



Jharkhand Economic Survey 2021-22

Why in the news?

Jharkhand Economic Survey 2021-22 tabled in the assembly by the state government on March 2, 2022, has projected **8.8 per cent GSDP growth in FY 2021-22 as compared to the year 2020-21 GSDP.**

key points

- The Economic Survey states that the average annual growth rate of the state's economy was 6.2 percent between the period 2011-12 and 2018-19.
- The economy of Jharkhand grew by 6.6 percent during the financial years 2004-05 and 2011-12 and by 8 percent during the financial years 1999-2000 and 2004-05.
- The Gross State Domestic Product of Jharkhand in the year 2018-19 was Rs 2,29,274 lakh crore at 2011-12 prices. The per capita income (NSDP per capita) for the year 2019-20 is estimated to be Rs 79,873 at current prices and Rs 57,863 at constant prices.
- The growth rate has decelerated during the last two years (2019-20 and 2020-21). These two years were not normal years, as the country's economy was in the grip of recession in the year 2019-20, which did not leave the state's economy untouched. The Indian economy and the state economy both registered a growth of only 4 per cent.
- The year 2020-21 was affected by the **Covid-19 pandemic**. The pandemic and the ensuing lockdown affected all economic activity and disrupted the supply chain of both consumers and producers. As a result, the state's GSDP is expected to shrink by 4.7 per cent in the financial year.
- Among the three major sectors (primary, secondary and tertiary) of the state's economy, **the tertiary sector grew at the fastest rate between 2011-12 and 2019-20**. The primary sector grew at an average annual rate (CAGR) of 9.1 percent and the secondary sector at 6.3 per cent, with the tertiary sector growing at 7.7 per cent during this period.
- The tertiary sector is not only a major sector in the state's economy, but its share in the GSVA has also increased over the years. In 2011-12, at the start of the current round of (SNA), its contribution to GSVA was 38.5 per cent, which increased to around 46 per cent by 2019-20.
- During this period (2011-12 to 2019-20), the share of the primary sector has come down from about 28 percent to about 20 percent.
- The share of the secondary sector has remained almost constant over the years. Its contribution to GSVA was 38.8 per cent in 2011-12 and 2019-20.
- After remaining above 6 per cent for more than a year, the inflation rate in Jharkhand started declining from December 2020. From 6.36 per cent in November, 2020, it declined to 5.94 per cent in December, 2020. Since then, it has remained below 6 per cent (the mark set by the RBI in its new monetary policy framework).
- According to the recently released '**National Multidimensional Poverty Index Baseline Report**' of NITI Aayog, 46.16 percent of the people in the state are poor (headcount poverty). The percentage of multidimensional poor in rural areas is 50.93 percent and in urban areas it is 15.26 percent.

