

## Maharashtra on Track for \$1 Trillion Economy by 2030, Driven by Five Key Sectors



Maharashtra, already India's leading state economy with a Gross Domestic Product (GDP) of \$536 billion, is poised to achieve a monumental \$1 trillion GDP by 2030, a feat that would place it among the top 20 global economies. This optimistic projection comes from a recent Morgan Stanley research report, which identifies five crucial growth engines propelling the state towards this ambitious target.

The state's current economic size is comparable to that of Singapore, a significant global player. Morgan Stanley's analysis underscores a strategic shift in Maharashtra's economic focus over recent decades, moving from a predominantly agrarian base to a more industrialized and service-oriented economy. This transformation has positioned Maharashtra as a powerhouse within India and an increasingly important entity on the global economic stage.

According to the report, five primary drivers are fueling this surge:

**Industrialization:** Despite a slight decrease in its share of the state's GDP over the last decade, industrial sectors still constitute a substantial 22.5% of Maharashtra's economy. The state is a major hub for auto, auto parts, metal, food products, refined petroleum, and machinery and equipment manufacturing. Maharashtra accounts for 20% of India's total auto and auto parts output and holds significant shares in medicine, health equipment, and textile production.

**Services Sector Growth:** The services sector now represents a commanding 64.3% of Maharashtra's GDP. The state has cemented its position as a preferred destination for Information Technology (IT) companies, startups, banking, finance, insurance, and real estate. Notably, Maharashtra hosts 43% of India's total Global Capability Centers (GCCs), with the number reaching 730 in Fiscal Year 2024.

**Investment and Foreign Direct Investment (FDI):** Maharashtra is a magnet for investments, particularly Foreign Direct Investment. It has been the top recipient of FDI in India for the past two years, securing 39.2% of the total FDI inflow in FY25, amounting to \$19.6 billion.

**Export Sector Performance:** As India's second-largest exporter after Gujarat, Maharashtra's export sector is a significant contributor to its economic prowess. The state's share in India's total exports stood at 15.4% in FY24, contributing 13.7% to its GDP. Key export categories include jewelry, electronics, chemicals, engineering machinery, and pharmaceuticals.

**Fiscal Prudence and Stable Governance:** The report also highlights Maharashtra's sound fiscal management, evidenced by one of India's lowest debt-to-GDP ratios. Combined with what Morgan Stanley describes as "strong and stable leadership," these factors provide a conducive environment for sustained economic growth and investor confidence.

Maharashtra's ambitious target of a \$1 trillion economy by 2030 is well-supported by these foundational strengths. The state's ongoing infrastructure investments and focus on high-growth sectors, coupled with its robust human capital and entrepreneurial ecosystem, underscore its potential to continue leading India's economic ascent and solidify its position as a global economic powerhouse.