

## Chapter 4

### Trends and Pattern of Growth of State Domestic Product in Haryana

#### 4.1 Introduction

The objective of this chapter is to examine the trends and pattern of GSDP in Haryana from 2000-01 to 2015-16. For the purpose, the year to year growth rate per capita GSDP and sector wise share has been calculated .the results are discussed as follows:-

#### 4.2 Trend in Per Capita Income of Haryana

The analysis of collected data has been carried out by using line diagram. The line diagram is pairs of numerical data, with one variable on each axis, to look for a relationship between them. If the variables are correlated, the points will fall along a line or curve. The better the correlation, the tighter the points will hug the line. Line diagram is used to show the pattern structural change in sectors of economy as per the economic growth.

<b>Year</b>	<b>Per Capita Income (Rs.)</b>	<b>Growth Rate (Percent)</b>
2000-2001	24423	-
2001-2002	25638	5.0
2002-2003	26748	4.3
2003-2004	28805	7.7
2004-2005	37842	31.4
2005-2006	40313	6.5
2006-2007	44222	9.7

2007-2008	47520	7.5
2008-2009	51016	7.4
2009-2010	55214	8.2
2010-2011	57797	4.7
2011-2012	61716	6.8
2012-2013	64052	3.8
2013-2014	67260	5.0
2014-2015	78821	17.2
2015-2016	92987	18.0
2016-2017	101543	9.2
<b>Source:</b> Department of economic and statistical analysis, Haryana.		

Table 4.1 depicts the per capita income of Haryana at constant prices (base year 2004-05). There are sixteen years data (2000-01 to 2015-16) of per capita income, from which growth rate is calculated. The estimated growth rate of per capita income according to time period is positive. This implies that for all the time period per capita income at constant prices is increasing. The highest growth rate of per capita income is seen in 2004-05, as it was 31.4 percent. And the lowest growth rate of per capita income is seen in 2012-13 as it was 3.8 percent. In spite of few small ups and downs, the overall trend shows the increasing trend during the study period. In recent years of the study, it is found that there is higher rate of growth of per capita income.

**Table 4.2 Sector wise share of GSDP in Haryana in (2000-01 to 2015-16) in percentage at constant price 2004-05**

Sectors	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	30.09	27.34	25.66	25.37	23.63	21.46	20.51	21.24	21.97	20.96	20.14	21.52	21.05	20.93	19.56	18.64
2	0.18	0.18	0.17	0.14	0.17	0.16	0.79	1.41	1.21	1.28	1.22	1.30	1.27	1.06	0.86	0.79
3	0.13	0.12	0.12	0.13	0.13	0.13	0.13	0.13	0.17	0.17	0.27	0.29	0.30	0.25	0.27	0.19
4	0.33	0.39	0.25	0.25	0.22	0.36	0.30	0.27	0.22	0.10	0.04	0.04	0.03	0.08	0.06	0.11
Primary	30.74	28.04	26.20	25.89	24.14	22.10	21.72	23.04	23.57	22.51	21.67	21.56	21.08	21.01	19.63	18.75
5	20.39	21.00	21.54	21.49	21.90	21.89	20.45	19.25	18.35	20.02	19.28	17.77	19.62	19.50	18.93	18.85
6	1.69	1.80	2.46	2.44	2.08	2.36	1.72	1.46	1.74	1.50	1.41	1.15	1.91	2.61	2.69	3.19
7	7.41	8.23	8.65	9.16	9.71	10.41	9.86	9.30	9.04	9.18	9.26	9.92	8.96	9.43	9.04	8.73
Secondary	29.49	31.02	32.65	33.08	33.68	34.65	32.02	30.02	29.13	25.98	26.02	24.84	23.95	23.09	22.12	21.88
8	15.40	16.04	16.25	16.48	17.84	18.69	17.21	17.90	18.18	19.64	20.65	21.68	22.47	21.45	22.28	23.06
9	6.62	7.12	7.28	7.60	7.88	8.26	7.38	8.75	8.30	9.02	9.01	7.74	7.09	7.29	7.47	7.11
10	3.61	3.70	3.91	3.67	3.34	3.35	2.80	3.27	3.17	3.03	2.89	3.89	3.89	3.92	4.08	4.02
11	4.31	4.27	4.17	3.99	3.77	3.63	10.81	9.69	9.50	10.61	10.41	13.65	14.74	16.53	17.01	17.44
12	3.02	2.88	2.79	2.76	3.03	2.94	2.48	2.15	2.47	2.68	2.62	2.43	2.42	2.34	2.53	2.56
13	6.81	6.93	6.74	6.52	6.31	6.37	5.58	5.19	5.68	6.54	6.74	4.22	4.35	4.36	4.89	5.17
Tertiary	39.77	40.95	41.15	41.03	42.17	43.25	46.25	46.95	47.30	51.51	52.31	53.61	54.97	55.89	58.26	59.37
Total Income	56954	63488.7	69653.02	78815.51	89430.4	100675	126474.6	151607.2	182501.9	212030.6	254348.7	299931.9	339642.8	378839.4	409673.9	450348.5

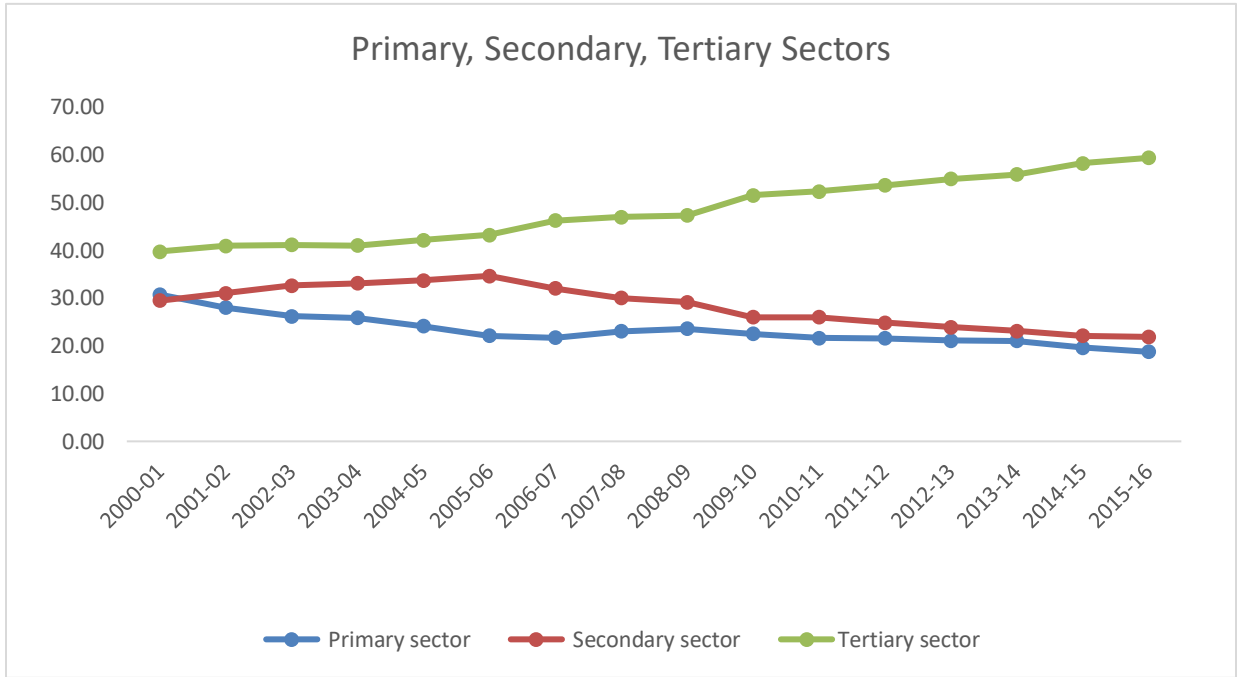
**Source:** Department of Economics and Statistical Analysis, Haryana

*(1) Agriculture (2) Forestry (3) Fishing (4) Mining (5) Manufacturing (6) Electric and Gas (7) Construction (8) Transportation, Storage (9) Trade , Hotels and Restaurant (10) Banking and Insurance (11) Real Estate and Business Service (12) Public Administration (13) other Services*

Table 4.2 presents the sector-wise and sub sector-wise share GSDP over the time. There are three sectors in the economy (primary, secondary and tertiary) which contribute in the making of GSDP. There are sixteen years data from which it can be estimated that GSDP of Haryana is increasing or not. From these data it is observed that GSDP is increasing year to year. The table depicts that highest %age share of GSDP is composed by tertiary sector in 2000-01 which stands at 39.77% followed by primary sector 30.74% and then secondary sector 29.49% respectively corresponding to the period 2000-01.

The overall share of GSDP from tertiary sector increases year to year continuously, however GSDP share relating to secondary sector at first increases at an increasing rate up to 2006-07 then after falls continuously to the value 21.88 corresponding to the year 2015-16. In comparison to the secondary and tertiary sector the share %age of primary sector in GSDP diminishes continuously from the initial year to the final data year showing a negative trend continuously. The trends in sector-wise share are also shown by following figure 4.2

**Fig 4.2 Sector-wise share of GSDP (Graphical Representation)**



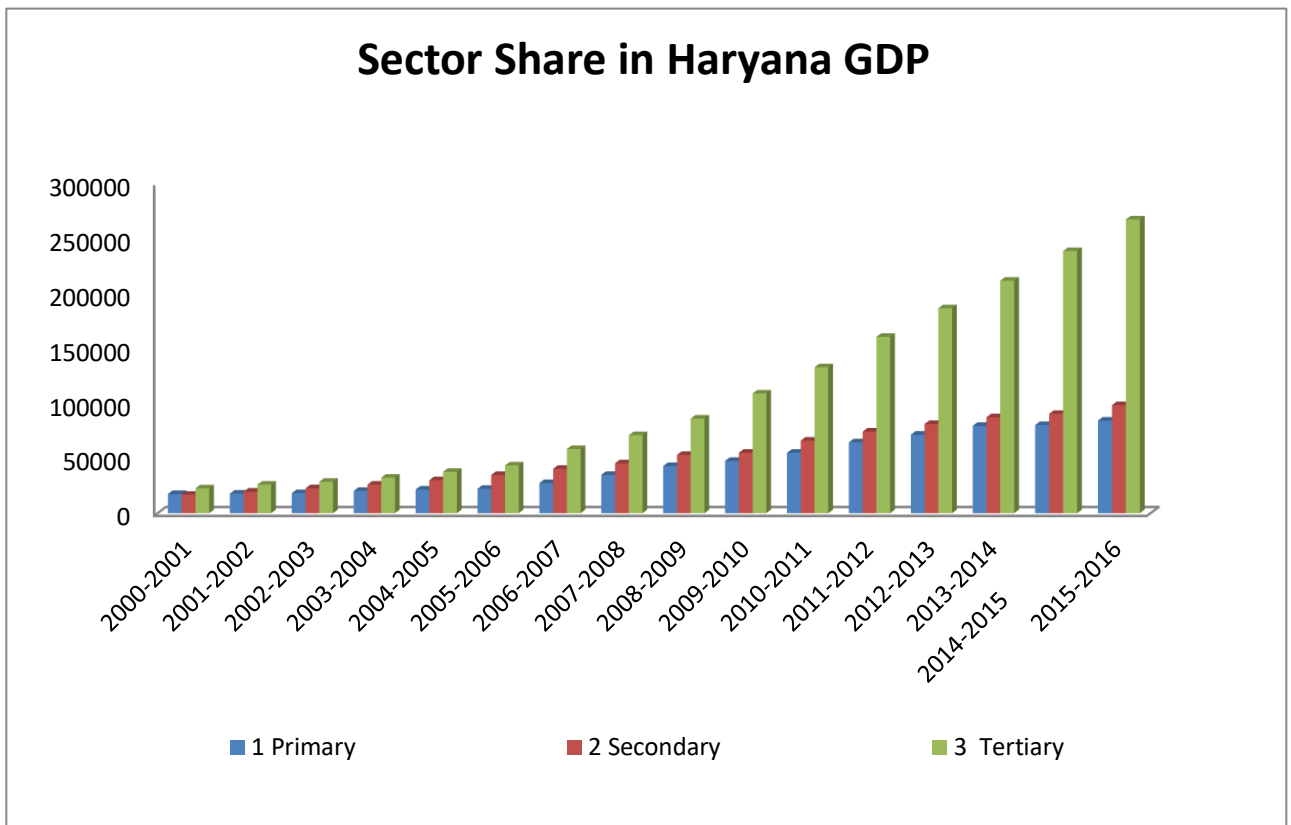
The fig 4.2 represent the sector wise in GSDP in Haryana there are three sectors in the Economy (primary, secondary and tertiary) which contribute in making of GSDP. From this graph we conclude that in the primary sector the percentage growth is non uniform which is either decreasing or constant in 2000-01 to 2015-16. But in secondary sector is increases in 2000-01 to 2005-06 and then decrease thereafter up to 2015-16. And in tertiary sector the percentage change is gradually increases because the primary sector and the secondary sector are merged in tertiary sector.

<b>TABLE 4.3 Sector-wise Year to Year Growth in GSDP in Haryana (2000-01to2015-16)</b>						
Sectors	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
2000-2001	17507.97	16794.15	22652.69	-	-	-
2001-2002	17799.84	19692.05	25996.87	1.7	17.3	14.8
2002-2003	18250.03	22741.74	28661.25	2.5	15.5	10.2
2003-2004	20403.87	26075.35	32336.29	11.8	14.6	12.8
2004-2005	21591.2	30122.48	37716.78	5.8	15.5	16.6
2005-2006	22246.86	34887.94	43540.75	3.0	15.8	15.4
2006-2007	27471.87	40502.05	58500.74	23.4	16.0	34.4
2007-2008	34927.34	45505.51	71174.39	27.1	12.4	21.7
2008-2009	43017.32	53165.61	86318.96	23.1	16.8	21.3
2009-2010	47721.84	55092.47	109216.27	10.9	3.61	26.5
2010-2011	55117.42	66169.85	133061.43	15.5	20.1	21.8
2011-2012	64657.68	74491.79	160782.46	17.3	12.6	20.8
2012-2013	71606.79	81336.9	186699.12	10.7	9.2	16.1
2013-2014	79605.57	87484.25	211749.6	11.2	7.6	13.4
2014-2015	80404.24	90614.11	238655.55	1.0	3.6	12.7
2015-2016	84444.52	98547.87	267356.09	5.0	8.8	12.0
<b>Source:</b> Department of economic and statistical analysis, Haryana.						

The table 4.3 represent the sector wise year to year growth rate in gross state domestic product in Haryana. The table reveals that the primary sector recorded highest growth rate in 2007-08 i.e., 27.1 per cent while it observed lowest in 2014-15 (1 per cent).The

year to year growth rate originating from secondary sector was found highest in 2010-11 (20.1 per cent) and lowest in 2014-15 (3.6 per cent). The tertiary sector recorded very high year to year growth rate. It was highest in 2006-07 and lowest in 2002-13 as shown in above table.

**Fig 4.3 Graphical Representation Sector Share in Gross State Domestic Product in Haryana (2000-01 to 2015-16)**



The highest share of primary sector is 27.1 percent in 2007-08 and lowest percent share of it 1.0 percent in 2014-15. Likewise the highest percentage share of secondary sector is 20.1 percent in 2010-11 and lowest percent share of it is 3.6 percent in 2014-15.

In this way the highest percentage share of tertiary sector is 34.1 percent in 2006-07 and lowest percent share of it is 10.2 percent in 2001-02.

### **4.3 Inter District Variation in Economic Growth of Haryana**

Haryana has witnessed a healthy growth during last three decades. However, has the economic growth in Haryana been uniformly distributed across districts or not for this, we calculated the growth rate of all districts of Haryana and compared it with state average. The above table shows the district wise growth rate of three main economic sectors. It is evident from the table that the growth rates of all three key economic sectors vary substantially across districts. However, the extent of variation is lowest in case of agriculture. Surprisingly, the agriculture sector has done extremely well in Gurugram and Faridabad, which are known for industries and tertiary sector. The agriculture in these districts has grown at average annual growth rate of more than 5 per cent per annum during 2000-01 to 2015-16.

This is almost double of agriculture growth recorded in Kaithal, Fatehabad and Jind where it has grown by just around 3 percent during the same period.

The inter district variation in growth rate is much higher in case of industrial and tertiary sector. Interestingly, Rewari, Panipat and Jhajjar have witnessed a double-digit growth in industrial sector during 2000-01 to 2015-16. This is much higher as compared to Panchkula and Yamuna Nagar, where the industrial sector has grown at annual rate of 4.9 percent and 5.4 percent, respectively during the same period. The extent of inter district variation in growth is even higher in case of tertiary sector, which has been serving as the main driver of economic growth in Haryana. The tertiary sector growth in Haryana has been mainly concentrated in districts falling in the National Capital Region (NCR) i.e. Gurgaon, Faridabad and Sonapat, Gurgaon has seen the highest, 16.45 percent per annum, rate of growth in service sector from 2000-01 to 2015-16 and has



rapidly emerged as the hub of knowledge and knowledge-based industry in India. In Faridabad tertiary sector has grown at an average annual growth rate of 14.3 percent during the same period. In contrast, in districts such as Fatehabad, it has grown at even less than 9 percent per annum.

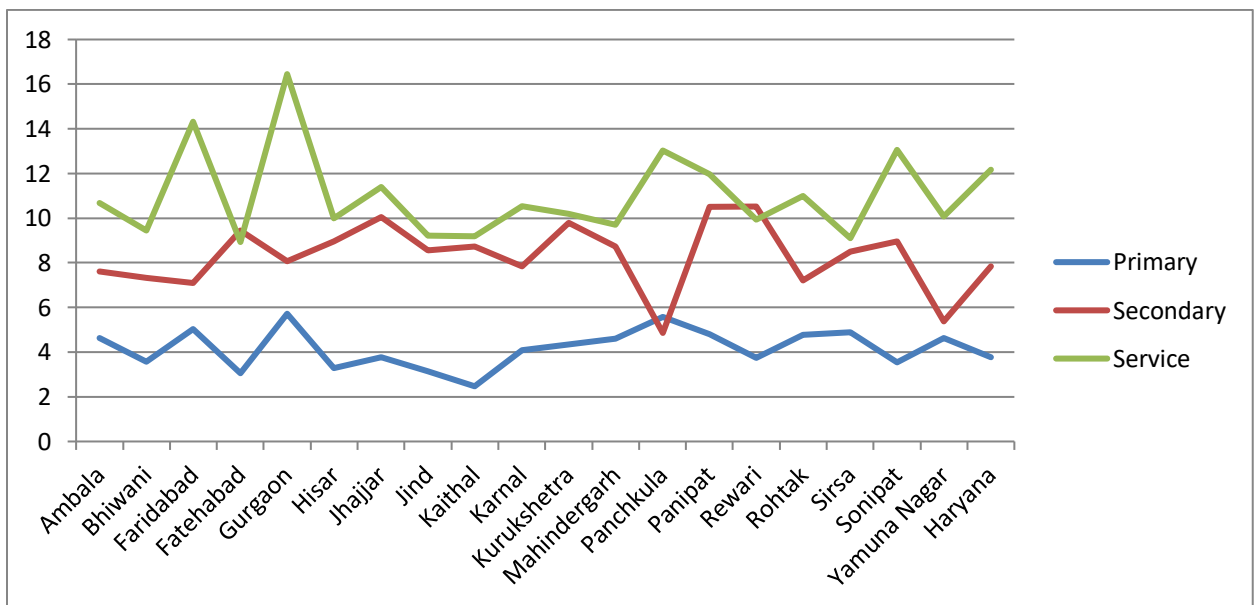
<b>Table 4.4 Inter District Variation in Sectoral Growth Rate: (2000-01 to 2015-16)</b>						
Districts	Primary	Secondary	Service	SD	Mean	CV
Ambala	4.63	7.62	10.68	3.03	7.64	39.58
Bhiwani	3.58	7.32	9.44	2.97	6.78	43.76
Faridabad	5.04	7.09	14.32	4.88	8.82	55.29
Fatehabad	3.06	9.46	8.93	3.55	7.15	49.68
Gurgaon	5.72	8.06	16.45	5.64	10.08	55.99
Hisar	3.29	8.97	10.00	3.61	7.42	48.70
Jhajjar	3.78	10.05	11.40	4.07	8.41	48.35
Jind	3.13	8.57	9.22	3.34	6.97	47.96
Kaithal	2.47	8.72	9.20	3.75	6.80	55.24
Karnal	4.09	7.84	10.53	3.23	7.49	43.20
Kurukshetra	4.35	9.80	10.20	3.27	8.12	40.26
Mohindergarh	4.60	8.74	9.70	2.71	7.68	35.29
Panchkula	5.57	4.86	13.04	4.53	7.82	57.93
Panipat	4.80	10.51	11.97	3.79	9.09	41.67
Rewari	3.73	10.52	9.94	3.76	8.06	46.68
Rohtak	4.78	7.22	10.99	3.13	7.66	40.83
Sirsa	4.88	8.50	9.11	2.29	7.50	30.50
Sonipat	3.54	8.96	13.07	4.78	8.52	56.08
Yamuna Nagar	4.62	5.38	10.09	2.96	6.70	44.25
Haryana	3.76	7.83	12.16	4.20	7.92	53.06
Standard	0.88	1.54	2.01	0.57	1.48	38.44
<b>Source:</b> Directorate of Economics and Statistical Haryana.						

It is evident from the section above that economic growth in Haryana has been concentrated around national capital region. Economic growth in Haryana has not been uniform across districts. According to above table Inter District Variation in Sectoral Growth rate from 2000-01 to 2015-16 in three different sectors in 19 districts in Ambala

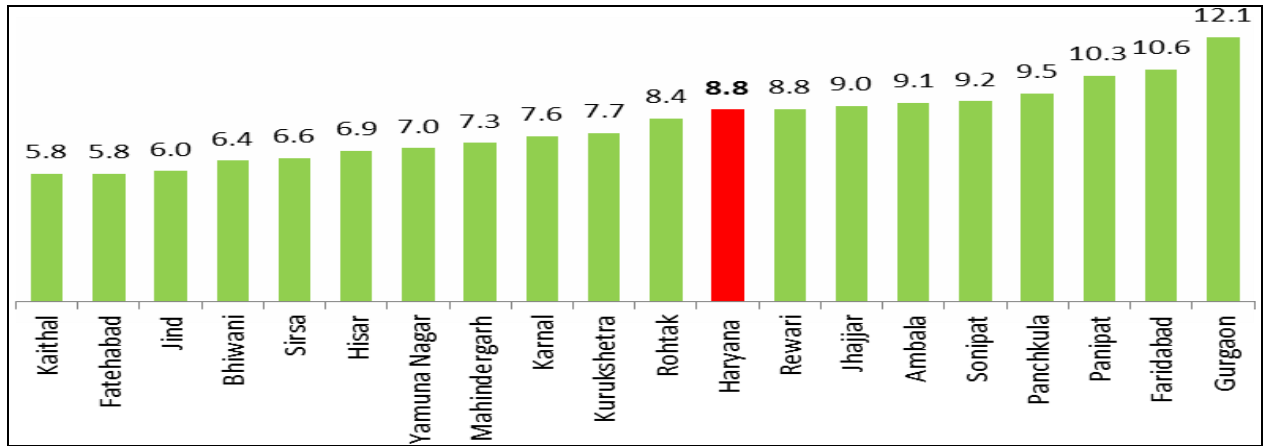
growth rate in primary sector is 4.63, in secondary sector 7.62 and in tertiary sector 10.68 and its coefficient variable is 39.58. in Bhiwani district growth rate in primary sector is 3.58, in secondary sector 7.32 and in tertiary sector 9.44 in the district Faridabad growth rate in primary sector is 5.04, in secondary sector 7.09 and in tertiary sector 14.32, in Fatehabad district growth rate in primary sector is 3.06, in secondary sector 9.46 and in tertiary sector 8.93, in the district of Gurgaon growth rate in primary sector is 5.72, in secondary sector 8.06 and in tertiary sector 16.45 it's very high compare to rest of the districts in Haryana in tertiary sector and its coefficient variable is 55.99. in Hisar district growth rate in primary sector is 3.29, in secondary sector 8.97 and in tertiary sector 10.00, in the district of Jhajjar growth rate is like this primary sector is 3.78, secondary sector 10.05 and tertiary sector 11.40, in Jind district growth rate in primary sector is 3.13, in secondary sector 8.57 and in tertiary sector 9.22, in Kaithal district growth rate in primary sector is 2.47, in secondary sector 8.72 and in tertiary sector 9.20, in the district of Karnal growth rate in primary sector is 4.09, in secondary sector 7.84 and in tertiary sector 10.53, in Kurukshetra district growth rate in primary sector is 4.35, in secondary sector 9.80 and in tertiary sector 10.20, in the district Mohindergarh growth rate in primary sector is 4.60, secondary sector 8.74 and tertiary sector 9.70, and its coefficient variable is 35.29. n Panchkula district growth rate in primary sector is 5.57, secondary sector 4.86 and tertiary sector 13.04 and its coefficient variable is 57.93 which is highest in all districts. in Rewari district primary sector is very low it is 3.73 and in Sonipat district tertiary sector is very high it is 13.07 and its coefficient variable is 56.08. In Sirsa the coefficient variable is 30.50 which is lowest structural change in Haryana. And by average in Haryana primary sector is 3.73 with standard deviation 0.88, secondary sector

is 7.83 with standard deviation 1.54 and finally in tertiary sector 12.16 with standard deviation 2.01 by observing this all data in district wise variation in economic growth clearly reflects that Haryana has two growth centers. One growth centre is located around national capital and another growth center is concentrated around the state capital.

**Fig: 4.4 Graphical Representations for above table Inter District Variation in Sectoral Growth Rate :(2000-01 to 2015-16)**



**Fig: 4.5 Graphical Representation of Inter District Variation in Sectorial Growth Rate (2000-01 to 2015-16)**



**Source:** Graphical representation directly based on data from Directorate of Economics and Statistical Haryana.

It is evident from the section above that economic growth in Haryana has been concentrated around national capital region. Economic growth in Haryana has not been uniform across districts. While the aggregate, Haryana has grown at an average annual growth rate of 8.8 percent during 2000-01 to 2015-16, there are districts that have grown at a much higher and much lower rate than this figure. For example, districts such as Gurgaon, Faridabad and Panipat have grown at high average annual growth rates of 12.1 percent, 10.6 percent and 10.3 percent, respectively during 2000-01 to 2015-16. Whereas, districts such as Kaithal and Fatehabad have grown at even less than 6 percent per annum during the same period. Thus, the growth in slow growing districts of Haryana is even less than half of fast growing districts. Of the seven districts that have grown at a higher rate than the state average i.e. Gurgaon, Faridabad, Panipat, Panchkula, Sonapat, Ambala, Jhajjar and Rewari, a majority fall in the South-East region and are closer to the national

capital Delhi. Whereas, the districts that lag behind i.e. Kaithal, Sirsa, Fatehabad, Hisar etc., are mostly in the Western region and are located far from the national capital. The inter district variation in economic growth clearly reflects that Haryana has two growth centers. One growth centre is located around national capital and another growth center is concentrated around the state capital.

### **Conclusion**

The main objective of the chapter is to analyze the recent trends in per capita income and sector share in state domestic product of Haryana. It is concluded that in the primary sector the percentage growth is non uniform which is either decreasing or constant in 2000-01 to 2015-16. But in secondary sector it increases in 2000-01 to 2005-06 and then decrease thereafter up to 2015-16. And in tertiary sector the percentage change is gradually increases because the primary sector and the secondary sector are merged in tertiary sector