booked till September end and expected a huge rush of domestic tourists in October as well. Flight tickets are at all-time low.
- 4) Unrest in Kashmir has hit **Jammu** economy badly with businessmen there claiming to incur an estimated Rs 1,000 crore loss during past 43 days as the summer capital of the

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state remained under siege in the wake of civilian killings. Kashmir receives majority of supplies from edibles to industrial goods from the winter capital as major industries in the state are situated in Jammu. Also most of the multinational companies supplying edibles to the state have stationed their forwarding agents there, thus all the supplies have to pass through the Jammu region before reaching Kashmir. "Last two months have been worse for us," said president Jammu Chamber of Commerce and Industry, Rakesh Gupta. (<http://www.greaterkashmir.com/news/business/kashmir-unrest-hits-jammu-economy/226397.html>)

- 5) President, Chamber of Commerce and Industries Kashmir, General Trade, Jan Muhammad Koul said Jammu industry and business is heavily dependent on Kashmir. "Kashmir is their major market and curfew, restrictions have serious ramifications on their trade as the demand in Kashmir has dried up which has created slump in Jammu business," he said, adding that most of the forwarding agents of MNCs are located in Jammu.
- 6) From horticulture to hospitality, almost all activities have come to a standstill. There is zero occupancy in hotels, and houseboats and shikaras have been empty for weeks now. Carpets and shawls are lying unsold in shops across Srinagar. Those in transport say they haven't seen such bad days.
- 7) "Seventy per cent of apples that India gets are from Kashmir," a businessman said. "Imagine the situation in the orchards. Farmers have sent their labourers home, but what do they do in places like Sopore, Tarzoo and Anantnag, where the situation is worse?"

(<http://timesofindia.indiatimes.com/india/Jammu-and-Kashmir-economy-hit-losses-touch-Rs-6000-crore/articleshow/53836037.cms>)

- 8) The state government has suffered revenue losses close to Rs 300 crore in the past one-and-a-half months. "The collection of levies and taxes has come down drastically since the unrest began. The sales tax collection has been the worst hit," an official in the Finance department said.

(http://economictimes.indiatimes.com/articleshow/53870862.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

- 9) The tour operators are flooded with cancellations and some of the trips have already been diverted to other Himalayan regions. "Last year not a single room was vacant during this time in Kashmir but these days the hotels are empty. I continuously get enquiries about the situation in Kashmir. All bookings have cancelled. These are worrying signs for the Kashmir tourism," said a tour operator, Farhat Ahmad.

[\(http://www.dailyexcelsior.com/tourist-season-hit-hard-unrest/\)](http://www.dailyexcelsior.com/tourist-season-hit-hard-unrest/)

- 10) Director Tourism, Mehmood Shah while expressing concern over the prevailing situation said the loss cannot be quantified at the moment. "You cannot quantify the loss. Major chunk of population is directly or indirectly associated with tourism and it affects them all. This was the peak season of our tourism wherein we receive majority of tourists. But the footfall has declined drastically due to the current unrest."
- 11) Persistent curfews and shutdowns have sounded a death knell to the fledgling fruit industry of Kashmir. Fruit growers have suffered a whopping loss of Rs800 to 900 crore as they are unable to export their produce to outside mandies in the unrest."We have incurred loss of Rs 800 to 900 crore so far. We are unable to send our produce to outside markets on time because government has imposed night curfew which is hampering the shipping of fruits. Plus the markets are shut and growers are unable to ship fruits from the orchards," Bashir Ahmad Basheer, chairman of Kashmir Valley Fruit Growers Cum Dealers Union, told dna.

<http://www.dnaindia.com/india/report-post-burhan-unrest-costs-fruit-growers-rs-900-crore-2248273>

- 12) Horticulture is the mainstay of Kashmir's economy with 23 lakh people associated with this sector. More than 3.37 lakh hectares are under the fruit cultivation in Jammu and Kashmir. Of which 2.18 lakh hectares of land is under the fruit cultivation in the valley. Of which 65 per cent comprise of the apple orchards. Fruit production in Jammu and Kashmir was recorded at 24.93 lakh metric tonnes in 2015-16. Of which the valley alone produced 22.12 lakh metric tonnes. Kashmir valley is one of the largest producers of apple in the country with production touching 19.21 lakh metric tonnes in 2015-16. The apple production in 2014-15 was recorded at 11.70 lakh metric tonnes given the devastating floods of September 2014.
- 13) Horticulture department however said 34331 Metric Tonnes (MT) of fruit have been dispatched to mandis outside the state since April 1 2016. A horticulture department spokesman said 8876 MTs of fruit have been dispatched in 953 truckloads outside the State in the current month.
- 14) President of Sopore Fruit Mandi, Mushtaq Ahmad Tantray, said restrictions imposed by authorities have already hit their business badly. "Now strike by transporters means that fruit won't be transported to outside markets as they won't allow trucks to travel on Srinagar-Jammu highway," he said. "Already the restrictions have taken a toll on export

of fruit. Last year, during this time we used to send around 175 truckloads to outside mandis but this year, only 30 to 35 fruit-laden trucks are sent from Sopore Fruit Mandi to outside, which itself reveals how much slump the fruit industry is witnessing,” he said. “Forces are not even allowing fruit growers from far-flung areas to reach Sopore Fruit Mandi.”Meanwhile, petrol outlets in Chenab Valley including Kishtwar district are not filling fuel in vehicles. Most pumps are claiming to be dry owing to the ongoing truckers’ strike.Hundreds of private and government vehicles are stranded on petrol outlets in Kishtwar.

<http://www.greaterkashmir.com/news/kashmir/truckers-strike-brings-supply-of-essentials-to-halt/226372.html>)

Points for Discussion

- 1) Contribution of Jammu and Kashmir in our National Economy.
- 2) How to compensate whooping loses to Kashmiri farmers and people associated with tourism industry.
- 3) What is solution for creating sustainable economy in Jammu and Kashmir.
- 4) Ideas to solve Kashmir problem with respect to its’ present economic crisis.
- 5) Actions taken by state and Union government to stop present economic losses.
- 6) Role of Civil Societies, Human Rights groups and International organizations to revive Jammu and Kashmir’s Economy.