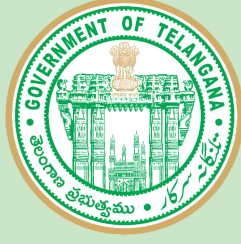


Government of Telangana

STATE ECONOMY

**Directorate of
Economics and Statistics**

Planning Department, Govt. of Telangana



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State Economy

A Comprehensive Report on Macroeconomic Aggregates

Key Highlights¹

The COVID-19 shock has adversely impacted economic growth all over the world, but Telangana's economy has shown impressive resilience and the recovery is already underway.

- In 2020-21, economic output, measured by Gross State Domestic Product (GSDP) was Rs. 9,80,407 crore and grew at 2.4%. In comparison, the economic output at the national level fell by 3%.
- The resilience was led by the agriculture and allied sectors, which grew by 18.5% in Telangana, dwarfing the 6.6% growth of these sectors at the national level.
- Although the secondary and tertiary sectors contracted by 2.1% and 3.9% respectively, they still fared better than the much steeper contractions at the national level.
- Due to its high growth rate, the agriculture and allied sector contributed a higher share to overall GSDP than in any year since state formation. However, at an overall level, the services sector continued to contribute the highest share to the GSDP.
- Telangana's GSDP at current prices increased by 93.8% between 2014-15 and 2020-21, as against India's increase of 58.4% in the same period.
- Telangana achieved the 3rd highest percentage increase in GSDP value at current prices between 2014-15 and 2020-21.
- In 2020-21, Telangana was the 6th highest contributor to the country's GDP at current prices.

¹ State-wise analysis across indicators is conducted amongst the 18 states for which data is available.

- In 2020-21, the per capita income for Telangana (Rs 2,37,632), one of the strongest economic indicators of the well-being of a population, was 1.84 times that of the National PCI (Rs 1,28,829).
- The tertiary sector remains the dominant sector in the state's economy, accounting for 59.5% of state GSVA in 2020-21.
- For all sub-sectors in the 'Services Sector', the GVA in 2020-21 was 1.5 to 2 times its value in 2014-15.
- The contribution of the primary sector to Telangana's GSVA at current prices has consistently improved from 19.5% in 2014-15 to 24.1% in 2020-21.
- The agriculture and allied sector in the state grew by 14.3% at constant prices in 2020-21 (compared to the 3.6% agriculture growth rate at the national level).
- Over the last five years, the average contribution of the secondary sector to Telangana's GSVA has been 18%.
- Between 2014-15 and 2020-21, the value added by the 'Manufacturing' sub-sector grew by 72%.

1. Economic Growth

Globally, economic growth suffered a blow due to the COVID-19 pandemic. It led to widespread disruption in economic activities, and continues to impact all economies. Despite these trying and uncertain circumstances, Telangana's growth story has largely remained positive, led by strong agricultural sector growth. The state registered positive economic growth at current prices in 2020-21.

1.1 A comparison of the GSDP of Telangana and GDP of India

Gross State Domestic Product (GSDP): It is an important indicator of the economic development of a state and region. It is often considered the main measure and key target of economic policy at all levels of Government. The state accounting for the GSDP also tracks the different components of GSDP in detail, revealing information on the composition of the economy, the importance of different sectors and sub-sectors, and the distribution of income. The GSDP estimates are prepared both at current and constant (2011-12) prices. At current prices, GSDP is measured using the market prices prevailing in the economy. As constant prices adjust for the effect of inflation, estimates at constant prices enable us to measure the actual change in output.

a) At Current Prices

(see Figure 1.1 & Table 1)

- Telangana's GSDP at current prices increased by 93.8% between 2014-15 and 2020-21, as against India's increase of 58.4% in the same period.
- Telangana achieved the 3rd highest percentage increase in GSDP value during the period out of the 18 states with data availability.

Figure 1.1: Telangana State GSDP at Current Prices (Rs. in Crore)

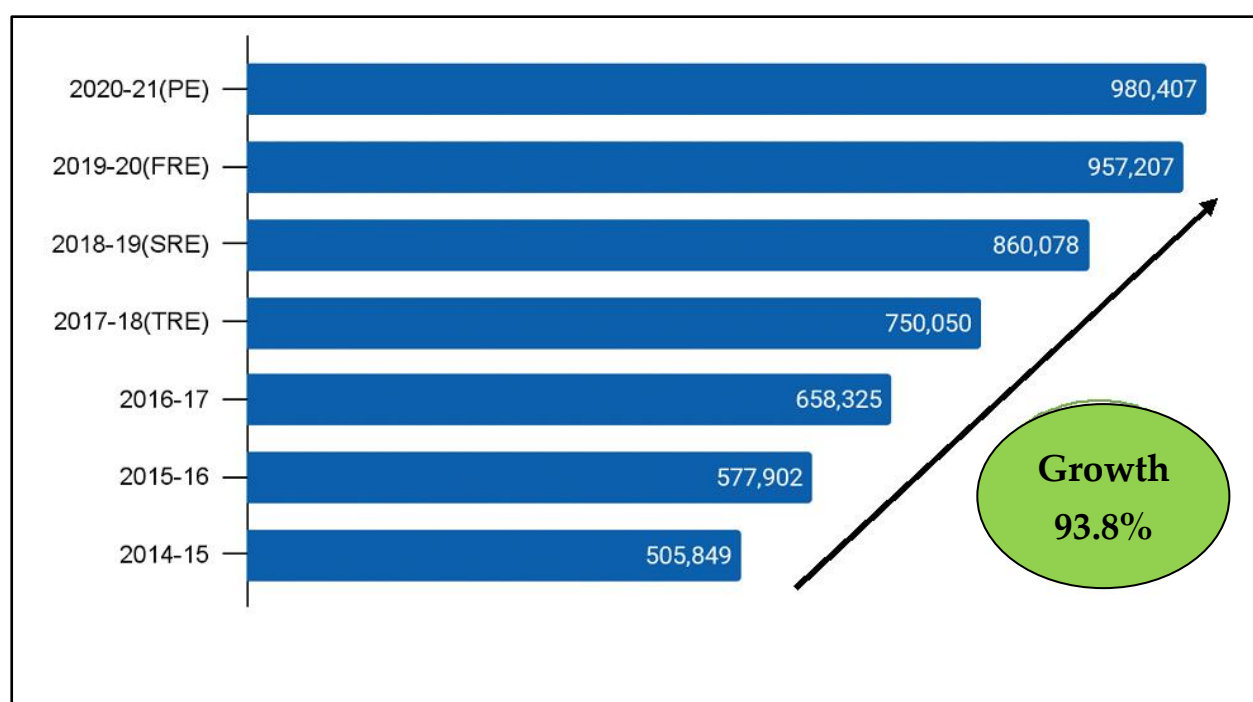


Table 1: GSDP /GDP Telangana and India (At Current Prices)

Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
GSDP - Telangana	5,05,849	5,77,902	6,58,325	7,50,050	8,60,078	9,57,207	9,80,407
GDP - All India	1,24,67,959	1,37,71,874	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670

b) At Constant (2011-12) Prices

(see Figure 1.2 & Table 2)

The Gross State Domestic Product of **Telangana (GSDP)** was Rs. 4,16,332 crores in 2014-15. By 2020-21(PE), the GSDP **grew by 54.8%** to Rs. 6,44,599 crores at constant prices. In 2014-15, **India's GDP** was Rs.1,05,27,674 crores. It **grew by 28.35%** to Rs. 1,35,12,740 crores in 2020-21(PE).

Figure 1.2: Telangana's State GSDP at Constant (2011-12) Prices

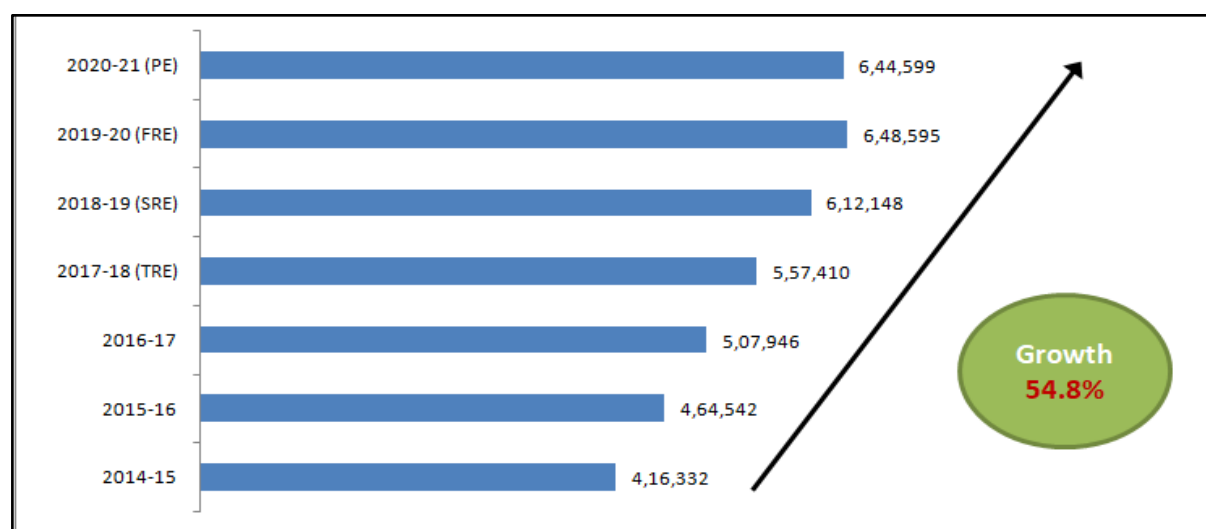


Table 2: GSDP /GDP Telangana and India (At Constant Prices)

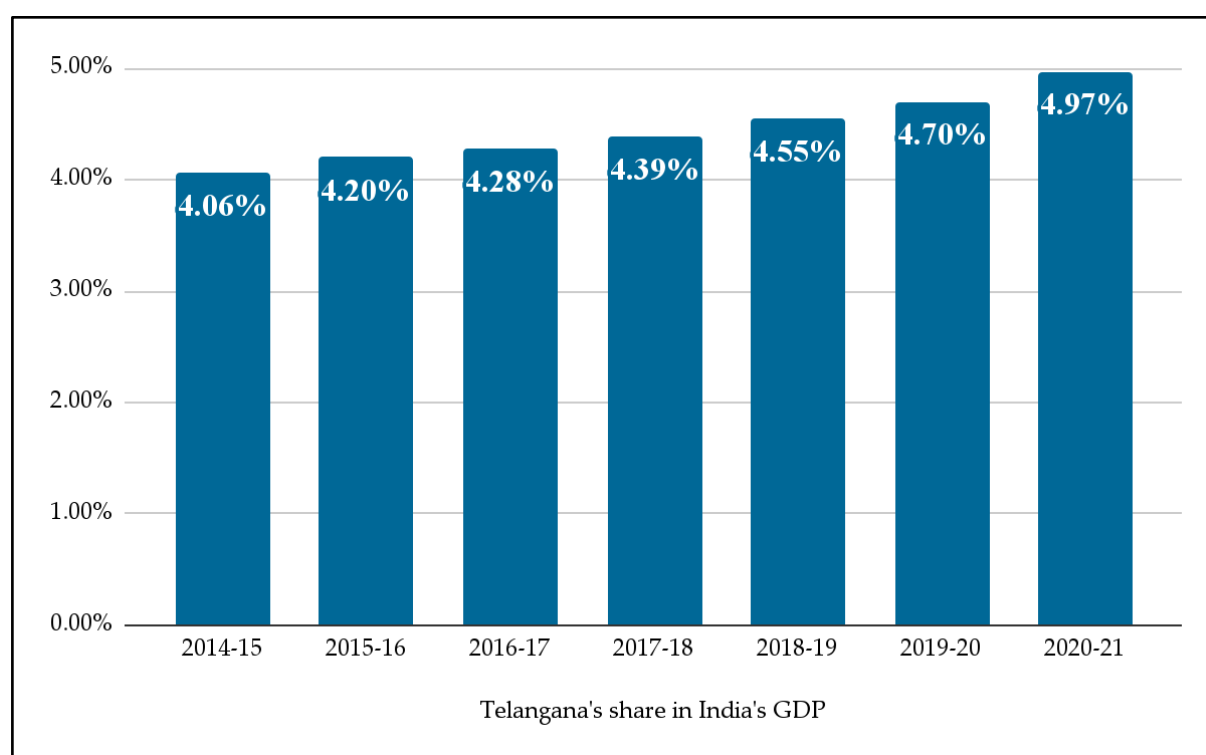
Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
GSDP - Telangana	4,16,332	4,64,542	5,07,946	5,57,410	6,12,148	6,48,595	6,44,599
GDP - All India	1,05,27,674	1,13,69,493	1,23,08,193	1,31,44,582	1,40,03,316	1,45,69,268	1,35,12,740

1.2 The Share of Telangana's GSDP in India's GDP (at current prices)

(see Figure 1.3)

- In 2014-15, Telangana's GSDP contributed approximately 4% to the GDP of the nation.
- Share of Telangana's GSDP in India's GDP increased consistently year-on-year.
- In 2020-21, Telangana's GSDP contributed approximately 5% to India's GDP, an increase of 1 percentage point since state formation.
- As of 2020-21, Telangana was the 6th highest contributor to GDP at current prices out of the 18 states with data availability.

Figure 1.3: Telangana's share in India's GDP (at current prices)



Source: Ministry of Statistics and Programme Implementation, GoI

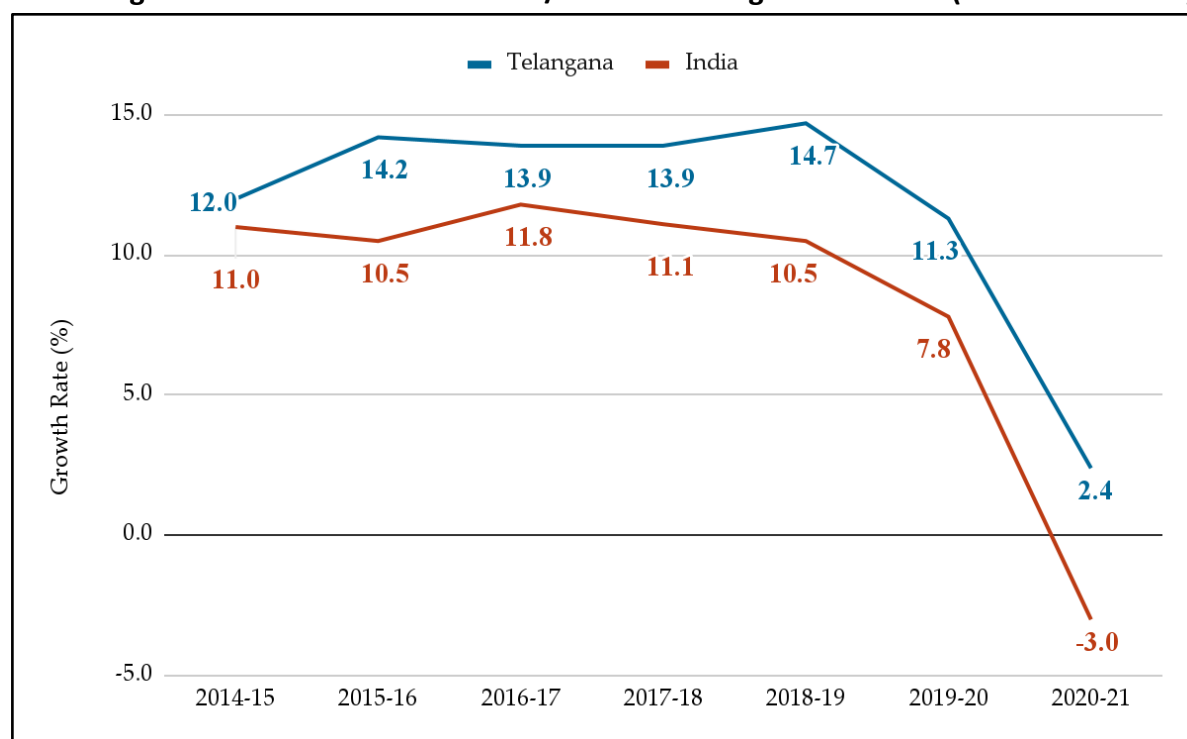
1.3 A comparison of the Growth Rate of GSDP of Telangana and GDP of India

a) At Current Prices

(See Figure 1.4 & Table 3)

- Starting out with a 1 percentage point higher growth rate value than India in 2014-15, in the year after state formation itself, Telangana's growth rate of GSDP was 3.7 percentage points higher than India's growth rate.
- Telangana achieved an 11.7% Average Annual Growth Rate (AAGR) of GSDP from 2015-16 to 2020-21, compared to India's Average Annual Growth Rate of 8.1% during the same time span.
- On an average, Telangana grew by 3.7 percentage points more than India did for each of these years.
- Telangana ranked 3rd in terms of percentage increase in growth rate of GSDP between 2014-15 and 2020-21, out of 18 states with data availability in 2020-21.
- During COVID-19, while India experienced a negative rate of growth of GDP (-3%) in 2020-21, Telangana's growth rate was still positive (2.4%).
- In the years 2014-15 and 2015-16, despite experiencing drought conditions, Telangana achieved high rates of growth of GSDP, significantly better than that of the country as a whole.

Figure 1.4: Growth Rate of GSDP /GDP for Telangana and India (At Current Prices)



Source: Ministry of Statistics and Programme Implementation, GoI

Table 3: Growth Rate of GSDP /GDP Telangana and India (At Current Prices)

Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Telangana	12	14.2	13.9	13.9	14.7	11.3	2.4
India	11	10.5	11.8	11.1	10.5	7.8	-3

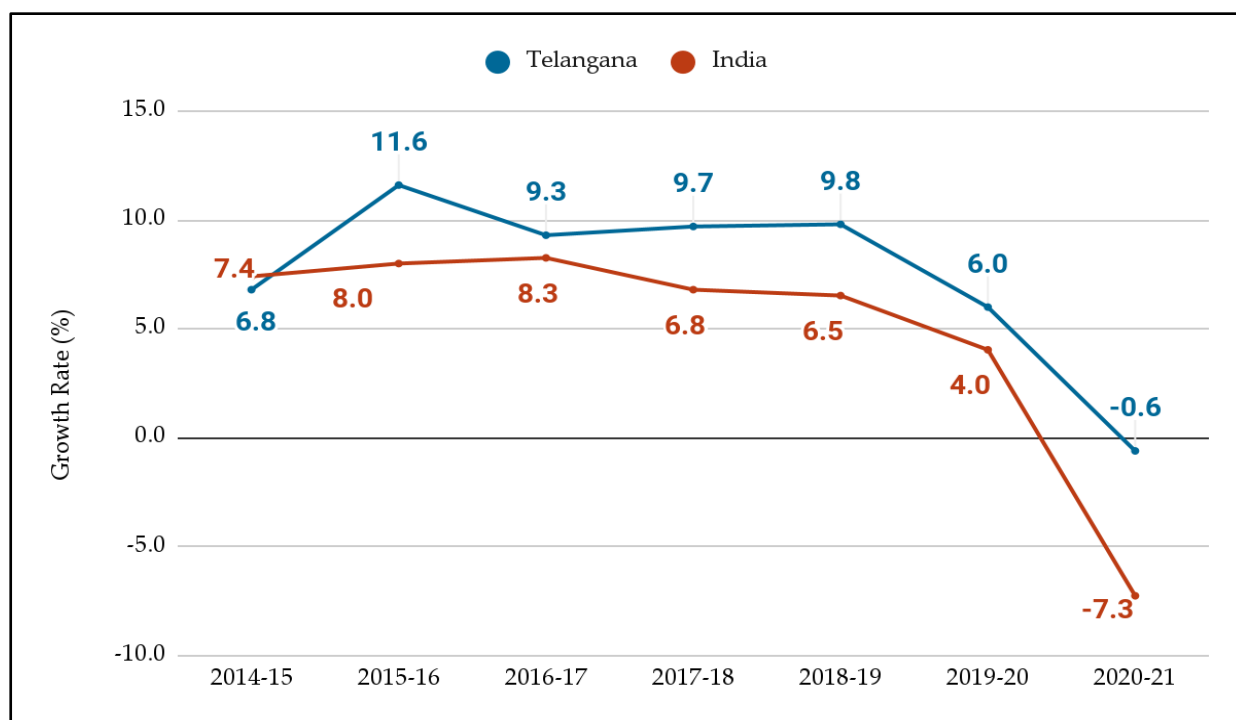
b) At Constant (2011-12) Prices

(See Figure 1.5 & Table 4)

- Starting out with a 0.6 percentage point lesser growth rate value than India's in 2014-15, Telangana's growth rate of GSDP at constant prices was 6.6 percentage points higher than India's growth rate in 2020-21.
- Telangana achieved a 7.6% Average Annual Growth Rate (AAGR) of GSDP at constant prices from 2015-16 to 2020-21, compared to India's Average Annual Growth Rate of 4.4% during the same time span.
- On an average, Telangana grew by 3.2 percentage points more than India did for each of these years.

- Telangana ranked 3rd in terms of percentage increase in growth rate of GSDP between 2014-15 and 2020-21, out of 18 states with data availability in 2020-21.
- During COVID-19, while India experienced a growth of GDP (-7.3%) in 2020-21, Telangana's growth rate was significantly better at (-0.6%).

Figure 1.5: Growth Rate of GSDP /GDP for Telangana and India at constant (2011-12) prices



Source: Ministry of Statistics and Programme Implementation, GoI

Table 4: Growth Rate of GSDP /GDP Telangana and India at constant (2011-12) prices

Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Telangana	6.8	11.6	9.3	9.7	9.8	6.0	-0.6
India	7.4	8.0	8.3	6.8	6.5	4.0	-7.3

1.4 Annual Growth Rate (%) of GSDP - Telangana vs. the Southern States.

The Annual Growth Rate of GSDP reflects the rate of increase or decrease of the gross state domestic product (GSDP) at market prices based on current or constant prices, for a given economy. Given the geographical proximity and similarity in socio-economic circumstances of the southern Indian states, the Annual Growth Rate of GSDP is compared, with the aim of identifying the progress of Telangana vis-a-vis its neighbouring states.

a) At Current Prices:

(See Table 5)

- Telangana achieved the highest annual average growth in GSDP amongst all Southern states, at 11.7%, post 2014-15.
- In the year 2017-18, Telangana's growth rate surpassed Karnataka's. Thereafter, it has consistently been higher than Karnataka's growth rate.
- Even during the COVID-19 year of 2020-21, Telangana's growth rate of GSDP was higher than the growth rate of 2 out of the 3 other Southern states with data availability.

Table 5: Annual Growth Rate of Southern Indian States (current prices)

State	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average
Andhra Pradesh	15.1	13.3	14.9	10.8	11.5	1.6	11.2
Karnataka	14.4	15.5	10.7	11.5	9.3	2.2	10.6
Kerala	9.6	13	10.5	12.6	8.1	NA	10.8
Tamil Nadu	9.7	10.7	12.5	11.3	10.2	5.9	10.1
Telangana	14.2	13.9	13.9	14.7	11.3	2.4	11.7

Source: Ministry of Statistics and Programme Implementation, Gol

b) At Constant (2011-12) Prices:

(See Table 6)

- Telangana achieved the highest annual average growth in GSDP amongst all Southern states, at 7.6%, post 2014-15.
- A contraction was experienced in the economy in 2020-21 on the account of COVID-19, but despite that, Telangana's growth rate was higher than that of 2 of the 3 Southern states with data availability.

Table 6: Annual Growth Rate of Southern Indian States

State	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Annual Average Growth Rate
Andhra Pradesh	12.2	8.3	10.1	4.9	7.2	-2.6	6.7
Karnataka	11.1	13.3	8.6	6.5	5.0	-2.6	7.0
Kerala	7.4	7.6	6.4	6.5	3.4	NA	6.3
Tamil Nadu	8.2	7.2	8.6	7.0	6.1	1.4	6.4
Telangana	11.6	9.3	9.7	9.8	6.0	-0.6	7.6

Source: Ministry of Statistics and Programme Implementation, GoI

2. Per Capita Income (PCI)

The Per Capita Income is used to measure the standard of living of the people. It is calculated by dividing NSDP by the total midyear population of a country or a state for the respective year.

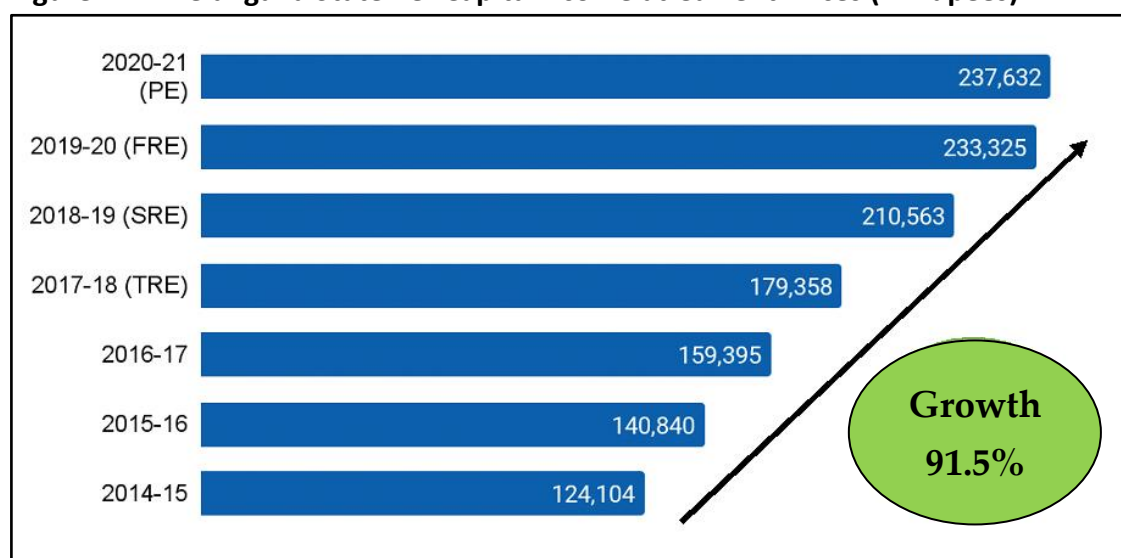
2.1 Per Capita Income of Telangana and India

a) At Current Prices

(See figure 2.1 & Table 7)

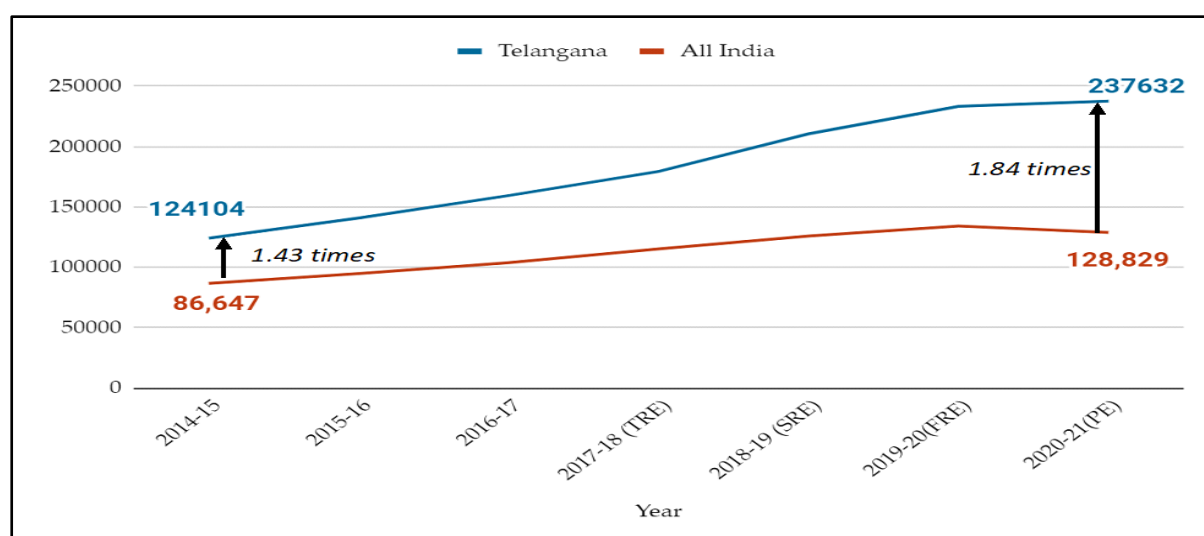
- Telangana's per capita income at current prices increased by 91.5% between 2014-15 and 2020-21, as against India's increase of 48.7% in the same period.
- Telangana achieved the 2nd highest percentage growth increase in per capita income at current prices between 2014-15 and 2020-21 out of the 18 states with data availability

Figure 2.1: Telangana State Per Capita Income at Current Prices (in Rupees)



- Telangana's per capita income has been higher than India's overall per capita income since 2014-15, and the gap has increased over time (see figure 2.2).
- In 2014-15, the per capita income of Telangana was 1.43 times that of National PCI
- In 2020-21, the PCI value for Telangana, one of the strongest economic indicators of the well-being of a population, was 1.84 times that of the National PCI.

Figure 2.2: Per Capita Income of Telangana and India (at current prices)



Source: Ministry of Statistics and Programme Implementation, GoI

Table 7: Per Capita Income of Telangana and India at current prices (in Rupees)

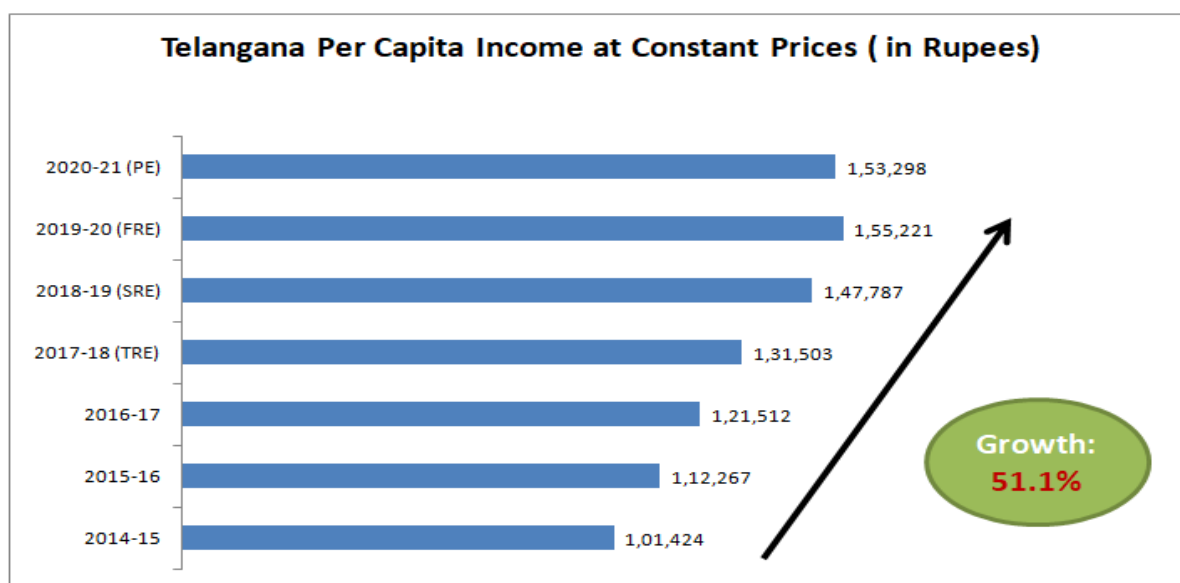
Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Telangana	1,24,104	1,40,840	1,59,395	1,79,358	2,10,563	2,33,325	2,37,632
All India	86,647	94,797	1,03,870	1,15,224	1,25,883	1,34,186	1,28,829

b) At Constant (2011-12) Prices:

(See figure 2.3 & Table 8)

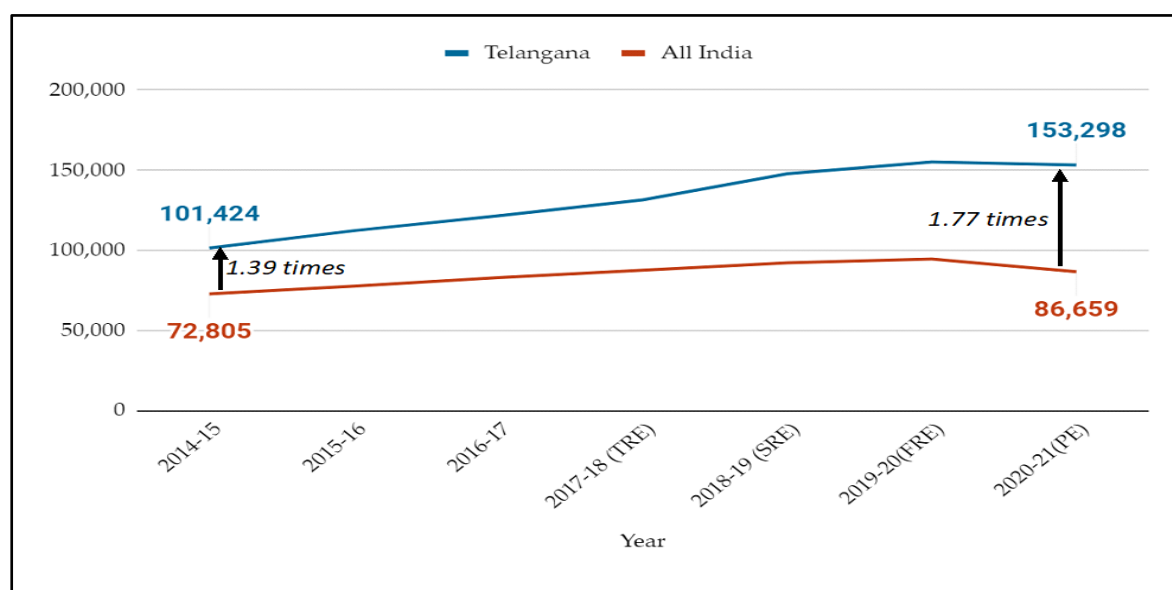
- Telangana's per capita income at constant prices increased by 51.1% between 2014-15 and 2020-21, as against India's increase of 19.02% in the same period.
- Telangana achieved the highest percentage increase in per capita income at constant prices between 2014-15 and 2020-21 out of the 18 states with data availability.

Figure 2.3: Telangana State Per Capita Income at Constant Prices (in Rupees)



- Telangana's per capita income has been higher than India's overall per capita income since 2014-15, and the gap has increased over time (see figure 2.4).
- In 2014-15, the per capita income of Telangana was 1.39 times that of National PCI
- In 2020-21, the PCI value for Telangana, one of the strongest economic indicators of the well-being of a population, was 1.77 times that of the National PCI.

Figure 2.4: Per Capita Income of Telangana and India (at constant prices)



Source: Ministry of Statistics and Programme Implementation, GoI

Table 8 : Per Capita Income of Telangana and India (at constant prices)(In Rs.)

Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Telangana	101,424	112267	121512	131503	147787	155221	153298
All India	72,805	77,659	83,003	87,586	92,241	94,566	86,659

2.2 Per Capita Income Growth Rate - Telangana and India

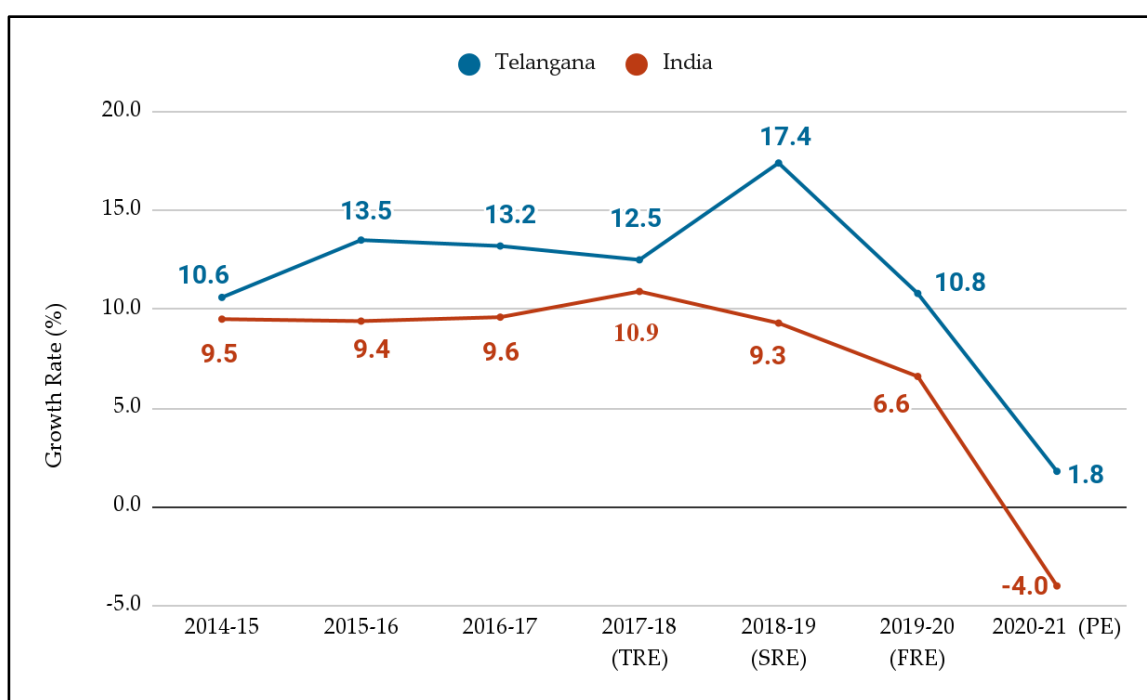
The growth rate of per capita income is indicative of the rate at which the well-being of individuals is improving in an economy. The indicator is calculated at both current and constant prices.

a) At Current Prices

(See Figure 2.5 & Table 9)

- Telangana's rate of growth of per capita income has been consistently higher than that of India's from 2014-15 to 2020-21.
- In 2014-15, Telangana's growth rate of PCI was only 1.1 percentage points higher than India's. The gap has widened significantly over the years, to 5.8 percentage points in 2020-21.
- Telangana achieved an 11.5% Average Annual Growth Rate (AAGR) in per capita income at current prices from 2015-16 to 2020-21, compared to India's Average Annual Growth Rate of 7.0% during the same time span.
- On an average, Telangana's per capita income grew by 4.6 percentage points more than India's for each year during this period.
- Telangana ranked 2nd in terms of growth rate of per capita income between 2014-15 and 2020-21, out of 18 states with data availability in 2020-21.
- Despite the effect of COVID-19, Telangana recorded a positive growth rate of per capita income at 1.8% in 2020-21 as compared to India at -4.0%.

Figure 2.5: Growth Rate of Per Capita Income of Telangana and India (at current prices)



Source: Ministry of Statistics and Programme Implementation, GoI

Table 9: Growth Rate of Per Capita Income of Telangana and India (at current prices)

Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Telangana	10.6	13.5	13.2	12.5	17.4	10.8	1.8
India	9.5	9.4	9.6	10.9	9.3	6.6	-4.0

b) At Constant (2011-12) Prices

(See Figure 2.6 & Table 10)

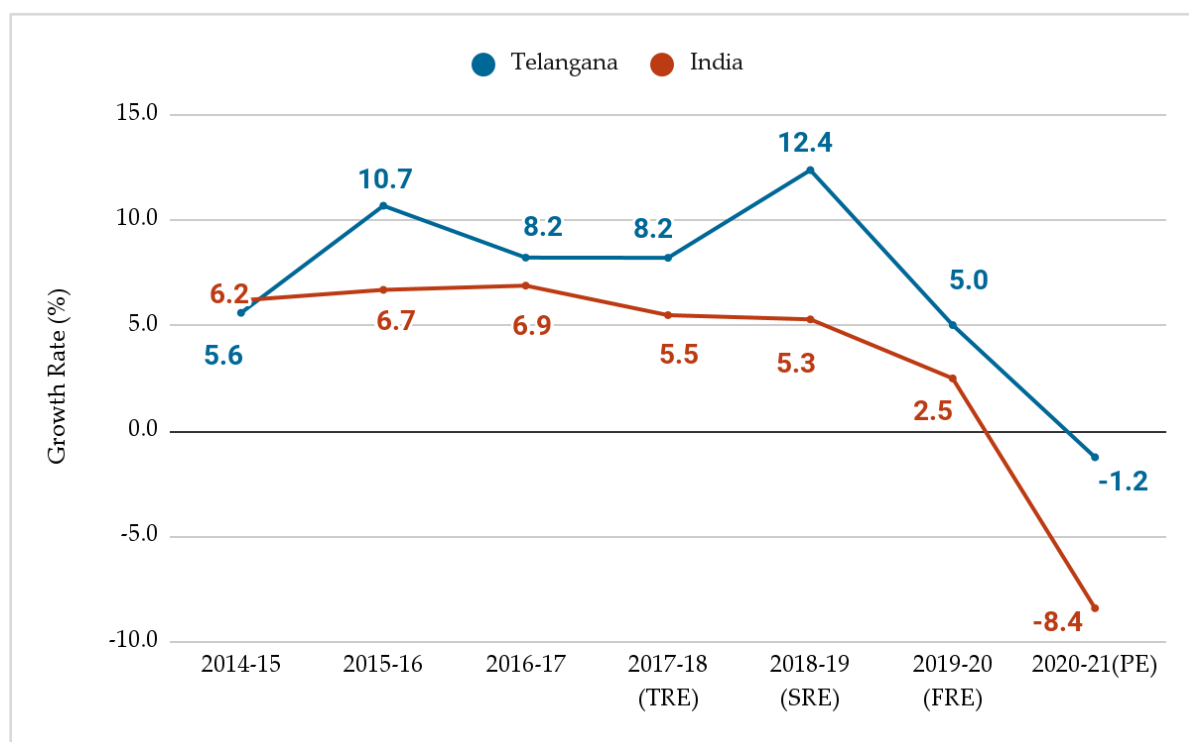
- Telangana's rate of growth of per capita income has been consistently higher than that of India's from 2015-16 to 2020-21.
- In 2014-15, Telangana's growth rate of PCI was only 0.6 percentage points less than India's. In the year 2020-21, the state's PCI growth rate was 7.16 percentage points higher than the all-India growth rate of PCI.
- Telangana achieved a 7.2% Average Annual Growth Rate (AAGR) in per capita income at constant prices from 2015-16 to 2020-21, compared to India's Average Annual Growth Rate of 3.1% during the same time span.
- On an average, Telangana's per capita income grew by 4.1 percentage points more than India's for each year during this period.

- Telangana ranked 1st in terms of growth rate of per capita income between 2014-15 and 2020-21, out of 18 states with data availability in 2020-21.
- Despite the effect of COVID-19, Telangana recorded a growth rate of per capita income at -1.2% in 2020-21 as compared to India at -8.4%.

Table 10: Growth Rate of Per Capita Income of Telangana and India (at constant prices)

Year	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Telangana	5.6	10.7	8.2	8.2	12.4	5.0	-1.2
India	6.2	6.7	6.9	5.5	5.3	2.5	-8.4

Figure 2.6: Growth Rate of Per Capita Income of Telangana and India (at constant prices)



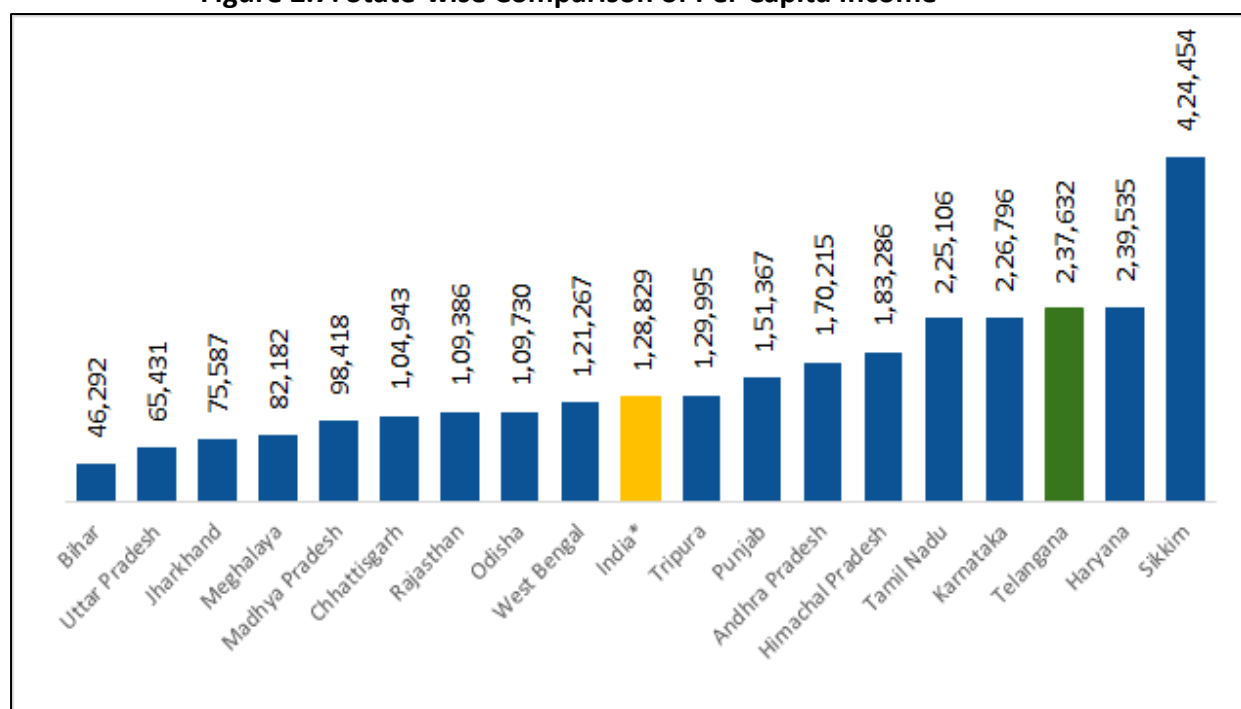
Source: Ministry of Statistics and Programme Implementation, GoI

2.3 Inter- State comparison of Per Capita Income

The comparison of the per-capita income of Telangana with other Indian states aims to reveal the performance of Telangana in improving the well being of its people as compared to the other states of the country (see figure 2.7).

- At Rs. 2,37,632, Telangana's per capita income is nearly double the average national per capita income (Rs. 1,28,829)
- Telangana ranked 3rd in the country in terms of the per capita income out of the 18 states for which data is available.
- Only 2 states in the country- Haryana and Sikkim, have a higher per capita income than that of Telangana for 2020-21 out of the 18 states.

Figure 2.7: State-wise Comparison of Per Capita Income



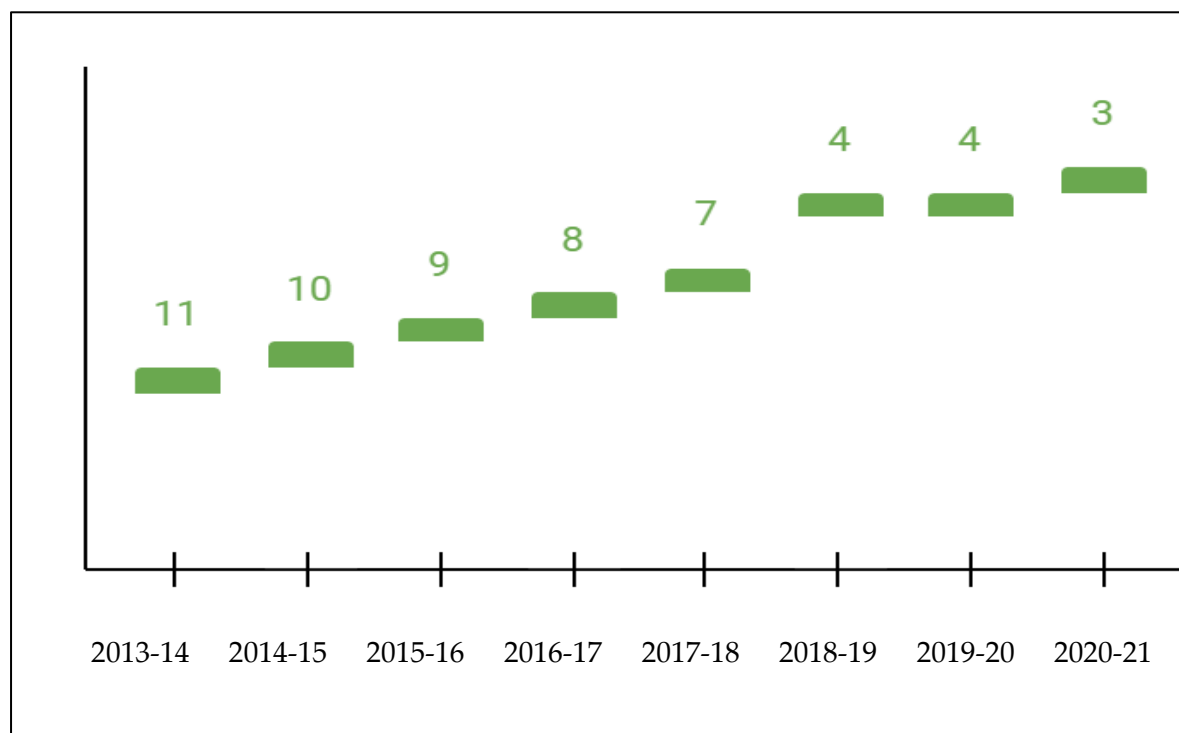
Source: Ministry of Statistics and Programme Implementation, GoI

Year-on-year improvement in Telangana's per capita income at current prices was associated with an year-on-year improvement in its ranking as compared with other states (see figure 2.8).

Telangana surpassed the following 7 states in a span of 7 years, moving from 11th rank in 2013-14 to become the 4th ranking state in terms of per capita income at current prices in the year 2018-19, ranking 4th again in 2019-20, and moving to 3rd rank in 2020-21 out of the 18 states with data availability:

- Himachal Pradesh in 2014-15
- Gujarat in 2015-16
- Tamil Nadu in 2016-17
- Maharashtra in 2017-18
- Karnataka, Kerala, and Uttarakhand in 2018-19

Figure 2.8: Year-on-year Ranking of Telangana State on Per Capita Income at Current Prices



Source: Ministry of Statistics and Programme Implementation, GoI

2.4 Annual Growth Rate of Per Capita Income: Telangana vs. the Southern States

a) At Current Prices:

(See Table 11)

- Telangana achieved the highest average growth in PCI amongst all Southern states, at 11.5%, post 2014-15.
- In the years 2018-19, as well as 2019-20, Telangana recorded the highest PCI growth rate among southern states.
- Despite the effect of the pandemic, Telangana ranked second among the southern states in terms of PCI growth rate, out of the 3 states with data availability.

Table 11: Annual Growth Rate of Per Capita Income (%) at current prices

State	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average Annual Growth Rate
Andhra Pradesh	15.0	11.7	14.6	10.1	10.6	1.0	10.5
Karnataka	13.9	14.7	9.7	10.4	8.5	1.6	9.8
Kerala	9.3	12.2	10.2	12.2	7.9	NA	10.4
Tamil Nadu	9.7	10.3	11.9	10.9	9.8	5.5	9.7
Telangana	13.5	13.2	12.5	17.4	10.8	1.8	11.5

b) At Constant Prices

(See Table 12)

- Telangana achieved the highest average growth in PCI amongst all Southern states, at 7.2%, post 2014-15.
- In the year 2018-19, Telangana recorded the highest PCI growth rate among Southern states.
- Despite the effect of the pandemic, Telangana ranked second among the southern states in terms of PCI growth rate, out of the 3 states with data availability.

Table 12: Annual Growth Rate of Per Capita Income (%) at constant prices

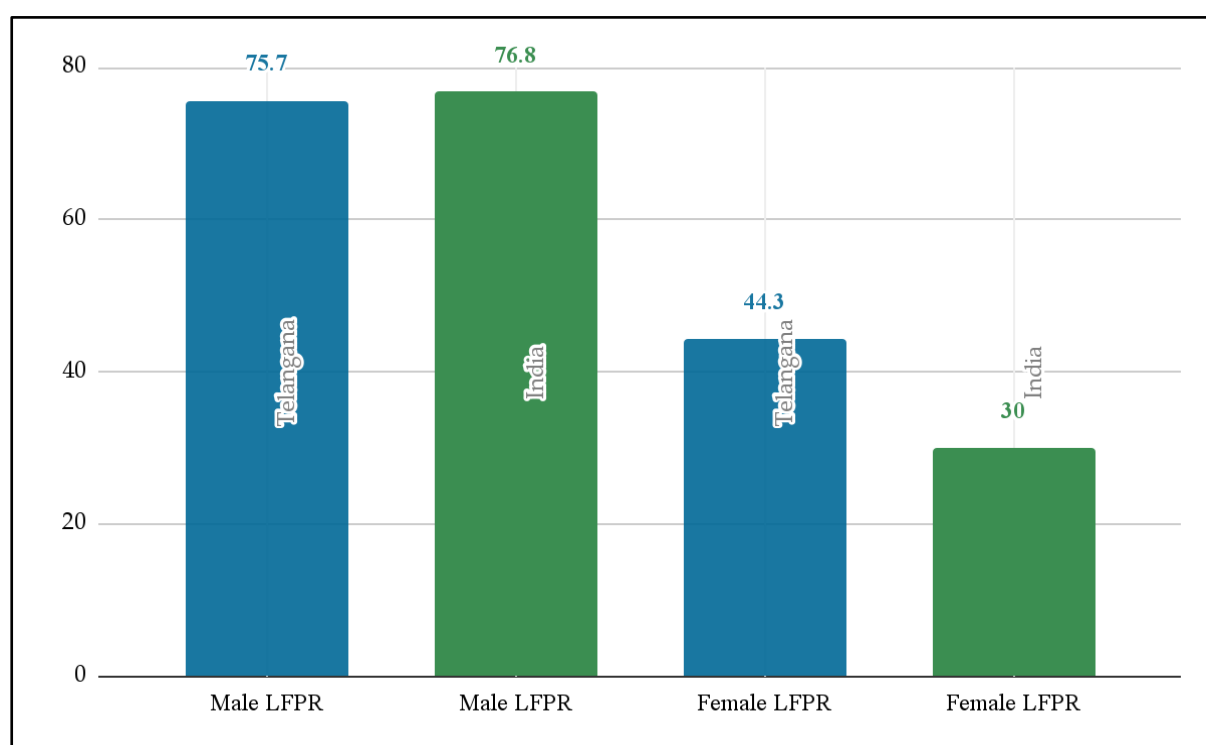
State	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	AAGR
Andhra Pradesh	11.92	6.21	9.63	3.98	6.19	-3.05	5.8
Karnataka	10.52	12.30	7.66	5.28	4.15	-3.25	6.1
Kerala	7.06	7.36	6.14	6.08	2.78	NA	5.9
Tamil Nadu	8.18	6.33	7.97	6.63	5.28	1.11	5.9
Telangana	10.69	8.23	8.22	12.38	5.03	-1.24	7.2

3. Employment

Labour Force Participation Rate

One of the fundamental goals of the Government is to generate growth that creates high-quality jobs in the state. A necessary condition for this is a steady supply of labour. The labour force participation rate (LFPR), which is the percentage of all those aged 15 years or more who are either currently employed or looking for employment, is a measure of the labour supply in the economy. According to the Periodic Labour Force Survey (2019-20) conducted by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India, male LFPR in the state was 75.7%, which was only marginally lower than the national figure (76.8%). Crucially, female LFPR, which is also a measure of female empowerment and agency, was much higher in Telangana (44.3%) than in India (30%).

Figure 3.1: Labour Force Participation Rate 2019-20



Source: Period Labour Force Survey (PLFS) - 2019-20

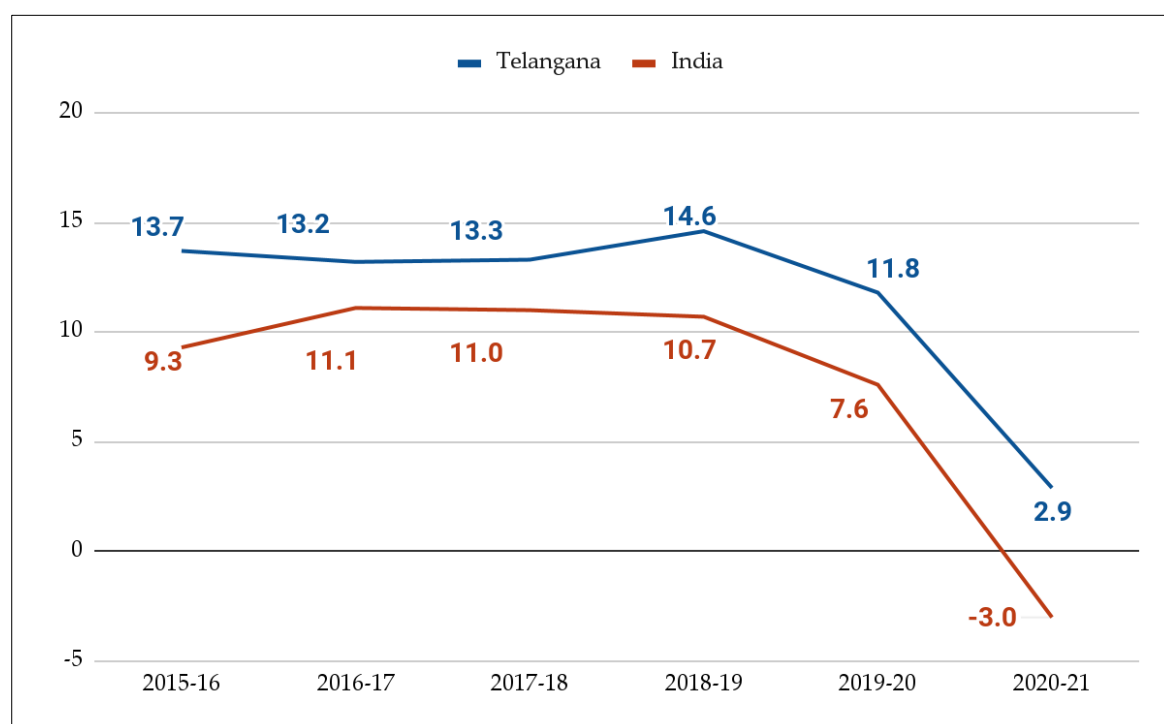
4. Gross State Value Added(GSVA)

a) At Current Prices

(See Figure 4.1 & Table 13)

The Gross State Value Added (GSVA), which broadly reflects the supply or production side of the economy, registered an annual average growth rate of 11.6% in Telangana as compared to the national average of 7.8% at current prices from 2015-16 to 2020-21. Telangana's GSVA grew by 2.9% in 2020-21 (PE) which was higher than India's GVA growth rate by 5.9 percent.

Figure 4.1 Growth Rate of GSVA at Current Prices - Telangana and India



Source: Ministry of Statistics and Programme Implementation, GoI

Table 13: Growth Rate of GSVA at Current Prices - Telangana and India

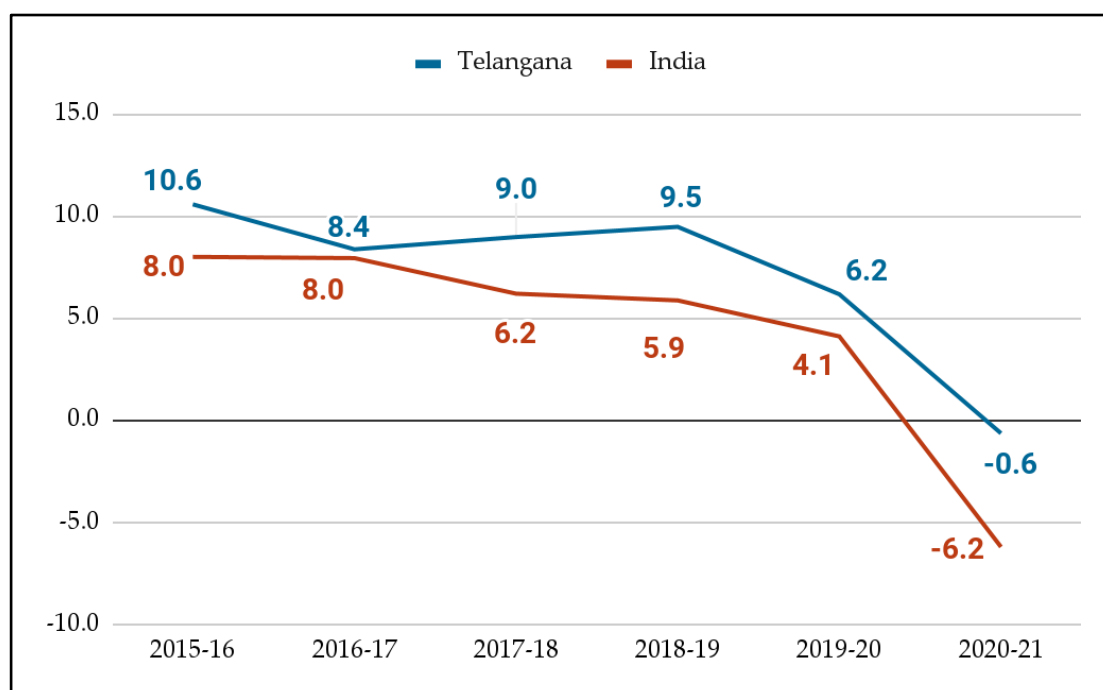
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Telangana	13.7	13.2	13.3	14.6	11.8	2.9
India	9.3	11.1	11.0	10.7	7.6	-3.0

b) At Constant (2011-12) Prices

(See Figure 4.2 & Table 14)

The Gross State Value Added (GSVA) at constant prices registered an annual average growth rate of 7.2% in Telangana as compared to the national average of 4.4% from 2015-16 to 2020-21. Telangana's GSVA declined by 0.6% in 2020-21 (PE) which was still significantly higher than India's GVA growth rate by -6.2%.

Figure 4.2 Growth Rate of GSVA at Constant Prices - Telangana and India



Source: Ministry of Statistics and Programme Implementation, GoI

Table 14: Growth Rate of GSVA at Constant Prices - Telangana and India

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Telangana	10.6	8.4	9.0	9.5	6.2	-0.6
India	8.0	8.0	6.2	5.9	4.1	-6.2

5. Sector Growth

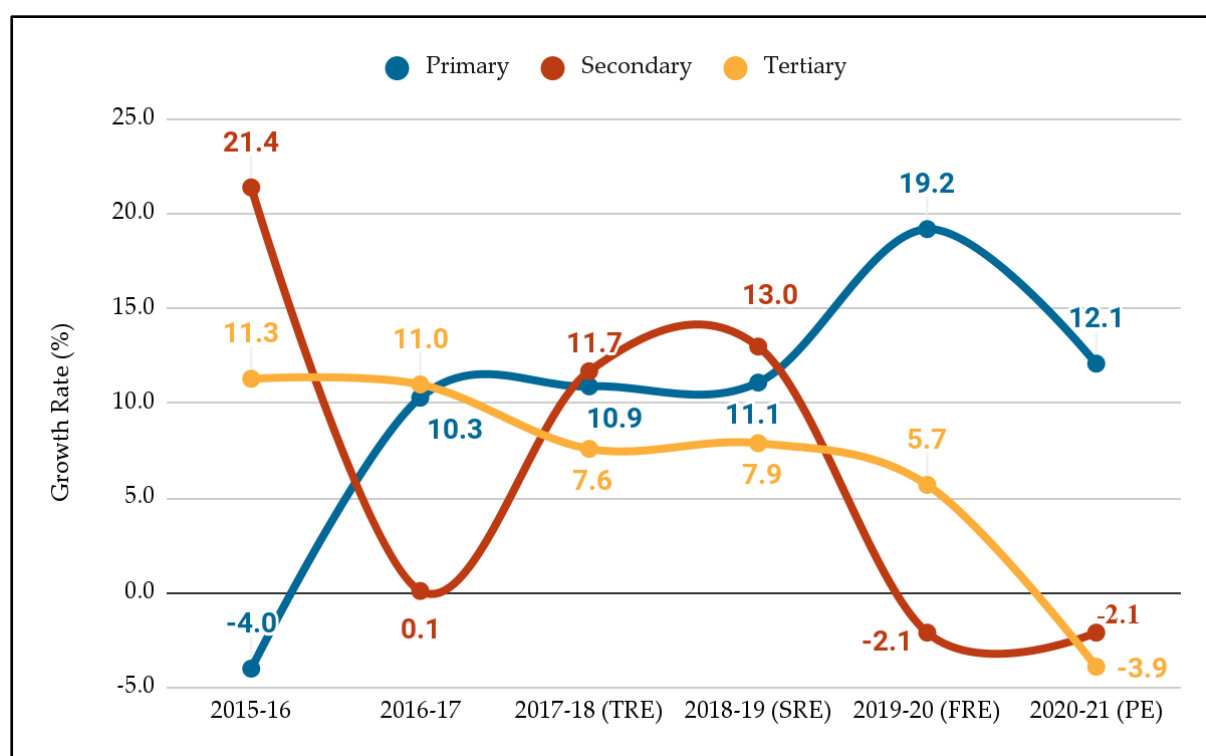
5.1 Sector Growth Rate at Constant Prices

The real performance of the economy can be gauged by observing the growth rates at constant prices. Telangana's economy has fared better than the country's in the past year. This is primarily due to the impressive performance of the agriculture and allied sectors (crops, livestock, fisheries, forestry)—the sectors' Gross State Value Added (GSVA) at constant prices grew by an impressive 14.3%, the second highest growth rate since the state's formation. Compared to this, the national growth rate fell by 3.6%.

Part of this growth reflects the fact that the sector was least affected by COVID-19. Growth in this sector had been robust even before the pandemic. Since 2015-16, the average annual growth rate in this sector has been 16.4%. The driving forces behind this have been the crop and livestock subsectors, averaging annual growth rates of 3.5% and 36.8% respectively during this period (see Agriculture chapter for more details). This is a reflection of the Government's emphasis on promoting agriculture and allied sectors. Various initiatives such as those focusing on horticulture crops, livestock (e.g., Sheep Rearing Development Programme and the Mass Free Sheep and Goat Deworming Programme) and irrigation (through the Kaleshwaram project, Mission Kakatiya and other irrigation projects) contributed to this robust growth. The state has also been fortunate to have received good monsoons in 2016-17, 2019-20 and 2020-21.

The sectoral growth rates of Telangana state from 2015-16 to 2020-21 (PE) are presented in the figure 5.1. A consistent increase in growth of the primary sector is observed from 2015-16 to 2020-21. The growth rate of the primary sector in Telangana has increased from -4.0% in 2015-16 to 12.1% in 2020-21. The growth rate of the secondary sector on the other hand displayed a fluctuating trend. The effect of the pandemic resulted in a fall in the growth rates of both primary and tertiary sectors.

Figure 5.1: Sectoral Growth Rates (%) (at constant prices) in Telangana



Source: Ministry of Statistics and Programme Implementation, GoI

In the pandemic year of 2020-21, as per provisional estimates, the growth rate of the primary sector was 12.1 percent, that of the secondary sector was -2.1 percent, and of the tertiary sector was -3.9 percent (see Table 15). COVID-19 severely restricted economic activities in the state, resulting in a significant fall in the growth rates of several sub-sectors in 2020-21. This cumulatively led to a fall in the overall growth rate of the state, which experienced a growth rate of -0.6% at constant prices. However, the exceptional performance of the Agriculture and allied sectors, which registered a growth rate of 14.3%, shielded the economy from the negative impact of the negative growth registered in other sub-sectors.

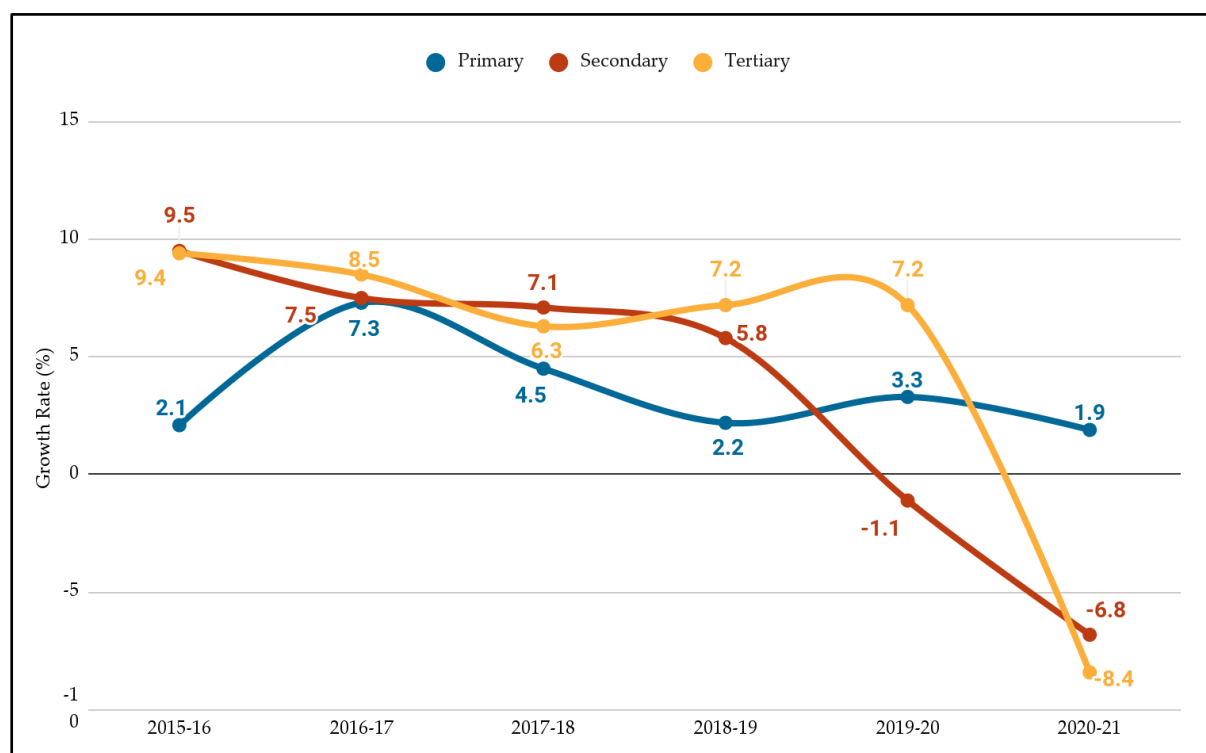
Table 15: Sectoral Growth Rates (%) (at constant prices) in Telangana

	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Primary	-4	10.3	10.9	11.1	19.2	12.1
Secondary	21.4	0.1	11.7	13	-2.1	-2.1
Tertiary	11.3	11	7.6	7.9	5.7	-3.9

The sectoral growth rates of India from 2015-16 to 2020-21 (PE) are presented in the figure 5.2. The country as a whole experienced a sharp fall in the growth rate of both the secondary and tertiary sector sectors. The growth rate of the tertiary sector decreased from 9.5% in

2015-16 to -8.4% in 2020-21 and the secondary sector registered a fall from 9.4% in 2015-16 to -6.8% in 2020-21. At the national level too, only the primary sector experienced a positive rate of growth of 1.9% in 2020-21, which was still significantly lower than Telangana's growth rate of the sector at 12.1%.

Figure 5.2: Sectoral Growth Rates (%) (at constant prices) in India



Source: Ministry of Statistics and Programme Implementation, GoI

Table 16 : Sectoral Growth Rates (%) (at constant prices) in India

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Primary	2.1	7.3	4.5	2.2	3.3	1.9
Secondary	9.5	7.5	7.1	5.8	-1.1	-6.8
Tertiary	9.4	8.5	6.3	7.2	7.2	-8.4

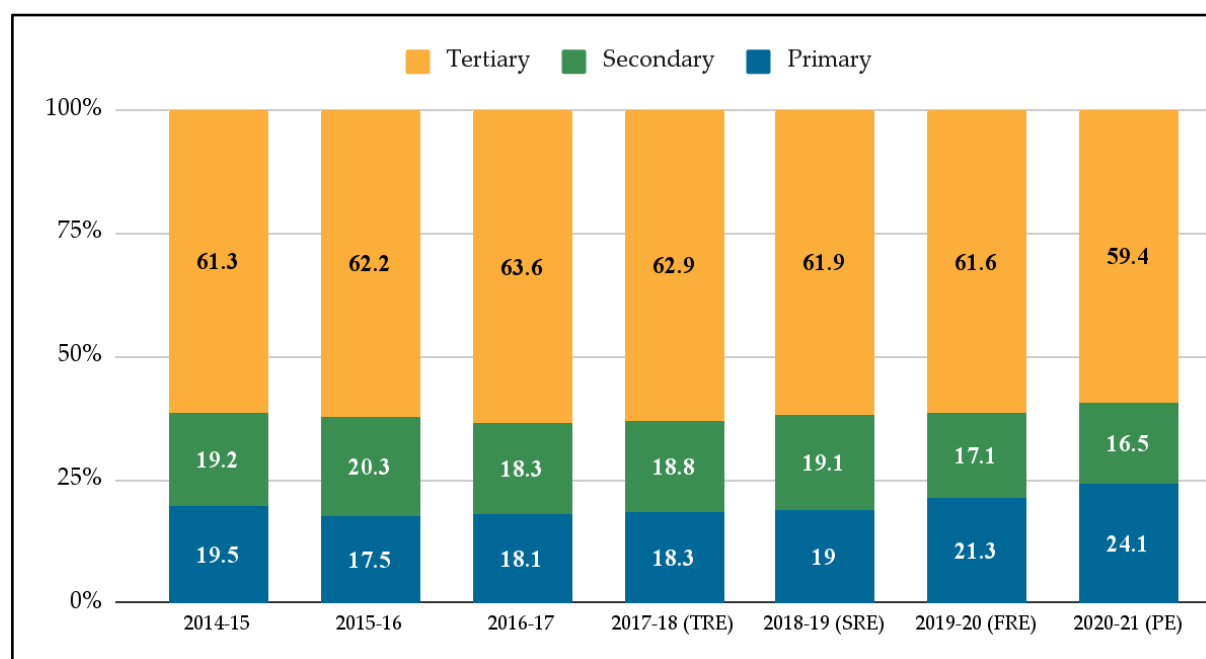
5.2 Sectoral Contribution

a) Sectoral Contribution to Telangana's GSVA (At Current Prices)

(See figure 5.3)

- The share of the primary sector in the GSVA has increased consistently since 2015-16, some of which can be attributed to state-level initiatives such as the Rythu Bandhu scheme, Mission Kakatiya, sheep distribution scheme, etc.
- The contribution to GSVA of this sector grew by 5.1 percentage points between the pre-pandemic year of 2018-19 and the pandemic year of 2020-21.
- 'Agriculture & Allied Sector', which makes up the major portion of this sector, and is the principal source of employment for around 55% of Telangana's population, was the key driver behind this improvement.
- The tertiary sector accounted for the largest share in the Gross State Value Added. The State Government's investments in the infrastructure, power, and IT sectors have contributed towards the same.

Figure 5.3: Percentage of Sectoral contribution to Telangana GSVA at Current Prices



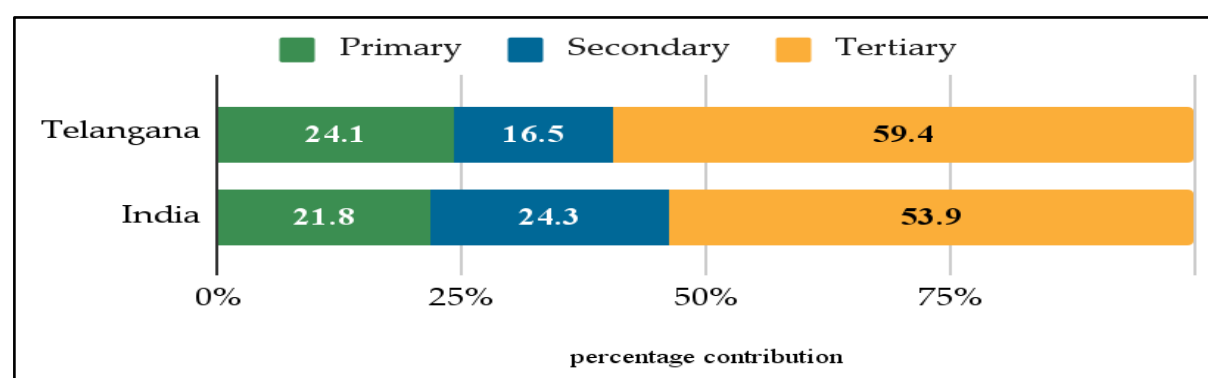
Source: Ministry of Statistics and Programme Implementation, Gol

b) Sector-wise GSVA of Telangana and GVA of India in 2020-21 (PE) at current prices (See figure 5.4)

Both the primary and tertiary sectors contribute more to Telangana's economy as compared to their share in the Indian economy.

- At 24.1%, the contribution of the primary sector to the total GSVA in Telangana in 2020-21 was 2.3 percentage points higher than its contribution to the GVA of India, at 21.8%.
- This is primarily on account of flagship schemes of the State Government such as Rythu Bandhu and the Sheep Distribution scheme, along with strengthening of backward linkages to agriculture, such as irrigation and electricity, through schemes and projects like Mission Kakatiya, Kaleshwaram Lift Irrigation Project, completion of pending irrigation projects, and supply of free 24x7 electricity.
- Contribution of the tertiary sector to the total GSVA in Telangana in 2020-21 was 59.4%, 5.5 percentage points higher than the contribution of the tertiary sector to India's GVA at 53.9%. The primary reason for the same is the investments undertaken by the Telangana government in the power, infrastructure, and IT sectors.

Figure 5.4: Percentage of Sectoral contribution to GSVA/GVA at Current Prices - Telangana and India



Source: Ministry of Statistics and Programme Implementation, GoI

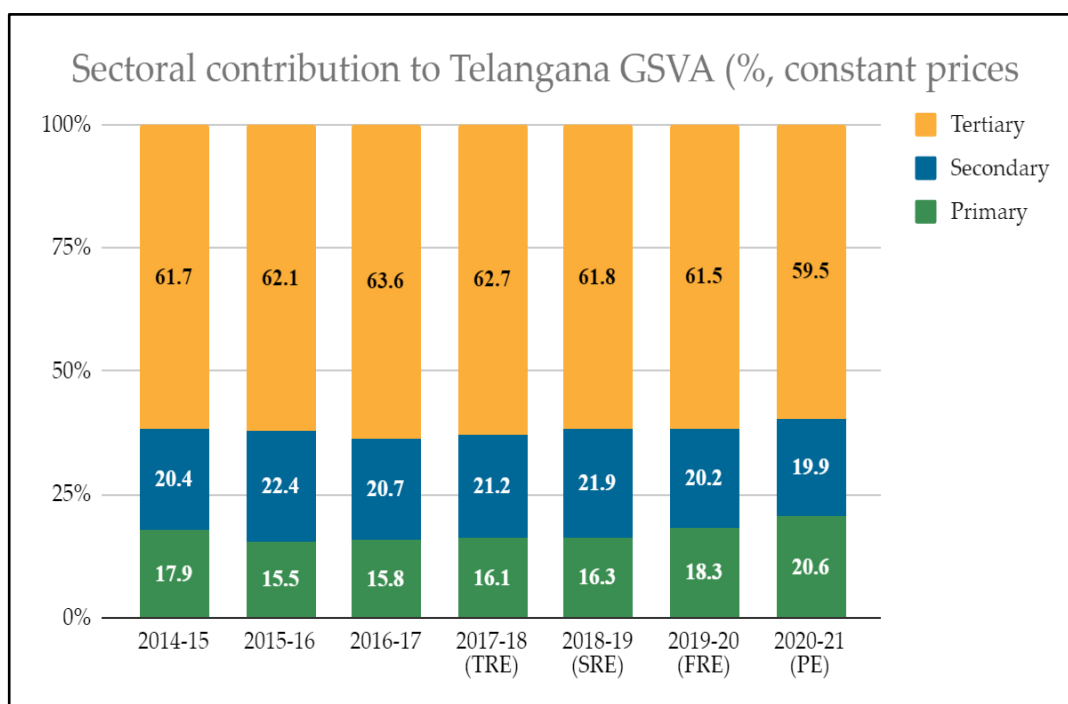
c) Sectoral Contribution to Telangana's GSVA (At Constant Prices)

(See figure 5.5)

- The share of the primary sector in the GSVA has increased consistently since 2015-16, some of which can be attributed to state-level initiatives such as the Rythu Bandhu scheme, Mission Kakatiya, sheep distribution scheme, etc.
- The contribution to GSVA of this sector grew by 4.3 percentage points between the pre-pandemic year of 2018-19 and the pandemic year of 2020-21.
- 'Agriculture & Allied Sector', which makes up the major portion of this sector, and is the principal source of employment for around 55% of Telangana's population, was the key driver behind this improvement.

- The tertiary sector accounted for the largest share in the Gross State Value Added. The State Government's investments in the infrastructure, power, and IT sectors have contributed towards the same.

Figure 5.5: Percentage of Sectoral contribution to Telangana GSVA at Current Prices

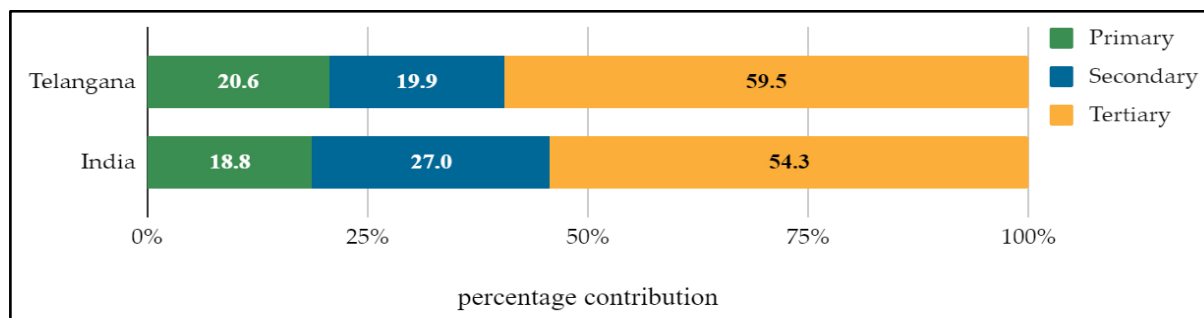


Source: Ministry of Statistics and Programme Implementation, GoI

d) Sector-wise GSVA of Telangana and GVA of India in 2020-21 (PE) at constant prices (See figure 5.6)

- Both the primary and tertiary sectors contribute more to Telangana's economy as compared to their share in the Indian economy.
- At 20.6%, the contribution of the primary sector to the total GSVA in Telangana in 2020-21 was 1.8 percentage points higher than its contribution to the GVA of India, at 18.8%.
- The Service sector has contributed 59.5% to total GSVA which is 5.2 percentage points higher than the contribution of the tertiary sector to India's GVA at 54.3%.

**Figure 5.6: Percentage of Sectoral contribution to GSVA/GVA at Current Prices -
Telangana and India**



5.3 Contribution of Agriculture and allied Sector to GSVA of Telangana in 2020-21 at current prices

(See figure 5.7 and Table 17)

- There was a 142% increase in contribution of the agricultural sector to Telangana's GSVA between 2014-15 and 2020-21.
- 'Crops' and 'Livestock' have consistently been the major contributors to the Gross Value Added in the 'Agriculture and Allied Sector'. Together, they accounted for 95% of agriculture GVA in 2020-21.
- GVA of the livestock sub-sector in Telangana increased to 3 times from 2014-15 to 2020-21.
- GVA of the 'Fishing and 'Aquaculture' sub-sector increased to 2 times from 2014-15 to 2020-21.
- GVA of the 'Crops' sub-sector increased to 1.9 times from 2014-15 to 2020-21.

Figure 5.7: Contribution of Agricultural Sector to GSVA at current prices

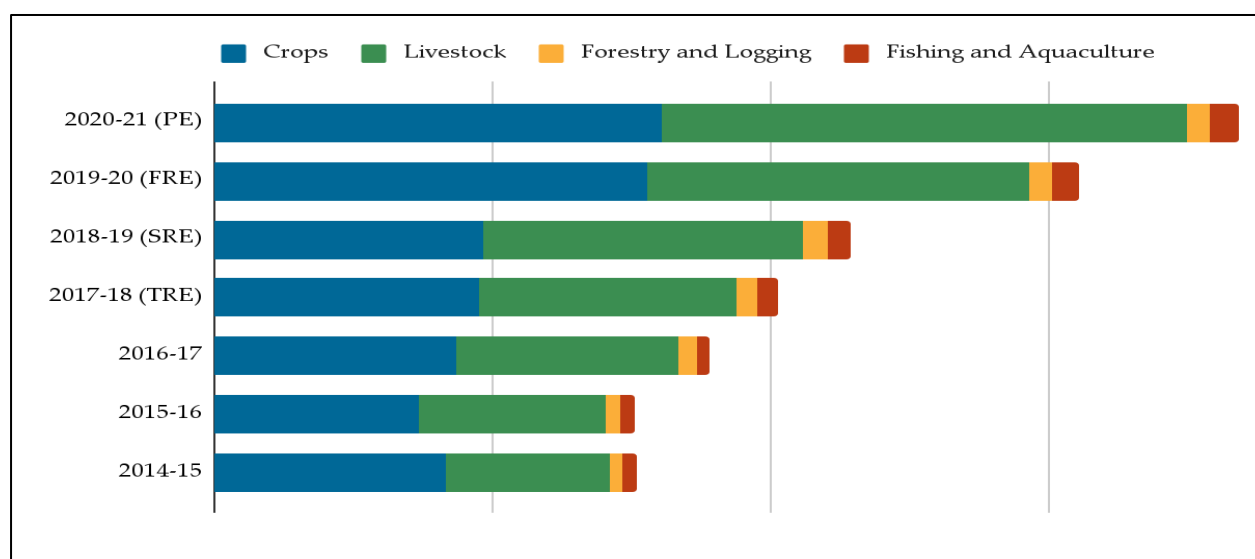


Table 17: Agriculture Sector GSVA (in Rs. crores)

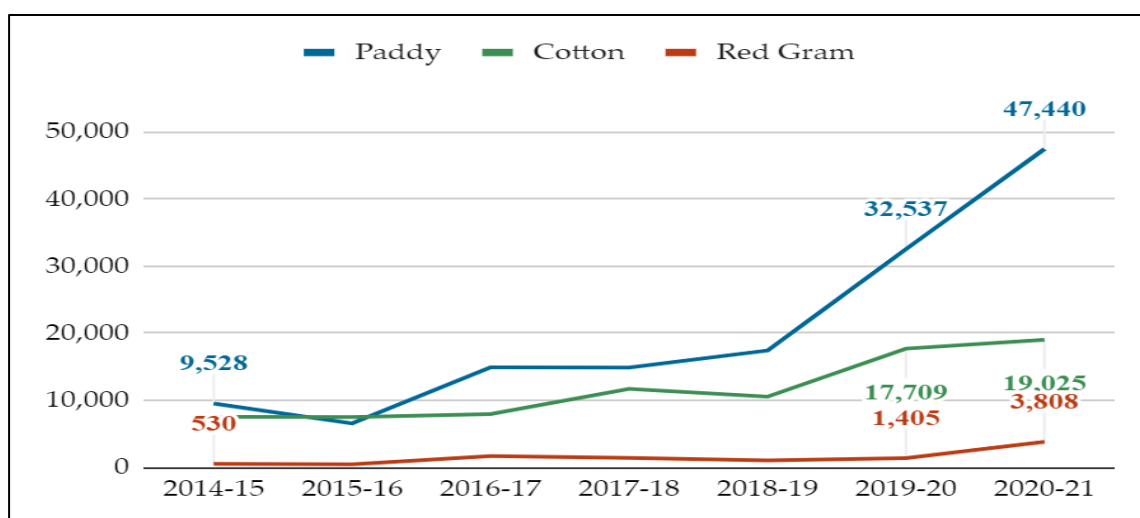
Sub Sector	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Crops	41,706	36,805	43,529	47,457	48,510	77,829	80,574
Livestock	29,282	33,755	39,816	46,595	57,518	68,858	94,211
Forestry and Logging	2,465	2,498	3,360	3,684	4,372	4,148	4,282
Fishing and Aquaculture	2,670	2,649	2,275	3,654	4,042	4,694	5,254
Agriculture, Livestock, Forestry and Fishing	76,123	75,707	88,980	1,01,390	1,14,442	1,55,529	1,84,321

Gross Value of Output for Major Crops at current prices (in Rs. crore)

(See figure 5.8)

- Paddy, cotton and red gram are the three most significant crops in Telangana.
- There has been a significant year-on-year increase in the production of paddy starting 2015-16.
- In 2020-21, the GVO for paddy was 5 times the GVO for paddy in 2014-15.
- In 2020-21, the GVO for cotton was 3 times the GVO for cotton in 2014-15.

Figure 5.8: Gross Value of Output for Major Crops at current prices

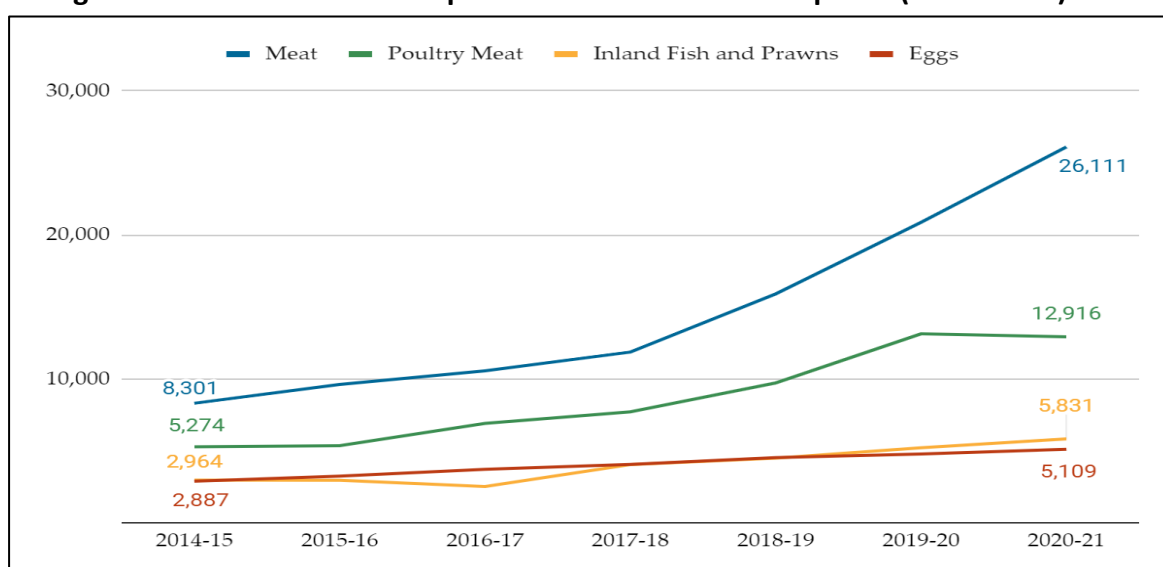


Gross Value of Output for Livestock at current prices (in Rs. crore)

(See figure 5.9)

- The Gross Value of Output for the 'Livestock' sub-sector experienced a consistent increase from 2014-15 to 2020-21
- The GVO for 'Meat' grew to 3 times between 2014-15 and 2020-21, from Rs. 8,301 crores to Rs. 26,111 crores.
- The GVO for 'Inland Fish and Prawns', and 'Eggs' in 2020-21 was nearly double their respective GVO in 2014-15.

Figure 5.9: Gross Value of Output for Livestock at current prices (in Rs. crore)



5.4 Contribution of Industrial Sector to GSVA of Telangana in 2020-21 at current prices

(See figure 5.10 and Table 18)

- The key sub-sector contributing to the industrial sector GVA is 'Manufacturing'. Between 2014-15 and 2020-21, the value added by the manufacturing sector grew by 72%.
- The 'Construction' sub-sector has consistently contributed greater than Rs. 37,000 crores to the GSVA in the last three years
- Mining and Quarrying, a major backward-linking sector to industries, has consistently added more than Rs. 30,000 crore to the GSVA in the last three years. The value added by this sub-sector more than doubled between 2014-15 and 2020-21

Figure 5.10: Contribution of Industrial Sector (including Mining & Quarrying) to GSVA at current prices

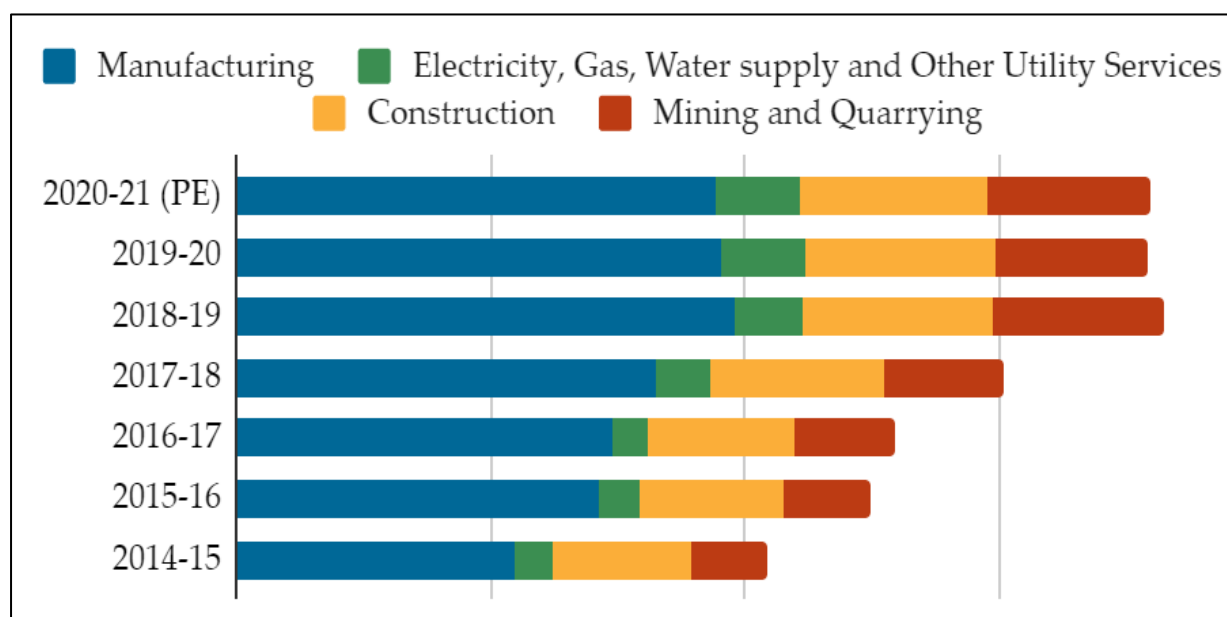


Table 18: Industries Sector GSVA (in Rs. crores)

Sub Sector	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Manufacturing	54,533	71,032	73,833	82,607	98,139	95,241	94,021
Electricity, Gas, Water supply and Other Utility Services	7,340	8,354	7,221	10,455	13,205	16,532	16,871
Construction	27,786	28,473	28,554	34,495	37,632	37,437	37,030
Mining and Quarrying	14,706	17,128	19,687	23,234	33,333	30,148	31,963
Total GSVA	1,04,365	1,24,987	1,29,295	1,50,791	1,82,309	1,79,358	1,79,885

Index of Industrial Production

The state's strong industrial recovery from the pandemic can be observed by tracking the monthly trend of the Index of Industrial Production (IIP), an index which shows the growth rate of the industrial sector on a monthly basis. Even though there was an initial fall in the value of the IIP due to COVID - 19, it quickly bounced back from its lows in April 2020, indicating a rapid recovery. The index experienced a sharp spike in its value in April 2021, reaching 97.4%, where after the value declined in May 2021 and June 2021, on account of the impact of the second wave of COVID-19 in the country. Sector wise trends for the IIP from April 2020 to June 2021 are given in table 19.

Figure 5.11: Industrial Index of Production (April 2020 - June 2021)

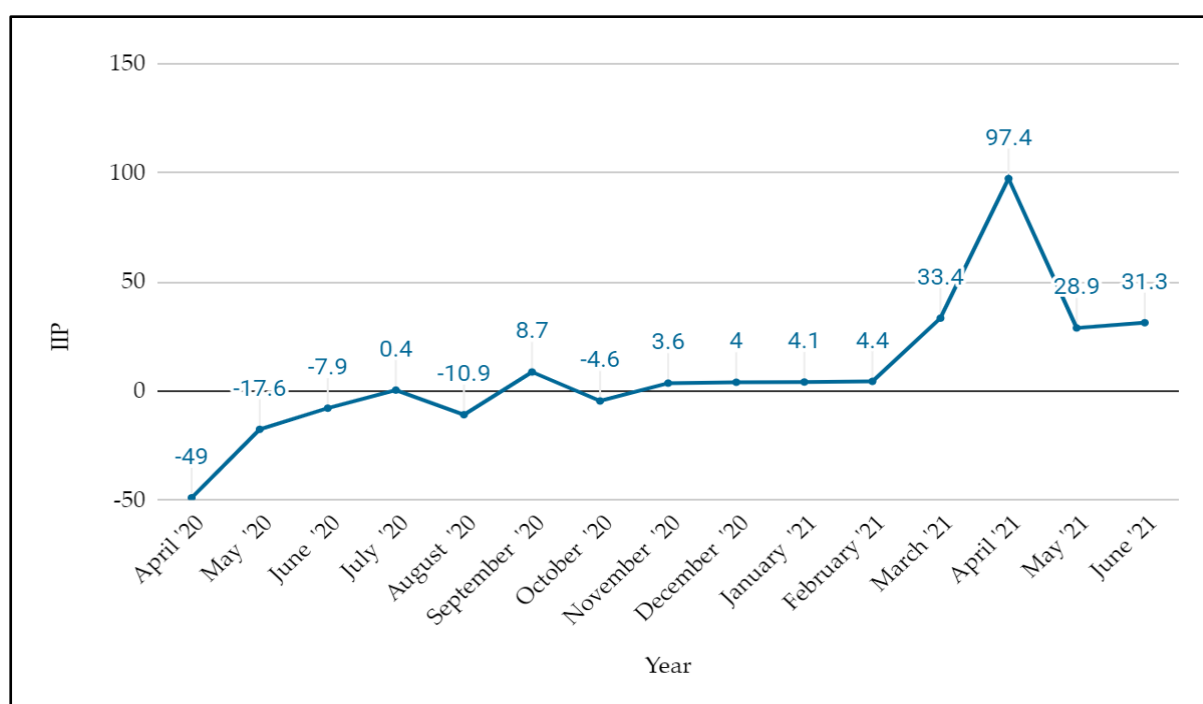


Table 19: Sector wise trends for the IIP - April 2020 - June 2021.

	Mining	Manufacturing	Electricity	General
April '20	-63.9	-52.9	-15.3	-49
May '20	-33.2	-15	-9.3	-17.6
June '20	-13.6	-7	-5.2	-7.9
July '20	-4.5	0.2	7.3	0.4
August '20	-12.3	-11.8	-6.4	-10.9
September '20	-8.4	15.9	-2.2	8.7
October '20	-17.1	-0.6	-5.6	-4.6
November '20	45.6	-4.9	-17.2	3.6
December '20	1.4	7.1	-6.5	4
January '21	28.8	-3.1	11.2	4.1
February '21	37	-2.9	2.7	4.4
March '21	20.8	42.5	18.3	33.4
April '21	149.5	111.1	39.7	97.4
May '21	58.5	29.3	1.1	28.9
June '21	143.7	10.4	13.3	31.3

5.5 Contribution of Tertiary Sector to GSVA of Telangana in 2020-21 at current prices

(See figure 5.12 and Table 20)

- ‘Real Estate, Ownership of Dwelling and Professional Services’ is the key driver of the Services Sector, with a contribution of 34.7% to the GVA of the sector in 2020-21. It is the single largest sub-sector of the state’s GSVA.
- For all sub-sectors in the ‘Services Sector’, the GVA increased 1.5 to 2 fold between 2014-15 and 2020-21.
- The GVA of the ‘Trade, Repair, Hotels and Restaurants’ increased two-fold between 2014-15 and 2020-21, despite the effect of the COVID-19 pandemic.

Figure 5.12: Contribution of Services Sector to GSVA at current prices (in Rs. crore)

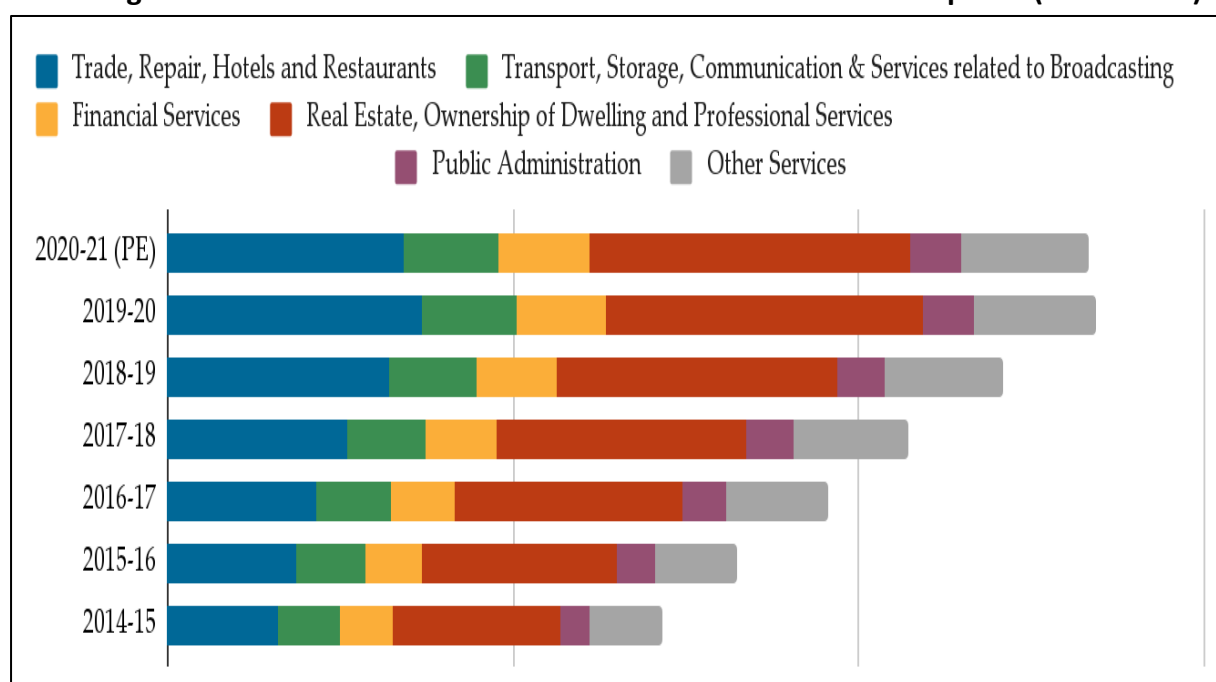


Table 20: Service Sector GVA (in Rs. crores)

Sub Sector	2014-15	2015-16	2016-17	2017-18 (TRE)	2018-19 (SRE)	2019-20 (FRE)	2020-21 (PE)
Trade, Repair, Hotels and Restaurants	64,269	74,736	86,693	1,03,866	1,28,641	1,47,435	1,36,514
Transport, Storage, Communication & Services related to Broadcasting	35,866	39,666	42,821	45,361	50,059	54,763	54,553
Financial Services	30,261	33,123	36,356	40,783	46,628	51,249	53,145
Real Estate, Ownership of Dwelling and Professional Services	96,912	1,12,172	1,31,824	1,44,498	1,61,589	1,83,453	1,85,020
Public Administration	17,166	21,915	25,574	28,049	28,124	29,014	30,166
Other Services	41,536	48,030	58,644	65,440	67,804	70,943	73,832
Total GSVA (Services)	2,86,011	3,29,641	3,81,912	4,27,997	4,82,845	5,36,857	5,33,230



Government of Telangana