

Concentration of GVA in a Few Industries

By CID Editorial Team - November 4, 2024



Representation image

Six out of 29 major industries contributed over half of India's manufacturing sector gross value added (GVA) in 2022-23, according to the additional Annual Survey of Industries (ASI) data from the National Statistical Office (NSO).

This data highlights the uneven distribution of productivity across industries. Most industry groups added only limited value to final goods and services, resulting in a low contribution to total GVA.

Leading Contributors and Their Share

The basic metals and chemical and chemical products sectors together accounted for 22 per cent of the GVA. The share of these six leading industries was 55.78 per cent in the previous fiscal year. Basic metals (11.6 per cent), chemical & chemical products (9.8 per cent), and pharmaceuticals (7.3 per cent) saw their shares decrease from the previous year.

Industries Showing Growth

The contribution from the automobile industry, food products, and refined petroleum improved in FY23. The automobile sector's share rose to 8.07 per cent, food products reached 7.14 per cent, and refined petroleum hit 8.7 per cent.

Key States Driving Manufacturing GVA

Maharashtra, Gujarat, Tamil Nadu, Karnataka, and Uttar Pradesh contributed over half of India's manufacturing sector.

Their combined contribution increased to 54.7 per cent in FY23, up from 53.3 per cent in FY22. Karnataka's share remained the same, while the other four states saw an increase.

Growth in GVA and Employment

Manufacturing GVA grew by 7.3 per cent in 2022-23, reaching ₹21.97 trillion at current prices. NSO data for FY23 showed that employment in the formal India's manufacturing sector grew at the fastest rate in 12 years, with 1.3 million new jobs created, compared to 1.1 million in 2021-22.

Rise in Employment and Number of Factories

Total employment in the manufacturing sector increased by 7.4 per cent in FY23, reaching 18.5 million. The number of factories also rose to 253,000 in 2022-23, up from 249,000 in 2021-22.

Significance of the Survey

As reported by [business-standard.com](https://www.business-standard.com), the NSO survey provides valuable insights into trends in output, employment, and capital formation within India's manufacturing sector.