



Economic Trajectory

Why in News?

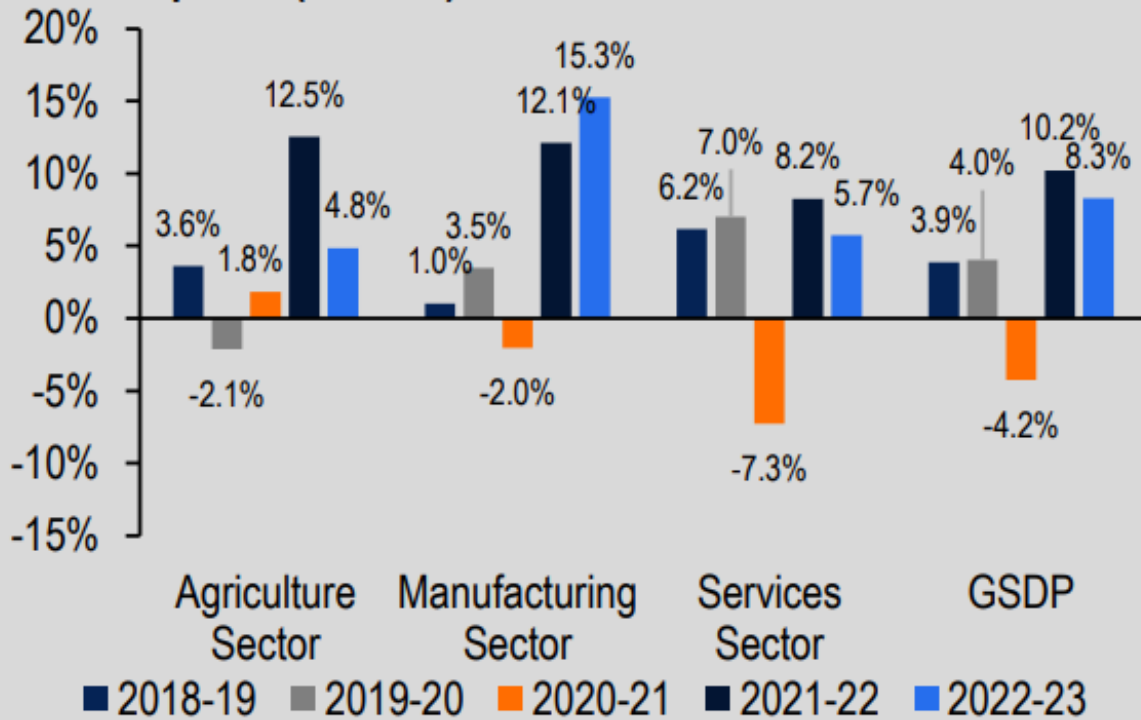
Recently, the [Economic Advisory Council to the Prime Minister \(EAC-PM\)](#) report revealed the economic dominance of five states in India during the 1960s.

Key Points

- In the 1960s, five states, Uttar Pradesh, Maharashtra, West Bengal, Tamil Nadu, and Bihar, accounted for approximately 54% of India's [Gross Domestic Product \(GDP\)](#).
- **Uttar Pradesh (then undivided)** was the largest economic contributor among these states, **contributing 14.4%** of India's total GDP.
- **Uttar Pradesh's Economy:**
 - **Gross State Domestic Product (GSDP) Growth:**
 - In 2022-23, Uttar Pradesh's GSDP (at constant prices) grew by 8.3%, down from 10.2% in 2021-22.
 - National GDP is estimated to grow at 7.2% in 2022-23.
 - **Sectoral Growth:**
 - **Agriculture sector:** Grew by 10% in 2022-23 (at current prices), compared to 14% in 2021-22 (growth in 2021-22 was over a low base).
 - **Manufacturing sector:** Grew by 22% in 2022-23.
 - **Services sector:** Grew by 12% in 2022-23.
 - **Contributions to the economy (at constant prices):** Agriculture (24%), Manufacturing (30%), Services (46%).
 - **Per Capita GSDP:**
 - Estimated at **Rs 96,193 in 2022-23** (at current prices), with an annual growth of **8% since 2017-18**.

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Figure 1: Growth in GSDP and sectors in Uttar Pradesh at constant prices (2011-12)



Note: Agriculture includes mining and quarrying; Manufacturing includes construction and electricity. These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

- **The GSDP growth rates at constant prices of 2011-12 were:** 4.7% (2012-13), 5.8% (2013-14), 4.0% (2014-15), 8.8% (2015-16), 11.4% (2016-17), 4.6% (2017-18), 6.3% (2018-19), 3.8% (2019-20), -5.5% (2020-21), and 4.2% (2021-22).
- **Share of UP in National GDP:** The share of Uttar Pradesh (UP) in the national GDP is either constant or declining. For a [trillion-dollar economy](#), UP's share should increase to 20%.
 - The GDP of India at current prices increased from Rs.153.92 lakh crore in 2016-17 to Rs.236.64 lakh crore in 2021-22.
 - The share of Uttar Pradesh (UP) in India's GDP declined from 8.4% in 2016-17 to 7.9% in 2021-22.
- **Widening Per Capita Income Gap:** The gap between per capita income of India and UP has widened over the years. In 2011-12, UP's per capita income was about 50% of India's, but by 2021-22, it had decreased to **45.87%**. This indicates that UP has not kept pace with national economic growth.
- **The projected GSDP in 2026-27 under alternative growth scenarios arranged in points:**
 - **Very High (CAGR = 20%):** Rs.42.5 lakh crore
 - **High (CAGR = 15%):** Rs.35.8 lakh crore
 - **Moderate (CAGR = 12%):** Rs.32.2 lakh crore
 - **Normal (CAGR = 10%):** Rs.30 lakh crore

Economic Advisory Council to the Prime Minister (EAC-PM)

- It is an **non-constitutional, non-statutory, independent body** constituted to give advice on economic and related issues to the Government of India, specifically to the Prime Minister.
- The council serves to **highlight key economic issues** to the government of India from a neutral viewpoint.
 - It advises the Prime Minister on economic issues like [inflation](#), [microfinance](#), and [industrial](#)

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- For administrative, logistic, planning and budgeting purposes, the [NITI Aayog](#) serves as the **Nodal Agency for the EAC-PM.**
- **Periodic Reports:**
 - Annual Economic Outlook.
 - Review of the Economy.

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