

Vikasit Telangana @ 2047: Pathways to a \$3 Trillion Economy through Sustainable and Inclusive Development

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Abstract

The youngest state of India, Telangana, a state that was created in 2014, has become one of the most dynamic regional economies with great developmental expectations. The Telangana Rising Vision 2047 paper provides a holistic plan to become a 3 trillion economy by 2047, as India celebrates its 100th year of independence. This paper will look at the strategic pathways that have been outlined towards the realization of this ambitious objective using sustainable and inclusive development models. In the work, the current economic pattern of the state of Telangana, the potential based on information technologies, the pharmaceutical industry, and upcoming developments such as data centres and renewable energy sources are examined, and the innovative model of 3 zones, namely CURE (services), PURE (manufacturing), and RARE (agriculture) zones, is discussed. With reference to secondary data, which is the government reports, statistical abstracts, and policy documents, this study assesses whether it is possible to sustain compound annual growth rates of 11-13% to meet the target of 3 trillion. The results indicate that although Telangana has good background opportunities, such as the development of strong infrastructure, human resources, and progressive administration, the implementation of the vision requires high foreign direct investment, productivity, and strategic orientation towards sustainable development objectives. Policy recommendations are the final part of the paper covering the balanced regional development, women's empowerment, and environmental sustainability.

Keywords: *Vikasit Telangana; Economic Development; Sustainable Growth; Inclusive Development; Vision 2047; Regional Economy; India*

1. Introduction

The vision of making the state a globally competitive economy by the year 2047 (Vikasit Telangana, which means Developed Telangana) is the idea of rebuilding the state. This is a lofty goal that is in tandem with the larger national goal of Vikasit Bharat (Developed India) as envisaged in the governance structure of Prime Minister Narendra Modi. Telangana, which was formed out of Andhra Pradesh in June 2014, has shown impressive economic stability and growth rates, and is now an example of how the entire federal Indian system can grow and develop (Government of Telangana, 2024).

The Telangana Rising Global Summit 2025, which was inaugurated by Governor Jishnu Dev Varma, released the blueprint of comprehensive development of the state, showing a target of a 1 trillion economy in 2034 and a target of a 3 trillion economy in 2047. Chief Minister A. Revanth Reddy stated that though the population size of

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Telangana is only 2.9 percent of the population of India, this state produces about 5 percent of the national GDP, and it is hoped that by the centenary year, this number will rise to 10 percent (Republic World, 2025). In this paper, I critically analyze the strategic directions, priorities in the sectors, and policy frameworks around which this transformative agenda is built.

This study is important because it will help in comprehending how a relatively young state can utilize its current advantages and, at the same time, tackle the developmental challenges to ensure that it experiences exponential economic growth. The study is based on the Telangana Rising Vision 2047 report that was prepared in cooperation with NITI Aayog and the Indian School of Business (ISB) and uses the global databases, such as the Penn World Table, to compare the growth trends with the international ones (Indian News Network, 2025).

2. Literature Review

2.1 Regional Economic Development as a Theoretical Framework

Regional economic development theories offer necessary concepts to know about the state-level growth dynamics in the federal framework. Endogenous growth theory, initiated by Romer (1986) and Lucas (1988), highlights the fact that human capital accumulation, knowledge spillovers, and technological innovation are the main drivers of sustained economic growth. The specialization in IT/ITeS industries, Global Capability Centres (GCCs), and new technology hubs used in Telangana is consistent with such theoretical prescriptions (IBEF, 2024).

The philosophy of inclusive development, as explained by the United Nations Development Programme (UNDP), focuses on growth that is inclusive to all groups of people in society, especially the marginalized groups. HDI framework offers a multidimensional index comprising health, education, and income levels. The HDI score of India rose to 0.685 in 2023 after reaching 0.676 in the same year, and states such as Telangana have been shown to show above-average results in the per capita income indicators (UNDP, 2025).

2.2 Paradigm of Sustainable Development

The Sustainable Development Goals (SDGs) that were adopted in 2015 offer a holistic approach, which incorporates economic growth and environmental sustainability, and social inclusion. Telangana development strategy readily integrates SDG goals, especially on clean energy (SDG 7), decent work and economic growth (SDG 8), industry and innovation (SDG 9), and sustainable cities (SDG 11). The Clean and Green Energy Policy 2025 of the state has 20,000 MW of renewable energy capacity by 2030, which means that the state adheres to the principles of sustainable development (TGREDCO, 2025).

3. Current Economic Status of Telangana

Telangana has become one of the fastest-growing state economies in India, and it has continued to perform better than the state growth averages in various indicators. The Socio-Economic Outlook 2025 uses extensive information to prove that the state has strong economic fundamentals and a growth pattern.

Table 1: Telangana's Key Economic Indicators (2023-25)

Indicator	2023-24	2024-25
GSDP (₹ Lakh Crore)	15.01	16.12
GSDP Growth Rate (%)	14.5	10.1
Per Capita Income (₹)	3,56,564	3,79,751
PCI Growth Rate (%)	8.6	9.6
Contribution to India's GDP (%)	5.0	5.1

Source: Telangana Socio Economic Outlook 2024-25; MoSPI, Government of India

3.1 Sectoral Composition

The economy of Telangana has a service-sector prevalence of advanced regional economies. The Gross State Value Added (GSVA) composition indicates that the services sector will have 66.3 percent contribution in 2024-25, then agriculture and allied sector with 17.3 percent, and then the industrial sector with 16.4 percent (Deccan Chronicle, 2025). This industry-wise allocation highlights the rise of Hyderabad as an international IT and pharmaceutical industry and the necessity of a balanced development of the industry.

Table 2: Sectoral Contribution to GSVA (2024-25)

Sector	GSVA Share (%)	Employment (%)
Services (Tertiary)	66.3	34.8
Agriculture & Allied (Primary)	17.3	42.7
Industry (Secondary)	16.4	22.5

Source: Telangana Budget 2025-26; Socio Economic Outlook 2025

4. Strategic Pathways to \$3 Trillion Economy

4.1 The Three-Zone Development Model

To enhance and streamline development, Chief Minister Revanth Reddy declared that Telangana would be the first state in India to adopt the three-zone model of economic development to divide the state strategically. This new model consists of CURE (Comprehensive Urban and Regional Economy) services, PURE (Productive Urban and Rural Economy) manufacture, and RARE (Rural and Agricultural Regional Economy) agriculture. The zonal classification would help to maximize resource allocation, attract investments in specific areas, and provide equal regional development (New Kerala, 2025).

4.2 Key Growth Sectors

The vision document has narrowed down on a few priority sectors that will help grow the economy within the next 20 years. IT/ITeS continue to be the backbone of the economy of Telangana, with exports amounting to 2,68233 crore dollars or 3223 billion dollars in FY24, showing an annual growth of 11.2 percent (IBEF, 2024). The state aims to achieve 3 lakh crore of IT exports by 2026 and generate 1 million technology jobs.

Table 3: Priority Sectors and Investment Targets

Sector	Current Status	2030 Target
IT/ITeS Exports	\$32.23 billion (FY24)	₹3 lakh crore
Pharma & Life Sciences	\$13 billion (2020)	\$100 billion
Renewable Energy	11,399 MW	31,399 MW (+20,000)
FDI Inflows (cumulative)	\$9.84 billion (2019-24)	\$15+ billion annually

Source: IBEF 2024; DPIIT; Telangana Rising Vision 2047; TGREDCO 2025

5. Sustainable and Inclusive Development Framework

5.1 Clean Energy Transition

The Telangana Clean and Green Energy Policy 2025 forms a pledge by the state on environmental sustainability, as well as supporting the fast-increasing energy needs. Its policy aims at the addition of 20,000 MW of renewable energy capability by 2030 and nearly zero emissions by 2047, in accordance with the national commitment of India on climate. Telangana has a lot of renewable energy strengths due to sunny days, over 300 days per year, and a wind energy capacity of 54,717 MW of energy (Neo Science Hub, 2025).

Electricity demand is expected to rise to 24,215 MW in FY2030 and 31,809 MW in FY2035 due to industrial projects such as Future City, AI City, and Pharma City. The policy covers independent renewable energy power plants, floating solar, Battery Energy Storage Systems (BESS), pumped storage power plants, and green hydrogen generation plants (Marcum India, 2025).

5.2 Women's Empowerment and Social Inclusion

Governor Jishnu Dev Varma underlined that the Telangana development plan benefited women, farmers, youth, and children as the core centre of development. Electric bus operations, retail ventures, and solar projects that enable women to participate in the economy are some of the initiatives that are led by women. Also, women's self-help societies that run the lakes also help in conserving the environment as well as generating local income (Tribune India, 2025).

Telangana has a significantly greater female labour force participation of 52.73% compared to the national average of 45.20% with general labour force participation at 68.7% compared to 64.3 in India. The Women and Child Welfare Department has given out 27,000 crore interest-free loans, and it is projected to go up to 1 lakh crore within a period of five years, which is an incredible investment in empowering women economically (Illustrated Daily News, 2025).

6. Challenges and Policy Recommendations

6.1 Key Challenges

The target of the 3 trillion economies will require 11-13% compounded annual growth rates over 22 years, which has only happened to a few economies, such as China and Japan. Studies show that these countries were able to attain great growth, whereby the savings rate is close to 50 percent, whereas in Telangana, the present savings rate is close to 30 percent, limited by consumption-oriented economic behaviour. Also, FDI inflows are significantly worse than the rival states, such as Maharashtra, receiving more than 15 billion a year versus 2-3 billion in Telangana (Indian News Network, 2025).

The imbalance between the regions continues to exist, where most of the export is made in Rangareddy and Medchal-Malkajgiri districts in the Hyderabad metropolitan region. The agricultural sector, with 42.7 per cent of the workforce, only contributes 17.3 per cent to GSVA, which means that it is not very productive, and new structural change is required. Moreover, the issues of debt sustainability are also to be considered, and there is an increase in per capita debt: in 2014-15, it was 20,251, whereas in 2023-24, it is 1,76,360 (Telangana Today, 2024).

6.2 Policy Recommendations

Some of the strategic interventions are suggested based on the analysis. To begin with, a significant boost in the FDI inflows by improving the ease of doing business, improving infrastructure, and investing in promotion campaigns in strategic markets. Second, the application of the 3-zone model, where infrastructure corridors

linking the CURE, PURE, and RARE regions exist. Third, human capital development based on skills, universities, vocational training programmes, and technology-based education based on industry needs.

Fourth, promoting agricultural transformation by encouraging the adoption of value-added crops, the use of post-harvest technologies, and the development of better cold storage facilities to increase rural incomes. Fifth, the regional development through creating IT centres and industrial belts in district headquarters besides Hyderabad. Lastly, instituting fiscal restraint by capital spending on productivity boosting infrastructure, such as the 36,000 crore Regional Ring Road and planned 39 radial roads linking industrial belts, increases.

7. Conclusion

The Vikasit Telangana -2047 vision is a bold but well-thought-out plan of how to make Telangana a 3-trillion-dollar economy via sustainable and inclusive growth. The state has significant underlying strengths that include strong IT and pharmaceutical systems, innovative systems of governance, such as TS-I PASS, quality human resources, and strategic geographical location. The new model of three zones, CURE, PURE, and RARE, offers the context of balanced development that satisfies the dynamism of the service sector, growth of the manufacturing industry, and modernization of agriculture.

Nevertheless, the accomplishment of the vision demands unprecedented long-term growth rates, a significant increase in FDI attraction and growth in productivity in different sectors, and the consideration of fiscal sustainability. The determination to shift to clean energy by the Clean and Green Energy Policy 2025 and women empowerment programs shows that it complies with the idea of sustainable development, which is vital to long-term prosperity.

The overall success will be determined by the successful implementation of the holistic framework, further policy innovation, and the adaptive governance that is responsive to the new challenges and opportunities. When actualized, the transformation of Telangana would offer a model that can be replicated in the development of the regions in the federal system of India, which pulls a lot to the overall Vikasit Bharat 2047 national vision. Subsequent studies are advised to track the progress of the implementation and assess the effectiveness of the policy by conducting longitudinal research on the key performance indicators.

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