

GDP Analysis

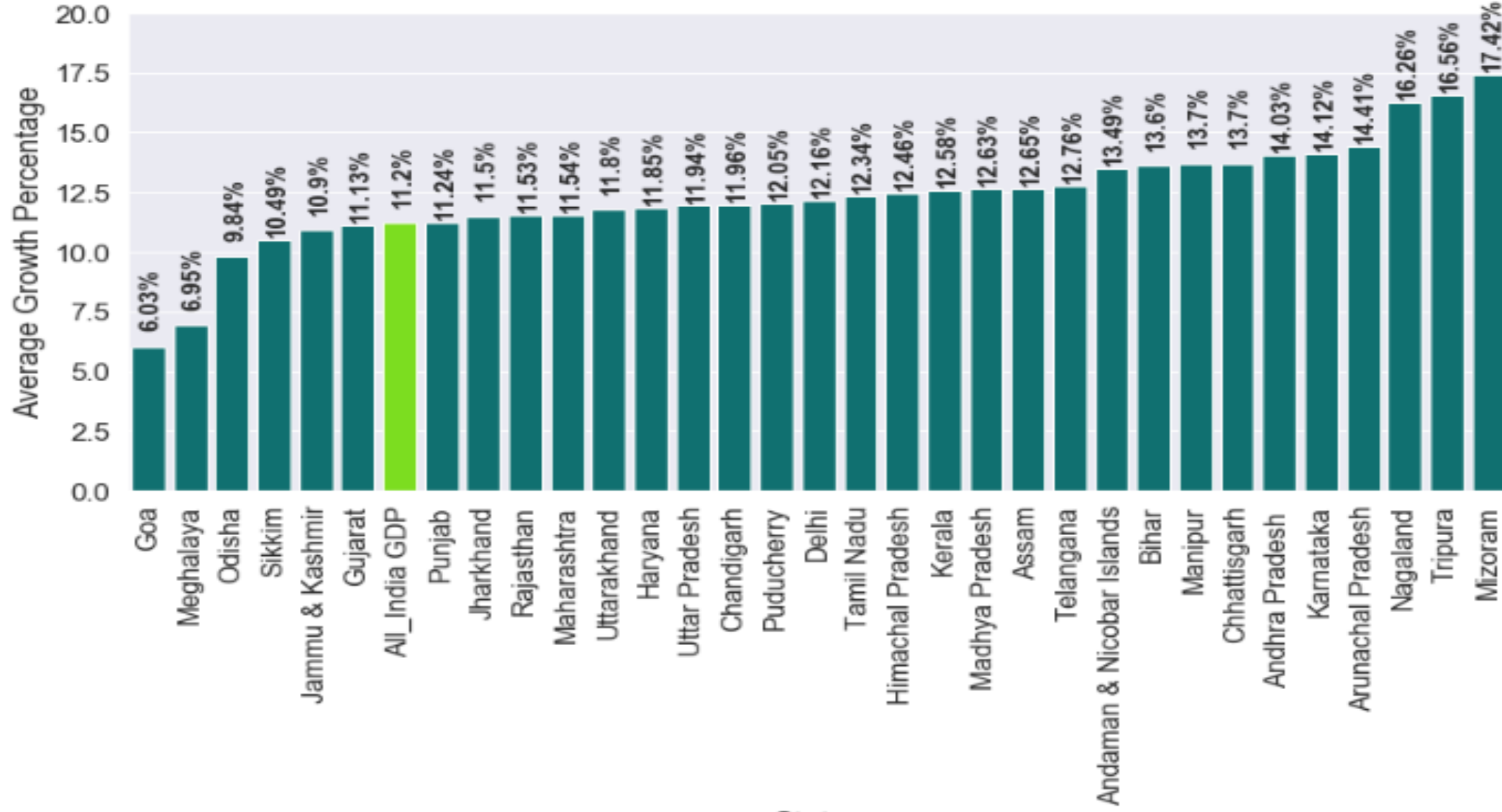
In Depth analysis of GDP and GSVA

Part-1

GDP Analysis of various states

GDP Analysis of various States

- We have compared the GSDP of various states for the year 2013-14,2014-15,2015-16
- Besides comparing their GSDP we have also compared their % Growth over previous Year



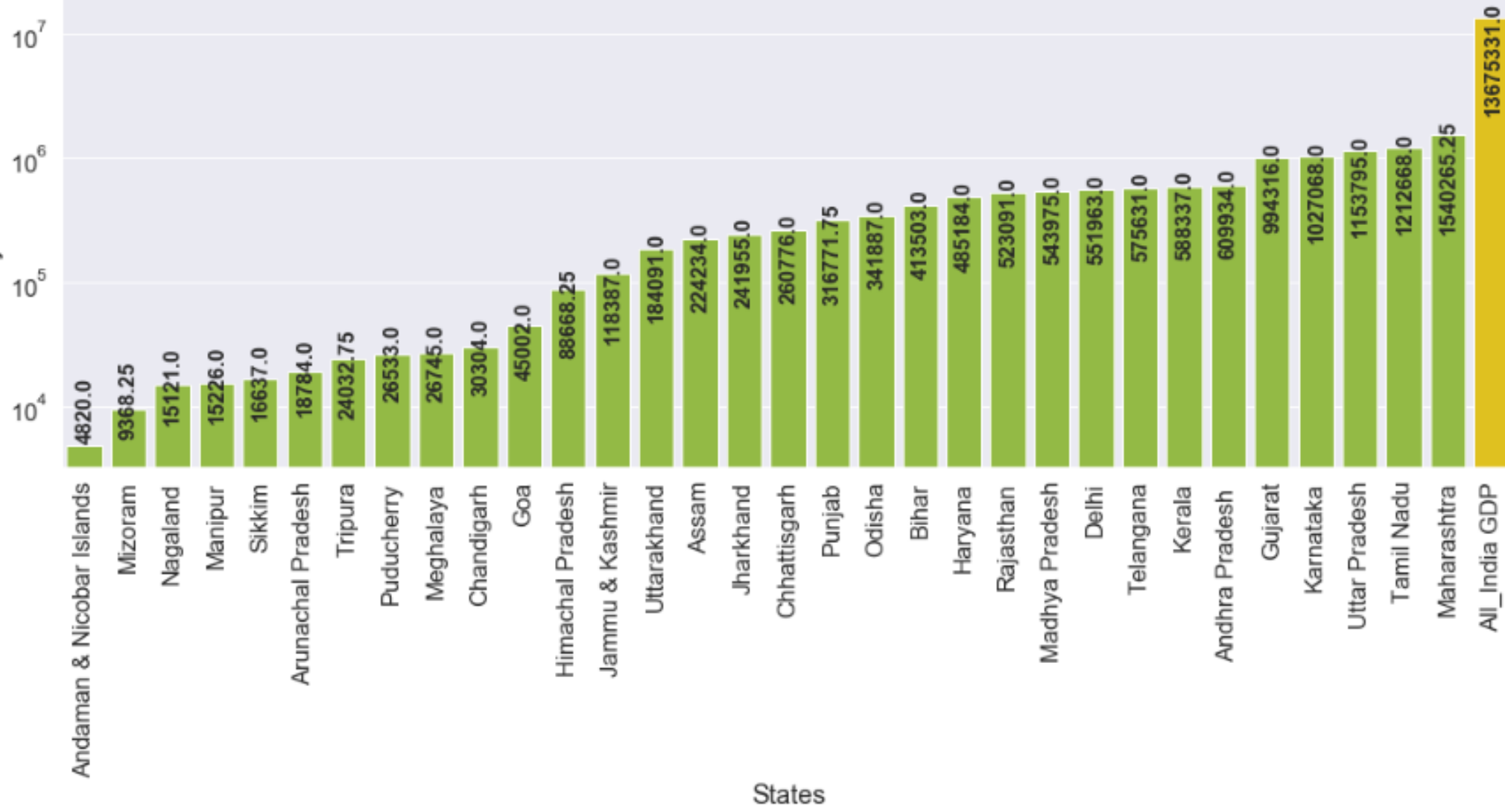
Analysis of Average Growth Percentage

- All India Growth Rate of GDP is 11.2%
- Mizoram has highest average growth percentage which is 17% .
- Goa, Meghalaya have lowest growth rate percentage .Their average growth percentage is just 6%
- The rest of the states average growth lie close to All India growth rate.

Analysis of Average Growth Percentage

- Based on the chart above we have concluded that states like Mizoram, Tripura, Nagaland are consistently growing fast with Average growth percentage roughly 17% .
- States like Goa, Meghalaya ,Odisha are struggling. Their average growth percentage is just 6%
- The Average growth rate is more or less uniform for all the states with Goa and Meghalaya as exceptions

GSDP values for year 2015-16 in Crore



Analysis of GSDP for year 2015-16

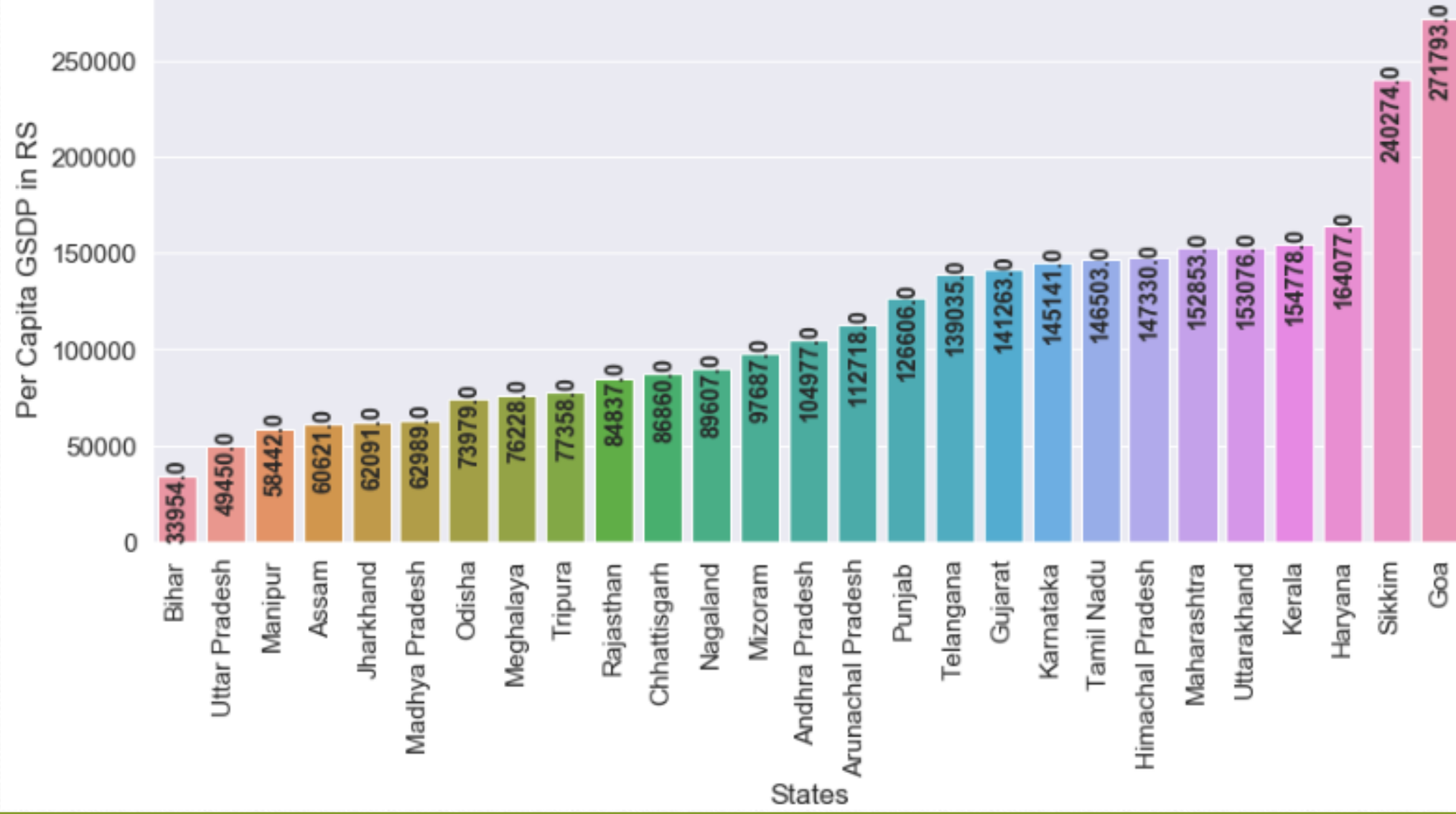
- The All India GDP value equals to 13675331 Crores
- Andaman & Nicobar Islands have lowest GSDP which is 4820 Crores
- Maharashtra has highest GSDP which equals 1540265 Crores

Analysis of GSDP for year 2015-16

- Based on the chart above we can say top 5 states with high GSDP are Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka, Gujarat.
- States with very low include Andaman & Nicobar Island, Mizoram, Nagaland, Manipur, Sikkim.
- Andaman and Nicobar Islands remains with lowest GSDP.

Per Capita GDP

- GDP per capita is an important indicator of economic performance and a useful unit to make cross-country comparisons of average living standards and economic wellbeing.
- We have already analyzed GDP of the country. Lets look at the same GDP adjusted according to population of each state



Analysis of Per Capita GSDP for year 2015-16

- Goa has highest per capita GSDP 271793 Rs
- Bihar has Lowest per capita GSDP 33954 Rs
- Although Bihar GSDP was moderate as we observed earlier but when population taken into account it ranks lowest

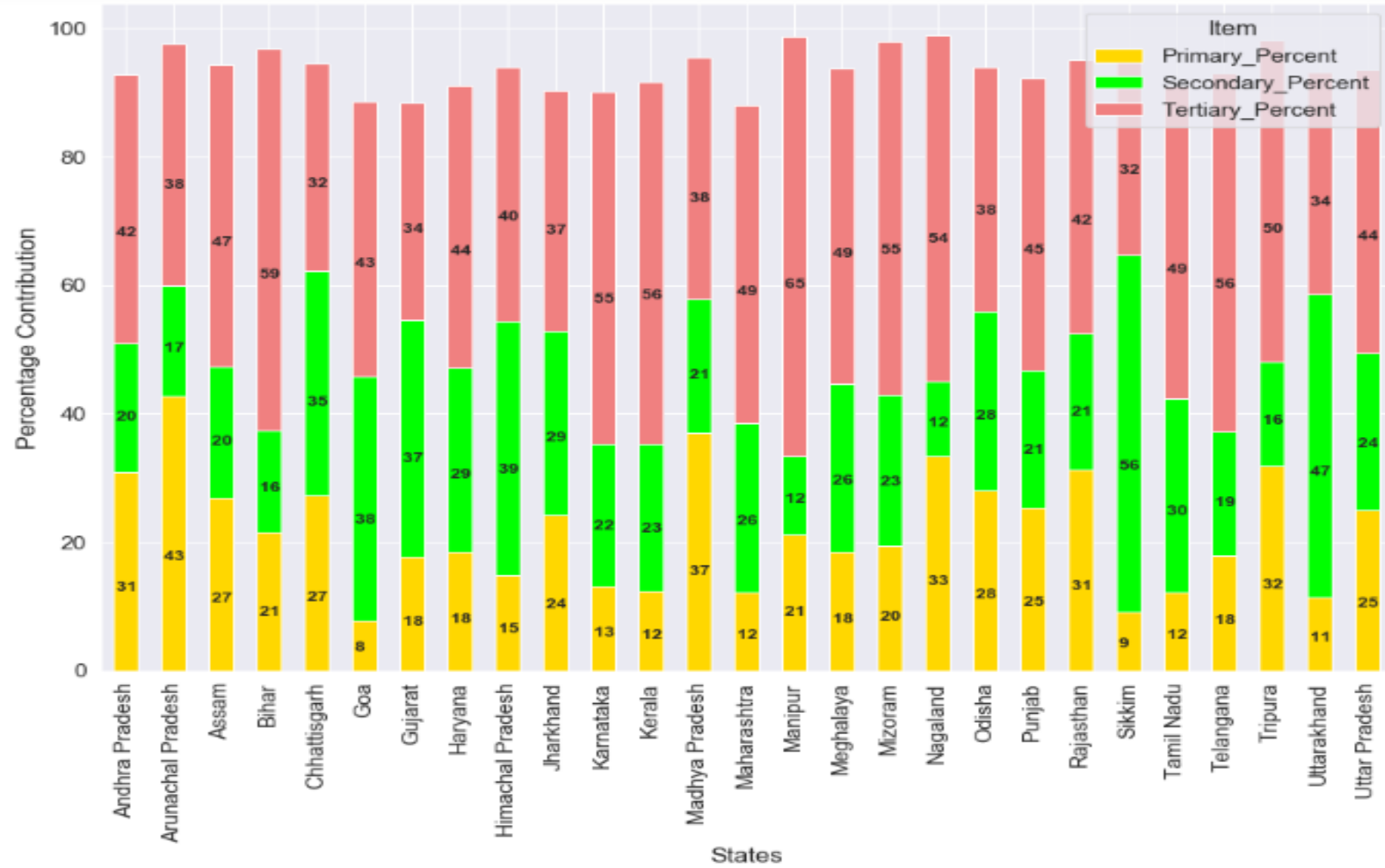
Analysis of Per Capita GSDP for year 2015-16

- The top 5 states in terms of GDP per capita are Goa, Sikkim, Haryana, Kerala and Uttarakhand
- The bottom 5 states are Bihar, Uttar Pradesh, Manipur, Assam, and Jharkhand
- Ratio of highest to lowest GSDP per capita is 8
- This shows how large is the of difference between highest and lowest GDP per capita

Sector-Wise Analysis

- We have calculated the percentage contribution of Primary, Secondary, Tertiary sectors in GSDP of each state

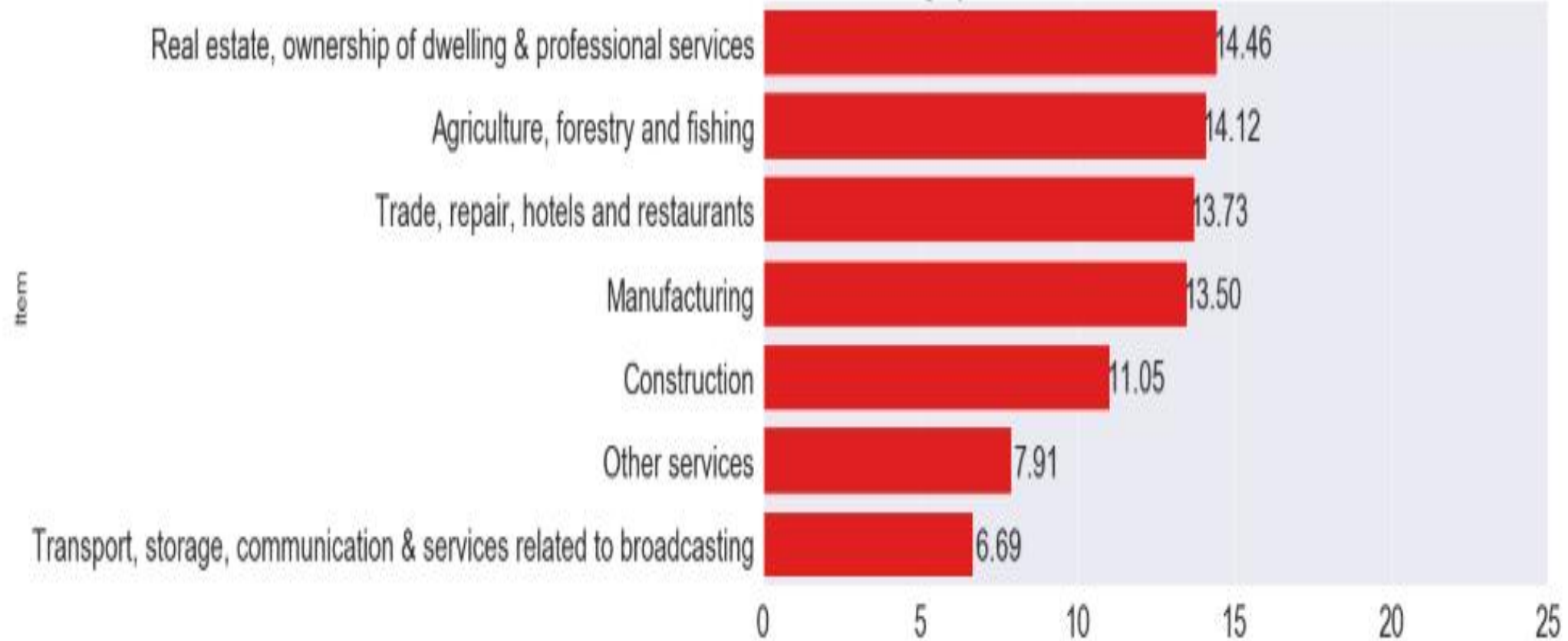




Sector-Wise Analysis

- As evident from the previous slides it is difficult to analyze each state separately in a country like India
- To make analysis simpler we have categorized all the states based on GDP per capita in four categories C1,C2,C3,C4
- C1 has those states which have GDP per capita greater than 85 percentile
- C2 has those states which have GDP per capita between 50 and 85 percentile
- C3 has those states which have GDP per capita between 20 and 50 percentile
- C4 has those states which have GDP per capita less than 20 percentile

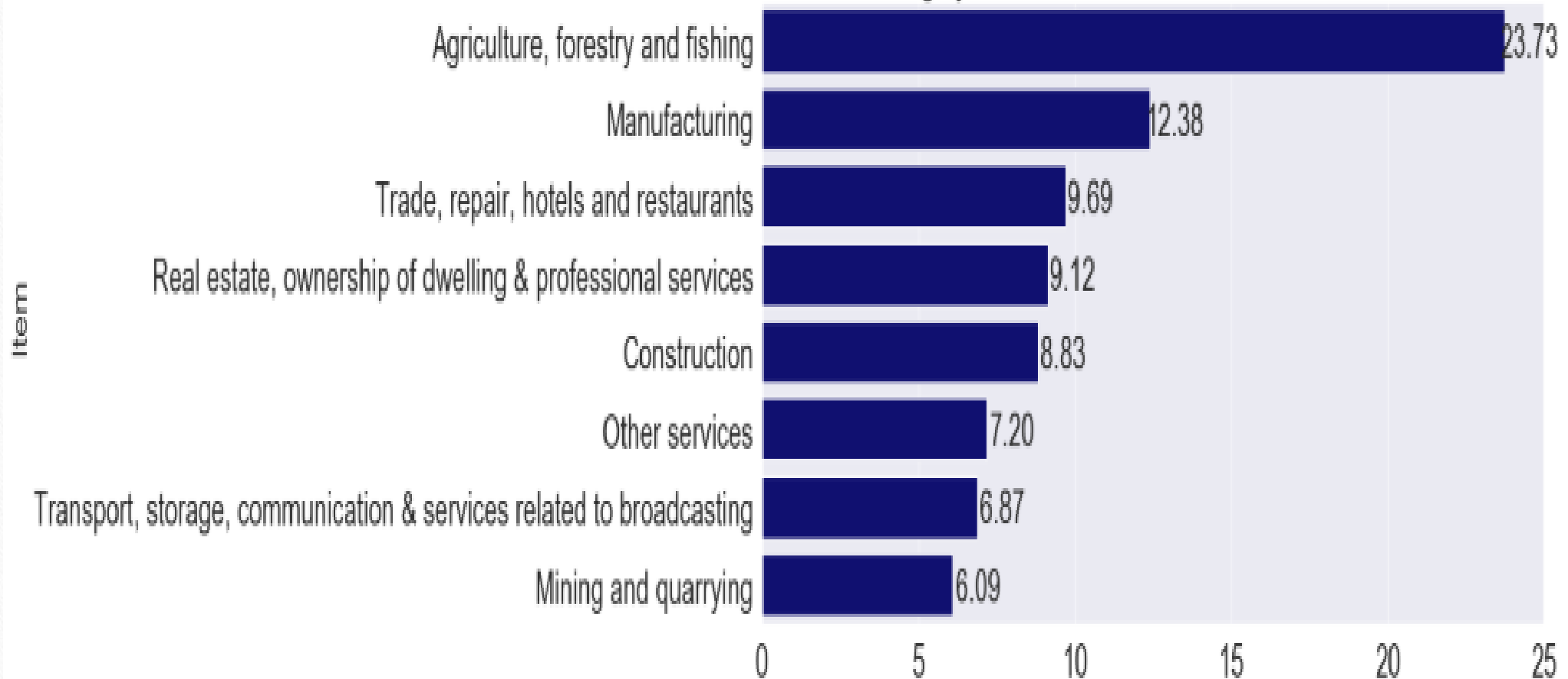
Category C1 Contribution of subsectors below 81.46%

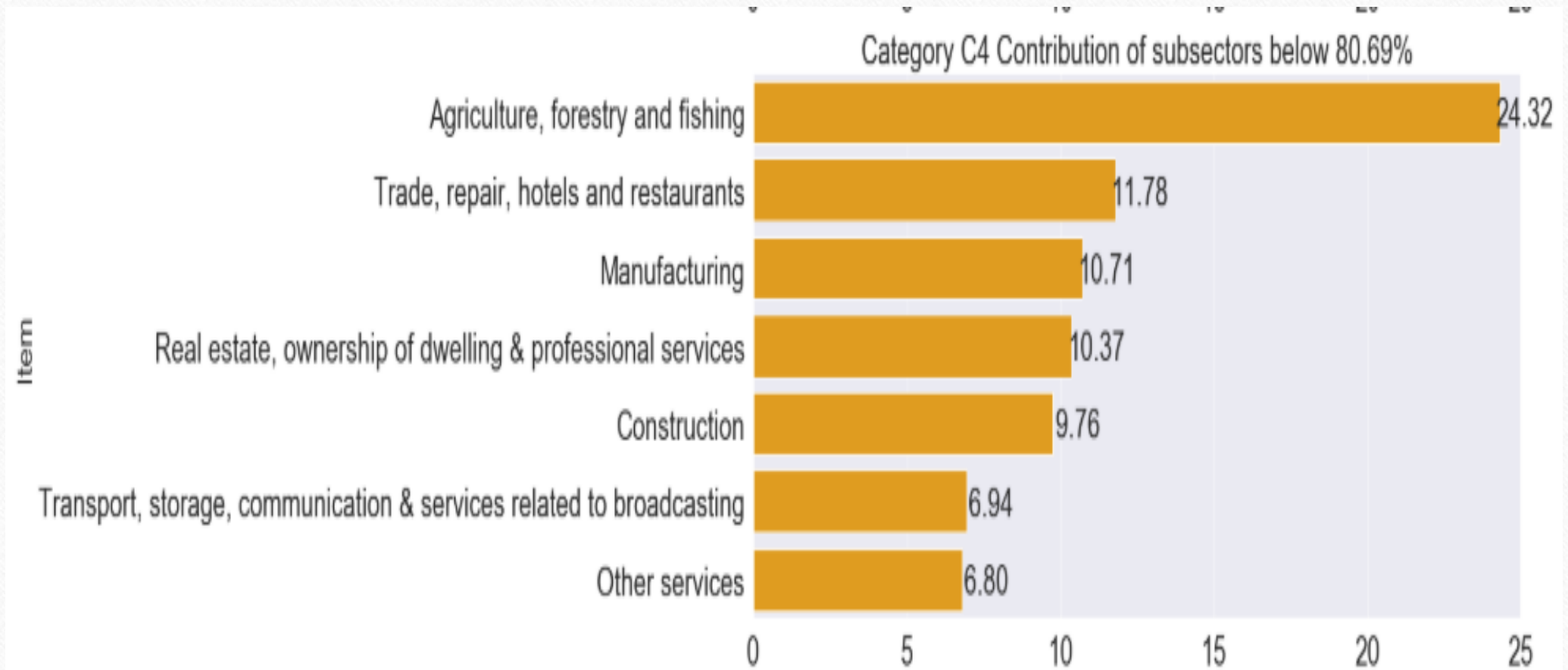


Category C2 Contribution of subsectors below 82.66%



Category C3 Contribution of subsectors below 83.91%





Points to ponder

- **Q1.How does the GDP distribution of top states differ from others?**

On careful examination we have noticed that top states have uniform distribution of percentage in subsectors i.e They have all the subsectors contributing to the GSDP equally or we can say uniformly.States in c4 categories have some sub sectors contributing very large amount while other sub sectors fall behind.This in turn reduces the overall GSDP.So we can conclude from that the **Top tier states have all subsectors contributing to GSDP uniformly**

Points to ponder

- **Q2. Which subsectors are correlated with high GDP?**

Sectors with high gdp correlation include

- Agriculture, forestry and fishing
- Trade Repair and restaurants
- Real estate ownership of dwelling & professional construction
- Manufacturing

Points to ponder

- **Q3. Which subsectors do various need to focus on?** Sectors which contribute low GSDP must be focus of each category C1 must focus on subsectors like other services, Transport, storage, communication
- C2 must focus on construction, financial services, other services, Transport, storage, communication
- C3 and C4 must improve mining, other services, Transport, storage, communication

Insights in Category C1

- C1 category states have very balanced contribution of subsectors. Subsectors contribute around 14% to total GSDP which is very impressive. However, there are two subsectors like transport and other services which need attention. Their contribution to total GSDP is 6% which is even less than 50% of what other subsectors are contributing. Additionally, we can also say that in category C1, there are high percentage contributing subsectors from all primary, secondary, tertiary sectors.
- **Recommendations**
- 1. Development in subsectors such as other services and transport can greatly increase per capita GDP.
2. The contribution of subsectors mentioned above should improve so that they at least contribute equal to 14%.
3. The contribution of secondary sectors is low; the states in C1 should focus on it.

Insights in Category C2

- Compared to C1 C2 category has a varying contribution of subsectors. There are subsectors like manufacturing and real estate which contribute to 18.6% and 15.7% which is much higher than their contribution in C1 category but still the overall GSDP of these states is low. This is because there are subsectors whose contribution to GSDP is very low which in turn lowers the whole GSDP of this category states.
- **Recommendations**
 1. Development in subsectors such as financial services and construction can greatly increase per capita GDP
 2. C2 category should focus their attention to primary and tertiary sectors

Insights in Category C3

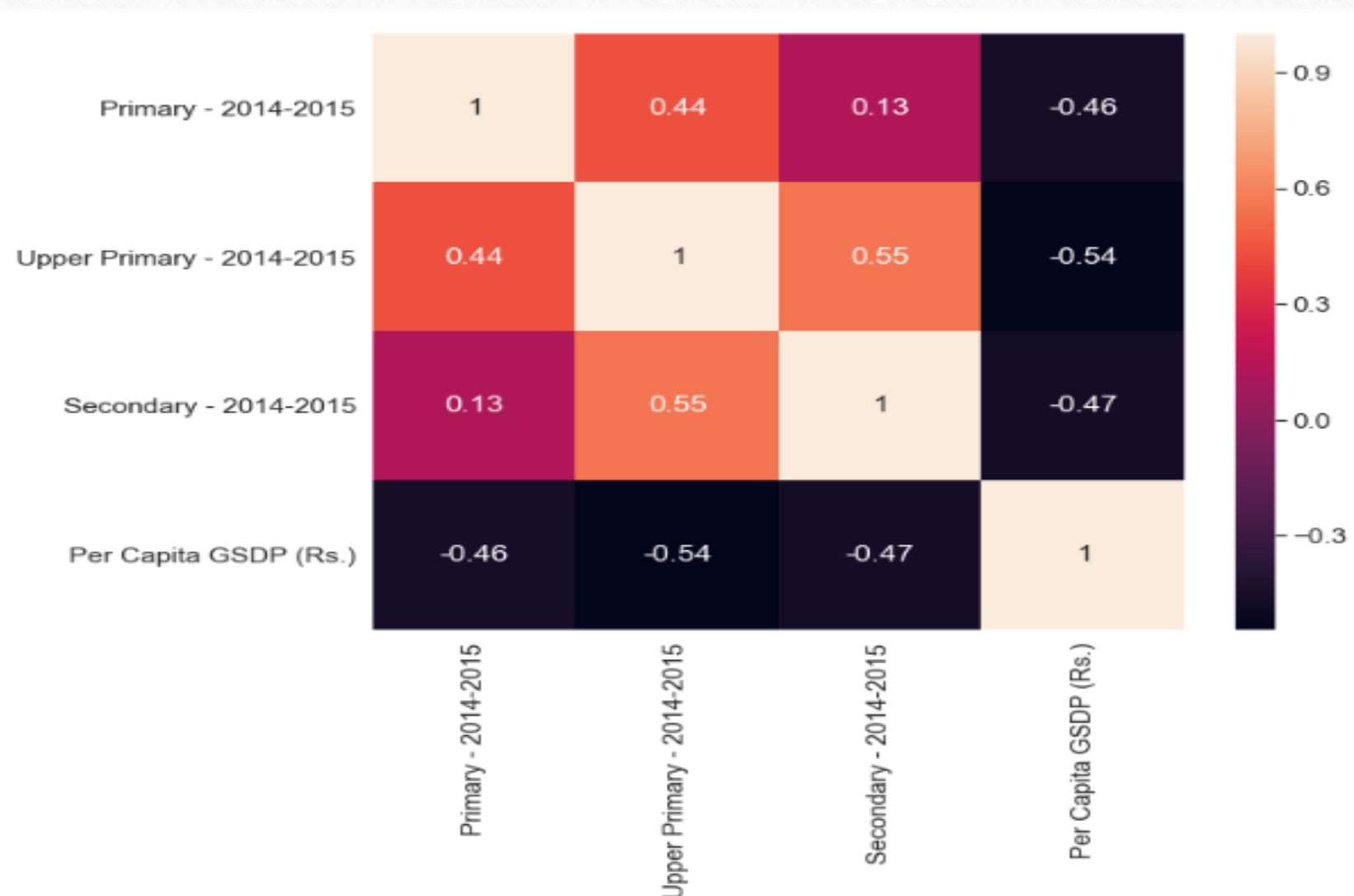
- In this category while agriculture and forestry contributes to a whopping 25% but all the other subsectors contribute even less than 10%. The problem lies with putting all attention and efforts in one sector and reducing the efforts in others. The government should pursue their efforts equally. Additionally it is also seen that contribution of Tertiary subsectors is very low
- **Recommendations**
 1. Development in subsectors such as transport and construction can greatly increase per capita GDP
 2. C3 category should focus their attention to secondary and tertiary sectors.
 3. More attention is needed to Tertiary subsectors than secondary as none of its subsector contribute even half of Agriculture

Insights in Category C4

- Contribution of primary subsectors is 25% which is impressive however other subsectors lag a lot. The difference of % contribution of other subsectors is evident from the bar chart
- **Recommendations**
- 1. Development in subsectors such as Transport can greatly increase per capita GDP
- 2. C4 category should focus their attention to secondary and tertiary sectors with an emphasis on secondary sectors

GDP and Drop out Rates

- We have calculated the correlation between GDP and drop out rates for various states



Observation

- The correlation between drop out rates and Per capita GDP is negative. Which means higher drop out rates lower per capita GDP. This makes sense because high drop out rates mean low skilled labour thus affecting GDP. We can also say that since correlation between upper primary and per capita is highest therefore if Upper primary drop out rates have highest impact on per capita GDP