

Press Release

03rd March-2022 12:30 IST

The Hon'ble Chief Minister Himachal Pradesh, Shri Jai Ram Thakur presented the Himachal Pradesh Economic Survey 2021-22 in the Vidhan Sabha today. This document has been prepared by Economic & Statistics Department, Himachal Pradesh.

The Key Highlights of the Economic Survey 2021-22 are as follows:

Himachal's Economic Performance in 2021-22

Advance estimates suggest that the State's economy is expected to witness real GDP growth of 8.3 per cent in 2021-22 after contracting in 2020-21. In real terms the increase in GSDP pre-COVID and post-COVID i.e. 2019-20 to 2021-22 is 2.7 per cent. In several sectors of the economy, pre-pandemic levels of output have been crossed.

Real GDP or GDP at Constant Prices (2011-12) in the year 2021-22 is estimated at ₹ 1,24,400 crore, as against the Provisional Estimate of GDP for the year 2020-21 of ₹ 1,14,814 crore. Nominal GDP or GDP at Current Prices in the year 2021-22 is estimated at ₹ 1,75,173 crore, as against the provisional estimate of GDP for the year 2020-21 of ₹ 1,56,675 crore.

Per Capita Income at current prices is estimated at ₹ 2,01,854 which is more than the estimated national per capita income for 2020-21 by Rs. 51,528. The growth in Per Capita Income during 2021-22 is estimated at 10.1 per cent.

Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 8.7 per cent in 2021-22. As per advance estimates the Gross Value Added (GVA) of Industry will rise by 11.0 per cent in 2021-22 after contracting by 6.6 per cent in 2020-21. The Services sector has been the hardest hit by the pandemic. This sector is estimated to grow by 6.3 per cent during 2021-22 following last year's 2.1 per cent negative growth.

Agriculture and Allied Sectors

The Agriculture & livestock sector registered a negative growth of 8.6 per cent in 2020-21 at constant (2011-12) prices with a Gross Value Added (GVA) of ₹ 9,930 crore as compared to ₹10,870 crore for 2019-20. However, during 2021-22 a growth of 11.9 per cent has resulted due to an increase in horticulture production.

Trends in Industrial Sector

Manufacturing sector showed a growth of 11.3 per cent during 2021-22 as against a negative growth rate of 7.3 per cent in 2020-21. The Mining and Quarrying sector showed a negative growth of 3.2 per cent during 2021-22 as against 6.8 per cent negative growth in 2020-21. As per the estimates for 2021-22 at constant (2011-12) prices, the GVA of this secondary sector is estimated at ₹55,089 crore against ₹49,610 crore in 2020-21.

Global investors meet was organized, in which 703 MoUs worth ₹ 96,721 crore were signed. 1st Ground Breaking Ceremony (GBC) was organized on 27th December, 2019 at Shimla, in which 236 MoUs worth ₹13,488 crore were grounded. The 2nd Ground Breaking Ceremony was organized on 27th December, 2021 at Mandi in which 287 MoUs with a proposed investment of ₹28,197 crore were grounded. Direct/indirect employment to 80,000 persons is expected under these projects.

Services Sector

The Services sector has a significant and fast growing share in the State Gross Value Added. It registered growth of 6.3 per cent in 2021-22 over the previous year.

Sector wise growth rates

S.N.	Sectors	2020-21	2021-22
1	Primary	-12.0	8.5
2	Secondary	-6.6	11.0
3	Tertiary	-2.1	6.3
	GDP growth	-5.2	8.3

Sector wise Contribution in Gross State Value Added

S.N.	Sectors	2020-21	2021-22
1	Primary	13.60	12.69
2	Secondary	41.71	43.24
3	Tertiary	44.69	44.07

Tourism

Tourism is an important source of generation of revenue and diverse employment opportunities. A significant rise was noticed in the domestic as well as foreign tourist inflow during the last few years but due to impact of COVID-19, there was a sharp decrease of 81 per cent in tourist arrivals in 2020. However, on the positive side, there is an increase of 75.44 per cent in tourist inflow upto December 2021

Power

Himachal has an estimated hydro power potential of 27,436 MW out of which 24,567 MW has been assessed as harness able while the Government has decided to forgo the rest to safeguard the environment and to maintain ecological balance and protect social concerns. Industries sector has the highest consumption of power (55 per cent of total power consumption) followed by domestic sector (27 per cent) in the State.

Himachal Pradesh recently notified Swaran Jayanti Energy Policy-2021 which envisages clean and green energy development through exploitation of full energy potential specially hydro and solar, and to add additional 10,000 MW green energy through hydro, solar and other green energy sources, by 2030. It also aimed at developing adequate and efficient transmission network in the State by creating transmission Master Plan to facilitate planning and timely execution of hydro and solar projects. It also lays stress on renewal energy sources viz. solar, wind, biomass and other non-conventional energy sources.

Current Trends in Inflation

In Himachal Pradesh, inflation has been moderate since 2014, Consumer Price Index-combined (CPI-C) inflation was 4.6 per cent in 2016-17 and 5.2 per cent in 2020-21. In current financial year, during the months of April-December, 2021, CPI-C was 6.0 per cent as compared to 5.3 per cent for the same period in 2020-21. In current Financial Year (2021-22), during April-December 2021, CPI-Rural and CPI-Urban indices were 6.1 and 5.2 per cent, respectively, as compared to 4.8 and 7.6 per cent in the corresponding period of 2020-21.

Trends in Expenditure on Social Services

Government has taken several initiatives to make education accessible to the students during this pandemic. COVID-19 has demonstrated the importance of investing and strengthening the public health system. The COVID-19 pandemic put the health infrastructure of Himachal Pradesh to a great test. The pandemic brought forth the inherent strengths of the medical fraternity in effectively managing the spread of the

disease. As of 29th January 2022, a total of 2,63,914 COVID positive cases were reported in Himachal Pradesh out of which 2,48,802 patients have recovered from the covid-19. But unfortunately 3,944 lives were lost. To combat this pandemic, Himachal has administered 1,19,20,817 vaccine doses up to 30th January 2022.

Himachal has seen significant increase in expenditure on social Services. The increase in expenditure on social services sector affirms the commitment of the government towards social well-being. The expenditure on social services (education, health and others) by the State as a proportion of Gross Domestic Product (GDP) depicted in the following table:

Trends in Social Service Sector Expenditure by State Government

Indicators	2016-17	2017-18	2018-19	2019-20	2020-21 (RE)	2021-22 (BE)
As percentage to GDP						
Expenditure on Social Services	8.48	8.28	8.54	8.36	10.29	9.72
i) Education	4.17	4.36	4.18	4.04	4.80	4.72
ii) Health	1.42	1.45	1.51	1.45	1.88	1.70
As percentage to total expenditure						
Expenditure on Social Services	29.52	32.95	32.36	30.90	30.17	33.91
i) Education	14.53	17.35	15.83	14.91	14.07	16.48
ii) Health	4.95	5.76	5.72	5.36	5.52	5.93
As percentage to Social Services						
i) Education	49.21	52.66	48.92	48.27	46.64	48.60
ii) Health	16.78	17.49	17.66	17.34	18.31	17.49

Major Fiscal parameters of State Government (As percentage of GSDP)

Item/ year	2017-18	2018-19	2019-20	2020-21 (RE)	2021-22 (BE)
Revenue Receipts	19.75	20.86	19.32	22.71	21.14
Tax Revenue (including central share)	8.60	8.76	7.73	7.86	8.45
Non- Tax Revenue	1.71	1.91	1.57	1.45	1.57
Total Expenditure	25.13	26.39	27.06	34.12	28.65
Revenue Expenditure	19.53	19.83	19.31	22.98	21.97
Capital Expenditure	2.71	3.09	3.25	3.63	3.43

Sustainable Development Goals

State has achieved 2nd rank in overall ranking along with Tamil Nadu in current SDG 3.0. Good Governance Index has been closely related with SDGs in which Himachal Pradesh has been assessed top performer among North East and Hill States.

Employment Scenario

Survey highlights the Periodic Labour Force Survey (PLFS) Report for 2019-20. This shows that Labour Force Participation Rate has increased from 52.8 per cent in 2018-19 to 57.7 per cent in 2019-20. A striking feature of the latest PLFS Report 2019-20 is a considerable increase in female workforce participation rate in the State from 44.6 per cent in 2018-19 to 50.3 per cent in 2019-20. Overall workforce participation rate also increased from 50.1 per cent 2018-19 to 55.6 per cent in 2019-20. The unemployment rate in the State declined from 5.2 per cent in 2018-19 to 3.7 per cent in 2019-20.

A digital version will be uploaded both in Hindi and English in public domain at [www.https://himachalservices.nic.in/economics/in](https://himachalservices.nic.in/economics/in).

-----x-----x-----x-----

