

The 'best period' for manufacturing in India was 2006-2010: First Global

The PMS shared long-term data from World Bank and the interesting insights it revealed

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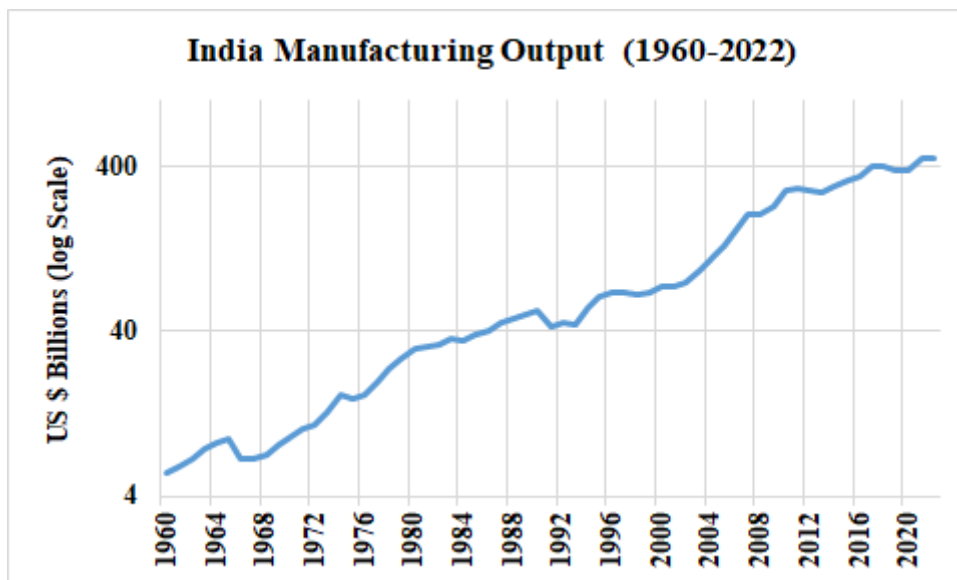


The manufacturing output-to-GDP ratio was highest in the five years (2006-10), the post pointed out, “it was above 17 percent in 4 years, marginally below in one year”. (Photo by Kateryna Babaieva/Pexels)

The best period for manufacturing in India, if measured by manufacturing-output-to-GDP ratio, was between 2006 and 2010, according to First Global.

The portfolio management services shared this observation based on data from the World Bank, which traced manufacturing output over 50 years, through a recent Twitter post.

Reposting it, First Global’s Chairperson and Managing Director Devina Mehra wrote, “Long-term objective data analysis always shows up interesting facts. Have to leave your biases, proclivities, what you want to believe etc aside & just look at what the data tells you.”



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India’s manufacturing output-to-GDP ratio was 13.3 percent in 2022, and the last time the ratio was at this level was in 1967, it noted. “Yup, 55 years ago,” the post added.

From 1972, the ratio never dropped below 15 percent, let alone 14 percent, till 2018.

In the 2006-10 period, manufacturing output (in dollar terms) compounded 16.8 percent per annum, “more than doubling” over this period.

On the other hand, over the last five years, the output has compounded at 2.5 percent and “the fall came pre-Covid”.

