

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3905
ANSWERED ON:17.05.2006
CONTRIBUTION OF STATES TO GDP
Mahato Shri Sunil Kumar

Will the Minister of PLANNING be pleased to state:

- (a) whether five to six States contribute more than 45 per cent of the GDP;
- (b) if so, the reaction of the Government in this regard;
- (c) whether the Government has reviewed the existing policy in this regard;
- (d) if so, the details thereof;
- (e) whether any steps have been taken by the government to promote industries in those States whose contribution to the GDP is not in accordance with the size and resources of the State; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a): Yes, Sir. As per the latest available statistics, six major States, namely Maharashtra, Uttar Pradesh, West Bengal, Andhra Pradesh, Tamil Nadu and Gujarat, together contributed about 50 per cent of the all India Gross Domestic Product (GDP) in 2003-04 at constant 1993-94 prices.

(b) to (d): The share of each State in GDP is determined inter-alia by the size of the State. No general reaction can be made in this regard. However, one of the objectives of development planning is to achieve even distribution of growth across the States. The growth performance of the States is determined by a number of factors and it is not possible to identify the extent to which, it is policy driven.

(e) & (f): In order to address the issue of balanced industrial development, several Centrally Sponsored Schemes and special area development packages that were initiated in earlier plans were continued in the Tenth Plan. These special packages include transport subsidies for promoting industrialization in hilly, remote and inaccessible areas, increased equity contribution by the Government of India, capital investment subsidies, interest subsidies, fiscal incentives like income tax and excise duty exemption etc. During the Tenth Plan new initiatives such as special package for industrial development in Sikkim, Jammu & Kashmir, Uttaranchal and Himachal Pradesh have been launched.