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The names and affiliations of all authors are provided below, following the references.

Growth and performance of GDP in India: A sectorial study

Meghasree P¹, Ranjit V Chavan², SV Bharati³, Sachin S More⁴, Tukaram B Munde⁵,
 Suvarna Choudhary⁶, Dheeraj T Pathrikar⁷

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ABSTRACT

Economic growth is an important indicator of a country's development, with Gross Domestic Product (GDP) reflecting the overall economic performance of an economy. This study examines the changing composition of India's GDP, sector-wise growth trends and the relationship between GDP and agriculture, industry and services during 1995–2024. The study is based on secondary data obtained from the World Development Indicators. Sectoral performance was analysed using Compound Annual Growth Rate (CAGR), Average Annual Growth Rate (AAGR), correlation analysis and the Cuddy-Della Valle Instability Index (CDVI). The findings indicate a clear shift towards a service-led economy. The services sector recorded relatively higher and more stable growth and showed a strong positive correlation with GDP (0.826), while agriculture and industry exhibited negative correlations of –0.605 and –0.626, respectively. Overall GDP instability was 8.93%, with agriculture recording the highest instability (9.06%), followed by industry (6.35%) and services (2.8%). Across the three periods, instability generally increased, particularly during Period III, when economic disruptions such as demonetisation, GST implementation, and the COVID-19 pandemic contributed to greater fluctuations. The results highlight the increasing importance and stability of the services sector in India's economic growth, while agriculture remains comparatively more vulnerable to climatic and market uncertainties.

Keywords: Gross Domestic Product, Agriculture, Industry, CAGR

1. Introduction

Economic growth plays an important role in determining the development path of a country. Gross Domestic Product (GDP) serves as the most comprehensive indicator of a nation's economic performance, reflecting the value of goods and services produced within an economy over a given period. In India, economic growth has not only been about expansion in output but also about changes in the structure of the economy, particularly in the composition of GDP. The growth and performance of Gross Domestic Product (GDP) serve as key indicators of a nation's economic health, structural transformation, and developmental progress (Jethwani *et al.*, 2021) [1]. In India, the economy has historically been agrarian, with agriculture as the mainstay of economic activity before independence, largely shaped by colonial policies. After independence, India adopted planned development and later economic reforms, which led to significant structural changes in the economy (Economic Survey, 2023–24) [2]. The Indian economy has undergone a gradual shift from agriculture-based activity toward industry and services, reflecting the dynamic contributions of the primary, secondary, and tertiary sectors (World Bank, 2023) [3].

Agriculture has been fundamental to India's development, historically supporting nearly three-fourths of the population living in villages and relying primarily on farming and allied activities for their livelihood (Sahoo *et al.*, 2012) [4]. Even after 79 years of independence, India is still regarded as an agrarian economy due to its high employment dependency. (OECD, 2023, MoSPI, 2024), and with 75 percent of the world's poor residing in rural areas and dependent on agriculture, the sector remains central to economic growth, poverty reduction, and environmental sustainability (UNDP, 2012). Agriculture continues to provide forward linkages to industries by supplying raw materials, backward linkages through generating demand for inputs such as fertilizers, tractors, and insecticides, and inter-sectoral linkages via labor and tax contributions, while agricultural exports help earn foreign exchange (Reddy *et al.*, 2018) [5]. Despite structural shifts, agriculture remains a dominant sector, with growth in other sectors and overall economic expansion closely linked to its performance (Tripathi & Prasad, 2010; Sastry, 2003) [6]. The sector has shown considerable progress over the years, moving from chronic food shortages in the 1960s to food self-sufficiency and even exports by the 1990s. During the XI Five-Year Plan, agriculture grew at an average rate of 3.3%, with a target of 4% growth in the XII Five-Year Plan, reflecting increasing domestic demand and changing consumption patterns (Rajeswari *et al.*, 2024) [7].

The industrial sector, contributing around 25–28% of GDP, is another key driver of the Indian economy, providing employment and stimulating the production of goods and services that support economic growth.

Corresponding Author: Meghasree P

Department of Agricultural
 economics, Vasantnaik
 Marathwada Krishi
 Vidyapeeth, Parbhani,
 Maharashtra, India

Manufacturing and construction have facilitated infrastructure development, exports, and foreign exchange earnings, which in turn strengthen national income and overall economic development (Reserve Bank of India, 2023) [8]. The debate over whether agriculture or manufacturing serves as the primary engine of growth has been long-standing (Singariya *et al.*, 2015) [9], but it is widely acknowledged that both agriculture and industry form the dual pillars of India's economic development (Sahoo *et al.*, 2012) [4].

The service sector has emerged as the dominant contributor to GDP, with services like information technology, finance, trade, transport, and communications playing a central role in driving economic growth (World Bank, 2023) [3]. During the period 1965–66 to 1979–80, the share of road transport in India's economy steadily increased from 5.8% to 7.4%, air transport rose from 0.2% to 0.6%, and storage services doubled from 0.2% to 0.4%. Banking and insurance also expanded, with banks' contribution to services rising from 1.7% to 2.5% and non-life insurance from 0.9% to 1.3%, driven largely by public sector-led initiatives, reflecting the government's active role in shaping the service economy (Amutha *et al.*, 2017) [10]. The sector's expansion has contributed to structural transformation, urbanization, and productivity gains, and is considered an engine of growth for the Indian economy.

Despite the declining share of agriculture in GDP—from 73.9% of the workforce in 1972–73 to 46.1% in 2023–24—it remains a critical sector due to its employment provision, linkage effects with industry, and contribution to national food security (Economic Survey, 2023–24; Kannan, 2012) [2]. Agriculture contributed about 55% to GDP in 1951–52; however, once the backbone of national income and employment, it has witnessed a declining share in GDP despite remaining crucial for livelihoods and food security (Kannan & Sundaram, 2010). The growth rates of agriculture and allied sectors have shown volatility, with fluctuations largely attributed to monsoon dependency and climatic conditions, highlighting the sector's sensitivity to environmental factors (Reddy *et al.*, 2018) [5]. Consequently, GDP data not only reflects economic strength but also helps assess sectoral contributions, predict trends like inflation, and guide policy measures for sustainable growth (Jethwani *et al.*, 2021) [1].

This paper aims to examine the composition of India's GDP and analyse sector-wise growth trends over time to identify key structural changes and their economic implications. Structural change is a central part of the development process and is closely linked with economic growth. It mainly refers to the gradual shift from the agriculture to manufacturing, along with a noticeable increase in the role of the service sector.

1.1 Objectives

1. To examine the change in composition of gross domestic product (GDP).
2. To study sector-wise growth trends in Indian economy.
3. To quantify relationship among the GDP and the selected sectors.
4. To measure the fluctuations in GDP growth.
5. To examine the relationship among the different sector contributing to GDP.

1.2 Scope of the study

The present scope of the study is within the borders of Indian economy and has considered only the selected sectors like Agriculture, Industry and Service.

2. Methodology

The study is based solely on secondary data collected from the World Development Indicators. The study covers a period of 30 years, from 1995–2024. Changes in the structure of GDP are examined through the percentage contribution of agriculture and allied activities, industry, and the service sector. Sectoral growth performance is assessed

using the compound annual growth rate (CAGR) and the average annual growth rate (AAGR). The entire study period is classified into three sub-periods: Period I (1995–2004), Period II (2005–2014), and Period III (2015–2024) respectively.

The present study adopts a methodology similar to that used by Mangal *et al.* (2012) [11] in their analysis of GDP composition and sector-wise growth trends. Following are the methods which have been applied to measure economic growth.

2.1. Simple growth rate

$$Y_n = Y_0 + \frac{Y_0 \times r \times n}{100}$$

$$r = \frac{(Y_n - Y_0) \times 100}{Y_0 \times n}$$

Where,

Y_n = GDP at the end of the period

n = length of the period

r = rate of economic growth.

B. Compound Growth Rate:

$$Y = ab^t e^u$$

Where $b = 1 + r$ and r is the compound growth rate.

Y = gross domestic product (GDP)

t = time

The logarithmic transformation of the above function gives:

$$\log Y = \log a + t \log b + u$$

And the values of $\log a$ and $\log b$ have been estimated using the following two normal equations:

$$\sum \log Y = n \log a + \log b \sum t$$

$$\sum t \cdot \log Y = \log a \sum t + \log b \sum t^2$$

As equation (4) is a log-linear function, therefore, CAGR has been computed by using following formula:

$$CAGR(r\% = AL(\log b) - 1) \times 100$$

2.2 Correlation

$$r = \frac{\text{cov}(x, y)}{\sqrt{\text{Var}(x) \cdot \text{Var}(y)}}$$

Where,

Y = Gross Domestic Product (GDP)

X = Sector-wise GDP (Agriculture, Industry, Services.)

$\text{Cov}(X, Y)$ = covariance between sectoral output (X) and GDP (Y)

$\text{Var}(X)$ = variance of sectoral output

$\text{Var}(Y)$ = variance of GDP

r = correlation coefficient

2.3 Cuddy-Della instability index (CDII)

The Cuddy–Della Valle Instability Index (CDII) is commonly used to measure instability in time-series data. It is regarded as a more reliable measure than the simple coefficient of variation because it accounts for the effect of long-term trends present in the data. By ad

justing the variability for the influence of the time trend, it provides a more accurate estimate of instability in the variable being studied.

In the present study, the Cuddy–Della *Valle* instability index is used to measure the extent of fluctuations in GDP, agriculture, industry, and the service sector over the study period.

Cuddy-Della Instability Index (CDII) is given as,

$$CDII = CV \times \sqrt{1 - R^2} \quad (\text{Kumar et al., 2018})^{[12]}$$

Where,

$$CV = \text{Coefficient of variation} = \frac{\sigma}{\bar{Y}} \times 100$$

σ - denotes the standard deviation of the variable (GDP, agriculture, industry, or services)

$\bar{Y}$ represents the mean value of the variable

R^2 - Coefficient of determination from a time trend regression adjusted for its degree of freedom.

2.4 Multiple regression

The relationship between Gross Domestic Product and the major sectors of the economy can be estimated using the following multiple regression equation:

$$GDP_t = \beta_0 + \beta_1 AGR_t + \beta_2 IND_t + \beta_3 SER_t + \varepsilon_t$$

Where:

- GDP_t = Gross Domestic Product in year t (dependent variable)
- AGR_t = Agriculture sector output/value in year t
- IND_t = Industry sector output/value in year t
- SER_t = Service sector output/value in year t
- β_0 = Intercept (constant term)
- $\beta_1, \beta_2, \beta_3$ = Regression coefficients measuring the impact of each sector on GDP
- ε_t = Error term capturing other factors affecting GDP

3. Result and Discussion

GDP composition refers to the share or contribution of various sectors to a country's gross domestic product. The sectoral composition of GDP from 1995 to 2024 shows a clear structural transformation of the

economy. The share of agriculture, forestry, and fishing declined steadily from 24.46% in 1995 to 16.29% in 2024, indicating a gradual reduction in dependence on agriculture. The industrial sector initially showed improvement, increasing from 28.6% in 1995 to a peak of around 31% during 2008–09, but subsequently experienced a decline, falling to 24.63% by 2024, reflecting issues such as industrial slow-down and weak manufacturing growth. In contrast, the services sector recorded consistent and robust growth, rising from 37.85% in 1995 to nearly half of GDP at 49.87% in 2024, making it the dominant contributor throughout the period. Overall, the data highlights a shift from an agriculture-based economy towards a service-led growth pattern, with relatively limited expansion of the industrial sector.

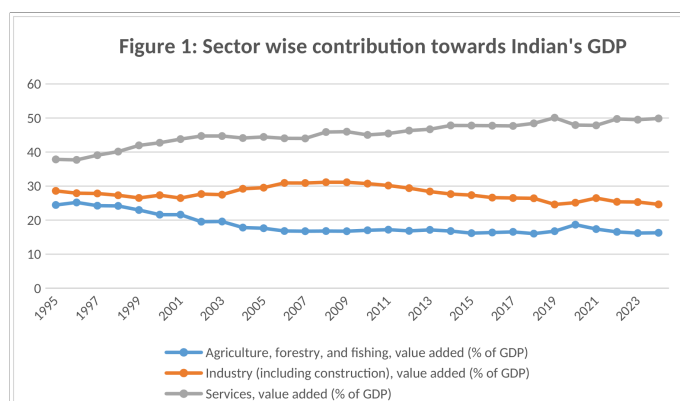
Source: World Development Indicators

Table 1. Sector-wise Composition of India's Gross Domestic Product (in percent)

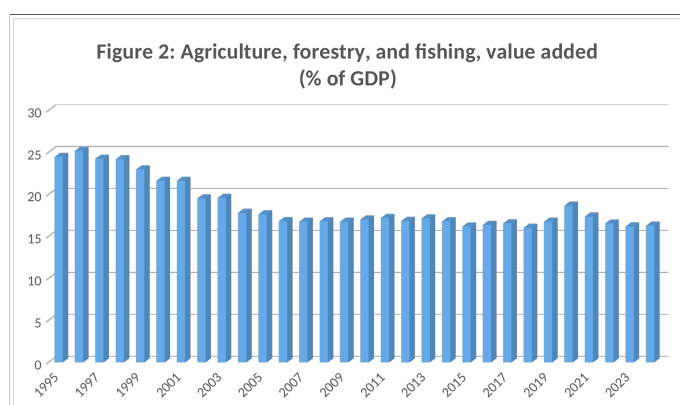
YEAR	Agriculture, forestry, and fishing, value added (% of GDP)	Industry (including construction), value added (% of GDP)	Services, value added (% of GDP)
1995	24.46	28.6	37.85
1996	25.2	27.91	37.71
1997	24.25	27.84	39.08
1998	24.18	27.3	40.13
1999	22.97	26.52	41.97
2000	21.61	27.33	42.73
2001	21.62	26.49	43.81
2002	19.53	27.66	44.73
2003	19.59	27.47	44.7
2004	17.81	29.22	44.11
2005	17.62	29.53	44.44
2006	16.81	30.93	44.04
2007	16.75	30.9	44.01
2008	16.79	31.14	45.88
2009	16.74	31.12	45.98
2010	17.03	30.73	45.03
2011	17.19	30.16	45.44
2012	16.85	29.4	46.3
2013	17.15	28.4	46.7
2014	16.79	27.66	47.82
2015	16.17	27.35	47.78
2016	16.36	26.62	47.75
2017	16.56	26.5	47.67
2018	16.03	26.41	48.43
2019	16.76	24.59	50.08
2020	18.67	25.12	47.93
2021	17.37	26.47	47.85

(continued on next page)

YEAR	Agriculture, forestry, and fishing, value added (% of GDP)	Industry (including construction), value added (% of GDP)	Services, value added (% of GDP)
2022	16.55	25.38	49.73
2023	16.19	25.3	49.51
2024	16.29	24.63	49.87



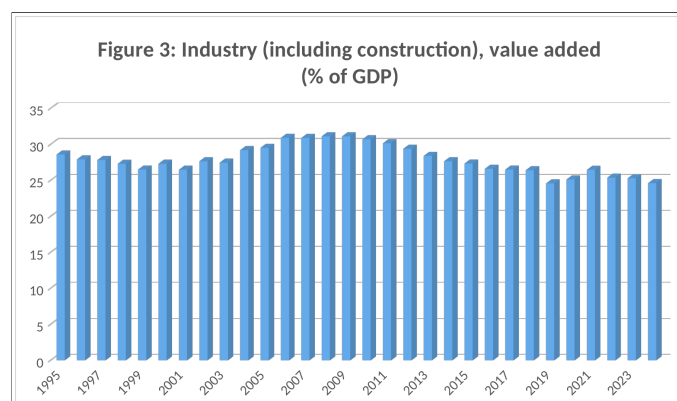
Source: World Development Indicators



Source: World Development Indicators

The above graph shows that the share of agriculture, forestry, and fishing in GDP has gradually reduced over time. In 1995, the sector accounted for around 25–26 percent of GDP, but this proportion consistently declined as other sectors expanded more rapidly. By the mid-2000s, its contribution had fallen to about 17 percent and remained almost stable for several years. Agricultural growth during the early 1950s was marked by considerable volatility due to its heavy dependence on monsoon rainfall and persistently low productivity (Planning Commission, 1956) [13]. Such structural weaknesses continued for decades, as Sadhu and Singh (1994) emphasize that fragmented landholdings, low productivity, inadequate infrastructure, and slow adoption of modern inputs prevented agriculture from developing. Similarly, Kannan and Sundaram (2012) note that low productivity, traditional farming methods, fragmented landholdings, and limited mechanization contributed to the slow growth of agriculture. These persistent structural constraints limited the sector's ability to expand at the same pace as industry and services. The 1991–92 balance of payments crisis reduced public investment and institutional support to agriculture, thereby weakening its growth momentum. Later, demonetisation in 2016 created a cash shortage in rural areas, disrupting input purchases, labour payments, and mandi transactions, which temporarily reduced farm income and output, especially for small and marginal farmers (RBI, 2017). In 2017, the introduction of GST increased the costs of fertilizers, machinery, transport, and storage, affecting profitability during the period

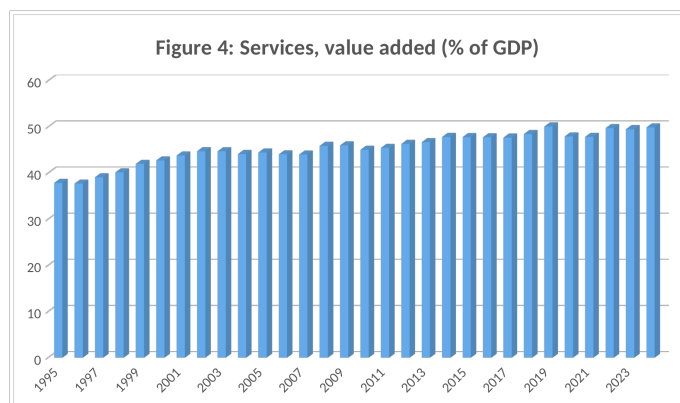
(Government of India, 2018). Despite these constraints, policy initiatives such as the National Agriculture Policy (2000) and the National Food Security Mission significantly boosted food grain production, which crossed 300 million tonnes. However, the sector's share in GDP declined. The 2020 farm laws, which were introduced to liberalize markets, were repealed while the Essential Commodities (Amendment) Act, 2020 and e-NAM/APMC changes have seen limited impact due to price volatility, trust issues, and uneven adoption (Government of India, 2021; Ministry of Agriculture, 2020). However, by 2023, the share again declined to nearly 15 percent, highlighting the long-term shift of the economy away from agriculture.



Source: World Development Indicators

The graph shows that the share of industry (including construction) in India's GDP has undergone significant changes over time. In the mid-1990s, industry contributed around 28–29 percent to GDP and gradually expanded, reaching a peak of nearly 32–33 percent by the late 2000s. However, after 2010, its share began to decline steadily, falling to about 25–26 percent by 2023. This long-term movement reflects the broader structural transformation of the Indian economy. In the early years after independence, excessive reliance on the unstable agricultural sector often resulted in fluctuations in national income. Recognising these structural weaknesses, policymakers shifted their focus toward industrialisation and infrastructure development during the Second Five-Year Plan (1956–1961), guided by the Mahalanobis strategy, which emphasised heavy industries and public sector enterprises to ensure stable growth, capital formation, and reduced dependence on agriculture (Mahalanobis, 1955; Planning Commission, 1956) [14, 13]

Despite these efforts, industrial growth faced constraints during the 1980s due to the Licence Raj regime, import restrictions, and limited technological access, which discouraged private investment. The manufacturing sector witnessed a remarkable expansion between 2004 and 2008, often described as a golden phase when growth exceeded 10 percent, but the momentum was disrupted by the global financial crisis, which slowed industrial growth to around 5 percent. Later, the Non-Banking Financial Company (NBFC) and banking crisis of 2018 further reduced the availability of credit and weakened industrial investment. In recent years, initiatives such as Make in India, the Production Linked Incentive (PLI) scheme, and supportive measures for the IT sector have aimed to strengthen and boost manufacturing, enhance industrial output, and attract foreign direct investment



Source: World Development Indicators

The above graph clearly shows a steady and sustained rise in the share of the services sector in India's GDP over time. In 1995, services contributed around 38–39 percent of GDP. This proportion increased gradually through the late 1990s and early 2000s, reaching nearly 45 percent by the mid-2000s. After a brief phase of stability, the upward trend continued, and by 2023, services accounted for approximately 50–51 percent of GDP. This consistent increase highlights the long-term structural transformation of the Indian economy towards a service-led growth pattern.

A major turning point in this transition was the 1991 Liberalisation, Privatisation and Globalisation (LPG) reforms, which shifted India towards a market-oriented economic system. These reforms accelerated GDP growth, attracted higher foreign direct investment (FDI), reduced inflation, and improved overall economic efficiency. As service sector productivity increased and service trade expanded, the contribution of services to GDP rose rapidly (Verma, 2008) [15]. At the same time, earlier developments in internal trade and infrastructure

also laid a strong foundation for service sector expansion. Reforms in transport and communication — including the expansion of railways, construction of steamships and canals, development of the telegraph, and later the rapid growth of telecom and logistics infrastructure — along with rising urban demand, significantly contributed to service sector growth (Gordon & Gupta, 2003). More recently, initiatives such as Digital India and ongoing financial sector reforms have further accelerated expansion in information technology (IT), telecommunications, banking, and digital services (Ministry of Electronics and Information Technology [MeitY], 2023; Reserve Bank of India). To examine the sector-wise growth trends of the Indian economy, the Compound Annual Growth Rate (CAGR) and Average Annual Growth Rate (AAGR) have been computed for three distinct periods i.e., period I (1995–2004), period II (2005–2014), period III (2015–2024) as shown in the table 5. These periods capture variations in growth performance across GDP and major sectors such as agriculture and allied activities, industry and services, thereby reflecting the structural changes in the economy over time.

The growth performance of GDP remained positive during all the three periods under study. The CAGR of GDP was 10.76%, 14.95%, 9.86% for period I, period II and period III respectively while AAGR of GDP was 16.42%, 24.23%, and 14.05% respectively. The CAGR and AAGR of GDP were relatively high in period II, indicating accelerated economic growth during this phase.

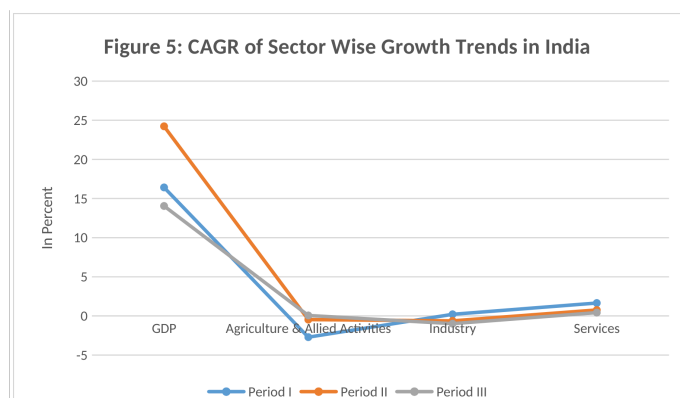
CAGR and AAGR of agriculture and allied activities show a gradual increase from period I to period III. During period I it has exhibited negative growth, as indicated by both CAGR and AAGR values. In period II, the decline in agricultural growth reduced significantly with growth rates remained around zero. However, in period III it showed marginal improvement by registering slightly positive CAGR and AAGR values. Industry sector registered a CAGR of -0.00%, -0.93%, and -0.89% indicating weak growth performance throughout the study period.

Table 2. Sector-wise Growth Trends:

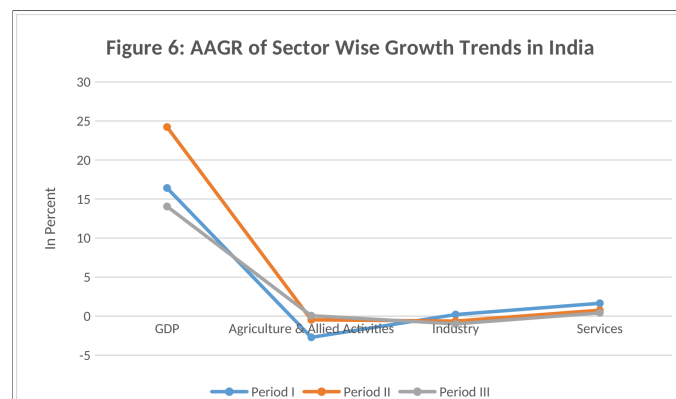
Sectors	Period I		Period II		Period III	
	CAGR	AAGR	CAGR	AAGR	CAGR	AAGR
GDP	10.76	16.42	14.95	24.23	9.86	14.05
Agriculture & Allied Activities	-3.62	-2.71	-0.10	-0.47	0.20	0.06
Industry	-0.00	0.21	-0.93	-0.63	-0.89	-0.99
Services	2.15	1.65	0.77	0.76	0.46	0.43

Source: Authors own estimates

In contrast, the service sector recorded positive growth across all the three periods. Service sector registered a CAGR of 2.15% in period I, 0.77% in period II and 0.46% in period III. The consistent positive growth of the service sector highlights its dominant role in driving GDP.



Source: Author's own estimates



Source: Author's own estimates

For the above study correlation between the sectors such as agriculture, industry and the service sectors were considered and the transformation in the sectors and its effects on GDP is examined. From the table it is observed that agriculture shows a very weak negative correlation with industry (-0.063), indicating minimal association between these two sectors. However, agriculture has a strong negative correla

tion with services (-0.881), Industry also exhibits a moderate negative relationship with services (-0.381).

Table 3. Correlation Analysis between Agriculture, Industry and Services Sectors.

	Agriculture, forestry, and fishing, value added (% of GDP)	Industry (including construction), value added (% of GDP)	Services, value added (% of GDP)	GDP
Agriculture, forestry, and fishing, value added (% of GDP)	1			
Industry (including construction), value added (% of GDP)	-0.063	1		
Services, value added (% of GDP)	-0.881	-0.381	1	
GDP	-0.605	-0.626	0.826	1

Overall GDP: Agriculture (-0.605) and industry (-0.626) both display a moderate negative correlation, implying that their relative contributions decline as GDP increases. Services show a strong positive correlation with GDP (0.826) highlighting the dominant role of the service sector in driving economic growth. Overall, the results indicate a clear structural transformation of the economy from agriculture and industry towards a service-led growth pattern.

As per the CDVI, the instability in overall GDP growth is 8.93%. When sector-wise instability is examined, agriculture records the

highest instability at 9.06%, followed by industry with 6.35%, while the service sector shows the lowest instability at 2.8%. The relatively higher instability in agriculture can largely be attributed to its dependence on monsoon conditions, climatic variations, and price fluctuations. In contrast, the service sector demonstrates greater stability due to its diversified structure and growing dominance in overall economic output (Padmapriya *et al.*, 2024) [16].

Table 4. Sector wise instability analysis of GDP:

Particulars		Period I	Period II	Period III	Overall
GDP	SD	631033.3	3047959	6371470.31	9345174.86
	Mean	2083286	7469464	21813218.3	10455322.5
	CV	0.30	0.40	0.29	0.89
	CDVI(%)	3.02	4.08	5.50	8.93
Agriculture, forestry, and fishing, value added (% of GDP)	SD	2.50	0.28	0.79	2.93
	Mean	22.12	16.97	16.69	18.59
	CV	0.11	0.01	0.04	0.15
	CDVI(%)	3.20	1.63	4.72	9.06
Industry (including construction), value added (% of GDP)	SD	0.83	1.22	0.94	1.99
	Mean	27.63	29.99	25.83	27.82
	CV	0.03	0.04	0.03	0.07
	CDVI(%)	3.21	2.98	2.46	6.35
Services, value added (% of GDP)	SD	2.78	1.22	1.00	3.40
	Mean	41.68	45.56	48.66	45.30
	CV	0.02	0.02	0.02	0.07
	CDVI(%)	2.00	1.31	1.52	2.81

During Period I, the instability in GDP was 3.02%, while agriculture recorded 2.50%, industry 3.2%, and services 2.0%. These results indicate that, compared with the other sectors, the industrial sector experienced slightly higher fluctuations. This can be linked to the transitional effects of the post-1991 economic liberalisation, during which industries were adjusting to increased competition, adapting to rapid technological changes, and responding to shifting market demands.

In Period II, the instability in GDP increased to 4.08%, while agriculture recorded an instability value of 1.66%, industry 2.98%, and services 1.3%. The findings suggest that both agriculture and the service sector experienced relatively stable growth during this phase. This period is often referred to as an “agricultural recovery phase” (Dalwai Committee, 2017) [17]. The agricultural sector remained relatively stable due to sustained institutional support, including Minimum

Support Prices (MSP), government procurement programmes, and gradual improvements in irrigation facilities and crop technology.

During Period III, the level of instability increased further across the economy. The instability value for GDP rose to 5.08%. Among the sectors, agriculture recorded an instability value of 4.72%, while industry and services showed comparatively lower values of 2.46% and 1.52%, respectively. Economic disruptions such as the 2016 demonetisation, the introduction of the Goods and Services Tax (GST), and the COVID-19 pandemic contributed to increased uncertainty within the agricultural sector (Dev & Sengupta, 2020; Narayan & Saha, 2020) [18].

The coefficient for Agriculture, Forestry and Fishing is -1,857,794.485, Indicating a negative relationship with GDP. This suggests that when the agriculture sector increases by one unit, GDP de

creases by about 1,857,794.485 units, assuming the other variables remain constant. Similarly, the coefficient for Industry (including construction) is -2,989,198.613, which also shows a negative relationship

with GDP. Meaning that a one-unit increase in the industry sector is associated with a decrease in GDP of approximately 2,989,198.613 units, while keeping the other variables constant.

Table 5. Summary output of regression analysis:

Particulars	Coefficients	Standard Error	t Stat
Intercept	119552228.51	113017515.18	1.06
Agriculture, forestry, and fishing, value added (% of GDP)	-1857794.48	1407591.10	-1.32
Industry (including construction), value added (% of GDP)	-2989198.61*	1062102.88	-2.81
Services, value added (% of GDP)	190250.68	1308858.56	0.15

Note: * denotes level of significance 5%

** denotes level of significance 1%

In contrast, the coefficient for Services is 190,250.6756, showing a positive relationship with GDP. This indicates that an increase of one unit in the services sector leads to an increase in GDP by around 190,250.6756 units, assuming other variables remain unchanged. However, when considering the *p*-values, only Industry (including construction) is statistically significant in explaining GDP, as its *p*-value (0.009) is less than 0.05.

3. Conclusion

The present study is an attempt to analyse the sectoral contribution of India's GDP and its trends during the period 1995-2024. The overall analysis of sector-wise growth trends and correlation results revealed a clear structural transformation of the economy towards a service-led growth model. The services sector showed consistently higher and stable growth across all periods and maintains a strong positive correlation with GDP (0.826), confirming its dominant role in driving economic expansion. In contrast, agriculture and industry exhibit low, volatile, and often negative growth rates, along with negative correlations with GDP (-0.605 and -0.626 respectively), indicating their declining relative contribution. Further, the instability analysis using the Cuddy-Della Valle Index (CDVI) also supports these findings. The overall instability in GDP growth is 8.93%, while agriculture records the highest instability (9.06%), followed by industry (6.35%), and the services sector shows the lowest instability (2.8%).

During 1995–2000, GDP growth was mainly supported by agriculture and industry, with agriculture contributing about 25–26 per cent of GDP. Between 2000 and 2008 the Indian economy experienced strong growth, particularly in the services sector, which expanded rapidly and became the leading contributor to GDP. The global financial crisis of 2008–2009 slowed industrial growth, though services remained relatively stable. From 2010 to 2014, services continued to strengthen, while the share of industry started stagnating and agriculture showed fluctuating growth due to climatic and structural factors. The COVID-19 pandemic in 2020–2021 caused a sharp GDP contraction, severely affecting industry and trade, **while agriculture remained relatively resistant**. In the recent period from 2015 to 2024, the services sector dominated GDP growth, agriculture's share declined to around 15–16 percent, and industry showed moderate recovery, highlighting a long-term shift towards a service-led economy.

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Authors

Meghasree P

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India

Ranjit V Chavan

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India

SV Bharati

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India

Sachin S More

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India

Tukaram B Munde

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India

Suvarna Choudhary

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India

Dheeraj T Pathrikar

Department of Agricultural economics, Vasantao Naik Marathwada Krishi Vidyapeeth, Parbhani, Maharashtra, India