



GST Rationalisation: Boosting Growth and Livelihood in Madhya Pradesh

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Key Takeaways

- **Indore namkeens hub** sustains **3.5 lakh jobs**, **GST cut** makes products **6–7% cheaper**.
- **Farm equipment** now **7–13% cheaper**, benefiting small and marginal farmers.
- **Maheshwari sarees, Gond paintings**, terracotta, bamboo and brassware gain **cost relief of 6–10%**.
- **Cement and sandstone** sectors see **8–10% lower prices**, boosting housing and infrastructure demand.

Introduction

From the **food streets of Indore** to the **cement hubs of Satna** and the **looms of Maheshwar**, Madhya Pradesh's economy is deeply rooted in **agriculture, crafts and industry**. The recent **GST rate rationalisation** is expected to **ease costs** across these diverse sectors, making **essentials more affordable for households** and **improving competitiveness for producers**.

Known for its rich diversity, ranging from **GI-tagged snacks and sarees to tribal crafts, stonework and cement**, Madhya Pradesh now stands to gain from **lower tax rates** on a wide range of goods. The reforms are expected to support **farmers, artisans, MSMEs and large industries** alike, opening new opportunities for **growth and livelihoods**.

GST Gains for Madhya Pradesh



Food Processing boost

Namkeen hub in Indore (12% \rightarrow 5%), cheaper snacks, support to ~3.5 lakh jobs.



Agricultural relief

Tractors, pumps & implements 7–13% cheaper, helping small & marginal farmers.



Handloom & crafts strengthened

Maheshwari sarees, Gond paintings, lac toys ~6–7% cheaper.



Industrial push

Cement bag ₹25–30 cheaper, sandstone ~8% cheaper, 2.5 lakh jobs supported.



Livelihood impact

From artisans to cement workers, reforms benefit rural and urban households alike.

Food Processing and Agriculture

Indore Namkeen

Indore is a **GI-tagged hub** for savouries like **sev, laung sev, mixture and chivda**. The sector supports nearly **1 lakh direct** and **2.5 lakh indirect jobs**, with exports reaching the **Middle East, UK, and US**. With **GST on namkeens cut from 12% to 5%**, products are expected to be about **6–7% cheaper**. This will **encourage higher domestic sales** and **improve the competitiveness of exports**.

Agricultural Machinery

Madhya Pradesh, **India's second-largest soybean producer**, is also an important hub for **agro-mechanisation**. Clusters in **Indore, Bhopal, Dewas, Gwalior, Ujjain and Vidisha** are largely MSME-driven, producing seed drills, threshers, harvesters and irrigation pumps for farmers across MP, Chhattisgarh and Uttar Pradesh.

The sector employs about **25,000 workers directly** and **60,000 indirectly** through dealerships, mechanics and spare-part suppliers. With **GST on tractors, pumps and implements reduced from 12/18% to 5%**, equipment costs are expected to fall by **7–13%**. This makes **modern farm tools more affordable for small and marginal farmers**, while **improving the competitiveness of local MSMEs against imports**.

Cheaper Food & Farm Tools





Indore Namkeen
Exports to Gulf/UK/US, now 6–7% cheaper for all buyers.



Farm machinery hubs
Indore, Dewas, Gwalior, Ujjain, Vidisha; ~25k direct & 60k indirect jobs.



Modern tools cheaper
Implements & tractors 7–13% cheaper.



Farmers benefit
Easier access to modern tools, higher productivity.

Handlooms and Handicrafts

The state is home to a wide range of **traditional crafts**, many of which carry **GI tags** and are **globally recognised**.

Maheshwari Sarees

The Maheshwari handloom sector in **Khargone district sustains around 8,000 weavers across 2,600 looms**, with women playing a vital role in winding, spinning and dyeing. The craft has deep historical roots, it was revived and **promoted in the 18th century by Ahilyabai Holkar**, whose royal patronage established Maheshwar as a renowned weaving hub.

Known for their lightweight silk-cotton blend, subtle colours and distinctive reversible borders (bugdi), Maheshwari sarees continue to enjoy strong domestic demand and niche exports, supported by a **GI tag since 2010**. Exports reach **Europe and the US**, often through NGOs and boutique collaborations.

With **GST on finished textile products up to ₹2,500 reduced from 12% to 5%**, these sarees are expected to be about **6% cheaper** in the mass and mid-range segment. This **improves affordability** for urban buyers, enhances competitiveness against synthetic alternatives, and provides greater **income stability to weaver households**.

Crafts & Heritage Revived



	Maheshwari sarees 8,000 weavers, ~6% cheaper, stronger niche exports.
	Gond paintings Tribal art, 6% cheaper, reaching global buyers online.
	Lac toys 2,500 artisans, eco-friendly, 6% cheaper.
	Terracotta & clay crafts 6,000 artisans, festive demand boosted.
	Brassware & bamboo crafts 82,000 brass artisans + 12,000 bamboo weavers, 6% cheaper, export competitiveness up.

Tribal and Folk Crafts

Gond Paintings

A **GI-tagged art form since 2015**, Gond paintings are produced in **Mandla, Dindori, Umaria and Seoni**, largely in household-based units. Rooted in folklore and mythology, the paintings portray local flora, fauna and legends, with women playing an equal role in the craft. Domestically, they are sold in craft fairs, galleries and urban décor stores, while international demand comes from collectors, museums and online **buyers in Europe and the US**. Gond art has also been showcased at international **exhibitions in Paris and London**, highlighting its global appeal.

With **GST reduced from 12% to 5%**, artworks are expected to be about **6% cheaper**, giving artists a stronger edge in galleries, e-commerce and export markets, while supporting stable incomes for tribal families.

Wooden Lac Toys

Produced mainly in Budhni (Sehore), Ujjain and Gwalior, this hereditary **craft is sustained by about 2,000–2,500 artisans**, with women contributing significantly in painting and finishing. Made on traditional hand-turned lathes and often coloured with non-toxic vegetable dyes, these toys are valued as eco-friendly alternatives to plastic. With **GST reduced from 12% to 5%**, **prices fall by about 6%**, boosting affordability against plastic substitutes, strengthening sales during festivals and fairs, and improving prospects in export markets such as Japan and Europe.

Terracotta and Clay Crafts

Mandla, Betul, Ujjain and Tikamgarh are known for terracotta toys, idols and décor, produced mainly by rural and women-led households. Around **5,000–6,000 artisans, mostly from rural and SC/ST households are engaged** in this eco-friendly craft, with demand peaking during Diwali and Navratri. With **GST reduced from 12% to 5%**, products are expected to be about **6% cheaper**, supporting festival sales and strengthening artisan livelihoods.

Bell Metal and Dokra Craft

In the **tribal belts of Betul and Balaghat**, about **5,000 artisans** are engaged in the **heritage craft of dokra**, which uses the **traditional lost-wax casting method** to produce idols, figurines, jewellery and décor.

Linked closely to **Madhya Pradesh's tribal heritage**, this art form is valued for being **entirely handmade and unique in finish**, and is sold both through **domestic handicraft emporia** and to **niche collectors in Europe and the US**. With **GST reduced from 12% to 5%**, products are expected to be around **6% cheaper, enhancing competitiveness against machine-made brass idols and helping sustain incomes** for artisan households.

Lacquerware and Bell Metal Crafts

Clusters in **Tikamgarh, Jhabua and Alirajpur** produce **lacquerware and ritual bell metal objects**, sustaining around **5,000–6,000 artisans**. Domestically, these items are widely used in religious rituals, weddings and décor, while exports cater to **niche markets in Europe and the US**. **Bell metal objects** hold **ritual significance** in central Indian traditions, and **lacquerware** is valued for its **bright colours**, especially in rural fairs.

NGO-led cooperatives also help artisans access **urban buyers**. With **GST reduced from 28% to 18%** on certain bell metal products and from **12% to 5% on lacquerware**, consumer prices are expected to fall by **6–10%**, **strengthening market opportunities in domestic fairs** and **boosting export visibility**.

Bamboo and Cane Handicrafts

In **Balaghat, Mandla and Dinora**, thousands of **tribal households** are engaged in **weaving baskets, mats, furniture and decorative items** from bamboo and cane. **Women play a central role** in this **eco-friendly craft**, which sustains about **12,000 direct** and **25,000 indirect livelihoods**. The sector is promoted through TRIFED and the Van Dhan Yojana, as well as the Madhya Pradesh Forest Development Corporation.

With **GST reduced from 12% to 5%**, bamboo and cane products are expected to be around **6% cheaper, improving affordability** in domestic décor markets, **strengthening tribal incomes**, and **boosting exports** of eco-friendly goods to **Europe and the Middle East**.

Brassware

Tikamgarh, Chhatarpur and Betul are major centres of brassware, where hereditary artisan families craft utensils, lamps and decorative pieces through **traditional casting and engraving**. The sector engages thousands of artisans, with more than **82,000 enrolled under the government's Pahchan initiative in 2021**. Domestically, brassware continues to be used in temples, households and décor, while exports reach markets in the **Middle East, US and Europe**.

With **GST on brassware reduced from 12% to 5%**, prices are expected to fall by about **6%**, helping artisans compete against stainless steel and aluminium substitutes while also expanding export competitiveness.

Industrial Sectors

Cement

Madhya Pradesh is **India's largest cement producer**, with major hubs in **Satna, Katni, Damoh and Rewa**. The sector provides about **50,000 direct jobs** and over **2 lakh indirect jobs** in mining, transport and contracts. **Satna district alone contributes nearly 10% of India's total cement output**, anchoring the state's dominance in this sector. With **GST reduced from 28% to 18%**, the price of a 50-kg cement bag is expected to drop by ₹25–30. This will boost demand in housing and infrastructure projects while improving the competitiveness of local producers.

Sandstone

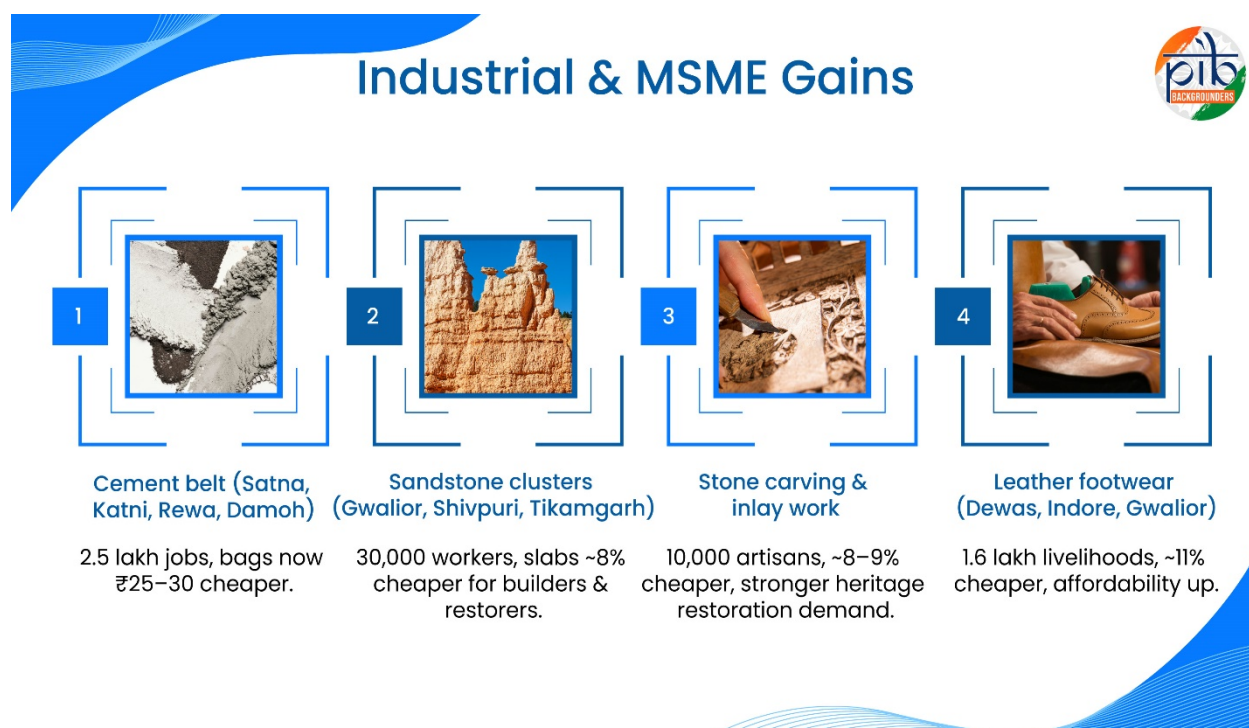
Gwalior, Shivpuri and Tikamgarh are key sandstone hubs, employing nearly **25,000–30,000 workers**, many from **SC/ST households**. Known for its fine texture and durability, Gwalior sandstone is widely used in monuments, cladding and flooring, and also finds strong demand in **Europe, US, and the Gulf**. With **GST reduced from 28% to 18%**, slabs and tiles are expected to be around **8% cheaper**, encouraging demand in construction and heritage restoration while supporting rural livelihoods.

Stone Carving and Inlay Work

Gwalior, Jabalpur, Chhatarpur and Panna are traditional centres of stone carving and inlay work, producing **idols, pillars and decorative artefacts**, with families passing down skills through generations. Around **8,000–10,000 artisans** are engaged, including women in polishing and finishing work. With **GST reduced from 28% to 18%**, products are expected to be **8–9% cheaper**, supporting temple boards, heritage restoration projects and niche décor markets, while helping artisans remain competitive against machine-made alternatives.

Leather Footwear

Clusters in **Dewas, Indore and Gwalior**, combining both **industrial units and small workshops**, employ about **40,000 direct and 1.2 lakh indirect workers**. With **GST on footwear up to ₹2,500 reduced from 18% to 5%**, prices are expected to fall by around **11%**. This enhances affordability for rural and urban households, supports small artisan livelihoods, and **strengthens Madhya Pradesh's footwear industry in competing with synthetic alternatives**.



Conclusion

The **GST rationalisation** is set to benefit Madhya Pradesh across a wide spectrum, from household **snacks and sarees to tribal crafts, cement, sandstone and footwear**. By **lowering costs, it is expected to support artisans, strengthen MSMEs, and improve competitiveness** in both **domestic and global markets**.

From the **weavers of Maheshwar** and the **artists of Mandla** to the **cement workers of Satna** and the **footwear makers of Dewas**, the reforms promise **widespread impact across rural and urban livelihoods**. By **reducing tax incidence and opening new market opportunities**, these changes align with the vision of **Atmanirbhar Bharat** and **Viksit Bharat 2047**, positioning Madhya Pradesh as a **major beneficiary of GST reforms**.

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