

India's Regional Economic Divide



Is Northern India Catching Up?

Economic Momentum & Convergence Analysis
Priyansh Soni | Research Analyst

Northern India is showing early signs of **structural improvement** driven by infrastructure and **manufacturing** investments. However, convergence with Southern India remains gradual and dependent on **execution** and human capital development.

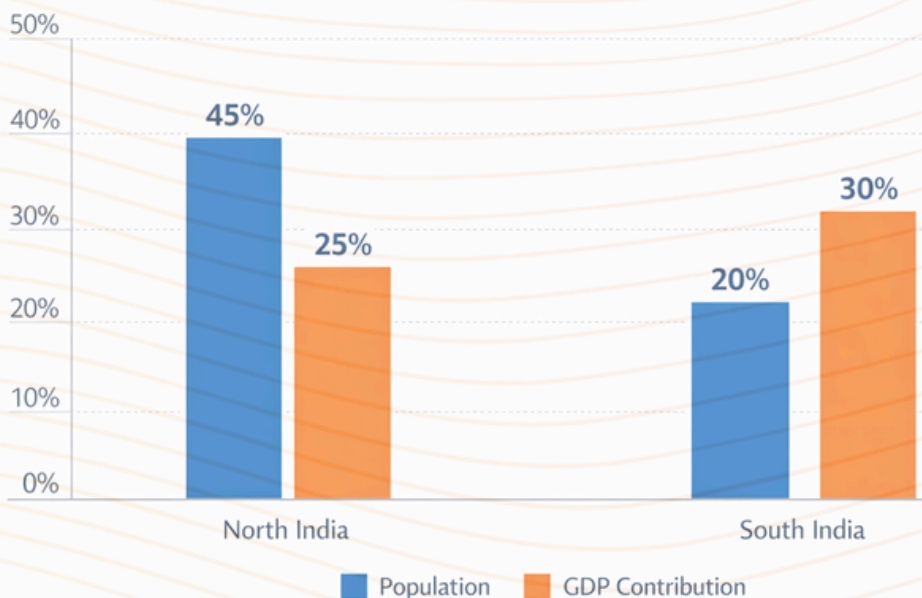
Structural Gap: A Persistent Economic Divide

- South: ~20% population → ~30% GDP → ~35% FDI
- North: ~45% population → ~25% GDP

Why Southern India Leads

- **Skilled workforce** availability
- **Higher urbanization**
- Better governance & **policy continuity**
- Strong **industrial clusters** (IT, Auto, Electronics)

Population vs GDP Share: North vs South India



North India has a significantly higher population share but lower GDP contribution, indicating lower productivity levels.

Northern India

Emerging Growth Momentum

Key Growth Drivers

- **Infrastructure push** → Expressways, Dedicated Freight Corridors
- **PLI schemes** → Manufacturing expansion
- **Rising investments** → Electronics, logistics
- **Policy** → Execution improving

Key Investment Indicators

- Samsung **manufacturing** → Uttar Pradesh
- Dixon **Technologies** → Noida cluster
- Freight **corridors** → Logistics efficiency

Northern India is transitioning from a **consumption-led** to a **manufacturing-driven** growth model, supported by **infrastructure** and **policy** tailwinds.

Structural Challenges

- Skill gaps limiting **productivity**
- Lower **urbanization**
- **Execution** risks

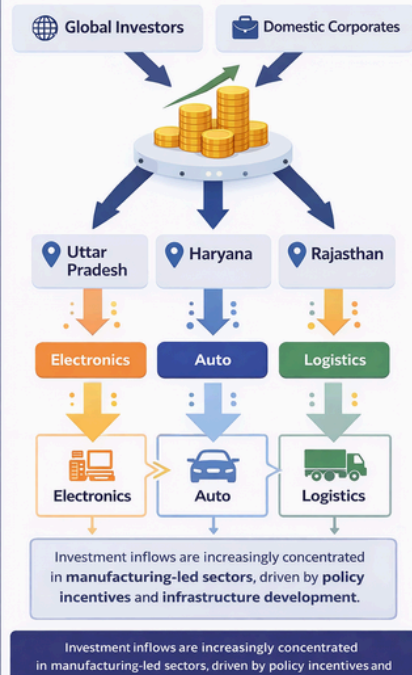
Northern India is improving, but still lags in productivity. Catch-up is possible, but depends on execution and skill development.

NORTHERN INDIA INFRASTRUCTURE PUSH

Transforming Connectivity, Driving Growth



NORTHERN INDIA: INVESTMENT MOMENTUM



Convergence Outlook

Current Position

- High population share
- Lower GDP contribution
- Productivity gap persists

Structural Shift

- Infrastructure expansion
- Manufacturing growth
- Rising private investments

Forward Outlook

- Gradual convergence likely
- Dependent on execution
- Human capital remains key

Northern India is on a structural growth trajectory, but sustainable convergence will depend on execution quality, policy continuity, and productivity improvements.