

Urban India likely to account for 70% of GDP in FY26

Dun & Bradstreet report finds balance shifting from metros to emerging cities

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India's urban areas are projected to contribute 70 per cent of gross domestic product in 2025–26, up from 45 per cent in the 1990s, according to a report by Dun & Bradstreet.

The City Vitality Index (CVI) report by the data analytics company for the first quarter of 2026 said India is undergoing rapid urbanisation, with the urban population expected to reach 600 million — 40 per cent of the total population — by 2036, up from 31 per cent in 2011.

The report said the pace of urbanisation is likely to gather speed in the coming years, with the number of

urban local bodies in India having already risen by 8.56 per cent over eight years, to 4,958 in 2025 from 4,567 in 2016.

“Class Y (Tier-II and Tier-III) cities are emerging as the top alternatives for establishing global capability centres, likely to provide a further boost to investment and employment generation,” the report said.

This comes at a time when the Union Budget 2026-27 gave a major push to city-led urban development, with Union Finance Minister Nirmala Sitharaman announcing an allocation of ₹5,000 crore over five years per city economic region for the development of Tier-II and Tier-III cities, as well as temple towns.



Among metropolitan cities, Ahmedabad ranked first in terms of growth, followed by Bengaluru and Delhi. Among these large cities, Pune had the highest number of Udyam registrations at 620,000.

Udyam Registration is the government's online system for recognising and classifying micro, small and

Changing demographic

Metropolitan cities	Rank	Emerging cities
Ahmedabad	1	North 24 Parganas, West Bengal
Bengaluru	2	Thane, Maharashtra
Delhi	3	Jaipur, Rajasthan
Kolkata	4	Prayagraj, Uttar Pradesh
Pune	5	Gorakhpur, Uttar Pradesh
Hyderabad	6	Patna, Bihar
Chennai	7	Surat, Gujarat
Mumbai	8	Ghaziabad, Uttar Pradesh

Source: City Vitality Index report by Dun & Bradstreet

medium enterprises.

Major emerging cities, according to the report, include North 24 Parganas, followed by Thane and Jaipur. Thane had the highest number of Udyam registrations among the emerging cities at 430,000.

The CVI identifies and ranks the top 100 non-metropolitan cities based

on economic size, growth momentum, and overall vitality. “A city with a high size rank but a lower growth rank may be nearing economic saturation — large in scale but growing at a slower pace. In contrast, cities with a high growth rank and a lower size rank represent rising stars — smaller today, but rapidly expanding, with strong prospects for improving ranks,” the report said.

For instance, Pune ranked first in size based on population and land mass but ranked fifth in growth as well as overall ranking. Among non-metropolitan cities, North 24 Parganas ranked second in size but 115th in growth. Similarly, Thane ranked first in size but lagged far behind in growth, with a rank of 290.

Ahmedabad ranked fourth in size but topped the growth rankings. Among emerging cities, Muzaffarpur ranked 45th in size but 24th in growth.