



**MANGAL ANALYTICS AND
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MARC Insights **Maharashtra In Pursuit** **of a \$1 Trillion Economy** **by 2028**

August 2024



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Conclusion

Overview: Maharashtra

Maharashtra is India's largest state economy contributing approx. \$0.5 Trillion to national GSDP in FY23. With India poised to become a \$5 Trillion economy in the near term, Maharashtra has taken on an aspirational target to achieve \$1 Trillion in GSDP by FY28.



Largest GDP

Maharashtra's GDP size is \$439 billion; accounting for 14% of India's GDP



Largest share of FDI

Accounted for 30% of the country's FDI inflows between April 2000 and March 2023



Highest Per Capita Income State

\$3,016 in 2022-23



Leader in Manufacturing

Maharashtra contributes to 13.8% of the industrial output in India



Leader in Exports

Maharashtra has the highest value of exports; accounting for 17.3% of India's exports



Mature Infrastructure

4 International & 13 Domestic airports, 2 major & 48 minor ports, and largest power generation capacity



Growing Digitalization

Largest base of Internet subscribers in India at 99.2 million with 130 million telecom subscribers



Best Colleges in India

One of leading states with 877 Engineering, 1046 Pharmacy, 328 Management Colleges and 944 IITs, 9 Textile Engineering Institutes.



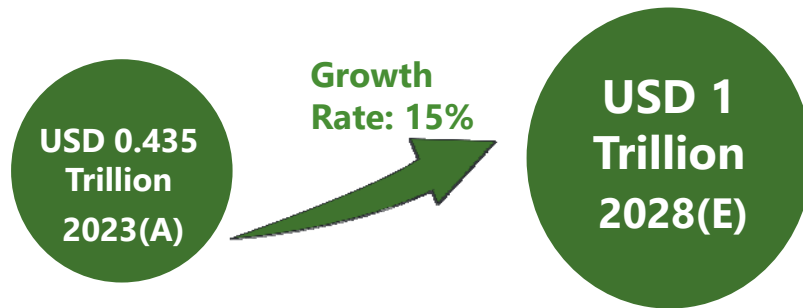
Best Quality Workforce

Maharashtra has the highest employable talent in India at 70%

Source: ibef.org, midcindia.org

Industry Growth, Vision, Sectoral Growth

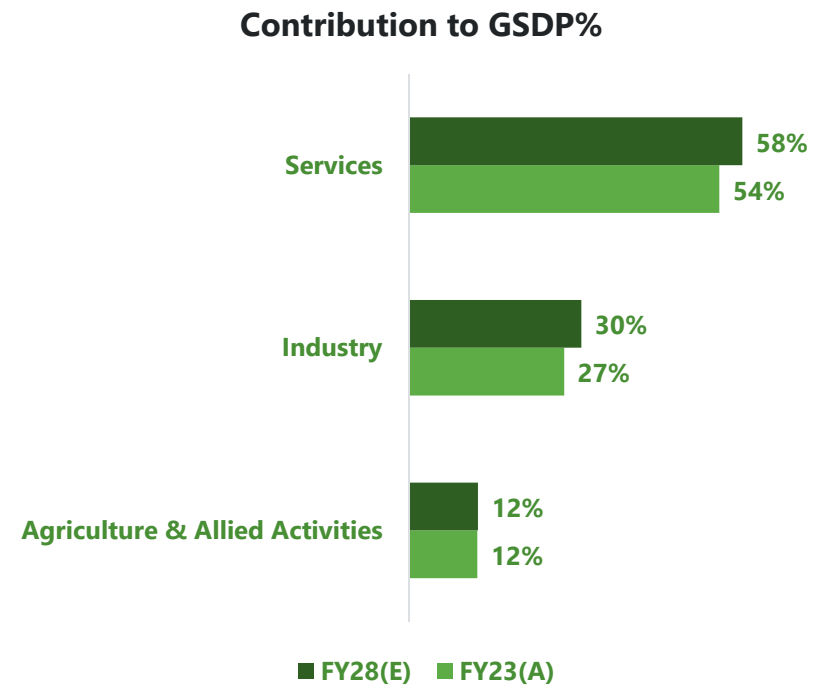
Industry Growth



Vision

Become \$1 Trillion economy, by identifying inclusive, sustainable economic growth opportunities and improving economic well-being and quality of life for all citizens.

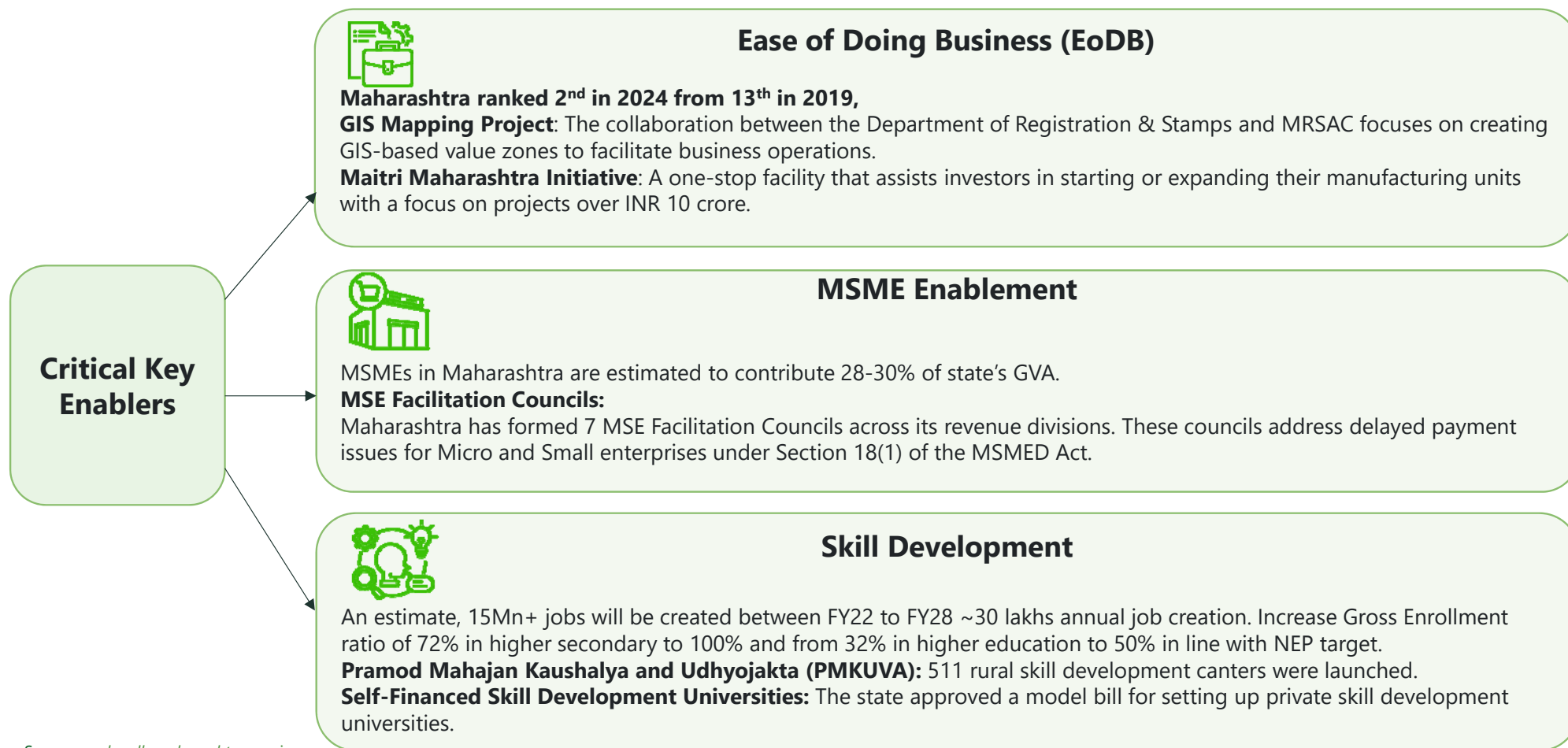
Sector wise growth aspiration



Source: pw.live, mahasdb.maharashtra.gov.in

Note: Sector wise growth aspiration for agriculture is not set high due to climate change & irrigation volumes.

Key Enablers for the Sector Growth



Source: mahasdb.maharashtra.gov.in

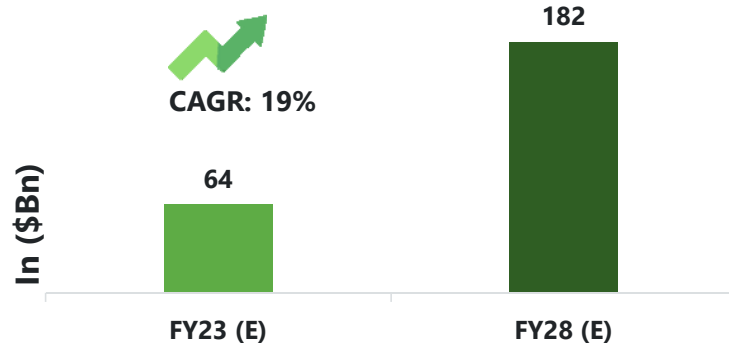
SECTOR WISE GROWTH IN MAHARASHTRA

Manufacturing

Maharashtra has been the largest contributor to India's manufacturing GVA.

Industry Growth

Manufacturing *GVA Target (FY28)



National Manufacturing Policy aims for 25% share of Manufacturing in overall GVA at India level by 2025, hence an aspirational target of achieving ~21% share of FY28 GVA has been taken by Maharashtra. Based on this, Maharashtra is targeting GVA of \$182Bn in FY28, which will contribute to 21% of overall GVA.

Growth Opportunities



Growth of existing industries – Concentrating on existing industries by helping them improve capacity utilization and adding new capacity.



Attracting new **OEs leverage existing cluster- Each OE will create a multiplier effect (e.g. by developing new vendor ecosystems)



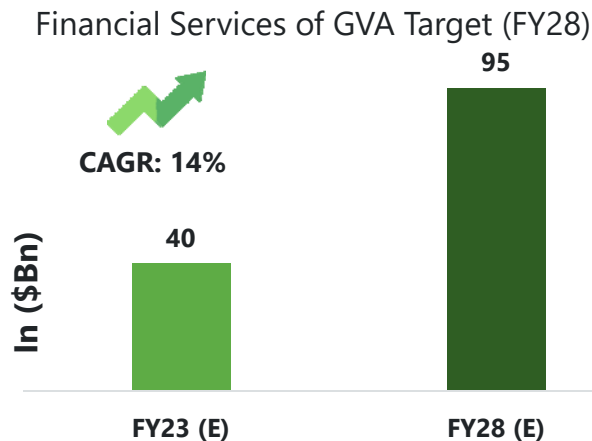
Leveraging Maharashtra's natural resource- For e.g. leverage iron and coal reserves in Vidarbha to develop industry across steel making, fabrication & forging, capital goods, auto components across the states, to pursue downstream opportunities across the value chain.

Source: mahasdb.maharashtra.gov.in, *GVA – Gross Value Added **OE – Original equipment

Services – Financial Services

Maharashtra leads the country with a 24% share in financial services GVA, supported by Mumbai's robust financial infrastructure housing key institutions like RBI, SEBI, NSE, BSE, as well as major banks, insurers, and wealth management firms.

Industry Growth



Growth Opportunities

Strengthen Maharashtra as a Financial Hub

1. Aiming to accelerate the development of financial centres focused on middle and back-office operations of domestic and global financial institutions.
2. Attracting global players looking to move out of international centres such as Hong Kong, London by marketing finance talent and existing ecosystem.

Boost penetration of Financial products in the State

1. Partnering with Fintechs to drive innovation in developing tailored crop loan products and government schemes
2. Creating focused schemes to channelise bank credit to self-help groups (SHG) and Joint Liability groups (JLG).
3. Introducing state level micro-credit programs- access to low income groups and women.

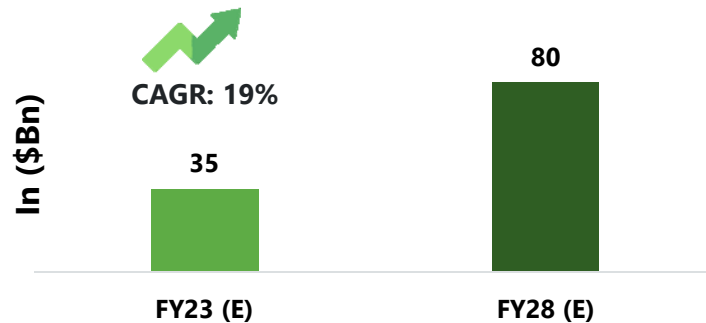
Source: mahasdb.maharashtra.gov.in, ibef.org

Services – IT and ITeS

IT and ITeS is a \$210 Bn industry in India of which Maharashtra contributes \$40 Bn in FY23(E). This industry has been a high driver of Indian exports, and a large employment generating industry

Industry Growth

IT & ITeS GVA Target for Maharashtra
(FY28)



Growth Opportunities



Target: Maharashtra as the AI Capital of India

Attracting firms and start ups working in Artificial Intelligence (AI), analytics & emerging areas like quantum computing to Tier 1 cities.



Target: Maharashtra to aim for 50% share from Tier 2 cities

Growing Basic IT services and Business Process Management in Tier 2 cities

Maharashtra Industrial Development Corporation (MIDC), CIDCO and Software Technology Park of India developed 37 public IT Parks, which are functioning in the state with an investment of \$2.5 Bn.

Source: mahasdb.maharashtra.gov.in, ibef.org

Services - Tourism



Maharashtra is one of the most popular tourist destination in India known for its vibrant culture, rich history, beautiful landscapes, and diverse attractions, located at the western ghats of India.

Key Tourism Highlights

- 5th** Most visited state in India with 111M annual visitations
- 2nd** Most visited Indian state by foreign nationals with 1.51M annual visitations
- 14%** of Foreign visitors start their journey from Mumbai

Key Tourism themes in Maharashtra: Agri Tourism, MICE & Urban, Beach & Adventure, Pilgrimage, Wild life & Ecological, Hill Stations, Culture & Heritage

Objectives for FY28

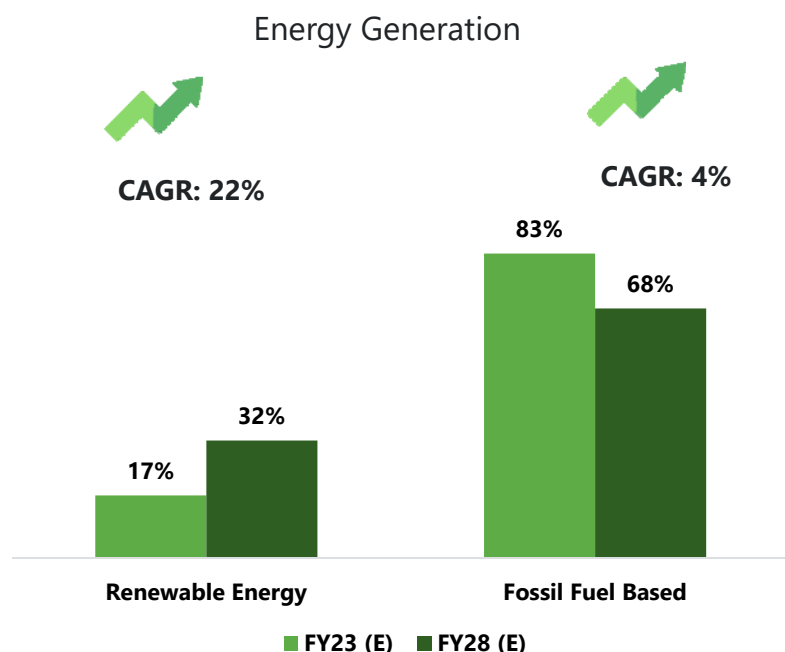
-  **3X Growth** in Tourism Receipts.
-  Create **Investments worth INR 1.3 Trillion**
-  Generate **1.5-2M new Jobs** (0.7-1M direct & 0.8-2M indirect)
-  **Mumbai in Top 25** cities in World by tourism GVA
-  **Digital tracking** of sectoral performance in the tourism industry

Source: mahasdb.maharashtra.gov.in, <https://tourism.gov.in/>

Energy, Renewable, and Sustainability

Total Energy generated in Maharashtra is estimated to be 135TWh in FY23, growing at a CAGR of 17% between FY14-22.

Industry Growth



Source: mahasdb.maharashtra.gov.in

Growth Opportunities

➤ **Generation:** Increase Renewables share via:

- Utility scale solar & wind parks
- Solarization of agriculture consumption
- Solar-wind hybrid projects
- Improve usage of existing thermal power infra.

➤ **Transmission & Distribution:** Improve quality and capacity of transmission & distribution via:

- Upgrade of grid infrastructure.
- Increase renewable energy usage via: Renewable Purchase Obligation (RPO) targets, compliance & Intra-state transmission charge waiver

➤ **Consumption:** Encourage consumption of renewable power via:

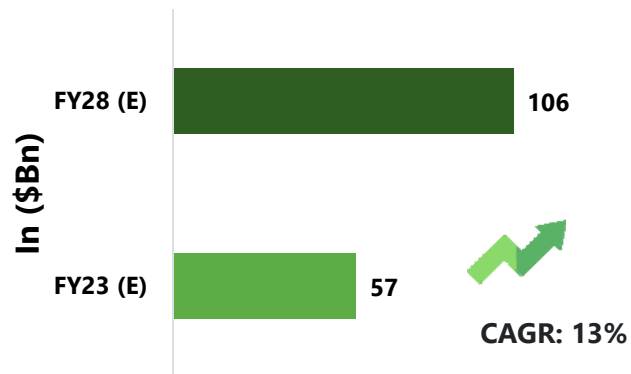
- Improved "Green Open Access"
- Demand curve shift to match RE supply curve,
- Virtual net-metering for government and public services consumers.

Agriculture & Allied

Maharashtra accounts for 12% of India's net sown area and contributes to 8% of India's agriculture GVA. The state is the 3rd largest in terms of Agriculture GVA.

Industry Growth

Agriculture GVA Target (FY28)



Growth Opportunities

➤ Grow for Maharashtra

(Addressing the state's need for high-quality agricultural products with increased efficiency.)

1. Consumption of agri-products growing at 8% and fruits at 10%.
2. Gaining self-sufficiency in high value agri-products.

➤ Grow for World

(Seize opportunities that Maharashtra can serve competitively)

1. Significant export potential especially for horticulture & aquaculture.
2. Targeting 50% share of India's Fruits &Vegetables export
3. Kick starting aquaculture.

➤ Contribute to Atmanirbhar Bharat

(Feasible opportunities to substitute imports)

1. 52% of India's agri-imports is vegetable oil, it has been increasing at 7.5% since 2008.
2. Targeting production of soyabean, groundnut

Source: mahasdb.maharashtra.gov.in

Take Away from Maharashtra by Other States

Skill Development



Maharashtra has emphasized skill development by utilizing central government initiatives, with the state government offering incentives and subsidies to local Trade and Retail associations to collaborate with training institutes. Other states, such as **Karnataka**, can consider this initiative as a model to follow.

Agricultural Reforms



States such as **Uttar Pradesh** can benefit from studying Maharashtra's agricultural reforms. It is essential for states to consider innovative agricultural practices, crop diversification, and initiatives for farmer welfare.

Public and Private Partnership



Partnerships between the government and private sectors are essential for fostering economic growth. Maharashtra's effective policies and business-friendly environment, which attract private investments, can serve as a model that **Other States** can benefit from as well.

Sustainable Policies

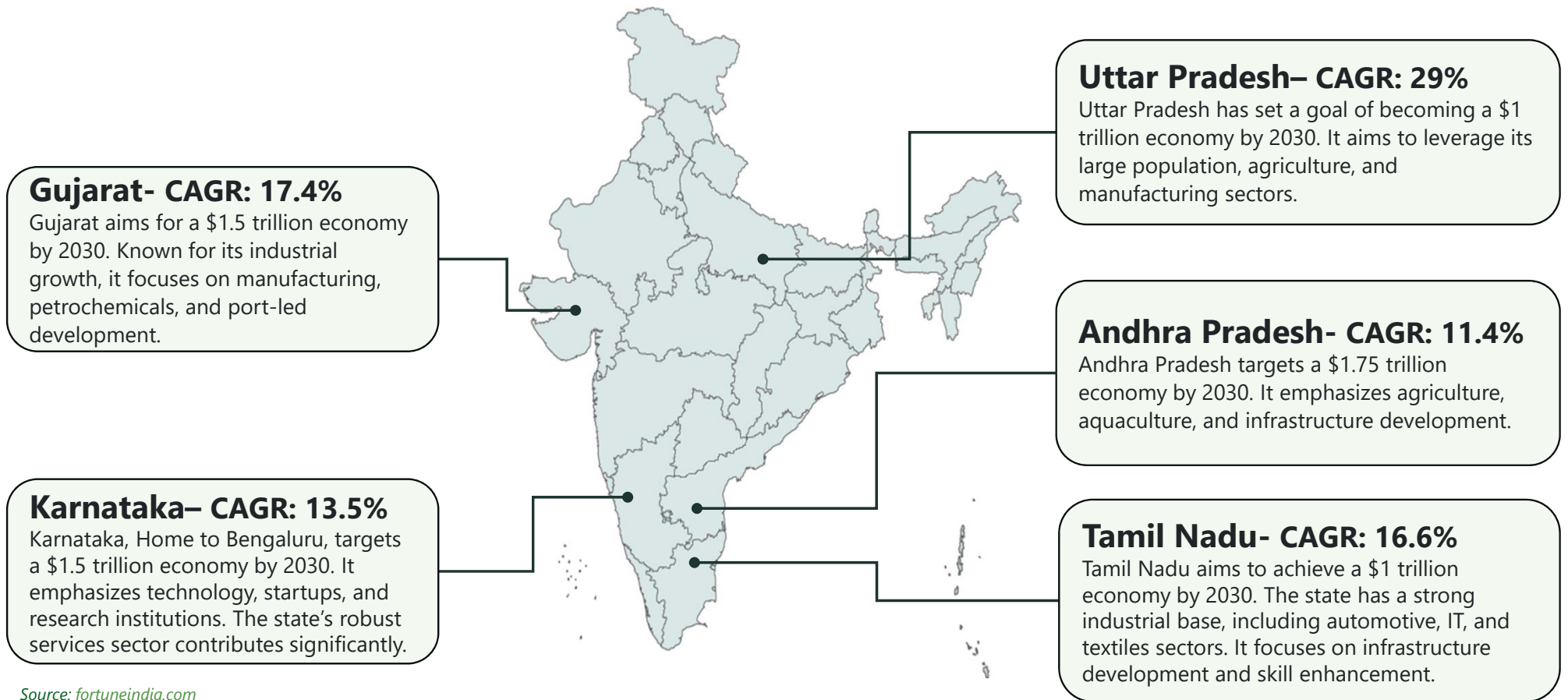


Tamil Nadu and Andhra Pradesh can look to Maharashtra as a model for sustainable policies such as solar and wind parks, green open access, and utilizing interstate transmission charge waivers.

Source: mahasdb.maharashtra.gov.in

OTHER STATES ON 1 TRILLION DOLLAR MISSION

Others States on 1 Trillion Dollar Mission





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