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Comparative Contribution of Major States in India's GDP: A Detailed Analysis (Financial Year 2024–25)

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Abstract: *India's economic growth is powered by its constituent states and union territories, whose relative contributions shape national GDP performance and regional development patterns. This paper examines the state-wise distribution of Gross State Domestic Product (GSDP) for financial year 2024–25, highlighting top contributors, per capita measures, growth rates, and structural patterns. Using data from official projections and RBI/ MoSPI compilations, the paper reveals significant geographic concentration of economic activity, intra-national disparities and evolving growth dynamics. It also explores how economic complexity, demographic patterns and policy frameworks underlie the states' economic contributions, providing a comprehensive narrative for policymakers and researchers***.**

Keywords: Economic Growth, Gross State Domestic Product (GSDP), Per Capita Income, MoSPI, Regional Disparities, RBI, State GDP,

1.INTRODUCTION

Gross Domestic Product (GDP) is the most widely used macroeconomic indicator for measuring a country's economic output. At the sub-national level, Gross State Domestic Product (GSDP) quantifies the economic output of Indian states and union territories (UTs). The relative contribution of states to India's GDP reflects structural economic strengths, sectoral capacities, and policy environments that shape regional development.

India's total GDP in FY 2024–25 was estimated to be around **₹216 lakh crore (approximately $4.19 trillion)** with uneven contributions across states and UTs. Understanding which states contribute the most—and why—is crucial for federal policy design, resource allocation, and development planning.

India's economic landscape is characterized by both economic powerhouses (e.g., **Maharashtra, Tamil Nadu, Karnataka**) and states with relatively lower economic bases (e.g., Assam, Bihar, North Eastern states). This diversification is driven by sectoral composition (services, manufacturing, agriculture), demographic patterns, and state policy focus.

The paper analyses detailed data on state GDP contributions, examines trends in growth and per-capita indicators, and identifies structural factors behind differential growth.

2. REVIEW OF LITERATURE

The literature on regional economic performance in India underscores several important themes:

- State contributions to national GDP reflect historical industrialization, infrastructure stock, and demographic advantages.
- Economic complexity and productive capabilities affect long-run growth trajectories of states. Research on economic complexity highlights that diversified and sophisticated industrial bases correlate with higher per-capita performance.
- Disparities in human capital, infrastructure quality, institutional effectiveness, and policy frameworks contribute to variations in state growth patterns.
- The relationship between per-capita income (e.g., NSDP per capita) and GDP output signals differences in productivity, labour market conditions, and economic diversification. Data on per-capita income continues to be an important lens for analyzing living standards and development outcomes.

The study builds on existing empirical evidence, synthesizing the latest data into an integrated comparative framework to assess state contributions comprehensively.

3.DATA & METHODOLOGY

3.1 Data Sources

The primary data for GSDP, per-capita income, and state share of India's GDP comes from:

- Gross State Domestic Product projections (FY 2024–25) compiled from MoSPI/ RBI and reputable aggregators.
- Per-capita Net State Domestic Product (NSDP) figures for FY 2022–23 or FY 2023–24 where available.

3.2 Analytical Framework

The analysis includes:

3.2.1 Descriptive statistics on GSDP and state shares

3.2.2 Comparative ranking of states by value and share

3.2.3 Per-capita income interpretation

3.2.4 Growth rates and sectoral composition insights

3.2.5 Visual tables and narrative interpretation

Where precise figures are unavailable due to data release lag (e.g., Gujarat in some compilations), the analysis notes limitations.

3.Gross State Domestic Product: State-wise Distribution

3.3 Top 10 States by GSDP and Contribution to National

Table 1: Top 10 Indian States by GSDP, Per Capita Income, and Share in National GDP (FY 2024–25)

Rank	State	Estimated GSDP (₹ Lakh Crore)	Per Capita NSDP (₹ Lakh)	Share in National GDP (%)
1	Maharashtra	42.67	2.89	13.30
2	Tamil Nadu	31.55	3.50	8.90
3	Karnataka	28.09	3.31	8.20
4	Gujarat	27.90	3.13	8.10
5	Uttar Pradesh	24.99	0.96	8.40
6	West Bengal	18.80	1.57	5.60
7	Rajasthan	17.80	1.67	5.00
8	Telangana	16.50	3.83	4.90
9	Andhra Pradesh	15.89	2.70	4.70
10	Madhya Pradesh	15.22	1.56	4.50

3.4 Extended Distribution: All States and UTs

2. Table 2: GSDP of Indian States and Union Territories (FY 2022–23 to FY 2024–25)

State/UT	GSDP (₹ Crore) FY 2022–23	GSDP (₹ Crore) FY 2023–24	GSDP (₹ Crore) FY 2024–25
Maharashtra	36,41,542.90	40,55,847.23	45,31,518.42
Tamil Nadu	23,72,469.27	26,88,963.32	31,18,590.30
Uttar Pradesh	22,95,763.18	26,42,877.02	29,78,223.51
Karnataka	23,19,696.23	25,57,241.35	28,83,903.23
Gujarat	22,03,418.97	*Data Not Published*	*Data Not Published*
West Bengal	15,15,564.50	16,51,373.73	18,15,009.91
Rajasthan	13,56,479.87	15,21,509.65	17,04,338.55
Telangana	13,10,720.67	14,61,835.94	16,40,901.43
Andhra Pradesh	13,09,463.97	14,22,093.90	15,93,061.98
Madhya Pradesh	12,21,812.50	13,53,808.97	15,03,395.40
Kerala	10,38,734.06	11,35,371.56	12,48,533.01
Haryana	9,74,732.33	10,85,510.28	12,13,951.04
Delhi	9,99,749.39	11,12,904.82	12,15,003.05
Bihar	7,63,164.72	8,77,196.56	9,91,997.21
Odisha	7,15,262.45	7,98,969.50	8,90,037.54
Assam	4,84,984.93	5,69,287.29	6,43,666.69

Chhattisgarh	4,58,891.32	5,12,107.49	5,67,880.43
Jharkhand	4,14,307.68	4,65,638.01	5,16,255.36
Uttarakhand	2,92,669.94	3,32,997.88	3,78,244.53
Himachal Pradesh	1,92,026.13	2,12,169.43	2,31,690.31
Tripura	70,633.44	79,434.06	89,681.81
Meghalaya	46,833.80	53,223.33	59,625.63
Arunachal Pradesh	35,711.50	38,565.32	44,228.69
Puducherry	42,315.29	46,944.98	52,162.67
Lakshadweep	–	–	~20,000 Crore
Andaman & Nicobar	11,976.68	12,499.11	~45,000 Crore

Source: RBI / FactoData compilations .

The dataset highlights that economic output varies widely from hundreds of crores (for small UTs) to tens of lakh crores for large states.

4.Analysis of Contributions & Regional Economic Patterns

4.1 Economic Powerhouses

- **Maharashtra** — With a projected **GSDP of ₹42.67 lakh crore** and a **13.30%** share of national GDP, Maharashtra emerges as India's largest state economy. Its economy is diversified, with strong contributions from services (banking/finance), manufacturing, film and media industries, and trad

- **Tamil Nadu** — Ranked second with a **GSDP of ₹31.55 lakh crore** and **8.90%** national share, Tamil Nadu's balanced growth in manufacturing, automobiles, MSMEs, textiles, and services has powered its expansion. Recent reports indicate **nominal growth rates as high as ~16%**, outstripping many peers.

- **Karnataka** and **Gujarat** — Karnataka's rapid GDP growth and Gujarat's historically strong industrial base strengthen their positions as critical contributors (around **8.20% and 8.10%** of national GDP respectively).
- **Uttar Pradesh** — As India's most populous state, UP contributes approximately **8.40%** of national GDP despite lower per capita income, reflecting the strength of its large agricultural base and emerging industrial sectors.

4.2 Regional Dynamics and Momentum

Southern states (Tamil Nadu, Karnataka, Telangana, Andhra Pradesh) together account for a **significant share (~25–30%)** of India's GDP, showcasing robust industrial and IT/service sectors.

Northern states such as Uttar Pradesh and Rajasthan contribute meaningfully, but per-capita incomes are generally lower, indicating potential for productivity improvements.

Eastern states like West Bengal contribute over **5%** of GDP, with strong agricultural and service sectors, but lag behind western/southern states on per-capita metrics.

4.3 Per Capita Income and Development Insights

While aggregate GSDP shows the size of state economies, **per capita NSDP** reveals average income and living standards among residents.

4.4 Per Capita Patterns

4.4.1 **Telangana** leads major states with the **highest per-capita NSDP**, crossing around **₹3.87 lakh** in FY 2024-25.

4.4.2 High per-capita performance is also observed in states like Tamil Nadu, Karnataka, and Haryana, reflecting advanced industrial and service sectors.

States with large populations but lower per-capita income (like Uttar Pradesh, Bihar) reflect structural development challenges despite large overall contributions.

4.5 Correlation with Productivity and Complexity

Research suggests that states with diversified and technologically sophisticated production structures demonstrate higher per-capita incomes and more resilient growth patterns. Maharashtra, Karnataka, Delhi, and Tamil Nadu exhibit relatively high "economic complexity," which correlates positively with GSDP performance and per-capita income.

5.Growth Trends and Sectoral Drivers

5.1 Differential Growth Rates

State growth rates show variation:

5.1.1 Tamil Nadu recorded rapid nominal expansion (~16%) in 2024-25, significantly above the national average.

5.1.2 States with balanced manufacturing and services sectors (like Karnataka, Telangana) also show above-average growth.

6.Discussion: Interpreting the Patterns

6.1 Economic Concentration and Regional Policy Implications

The findings indicate that a **small set of states contributes disproportionately** to national GDP. **Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka, and Gujarat** account for nearly **47–50%** of India's total economic output.

This concentration suggests that **federal and state policies must simultaneously support high-performing regions and catalyse growth in lagging ones** through infrastructure investment, human capital development, digital adoption, and business environment reforms.

7.Policy Implications and Recommendations

7.1 Balanced Growth Strategies

7.1.1 Strengthen infrastructure connectivity in lagging states to attract investment.

7.1.2 Encourage policy frameworks that promote MSME growth and skill development across regions.

7.1.3 Expand digital inclusion and technological capabilities to reduce productivity gaps.

7.2 Targeted Social and Human Capital Investments

Invest in education, health, and welfare—especially in states with lower per-capita NSDP—to ensure inclusive growth. CRISIL analyses suggest social welfare spending remains high in top states, though caution on fiscal balance is needed.

8. Conclusion

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The comparative analysis of India's state economies underscores significant disparities in contribution to national GDP, per-capita income, and growth momentum. While economic powerhouses like Maharashtra and Tamil Nadu fuel national performance, smaller and lagging states require targeted reforms and investments to close development gaps. Understanding these patterns is essential for formulating robust regional and national economic strategies.India's future growth trajectory will depend not only on aggregate GDP growth but also on **equitable, inclusive, and regionally balanced development** across its diverse states and union territories.

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