



Contribution Of Major Economic Sectors In Gsdp Of Jammu And Kashmir- An Analysis

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ABSTRACT

The pillars of Jammu and Kashmir's economy are agriculture, industry, and services. Despite bottlenecks and uncertainties, the economy of Jammu and Kashmir has consistently grown at an average annual pace of 5-7 percent over a secular period. The solid human development parameters of this region have been better than many states in the nation over the past three decades of growing uncertainty. Comparing the recent past and the present reveals that economic growth has slowed down, presumably as a result of the uncertainty brought on by lockdowns, COVID-19, etc. this study is an attempt to analyse the progress trend of 3 major sectors economy at (constant 2011-12) Prices and at current prices as well as their contribution in GSDP of the Jammu and Kashmir. The study is fully based on secondary source of data. The findings of the study shows that there have been significant changes in the sectoral composition of state income. During the last 50 years, the primary sector's share has steadily decreased from 17.47% in 2011-12 to 16.05% in 2017-18 (advance estimates), the secondary sector's share has decreased from 28.09% to 27.88% in 2017-18 (advance estimates), while the services sector's share has increased from 54.44% to 56.07% in 2017-18 (advance estimates). And it was also analysed that in 2012-13 the GSDP of the J&k was estimated 19.11% at current price, which continuously shows a declining trend with a percentage of 14.90% in 2013-14, 11.86% in 2014-15, 11.35% in 2015-16, 9.73% in 2016-17, 6.55% in 2017-18, 6.18% in 2018-19, 3.46% in 2019-20 and 2.87% in 2020-21 respectively. On constant price (based 2011-12) the growth percentage also shows a declining trend from 2012-13 which was estimated 17.76%, followed by 9.16% in 2013-14, 6.37% in 2014-15, 3.21% in 2015-16 so on. During 2019-20 and 2020-21 the growth of GDSP was affected mostly because of political instability and covid-19 like situations.

Keywords: Economic Sectors, Agriculture, Horticulture, Tourism, Transportation and Communication, GSDP, GDP.

1. INTRODUCTION

1.1 Conceptual framework of Economy of Jammu and Kashmir:

The economy of Jammu and Kashmir is mostly reliant on agriculture and allied industries. Sericulture and cold-water fishing are other industries in the Kashmir valley that are well-known. High-quality cricket bats, often known as Kashmir Willow, are made from Kashmiri wood. Saffron from Kashmir is very well known and provides the region with a sizable amount of foreign exchange. Apples, barley, cherries, corn, millet, oranges, rice, peaches, pears, saffron, sorghum, vegetables, and wheat are among the agricultural products exported from Jammu and Kashmir, while handicrafts, rugs, and shawls are examples of manufactured goods. The growth of the state's economy depends heavily on horticulture. This industry is the state's second-largest source of revenue, with an annual turnover of about Rs. 300 crore and foreign exchange of over Rs. 80 crores. The wealthiest region in the state is Kashmir, which is well-known for its horticulture industry. [60] Among the state's agricultural products are apples, apricots, cherries, pears, plums, almonds, and walnuts. Deposits of top-quality sapphire can be found in the Doda area. Despite being small, the manufacturing and service sectors are expanding quickly, particularly in the Jammu division. Many retailers have established production facilities in the area in recent years. As a result, it is collaborating with the federal and state governments to establish industrial parks and special economic zones. The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has identified a number of industrial sectors that can draw investment to the state. Exports from the state totalled Rs. 1,150 crores for the fiscal year 2005–2006. A severe hilly terrain and a lack of power are two significant obstacles to industrial development in the state.

The Indian government is eager to economically reunite Jammu and Kashmir with the rest of the country. The state receives grants around \$ 812 million annually from New Delhi, making it one of the largest receivers. It also has one of the lowest rates of poverty in the nation, at just 4%. The ambitious Kashmir Railway project, which will cost more than US\$2.5 billion to build and is being built by Konkan Railway Company and IRCON, has officially started construction under the direction of the Indian government in an effort to strengthen the state's infrastructure. Based there is the Jammu & Kashmir Bank, one of the S&P CNX 500 conglomerates. In 2008, it revealed a net profit of Rs. 598 million. The Kashmir valley has seen a massive rise in tourism, and in 2009 the state ranked among the top travel destinations in India. The world's highest green golf course is located in Gulmarg, one of India's most well-known ski resort destinations. Yet, the state's economy, particularly tourism, has grown as a result of the decline in violent crime. <https://jk.gov.in/jammukashmir/>

1.2 Major Economic Sectors in Jammu and Kashmir:

1. Agricultural Sector:

The economy of Jammu and Kashmir is largely dependent on traditional occupations. The state is impacted by ongoing conflict and insurgency, and Jammu and Kashmir's economy

is still in its infancy. The indigenous traditional vocations of farming, animal husbandry, and horticulture form the basis of the economy in Jammu and Kashmir, which remains unspoiled and unmodified by contemporary industrial advancements and changing times. In the state, where 49% of the working population directly depends on agriculture for their livelihood and 70% of the population relies on it, the slow growth of the sector and its linked industries is a major source of worry. Industrialization is regarded as a contemporary strategy for regional development. Yet, J & K has been unable to draw in investments in this field and has remained a state with a low level of industrial development as a result of its distinct economic disadvantages brought on by isolation, poor connectivity, and most significantly, political unpredictability.

2. Horticulture Sector: Horticultural products from J&K State are well-known both in India and abroad. The state has good potential for growing horticultural crops, including a range of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry, and subtropical fruits like mango, guava, in addition to medicinal and aromatic plants, floriculture, mushroom, plantation crops, and vegetables. In addition to this, the state also has several areas where popular spices like saffron and black zeera are grown. As a result, the state's conception of horticultural development has undergone a noticeable change. Horticulture has about 7 lakh families, or about 33 lakh individuals, who are either directly or indirectly involved. One of the focus areas is horticulture development, and several programmes have been carried out in the past to raise rural residents' earnings and enhance the standard of living in villages.

Several government programmes, including the Prime Minister's Developmental Package, the High-Density Plantation Program, and the Mission for Integrated Development of Horticulture, can be credited with the sector's expansion. In accordance with these programmes, emphasis is placed on the creation of High-Density Orchards, improved post-harvest management through the construction of Fruit Mandies, and the development of Controlled Atmospheric Storage Facilities, in addition to the construction of Fruit/Vegetable Processing Units, technological assistance, awareness/publicity campaigns, research and extension, etc. In J&K State, apples are the most significant fruit crop; according to the 2016–17 Horticulture Census, 48% of the area is covered by apple plantings. It is significant in terms of production (17.26 lakh Mts.) and offers the greatest marketable surplus of prefalls and culled apples, which accounts for a sizeable quantity of about 5.18 lakh Mts. that must be utilised as raw material for the processing industry. This surplus includes approximately 30% of A-grade, 40% of B grade, and 30% of C grade. The increased output brought about by different development initiatives produced some positive outcomes, and during 2016–17, we reported exports of around Rs. 6500 crores. 3.38 lakh hectares of land were planted with fruit in J&K State in 2016–17, up from 2.95 lakh hectares in 2007–08. From 16.36 lakh MT in 2007–08 to 22.35 lakh MT in 2016–17, the production has increased.

Table 1.1

Area, Production & Productivity of fruits (All fruits) J&K State				
Year	Kind of fruit	Area	(Lakh Ha)	Productivity
		(Lakh Ha)	(Lakh MTS)	Per Hect.
2014-15	Fresh	2.44	14.55	5.96
	Dry	1.12	2.57	2.29
	Total	3.56	17.12	4.76
2015-16	Fresh	4.76	22.18	9.16
	Dry	0.96	2.76	2.87
	Total	3.38	24.94	7.38
2016-17	Fresh	2.42	19.59	8.09
	Dry	0.97	2.76	2.84
	Total	3.38	22.35	6.59

Source: Economic Survey 2017

3. Industrial Sector: The industries sector is currently contributing appropriately to the state's economic growth and to creating job possibilities for young people who are unemployed. A substantial population previously relied on handicrafts, looms, and cottage industries for their livelihood at various phases of production, sale, and export. The government is developing a clear plan for developing the industry and utilising its potential. This programme of the State Government is managed by the Department of Industries and Commerce through the following four corporations: SIDCO, SICOP, Handloom Dev. Corp., and Handicrafts (Sales & Exports) Corp., as well as five (5) Directorates of Industries, Handicrafts, Handlooms, and Geology & Mining. Training & Research Institutes like CDI, IICT, EDI and a board KVIB.

Table 1.2 The snapshot of the progress of industry sector over the years is given below:

No. of SSI Units registered	32226
No. of Large and Medium Units registered	103
Investment (in crore)	12216.97
Employment (in No's)	182094

Source: Directorate of MSME J&K.

Industrial Infrastructure: The State has 53 existing industrial estates spread over an area of 31126 Kanals of land as per position ending March, 2017. Profile of these Industrial Estates is as under: -

Table 1.3

Existing Industrial Estates in the State ending October, 2017			
Managing agency	Industrial Estates (No.)	Area (Kanals)	Units Established / Under Establishment (No.)
J&K SIDCO	12	23992	2084
J&K SICOP	41	7134	2223
Total	53	31126	4307

Source: Directorate of industries and commerce J&K.

2. Resources and power: Around 16475 MW of the state's 20,000 Megawatts (MW) of potential hydropower have been identified. There are 11283 MW in the Chenab basin and 3084

MW in Jhelum basin 500 MW in Ravi Basin & 1608 MW in Indus basin. Just 3263.46MW, or 20% (of the identified capacity), of the total potential has been used thus far; this includes 1211.96 MW in the State Sector, 2009 MW in the Central Sector, and 42.5 MW in the Private Sector. The state PDD is dedicated to fully utilising the available hydropower potential to help the state's economy thrive in the years to come and meet the state's energy needs.

At both the state and national levels, there are numerous reforms being implemented to increase the competitiveness and efficiency of the power sector. While there has been some progress, the State is still plagued by the electricity shortage, which is a significant obstacle to the growth of the business. Although the State's aggregate technical and commercial (AT&C) losses are on the higher side, the distribution front is where the main issue is. Both technical and commercial factors are the primary causes of such huge losses. The system needs updating and improving, particularly the current out-of-date distribution network, to reduce losses. Yet because to government initiatives, AT&C's losses, which were predicted to be 61.30% in 2014–15, were down to 58.82% in 2015–16. This has been Posing a major challenge to the fiscal health of the State.

State Sector Projects: There has been a lot of work done in the power sector over the last five decades. The combined installed thermal and hydel capacity in the state is 1419.96 MW (208 MW thermal + 1211.96 MW hydel). Stage I of the famous Baglihar Hydroelectric Project went into operation in 2008–09, while Stage II went into operation in 2015–16. In 2014–15, energy production.

Central Sector Projects: The Dulhasti Power Plant, Kishtwar, with a capacity of 390 MW and 120 MW Sewa II were put into service during the first year of the 11th Five Year Plan, or 2007-2008, increasing the central sector's electricity generation from 1170 MW to 1680 MW. Additionally, in 2013–2014, the Central Sector Projects' installed capacity increased to 2009 MW with the commissioning of the 45 MW Nimo Bazgo, 44 MW Chutak,

and 2 units of 240 MW Uri II. Because the State is entitled to 12 percent of the free electricity generated by these projects, this capacity stabilises the situation with State Power. With a rise of 21.99% from 2014–15 to 2016–17, the numbers for 2015–16, and 2016–17 were 39887.17 MUs, 40302.88 MUs, and 48662.06 MUs, respectively.

3. Tourism Industry: Although Jammu and Kashmir's visitor facilities have significantly improved since the late 20th century, the union territory's tourism potential has mostly gone unrealized. In addition to historical and religious attractions, tourist destinations in the union territory include the numerous lakes and rivers as well as the snow-sports facility at Gulmarg in the northern Pir Panjal Range west of Srinagar.

Table 1.4 The tourist arrivals during the last 6 years are given hereunder: -

Tourists' arrival (ending Oct 2017)					
Year	Kashmir Valley		Jammu	Ladakh	Total State
	Amarnath Ji	Domestic / Foreign	Mata Vaishno Devi Ji	Domestic/ Foreign	
2012	621000	1308765	10394000	178750	12502515
2013	353969	1171130	9287871	137650	10950620
2014	372909	1167618	7803193	181301	9525021
2015	352771	927815	7776604	146501	9203691
2016	220490	1211230	6823540	179142	8434402
2017	260003	1050480	5739632	259170	7309285

Source: Directorate of Tourism Jammu and Kashmir.

4. Transportation and communications: The development of J&K State's economy depends heavily on the road transport industry. Transport is a crucial, if not absolutely necessary, component of a state's economic development, whether it be for commodities or passengers. Road transportation connectivity is necessary for vital goods to be accessible in remote places. In this regard, transportation has played and continues to play a major role. The department registered 122638 vehicles in the 2016–17 fiscal year, compared to 101705 cars, including 10028 commercial vehicles, during the current fiscal year 2017–18, which ends in October 2017. Over time, there has been a tremendous growth in both public and private transportation. As of the end of October 2017, there were 1589895 vehicles registered worldwide, up from 818093 (including public and private) in 2011.

Revenue Realization: The Department is significant to the State Government's ability to realise revenue. The actual revenue for the 2016–17 fiscal year was Rs 158.62 crore as opposed to the planned Rs 199.50 crore. Revenue realised during the fiscal year 2017–18, which ended in October 2017, is Rs. 127.64 crore compared to a target of Rs. 168.51 crore.

Road Transport Corporation: The JKSRTC has provided transportation to the general public as well as pilgrims on special occasions like the Amarnath Jee Yatra, the Hajj, and

various national/religious festivals in J&K in particular. During 2016–17, the JKSRTC transported 41.913 lakh passengers/pilgrims, and up until the second quarter of 2017–18, it transported 22.65 lakh passengers.

Railways: The rail links for the Jammu-Srinagar-Baramulla line, which span 53 kilometres between Jammu and Udhampur, 25 kilometres between Udhampur and Katra, and 119 kilometres between Banihal and Baramulla, have already been finished and are operational. The only connecting point between Jammu and Baramulla is Katra-Banihal.

The length of railway track from Udhampur to Baramulla is 272 km and has been divided into three sections, details as per revised alignment are as under: -

Table 1.5

Details of Udhampur to Baramulla Railway link			
Item	Udhampur-Katra	Katra-Qazigund	Qazigund-Baramulla
Length	25 km	129 km	119 km
Important/Major/ Minor Bridges	38	62	811
Tunnel length	10.90 km	103.00 km	-
Longest tunnel (km)	3.15	10.96	-
No. of Stations	3	11	15

Source: Ministry of Railways, India

Communication: In the coming years, the Indian telecom sector is predicted to grow quickly because to the government's supportive regulatory policies and the launch of 4G services. The overall number of telephone users in India has been increasing steadily since 1999, when it was only 22.8 million (wireless + wire line). As of the end of October 2017, it was 1201.72 million. The entire number of urban customers stands at 697.54 million, and the total number of rural subscribers is 504.19 million, according to the most recent report issued by Telecom Regulatory Authority (TRAI). This gain has been attributed to the increase of cellular connections, which reached 1178.20 million at the end of oct 2017, compared to J&K's 12.82 million at that time. In the coming years, the Indian telecom sector is predicted to grow quickly because to the government's supportive regulatory policies and the launch of 4G services.

As of October 2017, there were 0.12 million wire line subscribers in J&K, compared to 23.53 million across all of India at the same time. The J&K service region had the highest monthly growth rate for wireless subscribers in October, at 17. By the end of March 2017, there were 1.60 lakh active phone connections in the BSNL J&K circle, of which 1.34 lakh were landline connections and 0.26 lakh were wireless. Service Switching Authority (SSA) Jammu holds the majority of the wire line telephone connections, including WLL, with a 42.94% share, followed by SSA, Srinagar. Which holds 39.98%.

2. LITERATURE REVIEW:

Rafiq, M. S. (2016). Paper reveals that, since a long time, Kashmir has been the centre of handicrafts, but sadly, due to its economic and political obstacles, industrial backwardness, inhospitable, hilly terrain, and remoteness, it is unable to attract private investment. Despite this, the handicraft sector has continued to play a crucial role in economic growth and is the main exporter of handicrafts products. Also, it is a major driver of economic growth on the global stage, creating jobs, increasing per capita income, and boosting gross state product (GSDP) and national income (NI).

Sayef, S. & Mohamed, M. (2017). The study's analysis demonstrates a substantial causality relationship between exports and economic growth in both directions, as well as a strong link between imports and economic growth. Both exports and imports make significant contributions to economic growth.

Nengroo, A. et al. (2016). The study demonstrates that most significant source of revenue production, income, employment, and contributes substantially to economic growth and development include agriculture, horticulture, handicrafts, and tourism.

Malik, Z. A., & Choure, T. (2014). The horticulture sector contributes significantly to agriculture, however due to poor management and poor National Horticulture Mission implementation, yields per hectare are declining, and overall apple production is declining in comparison to other states.

Limboore, N. V., & Khillare, S. K. (2015). Even though India is a wealthy exporter and producer of agricultural goods, this industry is prone to a number of flaws and risks that affect both customers and farmers. Long-term policies and initiatives must be improved in order to reduce risk and increase producer flexibility in rural areas in order to increase investment and achieve sustainable agricultural output.

Kumar, G. (1992). Tried to determine the point in time between 1950–1951 and 1989–1990 when the growth rates of India's GDP and its three major subsectors (Primary, Secondary, and Tertiary) stopped increasing. He had acquired information on GDP coming from the primary, secondary, and tertiary sectors as well as on overall GDP at 1980–81 prices from a variety of Economic Surveys and for a number of years from National Accounts Data. He had concluded that there had not been a break in the growth rates of the primary sector, the tertiary sector, or the total GDP growth rates in the middle of the 1960s by applying the dummy variable technique in the compound growth model. Even though the secondary sector's growth rate slowed from the middle of the 1960s to 1980–1981 it had little effect on the trend growth rate of the overall GDP. He had come to the conclusion that 1981–1982, when there were pauses in the growth rates of all three sectors, was the year when the real GDP had undergone the trend break. Moreover, after accounting for Public Administration and Defense (PAD), the GDP and the development of the service sector both show a break in 1981–1982. In context of this, he came to the conclusion that the decline in the tertiary sector's growth rate and the total GDP growth rate were solely caused by an increase in the GDP growth rate coming from the PAD subsector.

Rao, S. and Reddy, M. (1997). Examined the Andhra Pradesh State Domestic Product (SDP organizational)'s structure. The numerous issues of the Economic Surveys of the

Government of Andhra Pradesh were used to compile the necessary information about the Andhra Pradesh economy. The percentage contributions of the major sectors to the SDP were used to analyse the changes in the SDP structure. They came to the conclusion that, over time, the relative importance of the secondary and tertiary sectors had increased while the relative importance of the agricultural sector had greatly decreased.

Yadav A. (1999). The relationship between the GDP's sectoral proportions and its growth rate, as well as their changes through time, was examined in the study. He had analysed the overall sectoral growth rates of the world's developed, fastest-growing, and developing nations. For these objectives, the domestic product growth rates for several sorts of countries, including six developed countries, four faster emerging countries, and 19 developing countries over a period of almost 25 years (from 1969 to 1993). In order to properly grasp how the various sectors had contributed to the progress of the countries, the same techniques were followed for independent research by the sectors of agriculture, industry, and services. The process of structural changes in developing countries was discovered to be different from that of developed countries in that, instead of the gradual shift of the GDP's share from agriculture to that of industry and then to the services sector as in developed countries, it had been directly shifted from agriculture to that of the services sector. India was no exception to this general trend. Similarly, when it comes to employment, developed countries have seen a close correlation between the shares of employment in various industries, whereas emerging countries have not seen this correlation.

Nagaraj (2000). Analysed the GDP and its key constituents using 1991 as the reference year. His analysis covered the 20-year period from 1980–1981 to 1999–2000, and the necessary information was gathered from the National Accounts Statistics. He had come to the conclusion that there had been no statistically significant break in the growth rates of the GDP and the primary and tertiary sectors from 1980–1981 to 1999–2000 using the semi-log model with a dummy variable. After the years 1991–1992, the growth rate of the secondary sector had experienced a little statistically significant slowdown.

Sastry et al. (2003). Reveals that the forward production connection between agriculture and industry has decreased, whilst the backward production linkage has increased, from the years 1981–1982 to 1999–2000. They also discovered a considerable impact of agricultural output on industrial output, as well as a drop in the demand link between agriculture and industry and a rise in the demand link between industry and agriculture. As a result, this essay will shed light on the state of agriculture and industry as well as the connections between the two sectors in terms of output and income in Jammu and Kashmir.

Dastidar, G. A. (2004). Investigated the connection between the structural transformation process and income disparity in a group of 18 developing nations in Asia and Latin America. The Global Development Indicator 2000 had been used to get the necessary information. He had noted that over a 25-year period, from 1965–1966 to 1990–1994, both Latin American and Asian countries had seen significant structural

changes. The proportion of the agricultural sector in the total production had significantly decreased, while the proportion of the industrial and service sectors had increased. He had noticed that the move from agriculture to industry in the economies of Asia and Latin America had not had an impact on income distribution. The degree of income disparity in the Asian countries, however, had gotten worse as a result of a transformation involving the services industry.

Katsumoto, M. & Kuatanabe C. (2005). Stated that a nation's ability to compete had become dependent on the industrial paradigm change from a manufacturing-based to a service-oriented industrial structure. Although it had generally been assumed that a change to a service-oriented industrial structure was the result of a positive feedback loop between an increase in income level leading to a qualitative change in demand and an increase in service industry productivity, they had attempted to find the root of the contradiction with the aforementioned postulate on the basis of an empirical analysis of the growth trends, sectoral structures, and income levels of 100 countries over the course of a decade. They had also split the 100 nations into those with high, moderate, and low incomes. They discovered through their investigation that (i) in high income nations, the increase in service sector productivity had a favourable effect on income. The change in the supply side had swiftly and appropriately met the demand shift in quality. (ii) In middle-income nations, the rise in services industry productivity had a detrimental effect on income growth. This indicated that the quality demand shift had not been met, raising the probability of Boumol's disease. And (iii) because low-income nations had incorporated a constrictive virtuous cycle that had covered up to a certain degree of absorption, the productivity increase in the services industry had a favourable impact on income growth. Eventually, they came to the conclusion that there had been an acceleration in the management to hasten a structural shift from a manufacturing-based industrial structure to a service-oriented industrial structure in light of the growing relevance of the nations' as well as businesses' services.

Rashmi, B. (2005). Indicates that the increased income elasticity of demand for services, structural changes, and trade liberalisation, along with other reforms and improved technology, are the variables that contribute to a higher use of services in the growth process of developing countries. The fact that the growing process had been accompanied by two spills over effects had been underlined. The expansion of the manufacturing industry helped the services sector flourish since it increased the demand for services. Due to increased demand for new products and improvements in manufacturing sector productivity, the services sector in turn caused a faster growth rate in the manufacturing sector.

Limbore, N. V. & Khillare, S. K. (2015). Analysed that despite the fact that India is a major producer and exporter of agricultural goods, this industry is prone to a number of flaws and dangers that have an impact on both consumers and producers. The long-term policy and initiatives should be improved to reduce risk and provide flexibility among rural producers in order to increase investment and achieve a sustainable agricultural production.

Objectives of the study:

1. To evaluate the growth rate of major sectors of the economy (at constant price 2011-12 & current price) in J&k.
2. To evaluate the sectoral percentage contribution to GSDP at constant (2011-12) prices in J&k.

Methodology:

Sastry DV, Bhattacharya K, Unnikrishna NK (2003). Sectoral Linkages and Growth Prospects. Econ. Pol. Weekly 38(24):2390-2397.

Sastry DV, Bhattacharya K, Unnikrishna NK (2003). Sectoral Linkages and Growth Prospects. Econ. Pol. Weekly 38(24):2390-2397.

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Vogel SJ (1994). Structural Changes in Agriculture: Production Linkages and Agriculture Demand-led Industrialization. *Oxford Econ. Paper* 46:136-156.

Vyas VS (2004). Changing Contours of Indian Agriculture. Academic Foundation, New Delhi

This paper is fully based on secondary source of data, which has been collected from Statistical Digest of J&K, Directorate of Economics and Statistics J&K, Economic Survey of J&K 2012-13, 2017-18, Directorate of Industries and Commerce, Jammu and Kashmir, Directorate of Agriculture and Horticulture J&k. We have also utilized descriptive statistics to analyse the contribution of major sectoral growth in economy and GSDP of the state. The figures have been shown by using histogram and trend line for each of the sector like Agriculture and Allied sector, Industrial and Service Sectors.

Data Analysis and Interpretation:

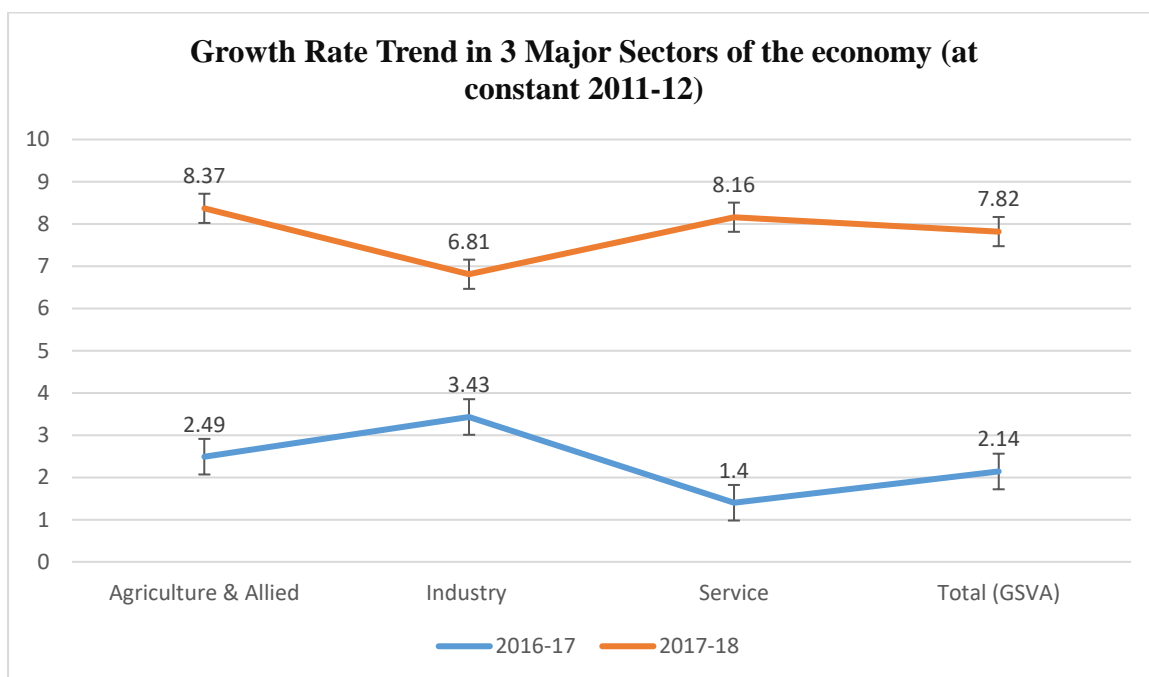
Table 1.6: Contribution of the major economic sectors in the economy.

Progress trend in 3 major sectors of the economy (at constant 2011-12) Prices (Rs in Cr.)								
Sector	Base year 2011-12(P)	2012-13 (P)	2013-14 (P)	2014-15 (P)	2015-16 (2R)	2016-17 (1R)	2017-18 (A)	2018-19 (rough est.)
Agriculture & Allied	13063.47	12509.32	13008.74	11588.97	14455.73	14815.93	16056.00	17148.98
	-	(-4.24)	(3.99)	(-10.91)	(24.74)	(2.49)	(8.37)	6.81
Industry	20996.73	21559.38	22597.26	20018.59	25254.24	26120.35	27899.41	29571.01
		(2.68)	(4.81)	(-11.41)	(26.15)	(3.43)	(6.81)	(5.99)

Services	40700	42947.	45129	46179.	51155.0	51869.	56103.	59279.
	.53	17	.49	59	4	34	56	15
	-	(5.52)	(5.08)	(2.33)	(10.77)	(1.40)	(8.16)	(5.66)
Total (GSVA)	7476	77015.	8073	77787	90865.	92805.	10005	10599
	0.73	87	5.50	.15	00	63	8.97	9.14
	-	(3.02)	(4.83)	(-3.65)	(16.81)	(2.14)	(7.82)	(5.94)

Note: Figures in brackets indicate growth rate (%) over the previous year

Source: Directorate of economics and statistics J&K.



Graphical representation of the above data.

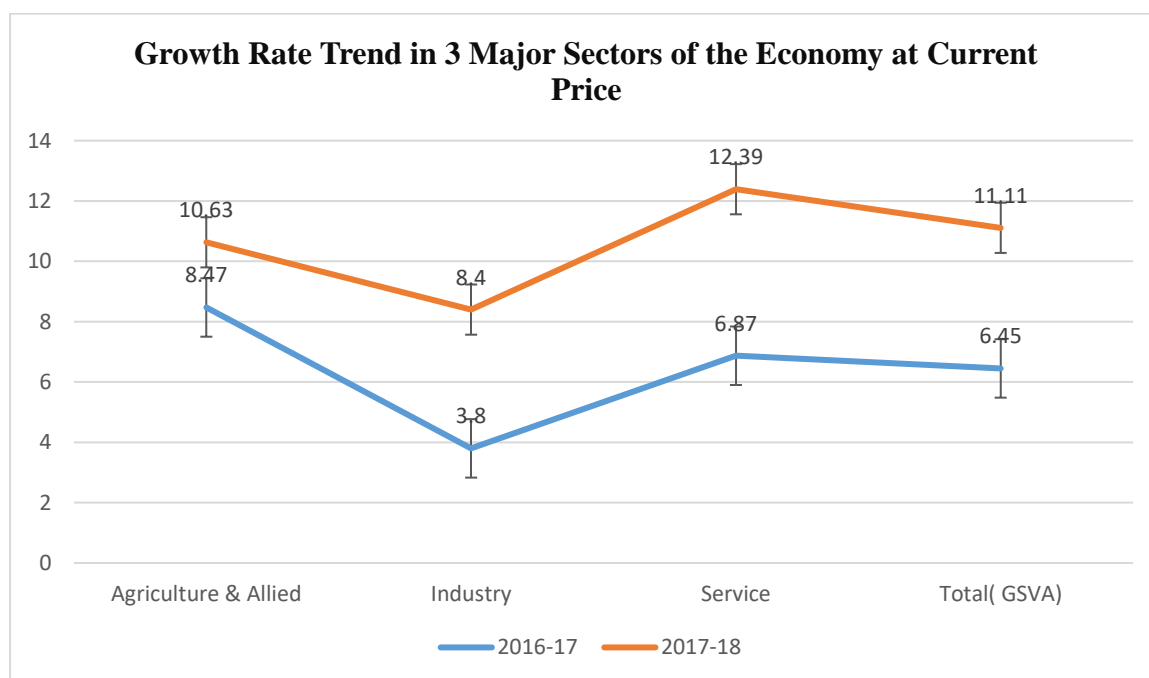
The above table and graph indicates that the Agriculture and allied sectors were expected to increase at an estimated 8.37% rate in 2017-18(A) at constant 2011-12 prices, compared to growth rates of (-)4.24% in 2012-13, 3.99% in 2013-14, (-)10.91% in 2014-15, 24.74% in 2015-16, and 2.49% in 2016-17. The sector is anticipated to increase at a 6.81% annual rate from 2018 to 2019. Industrial sector in (2017-18) shows a growth rate of 6.81% at constant price 2011-12, compared to growth rate of 2.68% in 2012-13, 4.81% in 2013-14, (-11.41) in 2014-15, (26.15) in 2015-16 and (3.43) in 2016-17 respectively. The service in 2017-18 were expected to increase in growth rate 8.16 in 2017-18, from the beginning period 2012-14 it was 5.52%, 5.08% in 2013-14. 2.33% in 2014-15 and 10.77% on 2015-16, 1.40% in 2016-17 respectively

Table 1.7

Progress trend in 3 major sectors of the economy at current Prices (Rs in Cr.)								
Sector	Base year 2011-12(P)	2012-13 (P)	2013-14 (P)	2014-15 (P)	2015-16 (2R)	2016-17 (1R)	2017-18 (A)	2018-19 (rough est.)
Agriculture & Allied	13063.47	15686.04	17057.91	15075.39	21022.42	22802.34	24938.87	27588.74
	-	(20.08)	(8.75)	(-11.62)	(39.45)	(8.47)	(9.37)	(10.63)
Industry	20996.73	21491.67	22264.74	23518.84	25800.47	26781.25	29289.80	31748.90
	-	(2.36)	(3.60)	(5.63)	(9.70)	(3.80)	(9.37)	(8.40)
Services	40700.53	45918.88	51299.20	54485.72	63120.96	67454.65	75811.43	85207.21
	-	(12.82)	(11.72)	(6.21)	(15.85)	(6.87)	(12.39)	(12.39)
Total (GSVA)	74760.73	83096.59	90621.85	93079.95	109943.85	117038.24	130040.10	144544.85
	-	(11.15)	(9.06)	(2.71)	(18.12)	(6.45)	(11.11)	(11.15)

Note: Figures in brackets indicate growth rate (%) over the previous year

Source: Directorate of economics and statistics J&K.



Graphical representation of the above data.

The above table and graph indicates the information that agriculture and allied sectors were expected to increase at a percentage of 9.37% in 2017-18(A) at current prices,

compared to growth rates of 20.08% in 2012–13, 8.75% in 2013–14, (-)11.62% in 2014–15, 39.45% in 2015–16, and 8.47% in 2016–17. According to official projections for the years 2018–19, the sector is anticipated to increase by 10.63%. Another major sector i.e. industrial sector were expected to increase at a percentage of 9.37% in 2017-18 at current price , compared to growth rate of 2.36% in 2012-13, 3.60% in 2013-14, 5.63% in 2014-15, 9.70% in 2015-16 and 3.80% in 2016-17. The sector is expected to grow at 8.40 % as per rough estimates for the year 2018-19.. In service sector a percentage of 12.39% were estimated in 2017-18 at current price, 12.82% in 2012-13, 11.72% in 2013-14, 6.21% in 2014-15, 15.85% in 2015-16, 6.87% in 2016-17 respectively.

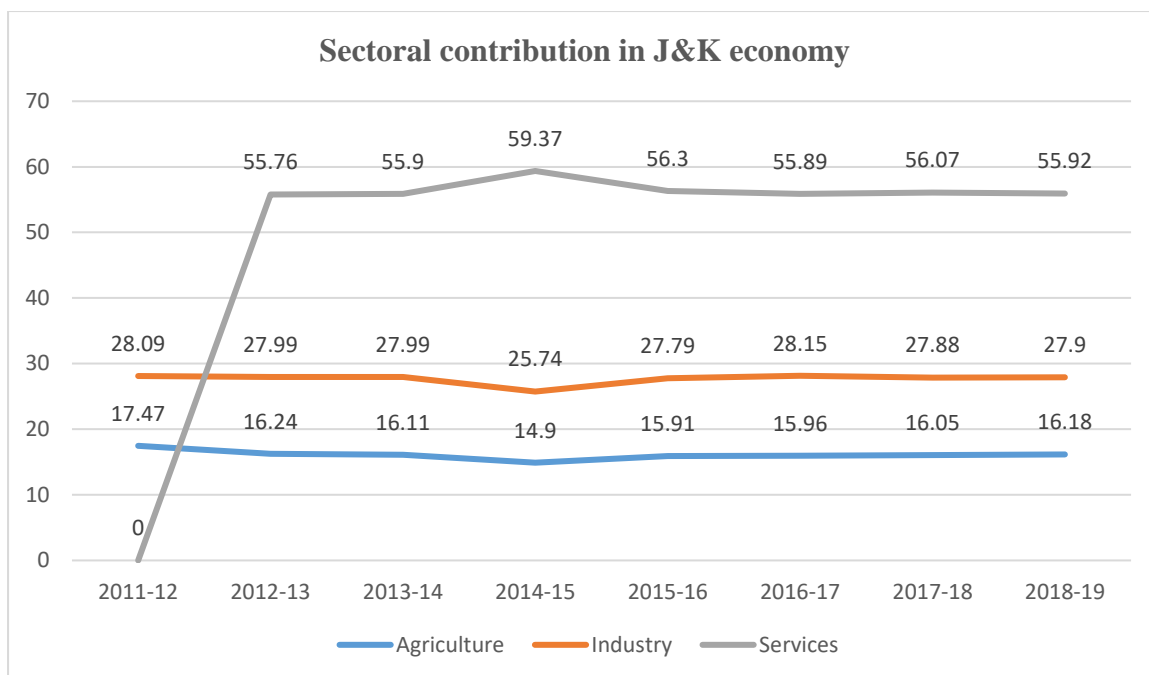
Sectoral contribution in J&K economy:

Table 1.8 Sectoral percentage contribution to GSDP at constant (2011-12) prices:-

GSDP estimates at constant(20011-12) prices (percentage distribution)									
S.No	Sector	Base year 2011-12(P)	2012-13 (P)	2013-14 (P)	2014-15 (P)	2015-16 (2R)	2016-17 (1R)	2017-18 (A)	2018-19 (rough est.)
1.	Agriculture, forestry and fishing	17.47	16.24	16.11	14.90	15.91	15.96	16.05	16.18
1.1	Crops	10.64	9.54	9.79	7.45	8.83	8.63	8.79	8.86
1.2	Livestock	4.60	4.45	4.11	5.09	5.06	5.36	5.40	5.53
1.3	Forestry and logging	1.80	1.83	1.81	1.93	1.66	1.61	1.51	1.45
1.4	Fishing and Aquaculture	0.43	0.42	0.40	0.42	0.37	0.37	0.34	0.33
2.	Mining and Quarrying	0.44	0.53	0.44	0.35	0.68	0.37	0.63	0.64
3.	Manufacturing	10.67	9.66	9.42	10.08	9.63	9.94	9.80	9.85
4.	Electricity, gas, water supply & other utility services	8.24	9.50	9.36	6.65	9.69	9.85	9.71	9.75
5.	Construction	8.73	8.31	8.76	8.66	7.79	7.98	7.75	7.66
6.	Industry	28.09	27.99	27.99	25.74	27.79	28.15	27.88	27.90

7.	Trade, repair, hotels and restaurants	8.92	9.76	9.75	9.84	9.83	8.63	9.17	9.18
8.	Transport, storage, communication & services related to broadcasting	6.31	6.74	7.17	8.29	7.89	7.91	7.91	7.96
9.	Financial services	3.02	3.36	3.88	4.60	4.13	4.22	4.19	4.16
10.	Real estate, ownership of dwelling & professional services	12.69	12.80	12.85	13.74	12.04	11.92	11.32	10.97
11.	Public administration and defence	15.08	14.75	13.14	13.56	14.34	15.01	15.25	15.42
12.	Other services	8.42	8.36	9.11	9.35	8.07	8.20	8.23	8.23
13.	Services	54.44	55.76	55.90	59.37	56.30	55.89	56.07	55.92
	Total GSVA at basic Prices	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Directorate of economics and statistics J&K.



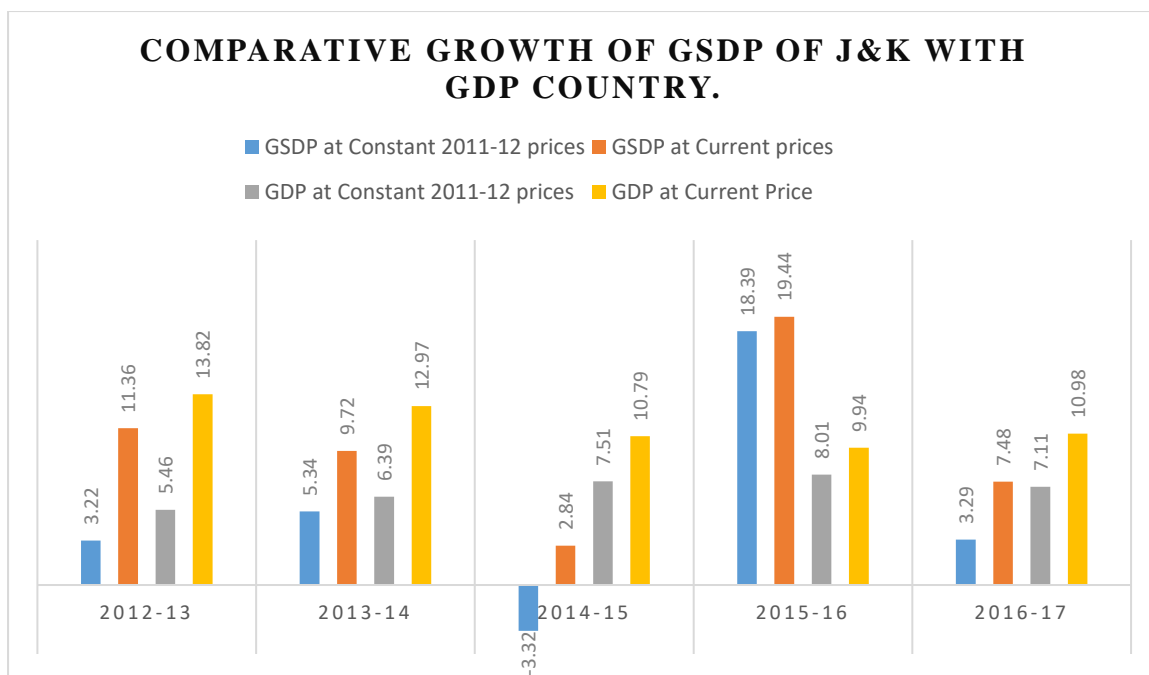
Graphical representation of the above data.

The above table indicates the information that over time, there have been significant changes in the sectoral composition of state income. During the last 50 years, the primary sector's share has steadily decreased from 17.47% in 2011-12 to 16.05% in 2017-18 (advance estimates), the secondary sector's share has decreased from 28.09% to 27.88% in 2017-18 (advance estimates), while the services sector's share has increased from 54.44% to 56.07% in 2017-18 (advance estimates).

Table 1.9 Comparative growth of GSDP of J&K with GDP Country.

Comparative growth - J&K's GSDP vis-à-vis Country's GDP				
Year	GSDP		GDP	
	Constant 2011-12 prices	Current prices	Constant 2011-12 prices	Current prices
2012-13	3.22	11.36	5.46	13.82
2013-14	5.34	9.72	6.39	12.97
2014-15	-3.32	2.84	7.51	10.79
2015-16	18.39	19.44	8.01	9.94
2016-17	3.29	7.48	7.11	10.98
Total	26.92	50.84	34.48	58.5

Source: Directorate of economics and statistics J&K.



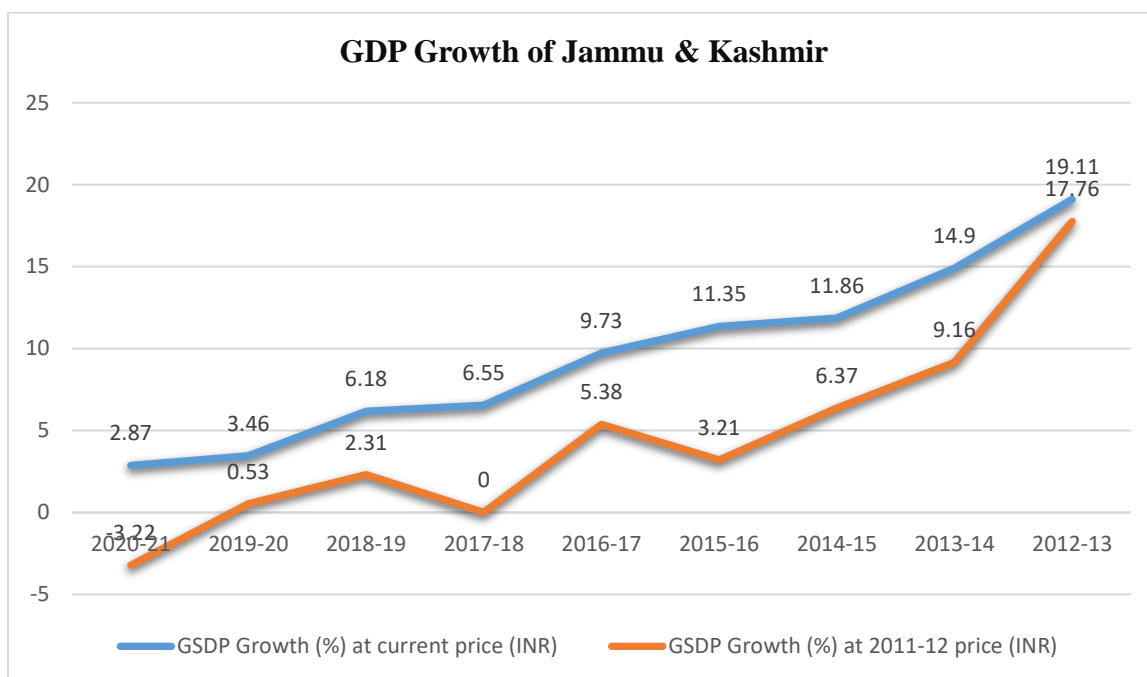
Graphical representation of the above table.

The above table and graph shows the information of GSDP of Jammu and Kashmir with comparison to GDP of the country (India), in 2014-15 the GSDP of the UT has negative growth of -3.32 at constant price and on current price it is 2.87 in comparison of GDP of the same year which is 7.51 at constant price and 10.79 at current price respectively. In 2015-16 a tremendous growth in GSDP has been calculated which is 18.39 at constant price and 19.44 at current price in comparison GDP of the country which is 8.01 at constant price and 9.94 at current price. It can be concluded that the state has huge fluctuations in growth of GSDP in comparison to country which shows consistency in GDP growth.

Table 1.10: GDP Growth of Jammu & Kashmir

Year	Growth (%) at current price (INR)	Growth (%) at 2011-12 price (INR)
	GSDP	GSDP
2020-21	2.87	-3.22
2019-20	3.46	0.53
2018-19	6.18	2.31
2017-18	6.55	3,30
2016-17	9.73	5.38
2015-16	11.35	3.21
2014-15	11.86	6.37
2013-14	14.90	9.16
2012-13	19.11	17.76

Source: Ministry of Statistics and Programme Implementation



Graphical representation of the above table.

The above table and graph indicates the information that in 2012-13 the GSDP of the J&k was estimated 19.11% at current price, which continuously shows a declining trend with a percentage of 14.90% in 2013-14, 11.86% in 2014-15, 11.35% in 2015-16, 9.73% in 2016-17, 6.55% in 2017-18, 6.18% in 2018-19, 3.46% in 2019-20 and 2.87% in 2020-21 at current price respectively. On the other side of table it can be analysed that in 2012-13 the GSDP was estimated 17.76% at constant price, 9.16% in 2013-14, 6.37% in 2014-15, and 3.21% in 2015-16 so on. In 2019-20 to 2020-21 the huge decline in GSDP of the UT have occurred which is 0.53% and -3.22% respectively.

Suggestions and Recommendations:

- I. Compared to other Indian states, the state has a worse industrial infrastructure. Thus, it should work to develop the infrastructure in order to strengthen the connection between agricultural and industry.
- II. The state should encourage investors to make investments in its industrial units by providing incentives or other benefits.
- III. Although being in a very advantageous location, Jammu and Kashmir has not been able to benefit from its topography. Since 1947, the area's traditional links connecting it to a number of central Asian nations have been lost, opening up numerous opportunities for growth and development. Jammu & Kashmir has the ability to transform the area into an economic and trading metropolis of Asia and serve as a gateway to Central Asia.

- IV. The power industry is one that is crucial to any economy. Although Jammu & Kashmir has the capacity to produce over 20,000 MWs of hydropower, only 16475 MWs of that capacity have been recognised. Around 85% of the hydel potential has not yet been realised, as only 3263.46 MWs of the 16475 MWs of potential have been utilised. [18] But significant investment is needed in this industry, which is not taking place.
- V. The tourism industry has a lot of potential. Due to the system's incapacity to expand beyond Pahalgam and Gulmarg, which are likely the only well-known locations in India or outside, Kashmir is a brand for tourism, but has not been able to use this brand. Due to infrastructure issues in these undiscovered areas, many areas remain unexplored.
- VI. The industrial sector offers a large number of opportunity for investment. Yet, the government faces a resource bottleneck. It needs to be unlocked. This industry could be made available for public-private partnerships in order to build the necessary infrastructure. Yet, the region remains a high-risk investment location due to the unstable environment and precarious political scenario.
- VII. Stability, including institutional and political stability, is the primary factor influencing economic growth. When one examines the performance of J&K's economy over the past 20 years, it becomes clear that the only times when the local economy has grown have been when there has been a decrease in violence, reasonable political stability, and certainty.
- VIII. Peace is the ultimate goal. Those who stand to gain from peace are required to maintain it. The region's residents should work to strengthen and maintain the peace. All matters that impact peace must be addressed by the Central and UT governments; gradually, prosperity will follow peace.

CONCLUSION:

The basic economic sector is agriculture, which provides the framework for all other economic sectors and, with the help of the industrial sector, gives rise to the territorial sector. As a result, an economy's growth is governed by the cooperation of the agricultural sector, the industrial sector, and the service sector. Agriculture, industry, and service sectors as well as the economy as a whole will flourish as a result of the connections between these three sectors on various levels. These three important industries have made a significant contribution to Jammu and Kashmir's gross state domestic product (GSDP), according to the data above. Agriculture and industry sector has not contributing well in GSDP growth as compared to service sector which has remained the major contributor of GSDP in the region. The year wise percentage distribution of GSDP growth of these sectors was estimated 19.11% (2012-13) at current price, a percentage of 14.90% in 2013-14, 11.86% in 2014-15, 11.35% in 2015-16, 9.73% in 2016-17, 6.55% in 2017-18, 6.18% in 2018-19, 3.46% in 2019-20 and 2.87% in 2020-21 at current price respectively. At current price it was analysed that in 2012-13 the GSDP was estimated 17.76% at constant price, 9.16% in 2013-14, 6.37% in 2014-15, and 3.21%

in 2015-16 so on. In 2019-20 to 2020-21 the huge decline in GSDP of the UT have occurred which is 0.53% and -3.22% respectively.

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