

# Combined GSDP for 2020-21 exceeds GDP

TNN | Jul 4, 2022, 07:12 AM IST



The pandemic seems to have put India's national accounting system in disarray with the combined GSDP (gross state domestic product) at 2011-12 prices of 26 large states and UTs exceeding the national GDP by Rs 4.7 lakh crore, shows data collated from the RBI and state governments. And this is despite the fact that four north-eastern states and the smaller UTs are not part of the total.

For the financial year 2020-21, the combined total of GSDP (constant prices) of these 26 states and UTs, for which data is available, works out to Rs 140.3 lakh crore. But the country's GDP for the same year at constant prices was Rs 135.6 lakh crore, according to estimates put out on May 31.

Analysis of data since 2011-12, the year from which state GSDP data for the base 2011-12 is available, shows that in the past, the combined GSDP of

26 large states and UTs ranged between 97% and 99% of the country's GDP. In 2019-20, this increased to 99.9% of the national GDP but for 2020-21 it was 104% of India's GDP. This means the aggregate of these state economies is larger than the economy of the country, clearly not possible.

Many of the state GSDP numbers are quick estimates and are likely to be revised in the future. But as they stand, they suggest that some states actually witnessed economic growth even in the midst of the pandemic even as the Indian economy as a whole shrunk by 6.6%.

Among these 26 states and UTs, seven saw an increase in the size of their economy. Although Tripura and Sikkim posted the highest growth rates, the most remarkable are Tamil Nadu, West Bengal and Bihar. Tamil Nadu, which is India's second-largest state economy (9.6% of the national GDP estimate for 2020-21), grew by 1.4% in 2020-21. Similarly, West Bengal which accounts for 5.8% of the national GDP, grew by 1.1%. The growth rate was 2.5% for Bihar, which accounts for 3.1% of the national GDP. Other states/UTs that posted a positive growth rate were Goa and Jammu and Kashmir. Ironically, both are significantly dependent on tourism, an industry that was among the worst hit by pandemic.

Other large states that managed to restrict the losses to less than 3% of their GSDP in 2019-20 were Gujarat, Karnataka, Andhra Pradesh, Telangana, Assam and Chhattisgarh. Among them, Gujarat constituted 9.2% of the national GDP in 2020-21 while Karnataka's share was 8.2%.

Kerala seems to have suffered the most as the state's economy shrunk by 9.2%. The figures were 7.6% for Maharashtra, the country's largest state economy with nearly 14% of national GDP for 2020-21.

Other states whose economies shrunk by 6% or higher were Haryana, Delhi, HP, UP, Rajasthan and Punjab. Among smaller states, Meghalaya was the worst hit as its economy shrunk by 7.5%. The data for 2020-21 was not available for Andaman and Nicobar Islands, AP, Chandigarh, Manipur, Mizoram, Nagaland and Puducherry.