



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

India's GDP Growth And Sectoral Contributions: An Analytical Overview

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Abstract: According to the 2025 world GDP rankings, India is the fourth-largest economy in the world. GDP represents the total monetary value of all goods and services produced within a country in a given year. The sectoral contribution to GDP provides insight into the composition of the economy and the relative contributions of different sectors. The primary objective of this study is to analyze India's GDP growth and the contributions of various sectors. The study reveals that the pattern of sectoral contribution has remained largely consistent over the years, some variations in intensity have been observed.

Keywords: India's GDP, growth, sectoral contributions

I. INTRODUCTION

India is the fourth largest global economy with \$4.19 trillion GDP in 2025. India's recent and current economic growth is more impressive than is expected India become 3rd largest economy of the world by 2035, behind US and China. Buoyancy in the Indian economy and growth in the related sector like tertiary sector upswing in India. In the global perspective tertiary sector is the engine of Gross Domestic Production (GDP) growth emphasizing equal importance of both primary and secondary sectors in wider context of Indian economy.

The concept of growth and development has been gaining importance among the economic thinkers since the very beginning of the study of economics as a distinguished branch of social science. The distinction between the two relates to the nature and causes of change. Schumpeter makes the distinction when he defines development as a discontinuous and spontaneous change in the stationary state which forever alters and displaces the equilibrium state previously existing, while growth is a gradual and steady change in the long run which comes about by a gradual increase in the rate of saving and population. Thus economic growth is related to a qualitative sustained increase in the countries per-capita output or income accompanied by expansion in its labour force, consumption, capital and volume of trade. On the other hand economic development is a wider concept it is taken to mean growth plus change. It is related to qualitative change in economic wants, goods, incentives, institution, productivity and knowledge or the upward movement of the entire socio-economic system. Indeed, both are multidimensional phenomena having economic, social, ecological and ethical dimensions.

The Government of India has announced ambitious Vision Viksit Bharat@2047 to make the country developed nation by emphasizing inclusive and all round development of the economy. In regard of Vision Viksit Bharat@2047 and in the context of a globally competition sustain GDP growth rate is hugely depends on sectoral contribution of the economy. In this backdrop this paper has sought to provide a bird's eye view of sectoral contribution to GDP and growth of GDP in India.

II. OBJECTIVE OF THE STUDY

The prime objective of the study is to analyze India's GDP growth and sectoral contributions.

III. STUDY DESIGN

Secondary data is employed for the present study to examine India's GDP growth and sectoral contributions.

IV. METHODOLOGY

The study is based on secondary data related to India's GDP growth rate and contribution of different sectors of Indian economy i.e. primary, secondary and tertiary sectors.

V. GDP GROWTH RATE IN INDIA

Gross Domestic Production (GDP) refers to the monetary value of all goods and services produced in a nation during a given year. As per world GDP ranking 2025 India place fourth largest economy in the world. The growth rate in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. Nominal GDP is estimated at ₹295.36 lakh crore in the year 2023-24, against ₹269.50 lakh crore in 2022-23. However the GDP growth of Indian economy had touched the six year low in the first financial quarter of April-June 2020 (Sabitha, 2020). The Table 1 shows the GDP growth rate in India.

Table 1: Glimpse of India's GDP growth rate since New Economic Policy 1991 onwards (in %)

Year	GDP Growth rate	Year	GDP Growth rate	Year	GDP Growth rate	Year	GDP Growth rate
1991	1.06	2001	4.82	2011	5.24	2021	9.05
1992	5.48	2002	3.80	2012	5.46	2022	7.24
1993	4.75	2003	7.86	2013	6.39	2023	7.6
1994	6.66	2004	7.92	2014	7.41	2024	6.2
1995	7.57	2005	7.92	2015	8.00	2025	6.2
							(Projection)
1996	7.55	2006	8.06	2016	8.26		
1997	4.05	2007	7.66	2017	6.80		
1998	6.18	2008	3.09	2018	6.45		
1999	8.85	2009	7.86	2019	3.87		
2000	3.84	2010	8.50	2020	-5.83		

Source: Compiled from Economic Survey and World Economic Outlook

VI. SECTORAL CONTRIBUTION TO GDP IN INDIA

Sectoral contribution to the GDP depicts a picture of composition and contribution made by different sectors towards the national income of the country. Changing sectoral contribution is one of the primary indicators of changing scenario of socio-economic structure of a nation (Machey and Gogoi, 2010). In the path of economic development a nation have to undergo the experience of varying contribution and transformation of different sector of the economy. Sectoral transformation in a modern economic growth include the shift away

from industry to services, a change in the productive units and related shift from personal enterprise to impersonal organizations of economic firms with a corresponding change in occupational status of labour. It is observed from the study of structural transformation of the developed nations that with economic growth and development the share of agricultural sector to the national income declined whereas the share of industry and tertiary sectors increases. Promoting the growth of sectors and hence increasing its contribution to the economy remains one among the utmost priorities of the Government (Ministry of Finance, Govt. of India, 2018). India as a faster growing developing nation experiencing sectoral transformation particularly since 1991. The Table 2 shows the sectoral contribution to GDP.

Table 2 : Sectoral Contribution to GDP

Years	Sectors		
	Primary	Secondary	Tertiary
1950-51	56.4	15	28.6
1970-71	45.8	22.4	31.8
1990-91	33.4	27	39.6
1996-97	27.8	29.4	42.8
2005-06	20	26	54
2006-07	20.5	24.7	54.8
2007-08	17	29	54
2009-10	15.2	30.3	54.5
2010-11	15.78	29.56	54.64
2011-12	15.5	29.59	54.91
2012-13	15.1	28.63	56.27
2013-14	15.79	27.18	57.03
2014-15	18	29	53
2015-16	15	32.5	52.5
2016-17	17.95	29.29	52.76
2017-18	15.2	30.9	53.9
2018-19	15.87	29.73	54.4
2020-21	21.82	24.29	53.89
2023-24	17.59	27.55	54.86
2024-25	18	27	55

Source: Compiled from Economic Survey, Ministry of Finance (Govt. of India) & Press Information Bureau (Govt. of India)

The Table 2 depicts that in India the contribution of primary sector gradually reverse to tertiary sector. However secondary sector slowly increasing since 1951. Concerning the contribution of secondary sector there is an increase trend till 1990-91 but it's come down to 24.5% (average) in the year 2006-07 and 2020-21. The tertiary sector experiencing considerable rise since 1950-51 to update as it was 28.5% in 1950-51 and increase up to 55% in 2024-25. Whereas primary sector contribution to the GDP has been falling gradually over the years though more that 50% population of the country depends on it as source of livelihood.

VII. CONCLUSION

Based on the discussion, it can be concluded that India has been undergoing changes in the sectoral contribution to its GDP. While the overall pattern of sectoral shifts has remained relatively consistent over the years, there have been differences in the intensity of these changes. The shift has generally favoured the secondary (industrial) and tertiary (services) sectors. However, India continues to be recognized as an agriculture-based economy. Meaningful GDP growth and sectoral transformation in the desired direction are

unlikely without significant structural changes in the country's socio-cultural and political systems. Therefore, India still has a long way to go before it can be considered a secondary or tertiary sector-based economy.

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