

India's growth to be fuelled by 20 cities, says report

India's growth will be driven by 20 cities, according to a report released here Thursday.

These 20 cities together account for 10 percent of India's population, but generate 31 percent of disposable income and in 2007-08 fuelled consumption worth \$100 billion, said the report titled 'Next Urban Frontier: 20 Cities to Watch'.

The report was jointly prepared by economic think-tank National Council of Applied Economic Research and the Future Group's research wing Future Capital Research.

As 379 million people will be added to India's urban spaces over the next 40 years - which is the more than the current population of the US - these cities will be crucial for the economic development and will emerge as the major market for financial services and consumer goods.

The report says more than half the total urban income is generated by these 20 cities and they account for 60 percent of saving of the whole nation.

According to the report, these 20 cities are divided into three categories - mega cities, boom towns and niche cities.

The mega cities are the largest cities in terms of population and overall consumer market.

Boom towns are the next set of big population cities, with high expenditure per household.

Niche cities, which are smaller in terms of overall population but still hit well above weight in spending per household.

The eight mega-cities are all the four metros, along with Bangalore, Hyderabad, [Ahmedabad](#) and Pune.

The seven boom towns are Surat, Kanpur, Jaipur, Lucknow, Nagpur, [Bhopal](#) and Coimbatore.

The five Niche cities are Faridabad, Amritsar, Ludhiana, Chandigarh And Jalandhar.

The report also highlights some interesting findings such as boom towns registering the fastest economic growth.

It also says more than half of the households in the country will be middle-class by 2016, while the high-income segment will triple by that year.

The report highlights that the mega cities households spend the least on an average on education and recreation, and 19 percent of households prefer to keep surplus income at home.

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