

PROSPECT OF THE STATE ECONOMY AND MEDIUM TERM FISCAL POLICY STATEMENT

The Mizoram Fiscal Responsibility and Budget Management Act, 2006 (FRBMA) inter alia, requires the Govt. of Mizoram to lay a Statement on Prospect of the State Economy and related Fiscal Strategy before the House of the State Legislature in each financial year along with the annual budget. Mizoram FRBMA, 2006 was passed by the Legislative Assembly during Winter Session in 2006. Pursuant to the provisions of the Act, therefore, a Statement on Prospect of the State Economy and Medium Term Fiscal Policy is placed before the House in March, 2007. A Statement of Fiscal Policy Strategy is also placed in the **ANNEXE** in terms of Sub-Section 2(b) of Section 5 of the above Act.

Macro-economic overview

Estimates of Gross State Domestic Products (GSDP) is one of the most important single economic indicator to measure the overall economic development of a state. It is the estimates of the net value of all goods and services produced within the State during a reference period of one year.

As per Advanced Estimates, during 2006-07, GSDP of the State of Mizoram is expected to register Rs. 2,96,549 lakh at current prices, while at constant (1999-2000) prices, it is expected to touch a level of Rs. 2,16,314 lakh with an anticipated economic growth of 4.84% over the previous year 2005-06. As per Advanced Estimates, the per capita income of Mizoram, at current prices, registered a growth of 7.74 percent in 2006-07 over that of 2005-06, while at constant (1999-2000) prices, it may record 3.46 percent growth during the same period.

In terms of working force, primary sector occupies a very important position in the economy of Mizoram as 54.9 per cent workers are cultivators and 5.7 percent are agricultural labourers. In primary sector, the GSDP growth is estimated at 5.31% of which agriculture and livestock are expected to grow at 4.5% during 2006-07. Contribution of the secondary sector to the economy of Mizoram was not significant and manufacturing activities hardly contributed 1% to the State's economy. However, with the measures taken up by the Government, the secondary sector of the State may witness 12.5% growth in 2006-07. The tertiary sector which so far has dominant role in the economy of Mizoram, is expected to achieve a growth rate of 10 percent.

Government of India in its Economic Survey 2006-07 has pointed out **“vigorous growth with strong Macro-economic fundamentals has characterized developments in the Indian Economy in 2006-07 so far... Growth of 9.0 percent and 9.2 per cent in 2005-06 and 2006-07 respectively, by most accounts, surpassed expectations”**. From the point of view of the State finances, this buoyant economic situation of the country in general and the growth of the State economy in particular have positively influenced the State’s Share of Central Taxes and Duties together with the collection of State’s own tax revenue.

Five Year Plans

The Eleventh Five year Plan outlay for Mizoram has been proposed at Rs. 4500.00 crore which is an increase of 96 per cent over the 10th Plan Approved outlay. The Revised Annual Plan outlay of the State for 2006-07 was placed at Rs. 768.00 crore while that of 2007-08 (the first year of the Eleventh Five Year Plan) has been kept at Rs. 850.00 crore which is about 10.7% higher than that of 2006-07.

The Annual Plan for 2006-07 laid special emphasis on combating the bamboo flowering and the ensuing possible famine, implementation of Mizoram Intodelhna Project (MIP), improvement of infrastructure in the form of Roads, Bridges, Rural and Urban Development and investment in much needed human resource development in the State in the form of education, healthcare, poverty alleviation and sports. Accordingly, substantial funds had been allocated to the sectors.

Fiscal Situation and Assessment of Fiscal Sustainability

State finances of the Government of Mizoram registered a turn around since 2002-03 as the Government initiated several steps in resource mobilisation, expenditure management and fiscal consolidation. To attain the fiscal objective towards this end Govt. of Mizoram had drawn up Medium Term Fiscal Reforms Programme for the period 2000-01 to 2004-05 at the instance of the Eleventh Finance Commission. To institutionalise the reform process further and to avail the Debt Consolidation and Relief Facility as recommended by the Twelfth Finance Commission, the State Government has enacted the Fiscal Responsibility and Budget Management Act in 2006. The improvement of the fiscal situation of the State over the years by some major fiscal parameters is given below:

	2001-02	2003-03	2003-04	2004-05	2005-06	2006-07 (RE)	2007-08 (BE)
Revenue Deficit as % of GSDP	(-)13.82	(-) 5.23	(+) 3.75	(+) 4.36	(+) 2.44	(+) 5.64	(+) 5.00
Fiscal deficit as % of GSDP	(-)22.43	(-)15.12	(-)13.83	(-) 9.63	(-)14.73	(-) 9.72	(-) 3.49
Own Tax revenue as % GSDP	1.00	1.34	1.54	1.62	2.04	2.13	2.09
Own revenue receipt as % GSDP	3.40	3.89	4.12	4.72	6.50	5.90	5.10
Share in central taxes & duties as % GSDP	2.32	4.54	5.89	6.38	8.38	9.15	10.77
Revenue Expenditure as % GSDP	59.99	54.30	58.20	57.15	58.95	61.30	54.42

VAT has been implemented in the State from 1st April 2005. Government is focusing on revenue augmentation of State resources through better tax compliance and administration. Reforms and restructuring of other State taxes are also initiated in the direction of improving enforcement and compliance. The tax – GSDP ratio which was one per cent in 2001-02 has been above two per cent presently. This is no mean achievement considering the limited capacity of States Own Revenue augmentation. Due to the buoyant economic situation of the country, the Mizoram’s Share in Central Taxes and Duties in absolute amount has gone up from Rs. 227 crore in 2005-06 to Rs. 271.45 crore in 2006-07 and further to Rs. 340.89 crore in 2007-08 as per Union Budget of 2007-08. If the economic growth of the country is sustained in the next two years, there is chance that the Central transfer in the form of Share in Central Taxes and Duties may go up further to contribute to higher revenue receipts at the disposal of the State Government.

In order to reduce the Balance of Current Revenue (BCR), the State Govt. has been emphasizing on the rationalization of Non-Plan Revenue Expenditure (NPRE) so that higher resources may be diverted to Plan expenditure particularly to the Capital Expenditure which is much needed for asset creation . NPRE which was 41.4 per cent of GSDP in 2003-04 has been controlled at 38.9 per cent in 2005-06 and aimed to contain at 40.0 per cent in 2006-07 (RE) and further proposed to restrict within 37.3 per cent in 2007-08 (BE).

The revenue deficit to fiscal deficit ratio indicates the extent of borrowed amount spent on meeting the current account deficit and the proportion available for capital expenditure for asset creation. In 2001-02 the revenue deficit as percentage of fiscal deficit was as high as 61.6 per cent indicating that nearly

two third of the borrowings was spent to meet the current expenditure leaving very little room for capital outlay. However, over the years, with the efforts of the State Government, the ratio decreased. Since the State at present is in revenue surplus, the entire borrowed amount is utilized for meeting the capital expenditure. Another glaring example of improved cash balance and financial condition of the State is its infrequent resort to the Ways and Means Advances. In fact, in 2006-07 the State Government has not so far resorted to Ways and Means Advances even for a single occasion.

The Mizoram FRBMA, 2006 has set Fiscal Management Targets, interalia, to progressively reduce revenue deficit from the financial year 2006-07, so as to bring it down to zero by 2008-09 and generate revenue surplus thereafter. Another target of FRBMA was to bring down the fiscal deficit GSDP ratio to 3 percent by 2008-09. Towards this end, the Govt. of Mizoram has already attained revenue balance in 2003-04 itself. Therefore, the task ahead is to maintain the revenue surplus in the coming years together with comprehensively bringing down the fiscal deficit to the targeted level. Towards these ends, Govt. of Mizoram has drawn up rolling targets of fiscal indicators upto 2009-10 which along with its underlying assumptions is given in **Annexe Form-I**. This apart, a Macro-Economic Frame-work Statement indicating trend in selected macro-economic and fiscal indicators at a glance is provided in **Annexed Form-III**.

Pension Liabilities

Sub-Section 2 (c) of the the Mizoram FRBMA, 2006 requires the Government of Mizoram to provide yearly pension liabilities worked out on actuarial basis for the next ten years. At the same time it has been stated in the Act that for a period of five financial years from the commencement of the Act, pension liabilities may, instead of working out on actuarial basis, be estimated by making forecasts on the basis of trend growth rates. Pension liabilities of the Government of Mizoram was Rs. 88.82 crore in 2004-'05 which was about 6.4 per cent of the total revenue expenditure and 5.9 per cent of total revenue receipts. Om 2006-'07 (RE), the total pension bill increased to Rs. 105.98 crore with an annual average growth rate of 9.7 per cent from 2004-'05. In 2007-'08 (BE), the pension liabilities has been estimated at RS. 106.01 crore which is again 6 per cent of the total revenue expenditure and 5.5 per cent of total revenue receipts. As per the Fiscal Correction Path (2005-'10) drawn up by the State Government, the pension liabilities are not expected to exceed 6.2 per cent of revenue expenditure and 5.4 per cent of total revenue receipts in the terminal year of Twelfth Finance Commission's award i.e. 2009-'10. Following a trend growth rate of 5 per cent per annum, the pension bill is estimated at Rs. 173.08 crore in 2016-'17.

FISCAL POLICY STRATEGY STATEMENT

The State finances of the Government of Mizoram had been under stress since its inception in 1986. The State Government had to resort to overdraft continuously to mitigate the financial difficulties. A 'peace bonus' in the form of one time Non-Plan grant of Rs. 182.45 crore and subsequently Extended Ways and Means Facility of Rs. 72.00 crore by the Government of India in 1999-2000 were not sufficient to meet the liabilities and start the Ministry on a clean slate.

Medium Term Fiscal Reforms Programme (2000-05)

Eleventh Finance Commission (EFC) in its Supplementary Report, expressed concern over the deteriorating fiscal position of the States and emphasized the need for fiscal consolidation and recommended that there was need for the States to undertake monitorable fiscal reform programme to eliminate the mismatch between receipts and expenditure particularly in the Non-Plan revenue account. To incentivise the States to undertake monitorable fiscal reforms programme, the EFC also recommended to set up an Incentive Fund by the Govt. of India, from which releases would be made to the States on the basis of fiscal improvement in revenue account. Like other States, Govt. of Mizoram also had drawn up a Medium Term Fiscal Reforms Programme (MTFRP) for the period 2000-01 to 2004-05 as a road map of fiscal consolidation following the broad contours of fiscal reforms objectives as envisaged by the EFC. Broadly, the MTFRP (2000-05) of State Govt. emphasized augmentation of revenue receipts by restructuring and widening of tax bases and improvement in non-tax revenues together with rationalization of Non-Plan revenue expenditure. While a series of reforms was initiated in State taxes, efforts were also taken to augment non-tax revenue through Motor Vehicle Parking Fees, Vehicle Fees, upward revision of room tariff Govt. accommodation, revision of electric power tariff and water charges and enhancing and imposing various other fees. For rationalization of Non-Plan revenue expenditure a series of measures were contemplated in the form of abolition of vacant posts, appointment of teachers on contract basis, redeployment of work charged establishments, tapering of subvention to GIA institutions, privatization of Government vehicles, introduction of VRS, reduction of explicit subsidies and many more economy measures. The State Government initiated the power sector reforms and restructuring of public sector undertakings for better fiscal management.

The fiscal situation of the State could not be changed overnight. However, with the initiatives of the State Government the fiscal deterioration was arrested and gradually the situation turned around. The revenue deficit as percentage of revenue receipt (the single monitorable indicator as prescribed by Ministry of Finance, Govt. of India under State's Fiscal Reforms Facility) which went up as high as 30 percent in 2001-02 was reduced to 10.7 per cent in 2002-03. In 2003-04 the State Govt. generated a revenue surplus which was to the extent of 6.1 per cent of the revenue receipt. In 2004-05 the percentage of revenue surplus to revenue receipts stood as 7.1 percent which ultimately accounted for more than 37 percentage point improvement in the ratio over that of 2001-02. Position of some major fiscal parameters during MTFRP period is shown below :

	2001-02	2002-03	2003-04	2004-05
1. Revenue Deficit as percentage of Revenue Receipts	(-) 30.0	(-) 10.7	(+) 6.1	(+) 7.1
2. Interest payment as percentage of revenue receipts	16.8	13.0	12.2	12.1
3. Fiscal deficit as percentage of GSDP	(-) 22.4	(-) 15.12	(-) 13.83	(-) 9.62
4 .Debt outstanding as percentage GSDP	82.72	87.97	92.32	93.71

Although, there was marked turn around in revenue account during MTFRP period, fiscal deficit was unsustainably high to create further impact on the already stressed debt and outstanding liabilities of the State. This apart the interest payments was still reigning high to create adverse impact on committed expenditure. Therefore, all these issues were felt necessary to be addressed during post MTFRP period for better fiscal management of the State.

Mizoram Fiscal Responsibility and Budget Management Act, 2006

Twelfth Finance Commission (TFC) while recommending the restructuring of State finances advised the States to enact Fiscal Responsibility and Budget Management Act to institutionalize the reforms initiatives of the State Governments. The FRBMA, as recommended by TFC, would contain following core elements :

- (a) eliminating revenue deficit by 2008-09
- (b) reducing fiscal deficit to 3 percent of GSDP by 2008-09
- (c) bringing out annual reduction targets of revenue and fiscal deficits

- (d) bringing out annual Statement giving prospects for State economy and related fiscal strategy
- (e) bringing out special Statements along with the budget giving in detail number of employees in Government, public sector and aided institutions and related salaries.

The above enactment has been stipulated as a pre-condition for availing the Debt Consolidation and Relief Facility (DCRF) recommended by TFC. As per DCRF, the outstanding Central Government loans contracted till 31st March, 2004 and outstanding as on 31st March, 2005 are to be consolidated and rescheduled for a fresh term of 20 years with lower interest rate of 7.5 per cent per annum. TFC estimated a relief to Govt. of Mizoram in terms of lower repayment of Rs. 731.00 lakh and lesser interest payment of Rs. 5054.00 lakh during its Award period (2005-2010) due to consolidation of Central loans as recommended by them. Besides this debt relief, the State Governments are also entitled to get debt write-off linked to the reduction of revenue deficit. The quantum of write-off of repayment would be linked to the absolute amount by which the revenue deficit is reduced in each successive year of the Award period of TFC.

Keeping in line with the TFC recommendations, Govt. of Mizoram enacted Mizoram Fiscal Responsibility and Budget Management Act in the Winter Session of the Legislative Assembly in 2006 to institutionalize the reform process.

FRBMA and Fiscal Corrections (2005-2010)

Mizoram FRBMA, 2006 requires the State Government to eliminate revenue deficit and reduce fiscal deficit to 3 per cent of GSDP by 2008-09. In reality, while the Government of Mizoram has already eliminated revenue deficit in 2003-04, its fiscal deficit has been still as high as 9.72 per cent of GSDP in 2007-08 (RE). Hence, there is need for a sharp corrections of fiscal deficit to attain the FRBMA target. This fiscal correction is absolutely essential also to control the burgeoning debt liabilities which is already unsustainable. Besides, due to the enactment of FRBMA, outstanding Central Government loans would be rescheduled for a fresh term of 20 years with a lesser interest rate. This would also address the problem of interest payment of the State to some extent. Besides, the State is now not only entitled for debt write off of the repayment for 2006-07 but also, be entitled for write-off of rescheduled repayment of Central loans in 2007-08. Government of Mizoram has drawn up a Fiscal Correction Path in a format as

outlined by the Ministry of Finance, Govt. of India in its guidelines on Debt Consolidation and Relief Facility. The details of the Fiscal Correction Path is presented in Annexed Form-II.

The Fiscal Correction Path depicts that under certain realistic assumptions the State Government will be able to generate revenue surplus of Rs. 279.00 crore in 2009-10 which is about 7 per cent of the GSDP. The fiscal deficit would be brought down to Rs. 108.34 crore in 2008-09 which is 3 per cent of GSDP. The level of fiscal deficit in terms of GSDP would be maintained in 2009-10. The growth of outstanding debt would be arrested with sharp fiscal correction, however, it may not be possible to bring it down below 87 per cent of GSDP. In any case, in 2009-10 debt to revenue receipt would not exceed 153.7 per cent and interest payment to revenue receipt is expected to be only 10.6 per cent much less than Govt. of India stipulated debt stress level of 20 per cent.

FORM – I

MEDIUM TERM FISCAL POLICY STATEMENT

A. FISCAL INDICATORS – ROLLING TARGETS

Sl. No.	Item	Previous Year 2005-'06 (Actuals)	Current Year 2006-'07 (Budget Estimates)	Current Year 2006-'07 (Revised Estimates)	Ensuing Year 2007-'08 (Budget Estimates)	Targets for next Two Years.	
						2008-'09	2009-'10
1	Revenue Deficit (-) /Surplus (+) as percentage of GSDP	(+) 2.21	(+) 4.55	(+) 5.95	(+) 5.00	(+) 6.28	(+) 6.97
2	Fiscal Deficit as percentage of GSDP	(-) 14.73	(-) 4.08	(-) 9.72	(-) 3.49	(-) 3.00	(-) 3.00
3	Total outstanding Liabilities as percentage of GSDP	94.34	94.17	94.70	92.42	86.39	80.87
4	Total Outstanding Liabilities as a percentage of Total Revenue Receipt (TRR)	153.69	164.76	140.53	155.53	148.16	142.92
5	Interest Payments as a percentage of Total Revenue Receipts (TRR)	11.17	12.20	11.38	11.06	10.82	10.58

B. ASSUMPTIONS UNDERLYING THE PROJECTION OF FISCAL INDICATORS (2008-'10)

(Rs. in crore)

Sl. No.	Item of Receipt/ Expenditure	Previous Year 2005-06 (Actuals)	Current Year 2006-07 (Budget Estimates)	Current Year 2006-07 (Revised Estimates)	Ensuing Year 2007-08 (Budget Estimates)	Targets for next Two Years.	
						2008-09 (Proj)	2009-10 (Proj)
1	Revenue receipts	1653.66	1695.00	1993.39	1936.35	2105.90	2267.18
	(a) Tax-revenue	55.06	46.78	63.15	68.13	74.95	82.45
	(b) Non-tax-revenue	120.09	115.02	119.73	97.97	102.87	108.02
	(c) State's share of Central Taxes	225.83	271.45	271.45	340.89	374.98	412.48
	(d) Grants from Central Government	1252.68	1261.75	1539.06	1429.36	1553.10	1664.23
	(i) Non-Plan Grants	603.60	614.37	630.43	658.46	682.20	693.33
	(ii) Plan Grants	649.08	647.38	908.63	770.90	870.90	970.90
2	Capital receipts –	437.92	402.08	397.57	410.13	375.98	405.44
	(a) Borrowings on account of Internal Debt of the State Government	306.64	234.30	266.08	260.26	225.97	253.44
	(Of which W& MA)	(63.24)	(60.00)	(30.00)	(66.70)	(66.70)	(66.70)
	(b) Loans and advances from the Centre	9.80	7.50	11.00	13.20	8.50	5.50
	(c) Recovery of loans and advances	22.98	22.83	22.99	22.70	23.50	24.00
	(d) Borrowings from Public Account (Net)	98.50	137.45	105.50	110.00	118.00	122.50
3	Total expenditure	2235.22	1966.94	2421.63	2252.67	2481.87	2672.62
	(a) Revenue account	1588.02	1559.94	1817.01	1773.51	1879.17	1988.10
	(i) Interest payments	184.65	206.87	226.80	214.08	227.96	239.77
	(ii) Salaries	544.05	595.88	632.99	712.62	762.50	815.88
	(iii) Pensions	89.16	105.98	105.98	106.01	117.00	123.00
	(iv) Others	770.16	651.21	852.24	740.80	771.71	809.45
	(b) Capital Account	647.20	407.00	603.62	479.16	602.70	684.52
	(i) Public Debt- Repayment of borrowings	161.74	128.06	115.92	179.97	244.13	261.25
	(Of which W&MA)	(63.24)	(60.00)	(30.00)	(66.70)	(66.70)	(66.70)
	(ii) Loans and advances	34.09	37.69	5.25	10.51	12.15	7.57
	(iii) Capital Outlay	451.37	241.25	482.45	288.68	346.42	415.70
4.	GSDP	2693.96	2965.49	2965.49	3258.60	3611.44	4006.78
5.	Outstanding liabilities of the State Government	2541.55	2792.75	2808.21	3011.70	3245.15	3484.17

Notes: (1) Buoyancy of Tax-Revenue has been estimated at 1 from 2008-'09.

(2) Buoyancy of Non-Tax Revenue has been assumed at 0.5 from 2008-'09.

(3) State's share of Central Taxes has been estimated to grow at an annual growth rate of 10% from 2008-'09 onwards.

(4) Annual increase of expenditure under salary is estimated at 7% from 2008-'09.

(5) Net incremental Debt Stock of the State Government during the projected periods of 2008-'09 and 2009-'10 is assumed to the extent of Gross Fiscal Deficit during that year which, in other words means $D_t = D_{t-1} + F_t$ where D is Deb Stock, F is fiscal deficit and t is the reference year.

FORM-II**Outcome indicators of the States Own Fiscal Correction Path**

State : Mizoram

(Rupees in Crore)

Items		2004-05 (Act)	2005-06 (Act)	2006-'07 (BE)	2006-07 (RE)	2007-08 (BE)	2008-09 (Proj)	2009-10 (Proj)
1	2	3	4	5	6	7	8	9
A.	STATE REVENUE ACCOUNT :							
1	Own Tax Revenue	39.56	55.06	46.78	63.15	68.13	74.95	82.45
2	Own Non-Tax Revenue	75.60	120.09	115.02	119.73	97.97	102.87	108.02
3	Own Tax+Non Tax Revenue (1+2)	115.16	175.15	161.80	182.88	166.10	177.82	190.47
4	Share in Central Taxes & Duties	155.78	225.83	271.45	271.45	340.89	374.98	412.48
5	Plan Grants	762.68	649.08	647.38	908.63	770.90	870.90	970.90
6	Non-Plan Grants	468.25	603.60	614.37	630.43	658.46	682.20	693.33
7	Total Central Transfer (4 to 6)	1386.71	1478.51	1533.20	1810.51	1770.25	1928.08	2076.71
8	Total Revenue Receipts (3+7)	1501.87	1653.66	1695.00	1993.39	1936.35	2105.90	2267.18
9	Plan Expenditure	419.13	539.95	485.48	629.68	557.24	590.45	625.64
10	Non-Plan Expenditure	976.38	1048.07	1074.46	1187.34	1216.27	1288.72	1362.46
	of which							
11	Salary Expenditure	427.71	435.52	555.27	485.43	596.75	638.52	683.22
12	Pension	88.82	89.16	105.98	105.98	106.01	117.00	123.00
13	Interest Payments	181.50	184.65	206.98	226.80	214.08	227.96	239.77
14	Subsidies - General	-	-	-	-	-	-	-
15	Subsidies - Power	-	-	-	-	-	-	-
16	Total Revenue Expenditure (9+10)	1395.51	1588.02	1559.94	1817.01	1773.51	1879.17	1988.10
17	Sal+Interest Payments +Pensions (11+12+13)	698.03	709.33	868.12	818.21	916.84	983.48	1045.99
18	as % of Revenue Receipts (17/8)	46.47	42.89	51.22	41.21	47.35	46.70	46.14
19	Revenue Surplus (+)/Deficit (-) (8 -16)	(+) 106.36	(+) 65.64	(+)135.06	(+)176.38	(+)162.84	(+) 226.73	(+) 279.08
		2004-05	2005-06	2006-'07	2006-07	2007-08	2008-09	2009-10
		(Act)	(Act)	(BE)	(RE)	(BE)	(Proj)	(Proj)

1	2	3	4	5	6	7	8	9
B	CONSOLIDATED DEBT :							
1	Outstanding debt and liability	2288.35	2541.55	2792.75	2808.21	3011.70	3245.15	3484.17
2	Total Outstanding guarantee	146.14	163.25	173.00	173.00	183.00	193.00	203.00
	[of which guarantees on account of budgeted borrowing and SPV borrowing]	-	-	-	-	-	-	-
C	CAPITAL ACCOUNT :							
1	Capital Outlay	329.53	451.37	241.25	482.45	288.68	346.42	415.70
2	Disbursement of Loans and Advances	34.41	34.09	37.69	5.25	10.51	12.15	7.57
3	Recovery of Loans and Advances	22.30	22.98	22.83	22.99	22.70	23.50	24.00
4	Other Capital Receipts	-	-	-	-	-	-	-
E	GROSS FISCAL DEFICIT :							
	[(8+D ₃ +D ₄)-(16+D ₁ +D ₂)]	(-) 235.28	(-) 396.84	(-) 121.05	(-) 288.33	(-) 113.65	(-) 108.34	(-) 120.19
F	GSDP at current prices	2441.47	2693.96	2965.49	2965.49	3258.60	3611.44	4006.35
	Actual/Assumed Growth Rate (%)	10.06	10.34	10.08	10.08	9.88	10.83	10.93
G	INDICATORS AS % OF GSDP							
1	Own Tax Revenue	1.62	2.04	1.58	2.13	2.09	2.08	2.06
2	Own Non-Tax Revenue	3.10	4.46	3.88	4.04	3.01	2.85	2.70
3	Total Central Transfer	56.80	54.88	51.70	61.05	59.70	53.39	51.84
4	Total Revenue Expenditure	57.16	58.95	52.60	61.27	54.43	52.03	49.62
5	Revenue Deficit	(+) 4.36	(+) 2.44	(+) 4.55	(+) 5.95	(+) 5.00	(+) 6.28	(+) 6.97
6	Gross Fiscal Deficit	(-) 9.64	(-) 14.73	(-) 4.08	(-) 9.72	(-) 3.49	(-) 3.00	(-) 3.00
7	Outstanding Debt and Liabilities	93.73	94.34	94.17	94.70	92.42	86.39	80.87

FORM-III
MACRO ECONOMIC FRAMEWORK STATEMENT
Economic Performance at a Glance

Table 1: Trends in Select Macroeconomic and Fiscal Indicators

Sl. No.	Economic/Fiscal Indicators	Absolute value (Rs. Crore)		Percentage Changes	
		April-March		April-March	
		Previous Year 2005-'06 (Actuals)	Current year 2006-'07 (RE)	Previous Year 2005-'06 (Actual)	Current year 2006-'07 (RE)
A.	Real Sector				
1.	GSDP at factor cost	-	-	-	-
(a)	at current price	2693.96	2965.49	10.34	9.16
(b)	at 1999-2000 price	-	-	-	-
2.	Agriculture Production	-	-	-	-
3.	Industrial Production	-	-	-	-
4.	Tertiary Sector Production	-	-	-	-
B.	Government Finances				
1.	Revenue Receipts (2+3)	1653.66	1993.39	10.11	20.54
2.	Tax Revenue (2.1 + 2.2)	280.89	334.60	43.79	19.12
2.1	Own Tax Revenue	55.06	63.15	39.18	14.69
2.2	State's Share in Central Taxes	225.83	271.45	44.97	20.20
3	Non-Tax Revenue (3.1 + 3.2)	1372.77	1658.79	5.07	20.84
3.1	State's Own Non Tax revenue	120.09	119.73	58.85	(-) 0.30
3.2	Central Transfers	1252.68	1539.06	1.77	22.86
4	Capital Receipts	339.42	300.07	(-) 31.29	(-) 11.59
4.1	Recovery of loans	22.98	22.99	3.05	0.04
4.2	Other Receipts	-	-	-	-
4.3	Public Debt	316.44	277.08	(-) 32.91	(-) 12.44
5	Total Receipts (1+4)	1993.08	2293.46	(-) 0.14	15.07
6	Non-Plan Expenditure	1210.49	1308.51	(-) 9.67	8.10
6.1	Revenue Account	1051.18	1187.34	7.66	12.95
	<i>of which :-</i>				
	(a) Interest payments	184.65	226.80	(-) 0.99	22.83
	(b) Subsidies	-	-	-	-
	(c) Salaries	435.52	487.90	1.83	11.46
	(d) Pension Payments	89.16	105.98	0.38	18.86
6.2	Capital Account	159.31	121.17	56.20	23.94
7	Plan Expenditure	1024.73	1112.13	32.57	8.53
7.1	Revenue Account	536.84	629.68	28.08	17.29
7.2	Capital Account	487.89	482.45	37.88	(-) 1.12
8	Total Expenditure (6+7)	2235.22	2420.64	5.63	8.45
8.1	Revenue Expenditure (6.1+7.1)	1588.02	1817.01	13.79	14.42
8.2	Capital Expenditure (6.2+7.2)	647.20	603.63	(-) 9.81	(-) 6.73
	<i>Of which</i>				
	(a) Loans & Advances	34.09	5.25	(-) 0.93	(-) 84.60
	(b) Capital Outlay	451.37	482.45	36.97	6.89
9	Revenue Deficit (-)/Surplus (+)(1-8.1)	(+) 65.64	(+) 176.38	(-) 38.29	168.71
10	Fiscal Deficit {(1+4.1+4.2)-(8.1+8.2a+8.2b)}	(-) 396.84	(-) 288.33		
11	Primary Deficit (10-6.1a)	(-) 212.19	(-) 70.53		
12	Memo :				
	Average amount of WMA from RBI ^	0.40	-	-	0
	Average amount of OD from RBI ^	-	-	-	-
	Number of days of OD	-	-	-	-
	Number of occasions of OD	-	-	-	-