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## TELANGANA ECONOMY: A SECTOR WISE EVALUATION AFTER A DECADE OF ITS FORMATION

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### Abstract:

Telangana is one of the fastest growing states in India, with an average annual growth rate of 13.90% in the last five years. The service sector has the biggest contributor to Telangana economy with a stake of about 65% in the year 2018-19. The increase in services has largely added fuel in terms of production and exports with a leading position in IT and ITE in the state by IT services.

About 54% of GDP comes from Hyderabad metropolitan. Agriculture is also a backbone of Telangana economy. Two important rivers of India, Godavari and Krishna, flow through the state, provide irrigation. Farmers in Telangana mainly depend on the sources of less water than rain for irrigation. Development has several multi-state irrigation projects, including the Godavari river basin irrigation projects.

### INTRODUCTION:

Telangana was formed in June 2014 as its capital with Hyderabad. The state was formed as a result of the division of the erstwhile Andhra Pradesh state. There is an advantage in the state as it has the necessary infrastructure and readymade capital with ecosystems. Hyderabad was second in the top 20 global cities “City Momentum Index (CMI)” 2019.

The capital city Hyderabad (capital for the first major Andhra Pradesh state) is a center for information technology (IT) and pharmaceutical areas. Total Rs. 2,68,233 crore (US \$ 32.23 billion) in the financial year 2024, marking 11.2% increase compared to the previous year. In 2014-15, Telangana's GSDP contributed about 4.1% to the nation's GDP and is growing continuously over time. In 2023-24, Telangana GSDP contributed 5.1% to India's GDP, which is a 1 percent increase, since the formation of the state.

At current prices, the GDP of Telangana is estimated to be Rs. 18.0 trillion (US \$ 209.10 billion) in the financial year. The state's GSDP rose at 11.13% CAGR between Financial Year 2019 and Financial Year 2024. The tertiary region rose in CAGR of 14.18% between 2011-12 and 2022-23, followed by primary area (CAGR of 12.51%).

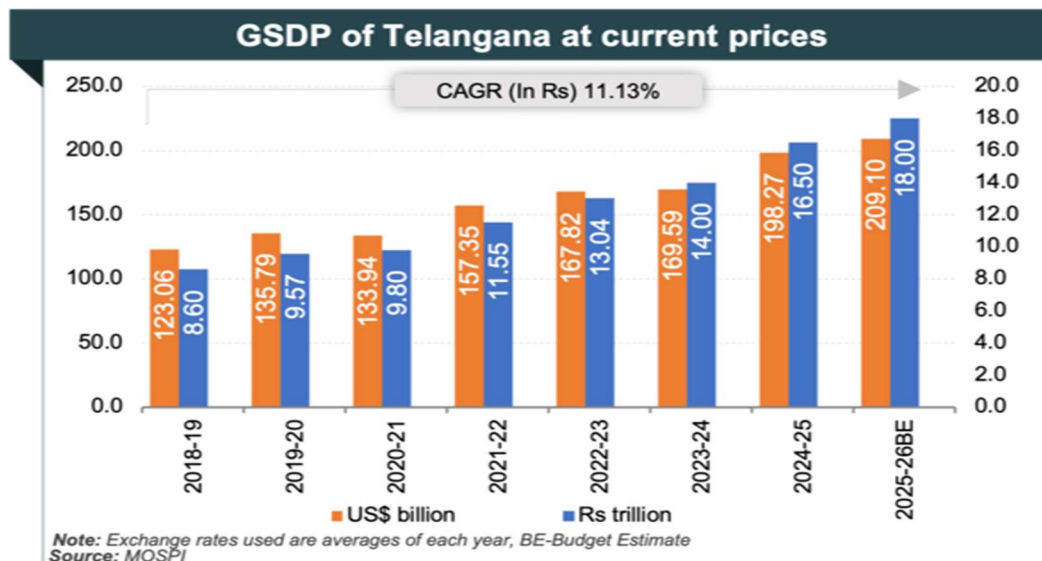
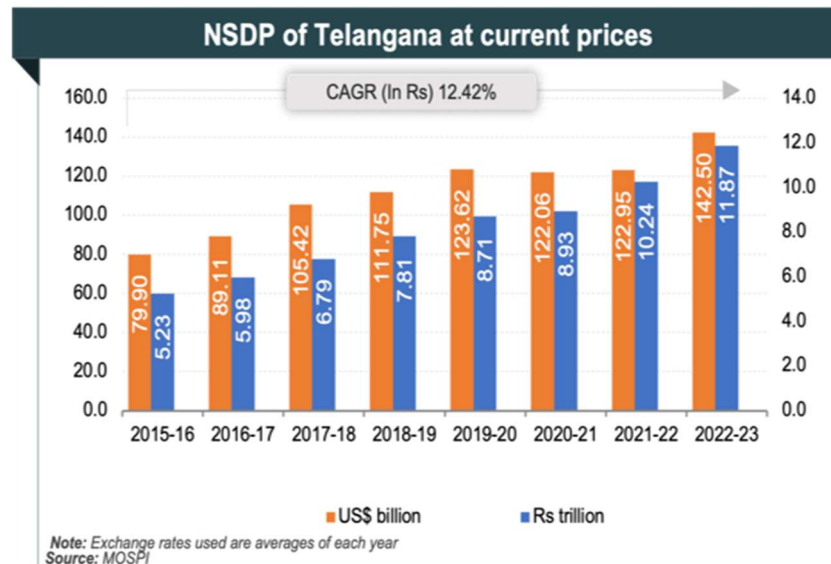
In 2020–21, the GDP of Telangana was estimated to be contracted by 1.3% compared to the previous year at continuous prices. The decline occurred when the National GDP also signed a contract, but by a big margin of 8%.



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- Overall GSDP: Telangana's GSDP (at continuous prices) was estimated to contract up to 1.3% in 2020-21.
- National GDP: National GDP contracted up to 8% in the same period.





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- Sector contribution: In 2020-21, the agricultural sector increased by estimated by 14.9%. The production of fruits and vegetables reached 2.38 million tonnes and 1.07 thousand tonnes respectively in 2023-24.
- Greater Hyderabad Municipal Corporation (GHMC) has proposed 15 new projects under the Strategic Road Development Scheme (SRDP) Phase -2. The corporation has given. Has sought administrative approval of 3,115 crores (US \$ 400.9 million) from the state government for these projects.
- The Telangana government has Dr. Reddy has cooperated with large companies in laboratories and lower labs like Labs as well as Dr. Academia to establish one type of flow chemistry technology hub (FCTH) in Reddy Institute of Life Sciences (DRILS).
- According to state government data, Hyderabad has attracted the investment of 7,500 crore (US \$ 965.25 million) in Pharma, Biotech and Medical devices Arena in the last one year.
- In Financial Year 2022-23, Indian Railway Catering and Tourism Corporation (IRCTC) is targeting 200,000 tourists in Hyderabad for an estimated earning of Rs. 26 crores (US \$ 3.34 million).
- The state government is setting up the city of Hyderabad Pharma, which will be the first of its kind, smart ecosystem, creating a new international benchmark for permanent industrial cities. The project will be developed in an area of 19,000 acres. **Telangana economy has performed better than India by registering a rapid increase in GSDP and per capita income (PCI) in 2023-24.**

Telangana is one of the fastest growing states in India, which is an average annual growth rate of 13.90% in the last five years. Telangana has a nominal gross state domestic product for the year 2023-24, 15.2 lakh crores (US \$ 180 billion). The service sector has the biggest contributor to Telangana economy with a stake of about 65% in the year 2018-19. The increase in services has largely fuel in terms of production and exports with a leading position in IT and ITE in the state by IT services.

About 54% of GDP comes from Hyderabad metropolitan. Agriculture is also a backbone of Telangana economy. Two important rivers of India, Godavari and Krishna, flow through the state, provide irrigation. Farmers in Telangana mainly depend on the sources of water than rain for irrigation. Rice is a major food crop. Other important local crops are cotton, sugarcane, mango and tobacco. Recently, crops used for vegetable oil production, such as sunflower and peanuts, have obtained favour. Development has several multi-state irrigation projects, including the Godavari river basin irrigation projects.



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The state has also started focusing on the areas of information technology and biotechnology. The state has 68 special economic sectors. Telangana is a mineral-rich state with coal reserves in Singareni coal mines.

Paddy cultivation near Bhangir Fort. Rice is the major food crop and main food of the state. Other important crops are tobacco, mango, cotton and sugarcane. Agriculture has been the main source of income for the state's economy. The important rivers of India, Godavari, flow through the kingdom, provides irrigation. Apart from major rivers, Tunga Bhadra, Bima, Dindi, are small rivers like.

### **Conclusion :**

Telangana's real GSDP has grown at an average rate of 7.2 percent during the period from 2014-15 to 2021-22, which is higher than the national average growth of 5.6 percent during the same period. The State's share in the country's nominal GDP has increased over time and stood at 4.8 percent in 2021-22. Its nominal per capita income is 70 percent higher than the national per capita income, as of 2021-22.

Among the major sector, services sector is the largest contributor to the State's GSVA and has as share of 61.3 percent followed by industry (20.8 percent), and agriculture (18 percent), respectively in that order in 2021-22. During the period from 2014-15 to 2022-23 these three sectors have grown.