



Government of Tamil Nadu  
**State Planning Commission**

# **Economic Survey of Tamil Nadu 2024-25 Highlights**



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# ECONOMIC SURVEY OF TAMIL NADU 2024-25

## HIGHLIGHTS

1. The Tamil Nadu economy in 2024-25 faced global headwinds with its innate economic strength. The pandemic, coupled with geopolitical tensions and extreme weather events, disrupted global supply chains and triggered crises in the energy and food sectors. The global economy posted a real growth rate of 3.33% in 2023. India's economy recorded 7.61% growth in 2022-23, 9.19% in 2023-24, and 6.48% in 2024-25. Building on a strong foundation of inclusive policies, Tamil Nadu has demonstrated remarkable economic resilience, consistently achieving growth rates of 8% or more since 2021-22. The state is expected to maintain a growth rate above 8% in 2024-25.
2. Tamil Nadu's progressive social policies, robust infrastructure facilities, and large skilled labor force have enabled the state to place itself on an elevated economic development trajectory. With just 4% of India's land area and 6% of the country's population, Tamil Nadu contributed 9.21% to the national GDP in 2023-24. Its Gross State Domestic Product (GSDP) at current prices reached ₹27.22 lakh crore in 2023-24, posting a nominal growth rate of 13.71% and a real growth rate of 8.33%.



3. As a major exporter of automobiles and auto components, textiles, and leather, the state's economy is responsive to global market trends, exhibiting a higher correlation with global economic fluctuations than India's growth pattern.
4. In 2022-23, Tamil Nadu's per capita income was ₹2.78 lakh, 1.6 times the national average of ₹1.69 lakh. It has consistently outpaced the national average over the years. This makes Tamil Nadu the fourth-largest state in per capita income. The state's per capita income is significantly above the national average.
5. Unlike states like Maharashtra, Karnataka, or West Bengal, where economic activity is concentrated around a single metropolitan hub, Tamil Nadu's economic development is more evenly distributed across multiple urban centers. Cities like Coimbatore, Madurai, Tirupur, Tiruchirappalli, and Salem contribute significantly to the state's economy, helping bridge the urban-rural divide.
6. In 2023-24, the services (tertiary) sector contributed 53.63% of the state's Gross State Value Added (GSVA), followed by the secondary sector (33.37%) and the primary sector (13%). As in developed economies, if the state's secondary sector share increases by about 5%, employment prospects will likely improve further.
7. As a highly industrialized and urbanized economy, Tamil Nadu aims to achieve a \$1 trillion economy by 2030. With

its existing strengths, Tamil Nadu shall accomplish this feat through strategic planning to address challenges like climate change, demographic shifts, technological disruptions, and changing employment landscapes. Tamil Nadu also needs to concentrate on developing rural entrepreneurship to spread growth across all the districts of the state. The state should leverage its demographic advantage by increasing the skill endowment of the youth, encouraging women to participate in the workforce, and promoting high-value manufacturing and services, including frontier technologies. It is heartening to note that Tamil Nadu has already started on this growth path with policies for the semiconductor and advanced electronics industry, creating a business environment to expand sectors like electronics, IT and ITeS, logistics, and renewable energy.

8. Global inflation increased due to geopolitical tensions and climate change, reaching 8.6% in 2022 and 6.7% in 2023. India's retail inflation (CPI) was 6.7% in 2022-23, 5.4% in 2023-24, and 4.9% in 2024-25 (till Jan 2025). Tamil Nadu experienced a similar downward trend, with retail inflation declining from 6% in 2022-23 to 5.4% in 2023-24 and further to 4.8% in 2024-25 (as of January 2025). While the state's average inflation rate was 5.7% between 2019-20 and 2023-24—higher than India's average of 4.85%—this trend reversed in 2021-22, with Tamil Nadu's retail inflation dropping significantly. Notably, in 2023-24, Tamil Nadu recorded the 8th lowest retail inflation among 20 major Indian states.

9. Urban inflation in Tamil Nadu decreased from 6% in 2019-20 to 4.5% in 2024-25 (till Jan 2025), while rural inflation remained at 5.4% . Thus, rural inflation drives the overall inflation in the state. Among various groups, food and miscellaneous items contribute significantly to rural inflation.
10. While inflation is largely a monetary phenomenon, its impact on people is real,as it erodes their purchasing power. The Tamil Nadu government intervenes to limit this erosion through mechanisms like subsidized supplies of select cereals, pulses, and edible oil, electricity, and income support schemes such as the *Kalaigiar Mahalir Urimai Thittam*.
11. Tamil Nadu's agriculture heavily depends on monsoons. Agriculture contributes ₹1.5 lakh crore (6% of GSVA) and ranks as the fifth largest sector. Food grains, including paddy, maize, jowar, bajra, ragi, and millets, make up around 62% of the total cropped area, while non-food crops such as oilseeds, sugarcane, and cotton account for the remaining 38%. Paddy continues to dominate the cropping pattern, with its share in the total cropped area increasing from 32.1% in 2019-20 to 34.4% in 2023-24.
12. According to the Agricultural Statistics at a Glance (2024), Tamil Nadu ranked first in the productivity of oilseeds, groundnut, and sugarcane, second in

maize productivity, and third in paddy productivity. The expansion of commercial agriculture and the rise in the productivity of key crops in Tamil Nadu have been largely driven by extensive use of chemical fertilizers and groundwater. The state's consumption of fertilizers increased from 9.65 lakh metric tonnes in 2019-20 to 10.68 lakh metric tonnes in 2023-24. Agricultural power consumption rose from 13,811 million units to 17,957 million units.

13. Agricultural credit serves as a crucial support system for farmers in Tamil Nadu. The credit disbursed through scheduled commercial banks has steadily increased from ₹1.83 lakh crore in 2019-20 to ₹3.58 lakh crore in 2023-24, making Tamil Nadu the leading state in agricultural credit disbursed by commercial banks. In addition to prevailing market prices, the Tamil Nadu government provides an extra incentive of ₹105 per quintal for paddy and ₹215 per tonne for sugarcane. Agriculture insurance safeguards farmers by offering financial support in case of crop loss due to unexpected natural disasters. To facilitate agricultural trade and storage, the government has established 284 regulated markets, 525 storage godowns, 395 transaction sheds, 421 drying yards, 863 traders' shops, and 268 cold storage units with a combined capacity of 19,856 metric tonnes.
14. Horticulture has become a key driver of agricultural development in Tamil Nadu, driven by the increasing



demand for fruits, vegetables, plantation crops, ornamental plants, and medicinal crops. In 2023-24, the total area dedicated to horticulture reached 16.3 lakh hectares. The state also has abundant livestock and poultry resources, providing a crucial livelihood for small and marginal farmers and landless laborers. The Gross State Value Added (GSVA) from the livestock sector stood at ₹1.35 lakh crore in 2023-24, contributing 5.41% to Tamil Nadu's total GSVA. The state ranks second in egg production and sixth in meat production in India. While fishing and aquaculture contribute less than 1% to GSVA, Tamil Nadu exported 1.34 lakh tonnes of fish products, generating ₹6,854 crore in foreign exchange in 2023-24.

15. Accelerated growth in agriculture and allied sectors is achievable if TamilNadu addresses challenges such as groundwater depletion and climate change. Implementing climate-smart practices, mechanization, and post-harvest value addition can significantly boost income in these sectors.
16. Tamil Nadu is an industrial powerhouse, contributing 11.90% to India's manufacturing GDP and leading the nation in the number of factories. With 35.56 lakh Udyam-registered Micro, Small, and Medium Enterprises (MSMEs), Tamil Nadu ranked second nationally in 2023-24. Dubbed the "Detroit of India," the state houses over 1,500 factories producing automobiles and auto

components. Additionally, Tamil Nadu is a major hub for textiles, leather goods, and electronics production. The state ranks first in motor vehicle production, wearing apparel, and leather products and second in textiles, machinery, and electronic products. It also leads the country in exporting engineering goods, electronics, ready-made garments, cotton yarn, handloom products, and leather goods. In 2023-24, 33.31% of Tamil Nadu's total workforce was engaged in industrial activities, with 15.97% in manufacturing and 17.2% in construction.

17. Between 2021-22 and 2023-24, the manufacturing sector grew at 8.33%, while the construction sector expanded by 9.03%. Several sub-sectors, including transport equipment, rubber and plastic products, motor vehicles, trailers, semi-trailers, and chemicals, recorded double-digit growth.
18. The Global Investors Meet 2024 secured investments worth ₹6.64 lakh crore, expected to create 14.55 lakh jobs. To sustain industrial growth, Tamil Nadu must prepare its workforce by suitably reskilling to match the adoption of Industry 4.0 technologies.
19. From 2019-20 to 2023-24, total credit to Tamil Nadu's industry through scheduled commercial banks increased from ₹2.5 lakh crore to ₹3.01 lakh crore, while Foreign Direct Investment (FDI) rose from ₹5,909 crore to ₹20,157 crore.

20. Tamil Nadu's service sector is diverse, encompassing trade, repair, hotels and restaurants, transport, storage, communication, financial services, real estate, and more. The state is particularly known for its dynamic IT and IT-enabled services, education, healthcare, finance, tourism, hospitality, and entertainment industries. Rapid urbanization drives demand for infrastructure services such as transportation, housing, sanitation, and utilities. In 2023-24, 54.63% of Tamil Nadu's urban workforce was employed in the service sector, close to the national average of 58.07%. Among them, 16.28% were engaged in trade and motor vehicle repair, 7.53% in transport and storage, 6.28% in information and communication, 5% in education, 4.86% in accommodation and food services, 2.84% in financial and insurance services, and 11.84% in other services.
21. The service sector in Tamil Nadu has demonstrated strong recovery post-pandemic. Between 2021-22 and 2023-24, the sector grew at 7.97%, driven by rapid expansion in real estate (9.41%), trade, repair, hotels, and restaurants (7.98%), and transport and storage (7.67%).
22. Among major states, Tamil Nadu consistently ranks among the top three in the Credit-Deposit Ratio (CDR), reflecting its high economic activity. The state's CDR increased from 109.2% in 2019-20 to 117.7% in 2023-24, compared to India's rise from 76.5% to 79.6%. Credit to

the service sector through scheduled commercial banks grew from ₹2.86 lakh crore in 2019-20 to ₹4.46 lakh crore in 2023-24.

23. Tamil Nadu leads the country in banking networks, with 24,390 ATMs. The rise of digital banking and UPI adoption has transformed the state's financial landscape, ensured fast and seamless transactions and driving financial inclusion in both rural and urban areas.
24. Employment generation is crucial for economic growth and social stability. In 2019-20, Tamil Nadu's Labor Force Participation Rate (LFPR) for individuals aged 15-59 years was 63.3%, compared to the all-India average of 56.9%. By 2023-24, it had risen to 64.6%, surpassing the national average of 64.3%.
25. Tamil Nadu ranks among the top three states in multiple social indicators. It holds the top position in the Social Progress Index (SPI) and Gross Enrolment Ratio (GER) and ranks second in low infant mortality, low birth rate, and low poverty levels. The state also ranks third in the Sustainable Development Goals (SDG) Index and the Health Index.
26. The Tamil Nadu government has steadily increased its social sector expenditure, which rose from ₹79,859 crore in 2019-20 to ₹1.16 lakh crore in 2023-24. Key initiatives



include the Chief Minister's Breakfast Scheme to improve school attendance and nutrition as well as various programs empowering women, such as the *Kalaighar Mahalir Urimai Thittam* and the *Mahalir Vidiyal Payanam Thittam*.

27. Between 2005-06 and 2022-23, Tamil Nadu's poverty rate (Headcount Ratio) decreased significantly, from 36.54% to just 1.43%, while India's HCR declined from 55.34% to 11.28%. In 2023-24, Tamil Nadu ranked fourth among major states in terms of average monthly per capita consumption expenditure for both rural and urban areas, consistent with its position as the fourth highest in annual per capita income.
28. Tamil Nadu is one of the most literate states in India, consistently excelling in elementary, secondary, and higher education enrolment. Several initiatives, including the distribution of free school supplies, bicycles, the Noon Meal Scheme, and the Chief Minister's Breakfast Scheme, have played a crucial role in keeping students engaged and ensuring regular attendance. Currently, 1.29 crore students are enrolled in 58,722 schools across the state, accounting for 5.24% of the total student enrolment in India. The state's Gross Enrolment Ratio (GER) stands at 98.4% for elementary schools, 97.5% for secondary schools, and 82.9% for higher secondary schools, compared to the national averages of 91.7%, 77.4%, and 56.2%, respectively. The Teacher-Pupil Ratio in primary and secondary education is also higher than

the national average. Tamil Nadu ranks second in the School Education Quality Index (SEQI) by NITI Aayog, with a score of 73.4%, behind only Kerala (82.2%). Additionally, the state has the lowest dropout rate in secondary education at 4.5%, compared to the national average of 12.6%.

29. Tamil Nadu also excels in higher education, with three of the country's top 50 research institutions. Eight state universities rank among the top 100 universities, and four government arts and science colleges are in the top 100. Many universities in the state have received high grades (A++/A+/A) in NAAC accreditation. With 506 engineering colleges and 492 polytechnics, Tamil Nadu has the highest number of technical institutions in India, ensuring a well-equipped workforce for its service and manufacturing sectors.
30. The state performs well across various health indicators, as highlighted in the National Family Health Survey-5. Tamil Nadu ranks third in life expectancy among major Indian states. The state is also a prominent hub for medical tourism. In 2023-24, Tamil Nadu's healthcare infrastructure includes 8,713 health sub-centers, 2,336 primary health centers, 372 government hospitals, and 36 government medical college hospitals.
31. While Tamil Nadu has successfully increased enrollment at all levels of education and strengthened its public healthcare system, it must address the challenges

posed by an aging population through healthcare innovations and enhanced social security measures.

32. Climate change has become a major concern for Tamil Nadu. In recent years, the state has experienced an increased frequency of extreme weather events, including cyclones (Vardah in 2016, Ockhi in 2017, Gaja in 2018, Michaung in 2023, and Fengel in 2024) and floods (notably in 2015 and 2017). The state's average mean temperature has risen by +0.68°C per century, and there is clear evidence of a decline in annual rainfall. A report by the Climate Studio at Anna University highlights that northeastern coastal regions are highly vulnerable to extreme weather events during the northeast monsoon, including pluvial floods, cyclones, and sea-level rise, which exacerbate agricultural losses due to prolonged water stagnation. The Western Ghats have relatively lower vulnerability, benefiting from dense forests that serve as robust carbon sinks. Meanwhile, degradation in the Eastern Ghats has intensified drought conditions, affecting agricultural productivity.
33. The Tamil Nadu government has taken a proactive approach to climate action by establishing the Tamil Nadu Governing Council on Climate Change. It has developed the Tamil Nadu State Action

Plan on Climate Change for 2023-30 and set up a ₹1,000 crore Green Fund to support projects mitigating climate change impacts. In NITI Aayog's SDG 13 (Climate Action) Index for 2023-24, Tamil Nadu secured the top rank with a score of 81, well above the national average of 67.

34. The state is well-positioned to tackle climate challenges through its 2023-2030 Action Plan, which focuses on emissions reduction, sustainable agriculture, and water management. Addressing urban flooding, heat waves, and biodiversity loss will require green infrastructure and coastal ecosystem protection.
35. Tamil Nadu's medium-term success will depend on leveraging its demographic dividend and infrastructure with a focus on sustainability. By addressing climate challenges and supply-demand mismatches in its workforce through innovation and inclusive policies, Tamil Nadu can continue to lead India's economic landscape.







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