

Macro and Fiscal Landscape of the State of Andhra Pradesh



Macro and Fiscal Brief: Andhra Pradesh

March 2025

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1. Summary and Overview of the State of Andhra Pradesh

Demography and Employment

- As per 2023 projections, Andhra Pradesh has a population of 53.2 million and represents 3.8 percent of India's total population. The State's projected population growth rate is slower than the national average as of 2022-23.
- As per 2021 population projections, its population density (329 persons per sq. km) and dependency ratio (49.1 per cent) are also lower than the national averages. According to the 2023 projections, 36.5 percent of the State's population resides in urban areas, which is slightly above the national estimates.
- As of 2022-23, Andhra Pradesh's annual unemployment rate (4.1 per cent) and Female Labour Force Participation rate (45.8 per cent) are both above their respective national averages.
- Majority of the working population in in the State is predominantly concentrated in agriculture, forestry, and fishing (45 per cent); services (33 per cent); and construction sectors (11 per cent), as of 2022-23 .

Economic Structure (Growth and Sectoral Composition)

- Andhra Pradesh's real GSDP has grown at an average rate of 6.5 percent between 2012-13 and 2021-22, which is higher than the national average growth of 5.6 percent during the same period.
- The State's share in India's nominal GDP, which was 4.2 percent in 1990-91 increased to 4.8 percent by 2021-22. Its nominal per capita income at Rs. 216,998 is 27 percent higher than the national per capita income in 2021-22.
- During the recent decade from 2013-14 to 2022-23, its agriculture, services, and manufacturing sectors have grown by 8.3, 6.1, and 10.9 percent annually, as compared to the national averages of 4.1, 6.6, and 5.5 percent, respectively*.
- Services sector at 39.2 percent, is the largest contributor to the State's GSVA followed by agriculture, forestry, and fishing at 37.3 per cent, in 2021-22.

Socio-Economic Indicators (Health and Education)

- Andhra Pradesh's literacy rate has increased rapidly over the decades, but is still low at 67 per cent compared to the national average (73 per cent), as of 2011.
- As of 2015-16, compared to the national averages the State has lower school dropout rate (15.7 per cent for Classes VIII to X), higher pass percentages for Classes X (97.5 per cent) and lower pass percentages for class XII (85.2 per cent).
- The Gross Enrolment Ratios at the Higher Secondary level (60.2 per cent in 2015-16) and at the Higher Education level (37.2 per cent in 2021) are both above their respective national averages.
- For people aged between 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) is below the national average despite significantly higher college density as compared to the national average, as of 2021
- As of 2020, life expectancy in the State (70.6 years) is close to the national average.
- Infant mortality (24 deaths per 1000 live births in 2020) and total fertility rates (1.7 children per woman in 2019-21) are both lower than their respective national averages.
- The general access to basic amenities, such as drinking water, sanitation facilities and electricity is higher than the national averages as of 2019-21.

State of Public Finances and Tax Devolutions

- Andhra Pradesh's debt-to-GSDP ratio at 32.5 percent in 2022-23 is higher than that of a median State (30.7 per cent, larger States). Its contingent liabilities (10.4 per cent) are also significantly higher than those of a median State as of 2021-22. The fiscal and primary deficit levels at 3.6 per cent and 1.7 per cent respectively, are comparable to that of the median State as of 2022-23. The State ran a revenue deficit of 2.2 percent of GSDP in 2022-23 while a median State ran at a surplus of 0.4 percent.
- As of 2022-23, the State collects less revenue (13.4 per cent of GSDP) than a median State (19.9 per cent). While State's collection of own tax revenue is nearly the same as that of median State, own non-tax revenues and transfers from the Centre are lower than those of a median State. As of 2022-23, State's expenditure-to-GSDP ratio at 17.0 per cent is below than that of a median State, its revenue expenditure-to-GSDP ratio (15.6 per cent) is close to a median State and its capital expenditure-to-GSDP ratio at 1.4 per cent is significantly lower than that of a median State.
- Debt Sustainability Analysis shows that under the baseline scenario (where debt level, primary deficit, real GDP growth, real effective interest rate remain as they are), debt-to-GSDP ratio is projected to increase over the next five years. Only under scenarios of higher growth and lower primary deficit is the debt to GSDP ratio predicted to decline.
- The 15th FC recommended that Andhra Pradesh receive 4.0 percent of the total tax devolution from the Centre, down from 4.3 percent recommended by the 14th FC. The State's share in the total grants-in-aid also decreased marginally by 0.6 percentage points under the 15th FC, compared to the 14th FC, at 6.2 percent.

Source: Reserve Bank of India, State Finances Report 2022-23.

Note: For calculation of median State, variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North Eastern States, except Assam).

Fiscal Rules

- Following the recommendations of the 12th Finance Commission, the State enacted the Andhra Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act in 2010. Since then, the Act has been amended 5 times in 2010, 2011, 2020, 2021, and 2022.
- **Revenue Deficit:** As per 2006 APFRBM, the State was required to reduce its revenue deficit by at least 0.32 per cent of GSDP each year from 2005-06 to 2008-09 and to generate a revenue surplus thereafter. The 2020 amendment mandated that the State maintain its revenue deficit at no more than 2.5 per cent of GSDP, including a one-time additional borrowing permitted for 2019-20. Additionally, the 2021 amendment has set a target to reduce the revenue deficit to 2.4 per cent of GSDP by 2024-25.
- **Fiscal Deficit:** According to the APFRBM, the State was required to reduce the fiscal deficit by at least 0.25 per cent of GSDP each year from 2005-06 to 2008-09, targeting a maximum of 3 per cent by 2008-09. The 2010 amendment reiterated this target, provided the fiscal deficit did not exceed 3.5 per cent for 2009 and 4 per cent for 2010. The 2020 amendment mandated a fiscal deficit to GSDP ratio of below 5 per cent from 2015-16 to 2020-21, permitted a one-time borrowing of ₹2,534 crore in 2019-20, and allowing a 2 per cent increase in the limit for 2020-21 in the wake of pandemic. Finally, the 2021 amendment had set a target to reduce the fiscal deficit to 3.5 per cent by 2024-25.
- **Fiscal Discipline:** As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period from 2017-18 to 2021-22, Andhra Pradesh achieved a revenue surplus in all years except 2019-20; maintained fiscal deficit target except in 2020-21; and, contained its total outstanding liabilities within the limits prescribed under the APFRBM Act targets.

2. Demography and Employment

- Population data covers the Census period 1951 – 2011;
- Population Projections cover the period 2012 – 2023;
- Employment data covers the period 2017-18 to 2022-23.

Table 1: Area and Demography of Andhra Pradesh

Indicator	Most Recent Value	As of Year	Decadal Change (b/w 2011 and 2021)	India's estimates for benchmark (iii)
Area (i)	275,045 sq. km.	2011	-	8.4 % of national total
Forest Cover	29,784 sq. km.	2021	-2.5% points	4.2 % of national total
Total Population	53.2 million persons	2023*	-	3.8 % of national total
Population Growth Rate	0.3%	2023*	-0.2% points (b/w 2012 and 2021)	0.9 % (India)
Population Density (ii)	329 persons per sq. km.	2021*	-	415 persons per sq. km. (India)
Dependency Ratio	49.1 %	2021*	-6.9% points	55.7 % (India)
Sex Ratio	943 females per 1000 males	2011	-	914 females per 1000 males (India)
Urban Population	36.5 % of State population	2023*	+1.9% points	35.1% of total population (India)
Rural Population	63.5 % of State population	2023*	-1.9% points	64.9% of total population (India)
Unemployment Rate	4.1%	2023*	-0.4% points (b/w 2017-18 & 2022-23)	3.2% (India)
Urbanization Rate	4.1%	2023*	-69.6% (b/w 2011 and 2021)	3.7% (India)

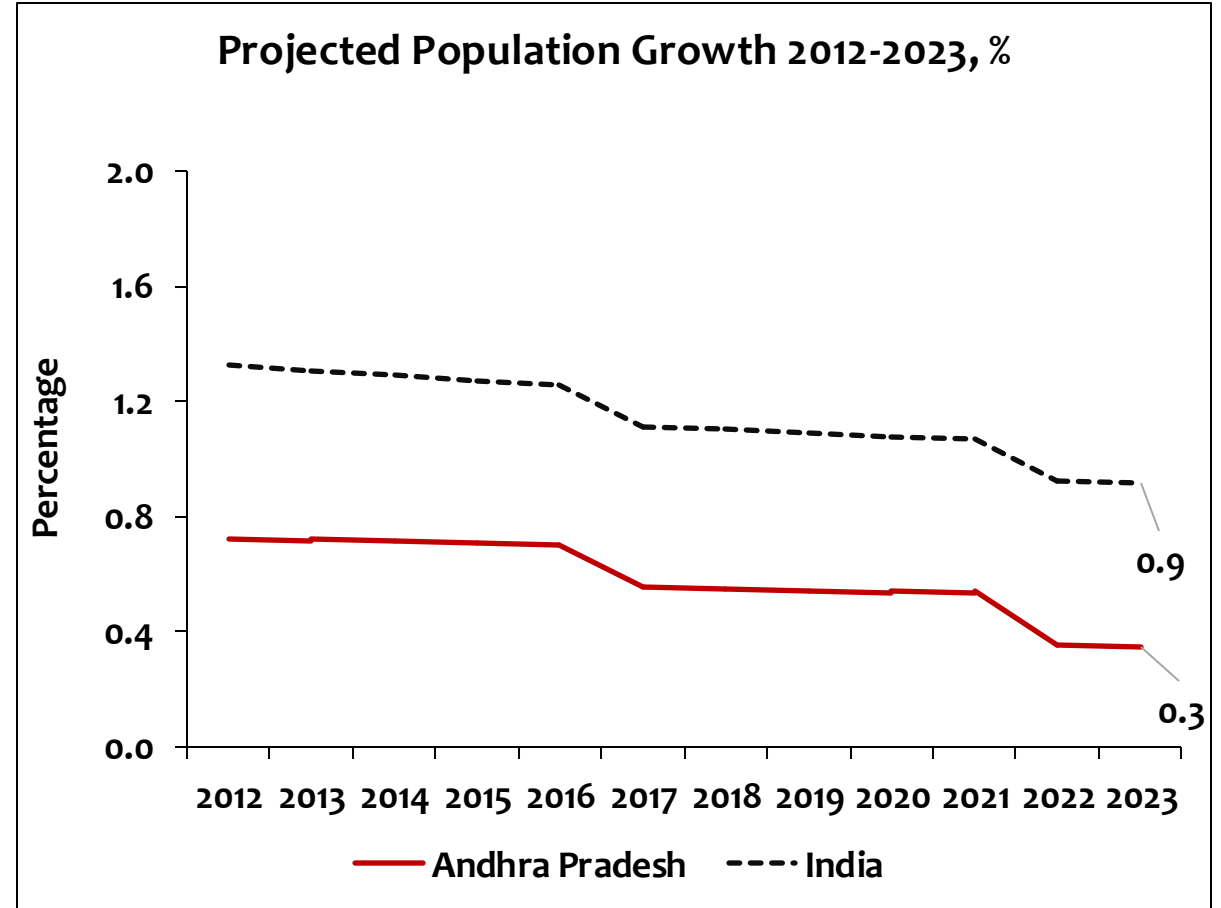
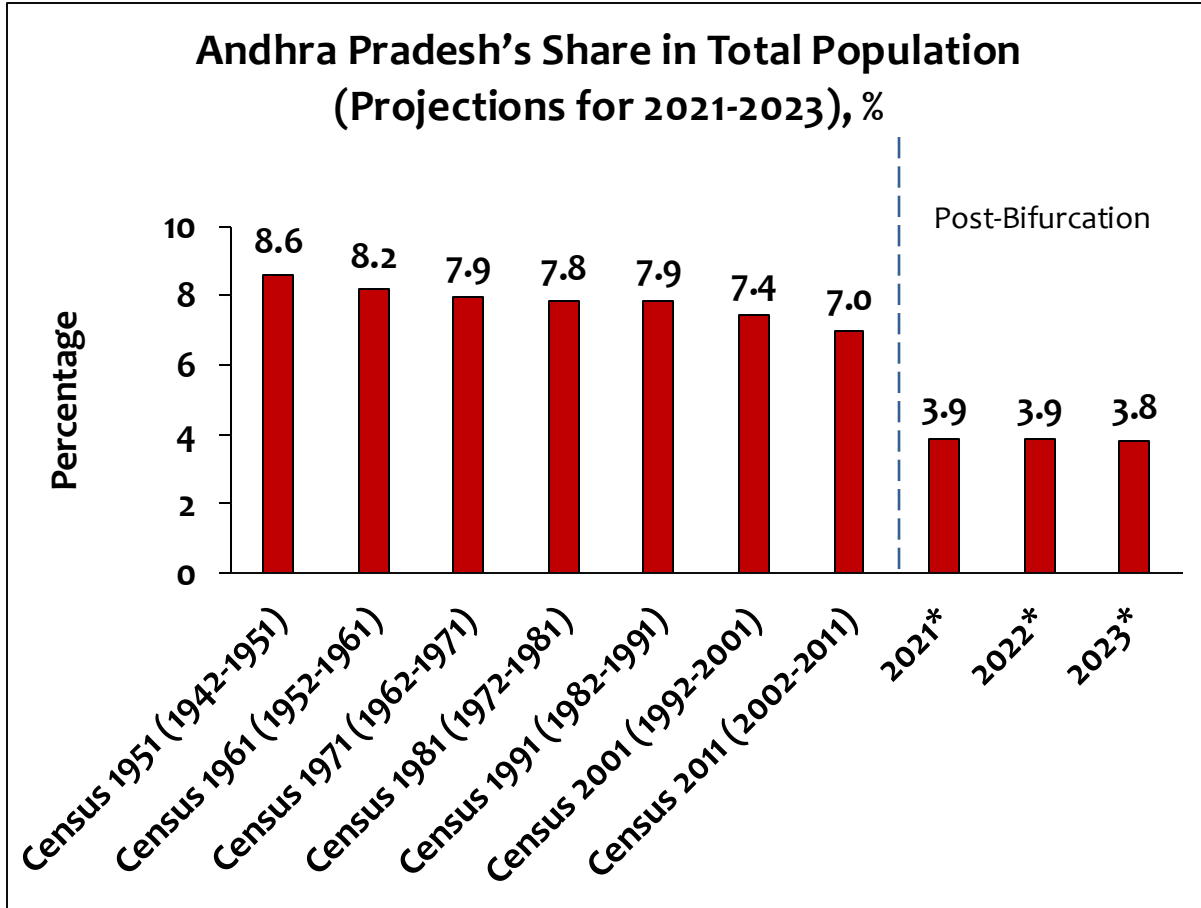
* Projected

Source: Census, Forest Survey of India, Ministry of Environment, Forest and Climate Change, and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note:

- i. Area figure for India (national total) includes the area under unlawful occupation of Pakistan and China. The area includes 78,114 Sq.km under illegal occupation of Pakistan, 5180 Sq.km illegally handed over by Pakistan to China and 37,555 Sq.km under illegal occupation of China.
- ii. For working out the density of India, the entire area and population of those portions of Jammu & Kashmir which are under illegal occupation of Pakistan and China have not been taken into account, except for 2011 census.
- iii. India's estimates for benchmark pertain to the actual data for India (except for Area, Forest Cover, and Total Population where the State's share in India's estimates have been shown).

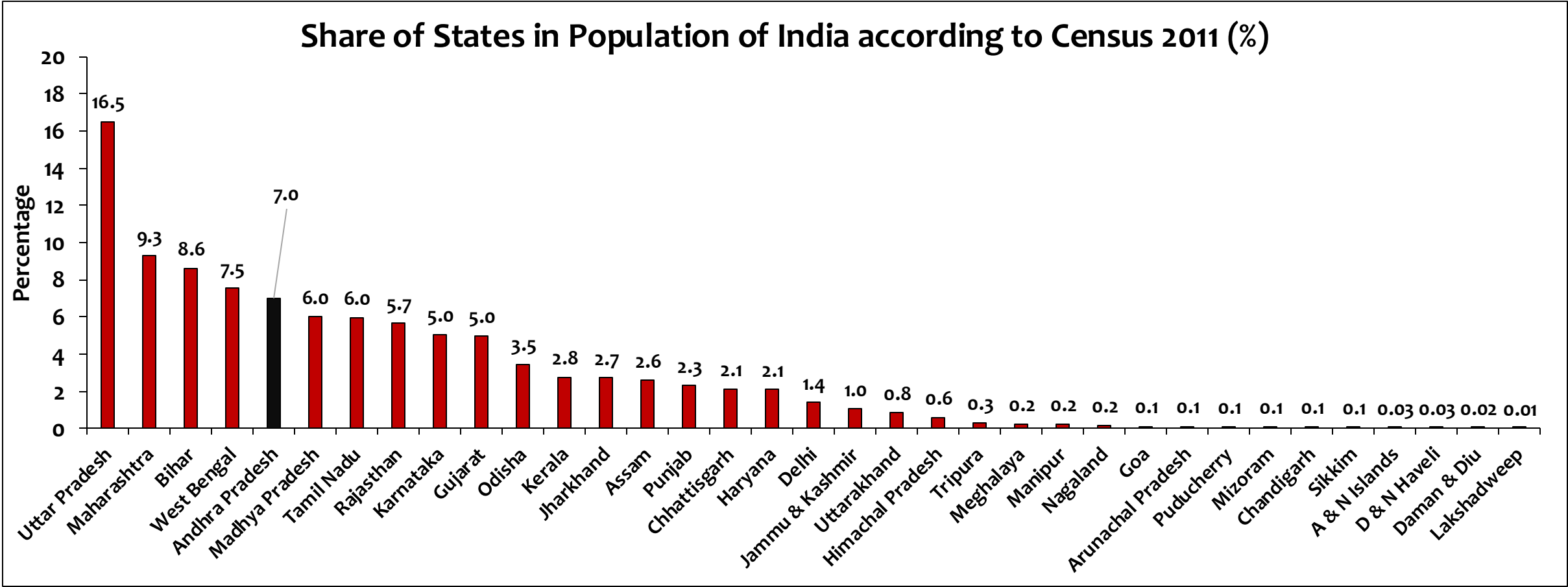
Andhra Pradesh has a share of 3.8 percent of National Population and its Population Growth Rate is lower than the national average



Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs. Projections are sourced from the “Report of the Technical group on Population Projections 2011 - 2036”, (July 2020) by National Commission on Population and Ministry of Health and Family Welfare.

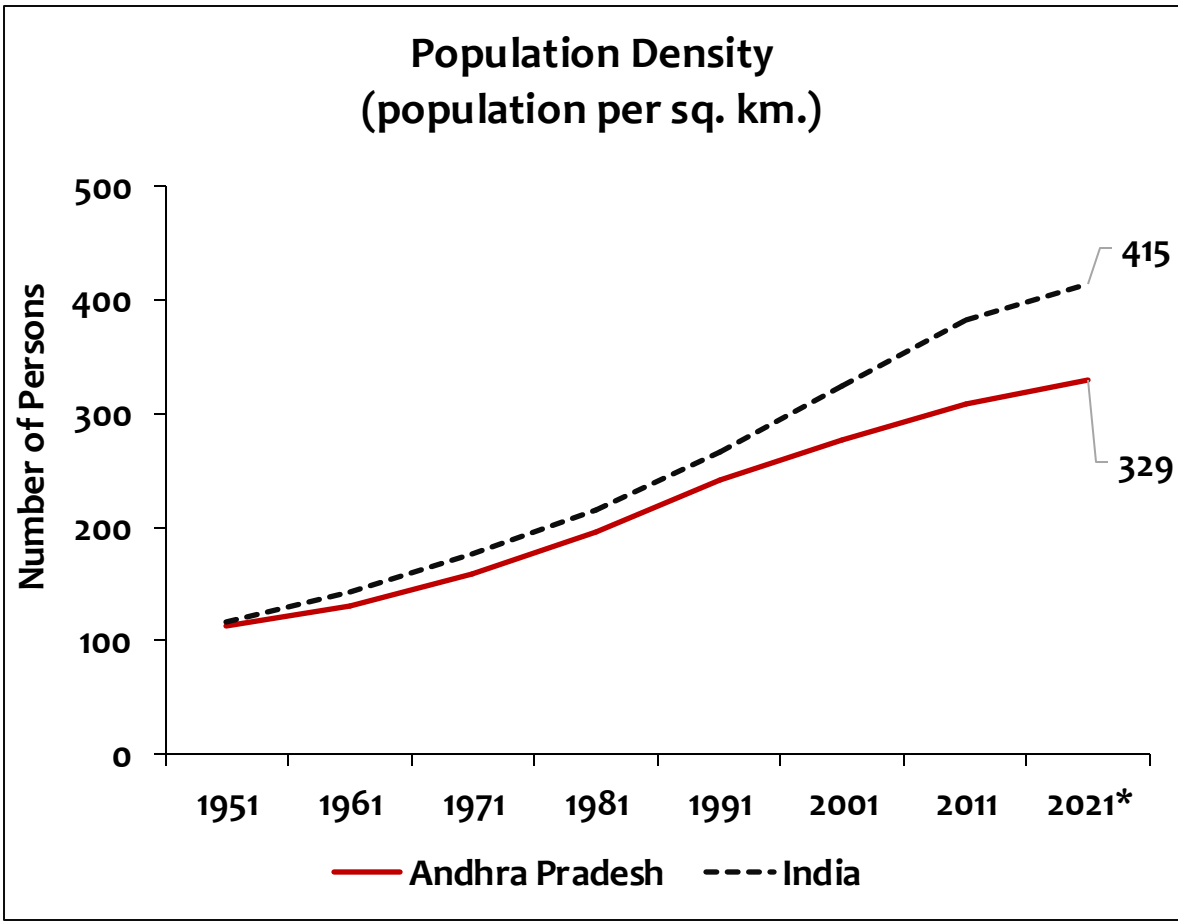
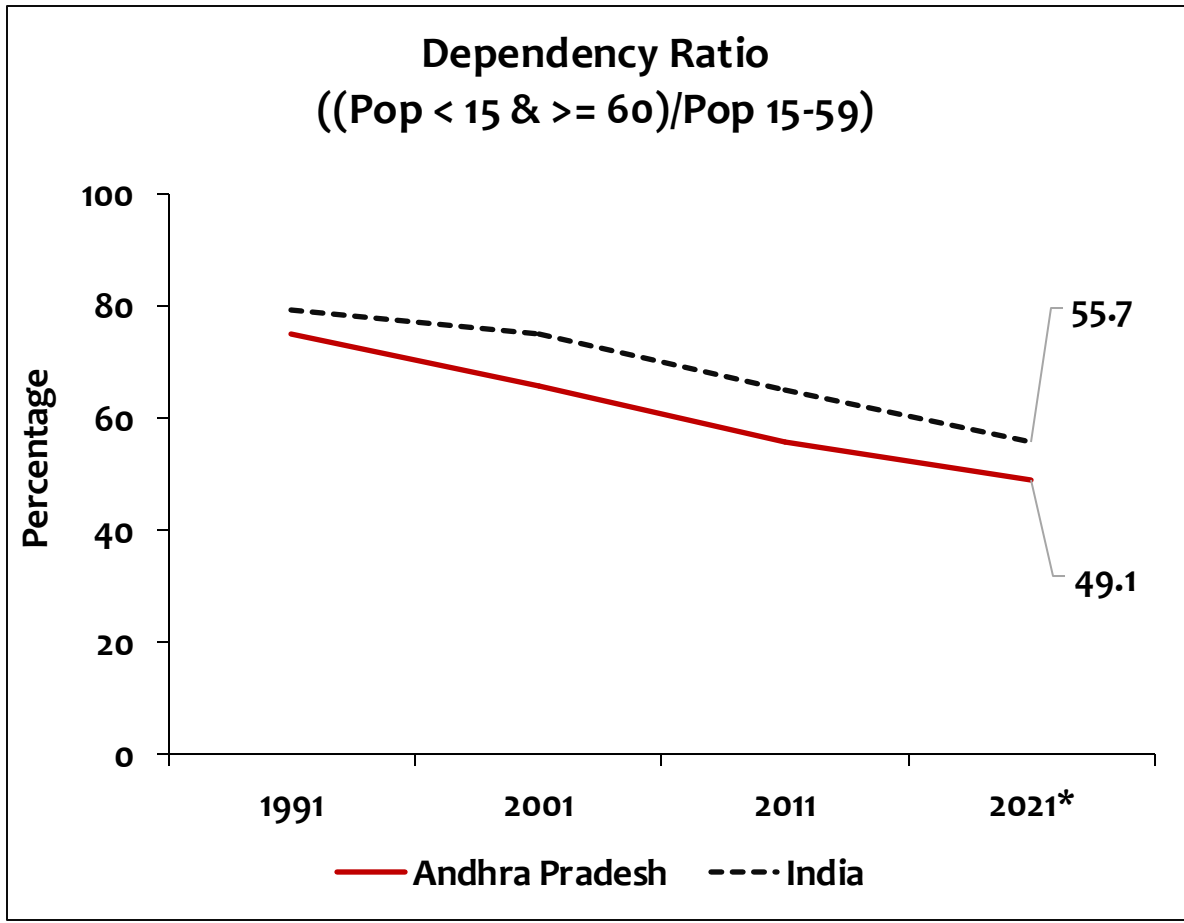
Note: i. The line for bifurcation has been added to explain the sharp decrease in Andhra Pradesh’s population share after 2014-15; ii. Census Population Projections are constructed using the Cohort Component Method, where the components of population change (fertility, mortality and net migration) are used to project the base population each year separately for each birth cohort (persons born in a given year). The detailed methodology can be found in Chapter 2, [Population Projection Report 2011-2036](#)

As per Census of 2011, Andhra Pradesh ranked as the fifth-largest State in terms of its share in the total population



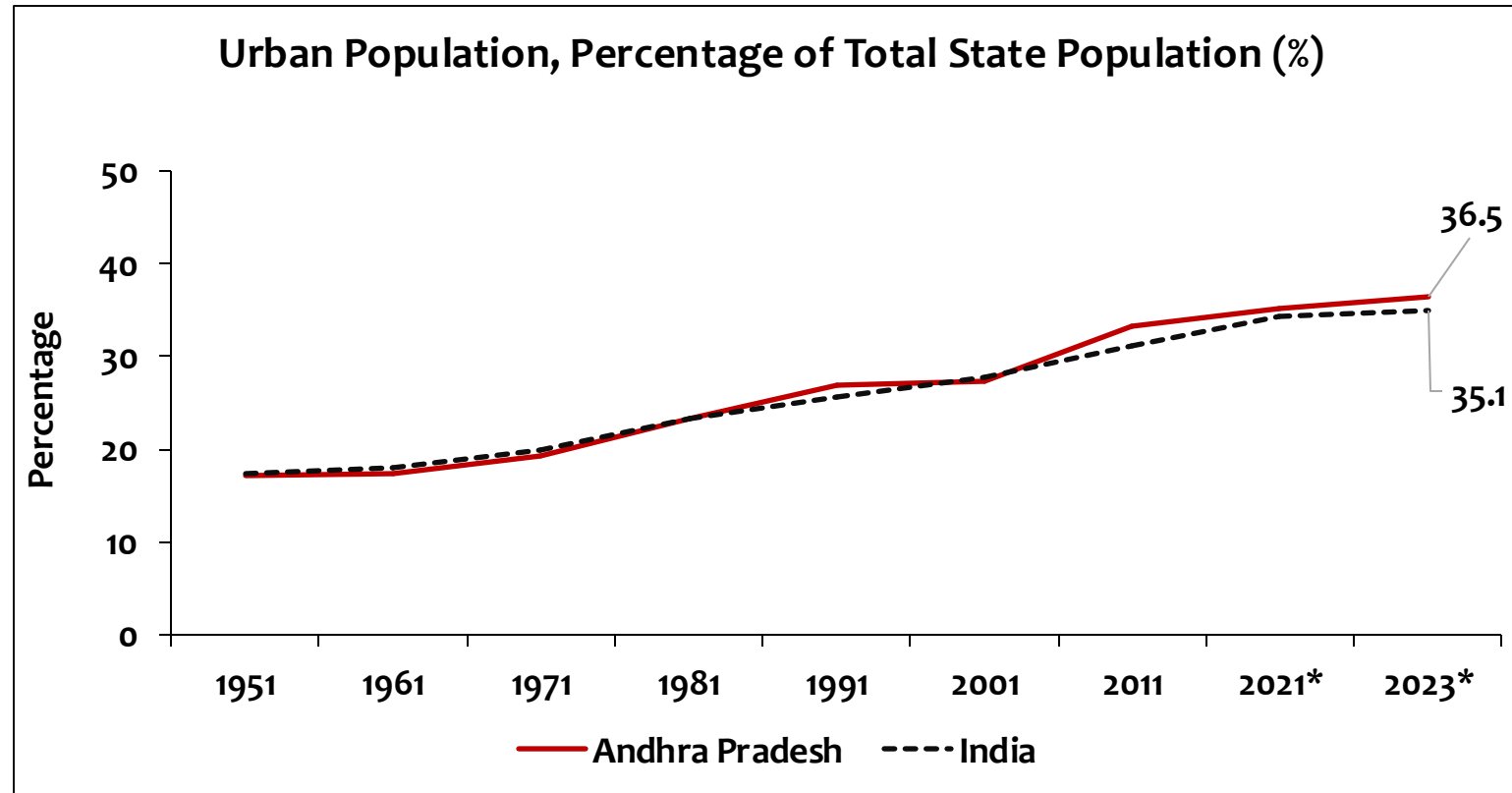
Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Dependency Ratio in Andhra Pradesh has consistently remained below the national estimates until 2011 and is expected to remain below the projected national estimate in 2021. Population Density has increased over the decades, but it has consistently remained below the all-India figure



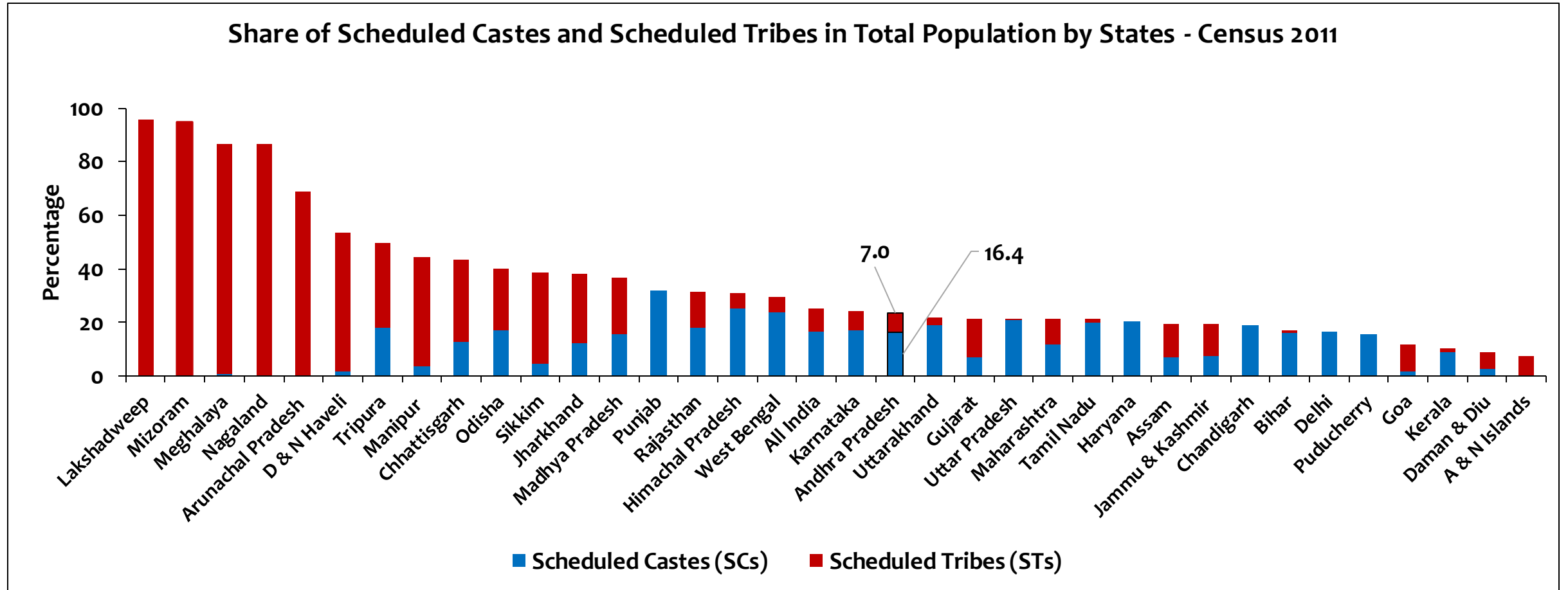
Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Urban Population in Andhra Pradesh remained close to the national estimates until 2011, after which it is projected to increase to a level slightly above the national estimates



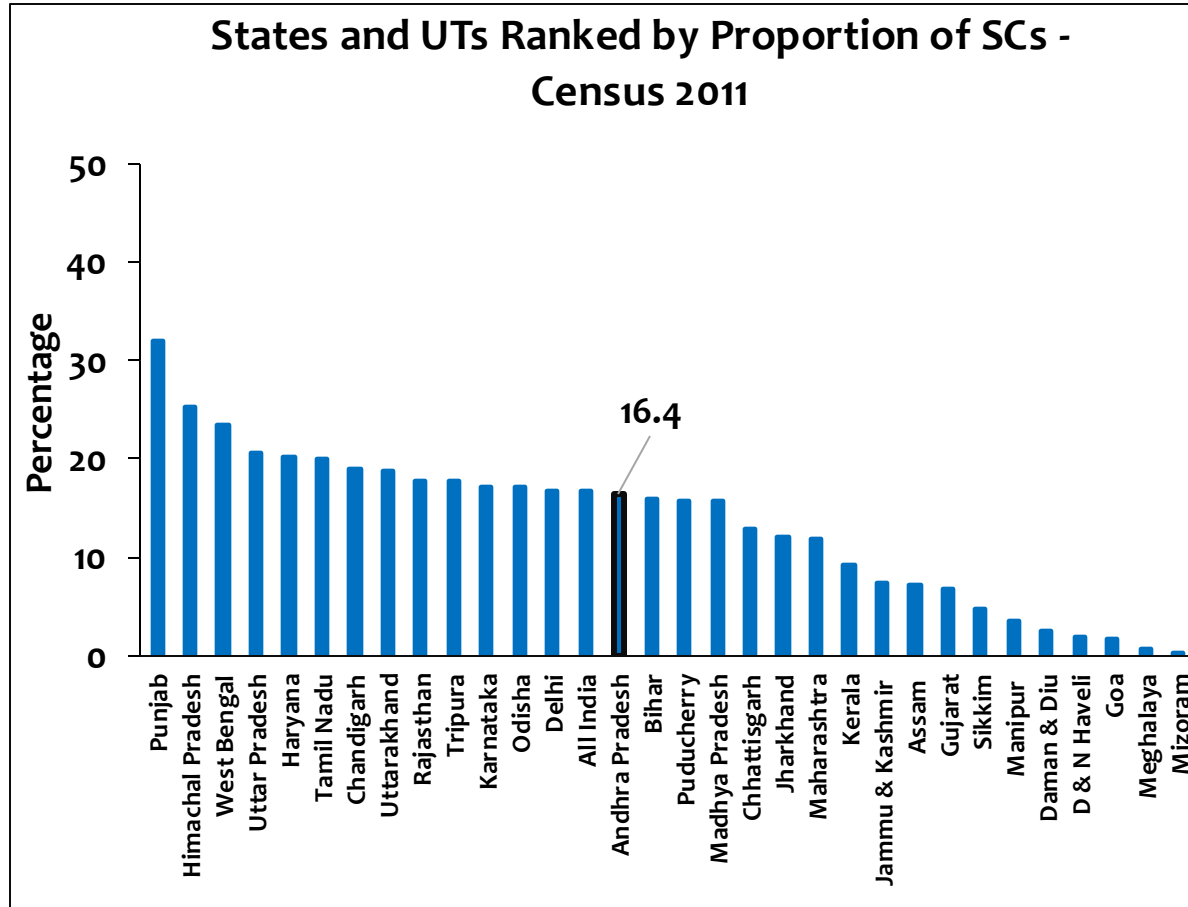
Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

In Andhra Pradesh, Scheduled Castes (SCs) constituted 16.4 percent of its total population while Scheduled Tribes (STs) constitute 7 percent of its total population as per the 2011 Census



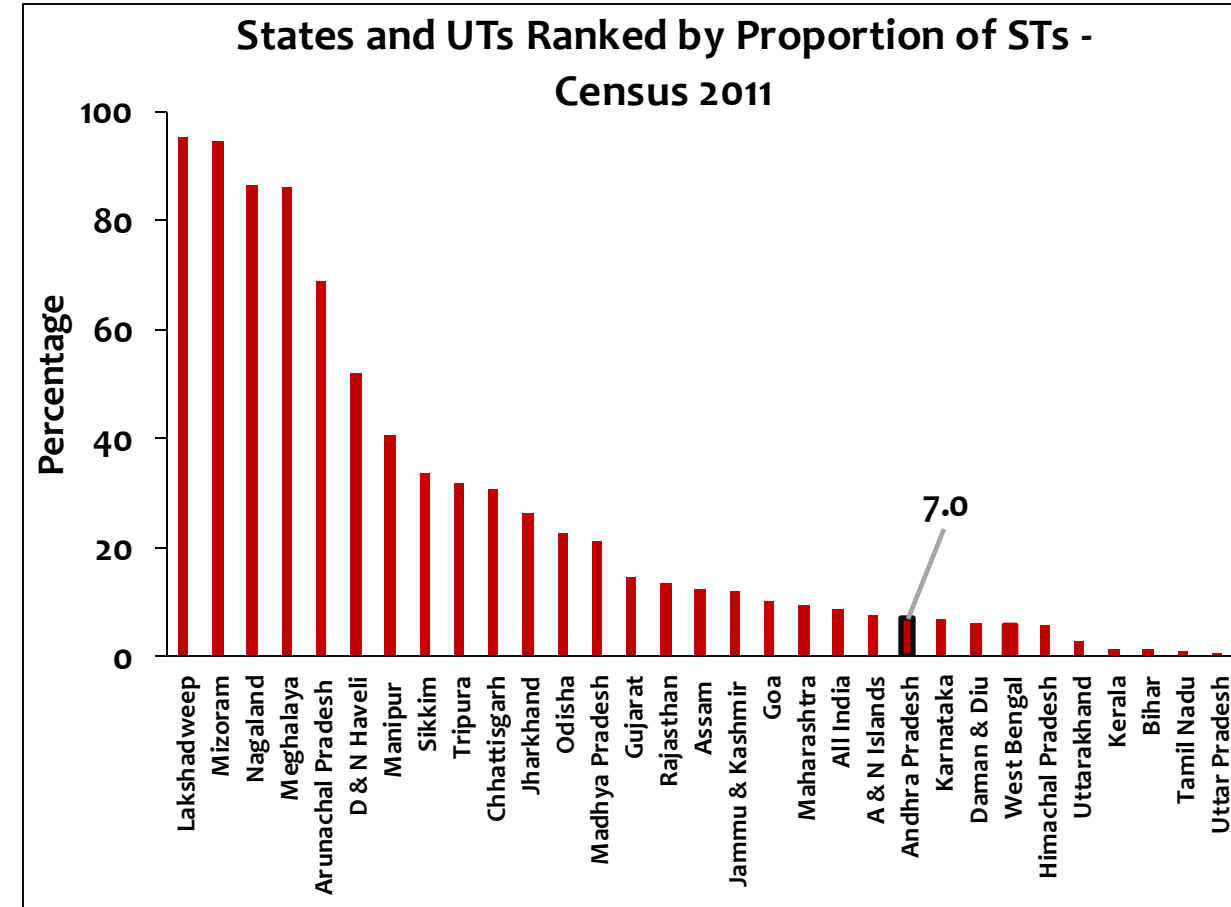
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Andhra Pradesh ranked as fifteenth largest among States with regard to the percentage of SC population. It is ranked among bottom ten States with regard to ST population



Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

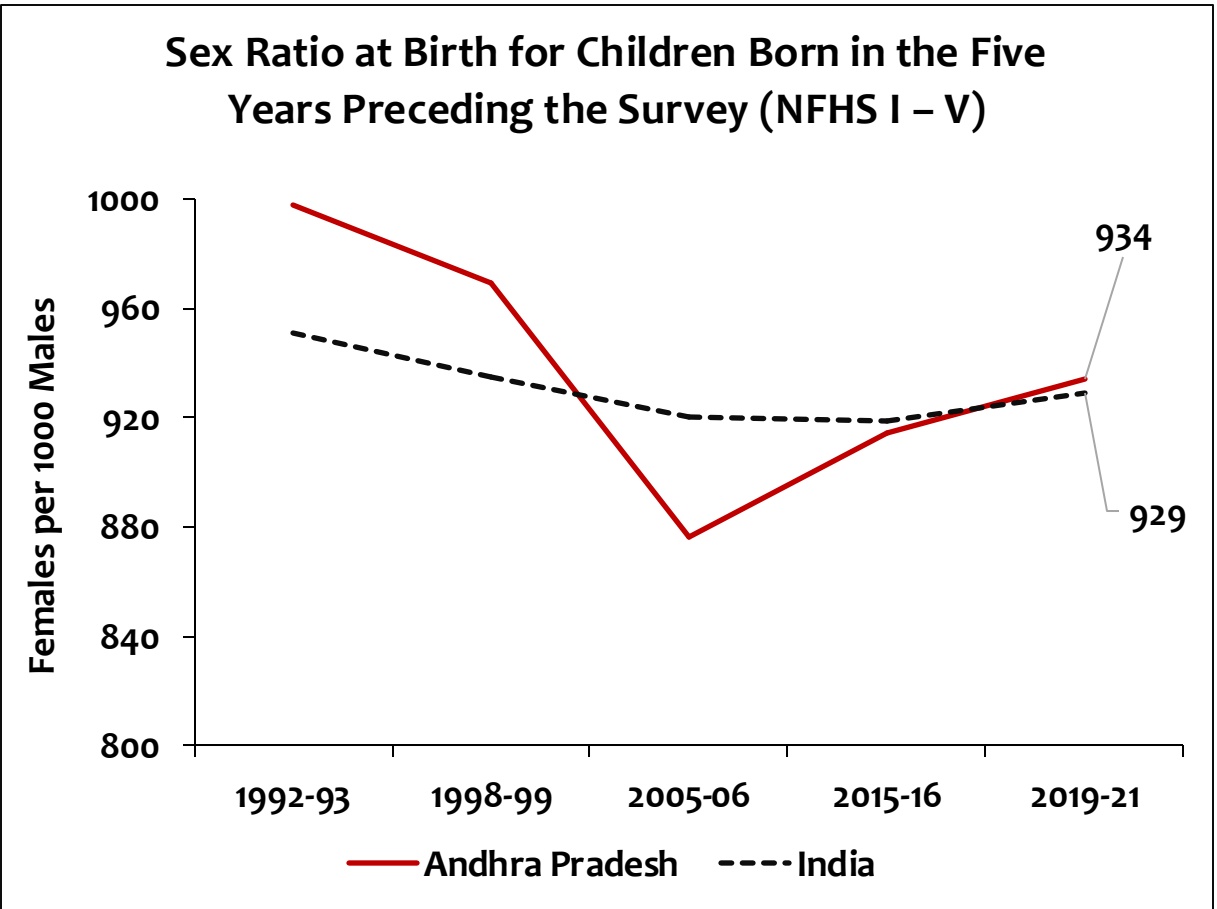
Note: As per the census data, Lakshadweep, Nagaland, Arunachal Pradesh, and Andaman & Nicobar Islands do not report any SC Population.



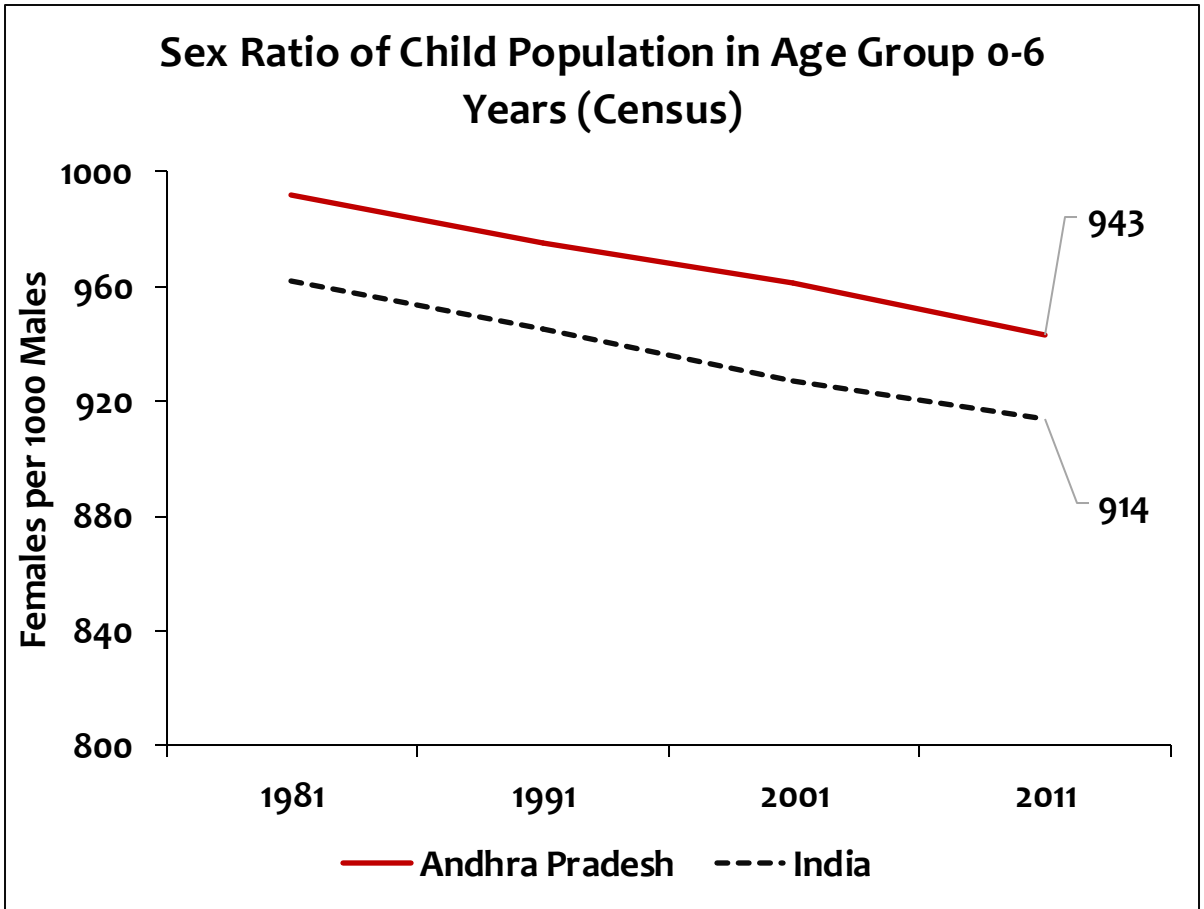
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Note: As per the census data, Punjab, Haryana, Chandigarh, Delhi, and Puducherry do not report any ST population.

Sex Ratio at Birth (female births per 1000 male births in a given population), as per the National Family Health Survey (NFHS) for Andhra Pradesh is slightly higher than the national estimates as of 2019-21. Census Sex Ratio of the child population (0-6 age group) has remained above the national estimates over the decades

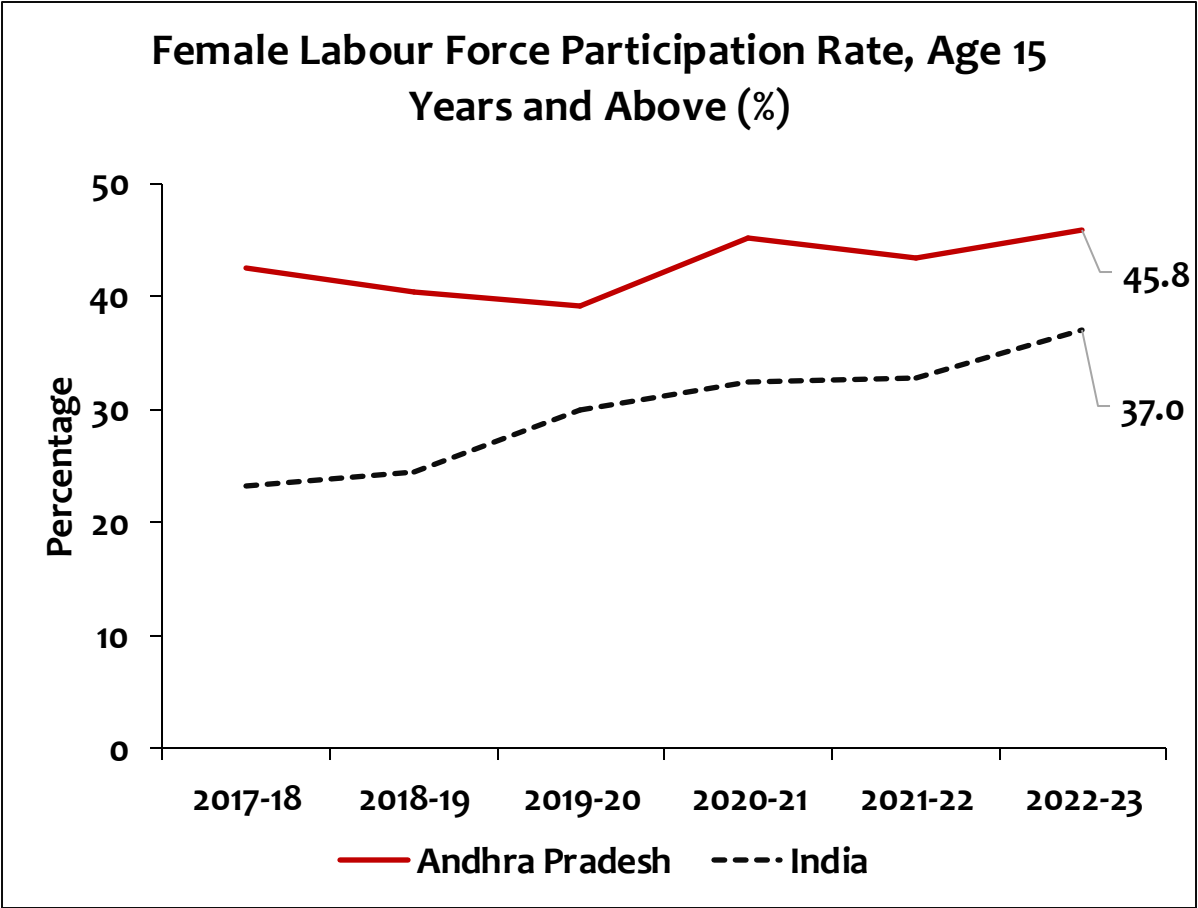
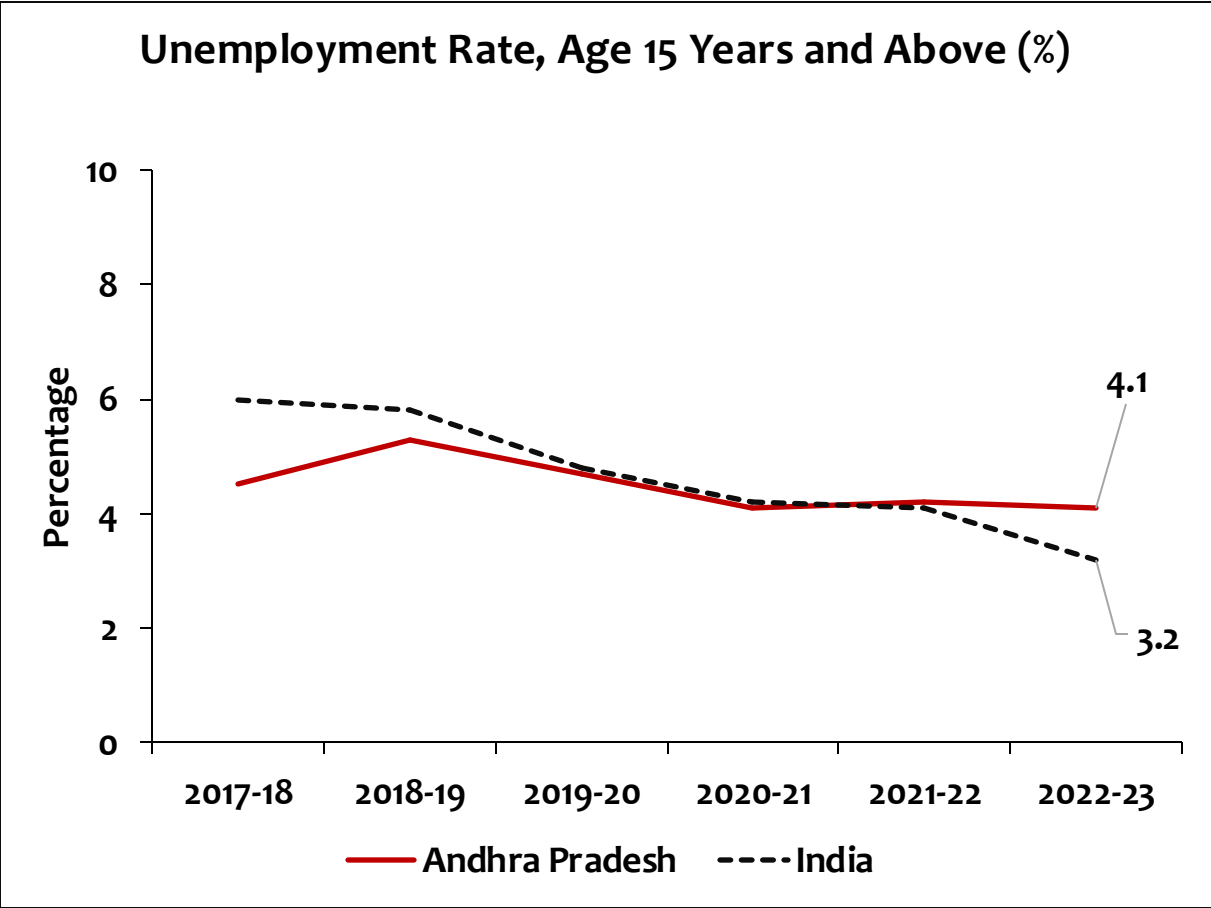


Source: NFHS I - V



Source: Census of India

Annual Unemployment Rate for Andhra Pradesh at 4.1 percent is above the national estimate as of 2022-23. Female Labour Force Participation has improved and it has remained above national estimates since 2017-18

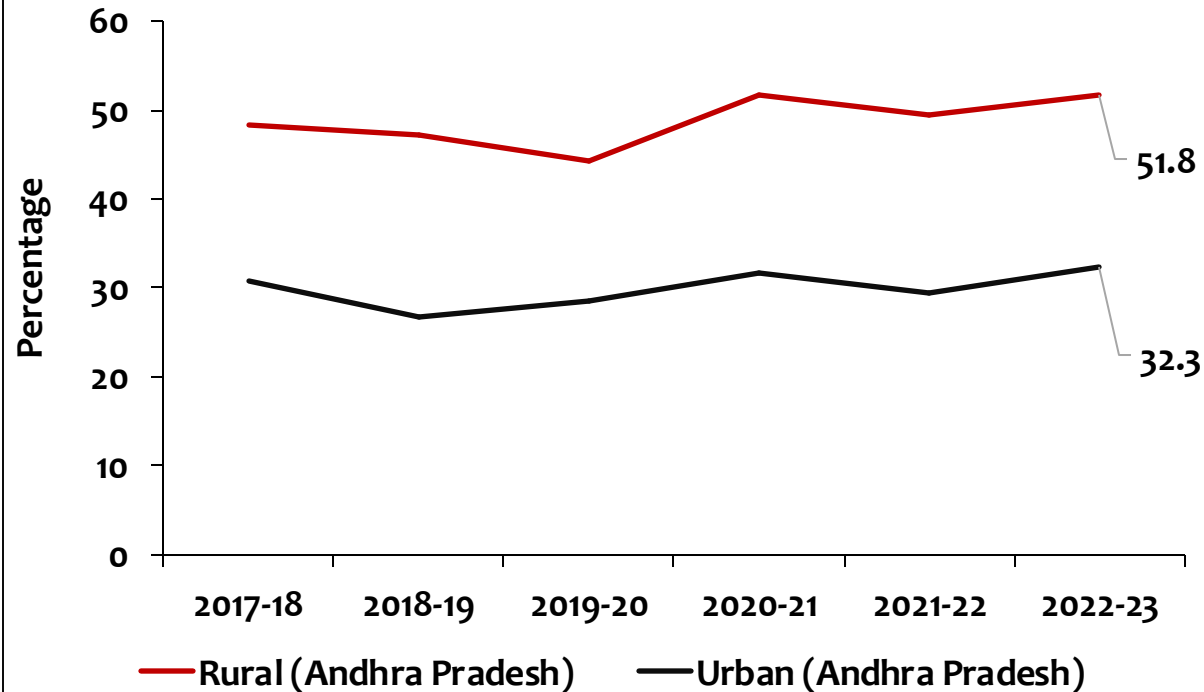


Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

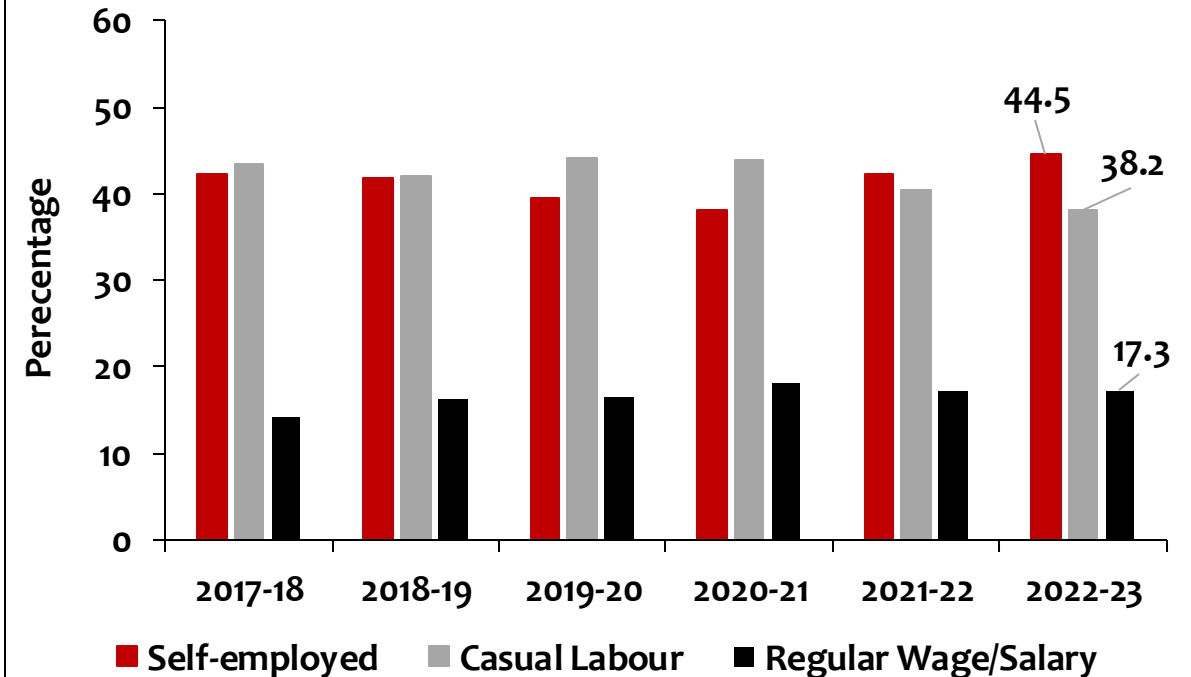
Note: Number for India has been taken directly from the source. The Unemployment Rate and Female Labour Force Participation Rate (FLFPR), is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, the last 7 days (Principal Status or PS) and the last 365 days (Subsidiary Status or SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

In Andhra Pradesh, Female Labour Force Participation is predominantly higher in rural areas. Additionally, majority of the female workforce comprises of Self-Employed workers

Rural and Urban Female Labour Force Participation Rate In Andhra Pradesh, Age 15 Years and Above (%)



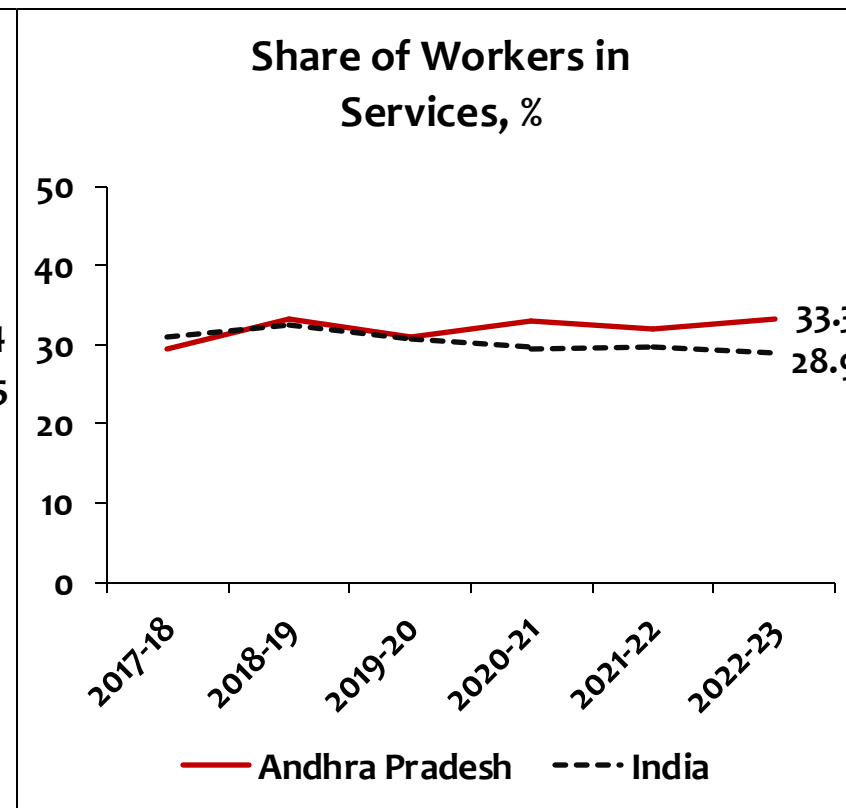
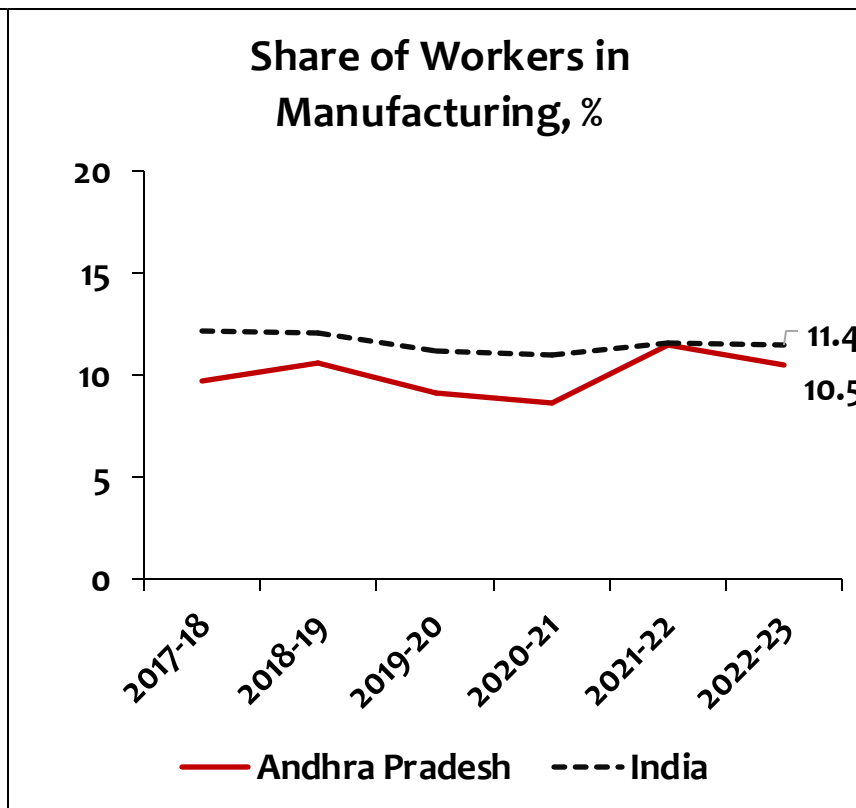
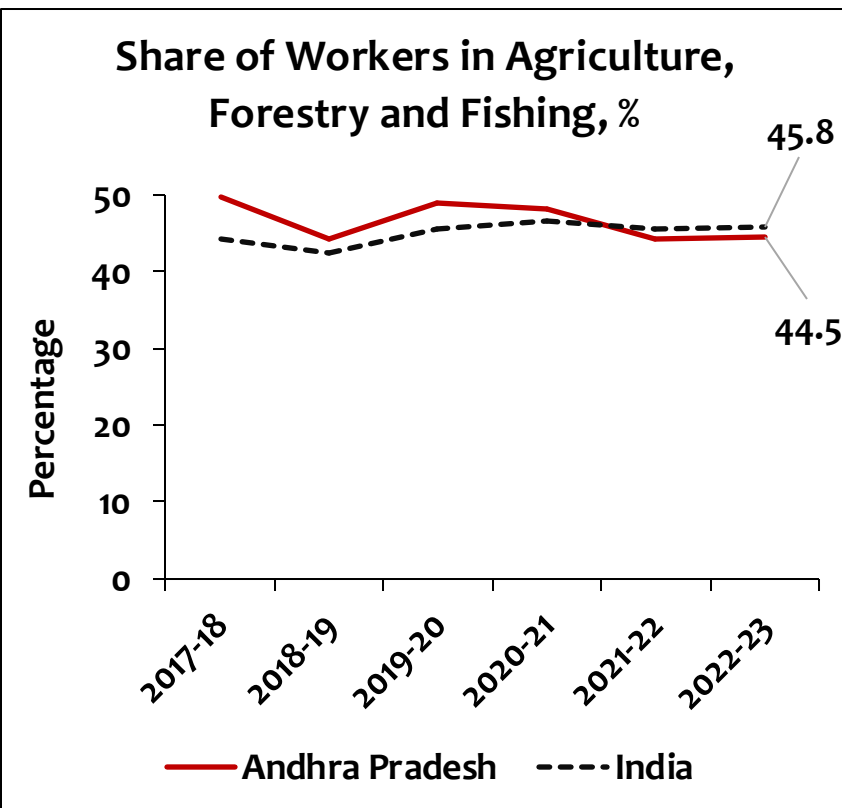
Share of Female Workers by Employment Status In Andhra Pradesh (Rural and Urban) (%)



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: The Rural and Urban Female Labour Force Participation Rate (FLFPR) and Distribution of Female Workers by Employment Status, is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, Principal Status (PS) and Subsidiary Status (SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.¹⁹

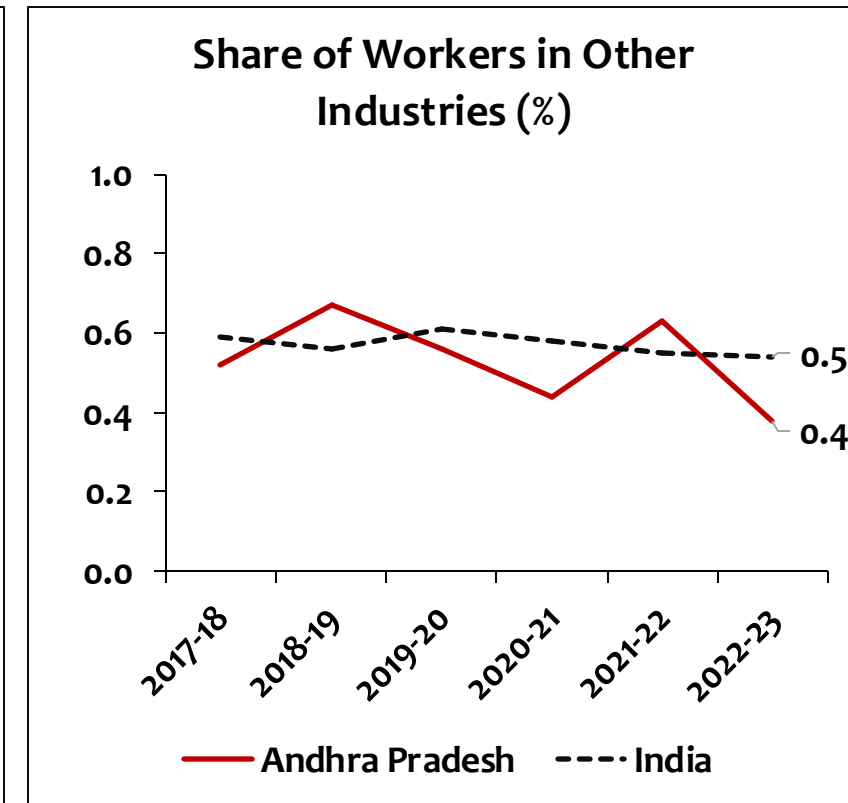
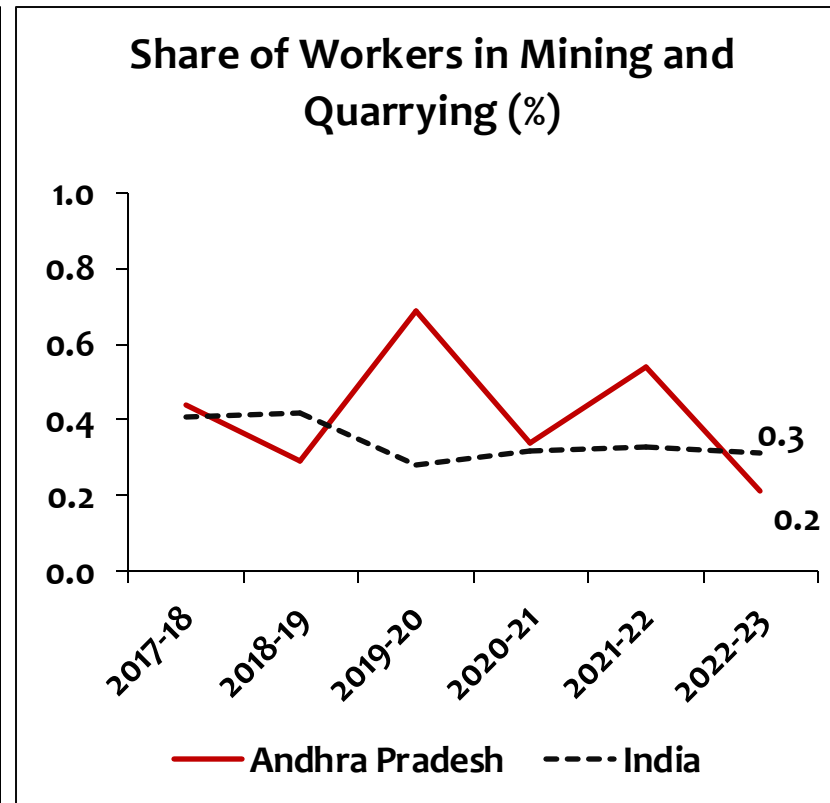
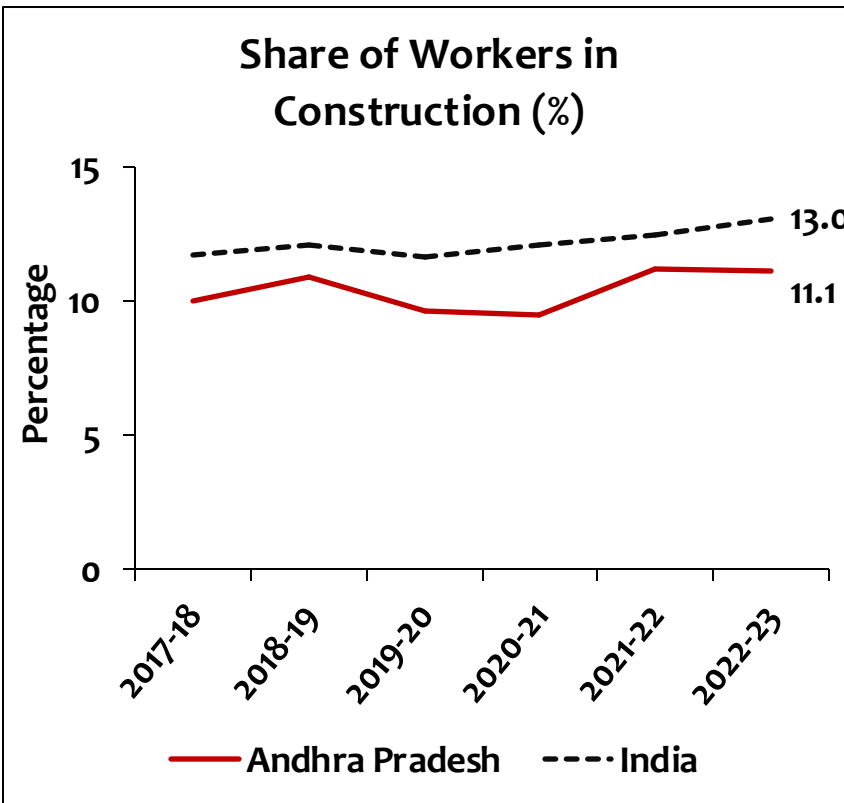
Working population in Andhra Pradesh is predominantly concentrated in Agriculture, Forestry, and Fishing; Services; Construction and Manufacturing sectors. Manufacturing constituted 10.5 percent of the total share of workers in 2022-23. The proportion of workers employed in Mining and Quarrying, as well as in Other Industries, is small and close to the national estimates



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Services includes Transportation and Storage; Accommodation and Food Service Activities; Information and Communication; Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities; Public Administration and Defense; Compulsory Social Security; Education; Human Health and Social Work Activities; Arts, Entertainment and Recreation; Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use; Activities of Extraterritorial Organizations and Bodies; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; and other Services.

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Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Other industries include, Electricity, Gas, Steam and Air Conditioning Supply; and Water Supply, Sewerage, Waste Management and Remediation Activities.

3. Economic Structure (Growth and Sectoral Composition)

- Income data covers the fiscal period 1990-91 to 2021-22

Table 2A: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Andhra Pradesh

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2012-13 and 2021-22)	Source
Nominal Gross State Domestic Product (GSDP)	Rs. 113,383,650 (Lakh) (FY 2021-22)	Rs. 2,347,101,174 (Lakh; India) (FY 2021-22)	+175.6% growth	MoSPI; EPWRF
Nominal GSDP share in India's Nominal GDP, %	4.8% (FY 2021-22)		+0.7% points	MoSPI; EPWRF
Real Gross State Domestic Product Growth Rate, %	6.5% (Decadal avg. b/w 2012-13 and 2021-22)	5.6% (Decadal avg. b/w 2012-13 and 2021-22 for India)	+5.0 % points (between 2011- 12 and 2021-22)	MoSPI; EPWRF
Nominal Per Capita GSDP	Rs. 216,998 (FY 2021-2022)	Rs. 1,71,498 (India) (FY 2021-22)	+161.4% growth	MoSPI; EPWRF
Nominal Per Capita GSDP in India's Nominal Per Capita GSDP (Ratio)	1.3 (FY 2021-22)		+0.2 points	MoSPI; EPWRF
Share of Agricultural Sector to Total Gross State Value Added (GSVA) (Nominal), %	37.3% (FY 2021-22)	19.7% (FY 2021-22)	+7.9% points	MoSPI; EPWRF
Share of Industry Sector to Total GSVA (Nominal), %	23.4% (FY 2021-2022)	29.3% (FY 2021-22)	-3.3% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSVA (Nominal), %	10.7% (FY 2021-22)	14.8% (FY 2021-22)	-0.4% points	MoSPI; EPWRF
Within Industry: Share of Construction Sector to Total GSVA (Nominal), %	6.9% (FY 2021-22)	7.7% (FY 2021-22)	-3.0% points	MoSPI; EPWRF
Share of Services Sector to Total GSVA (Nominal), %	39.2% (FY 2021-2022)	51.0% (FY 2021-22)	-4.5% points	MoSPI; EPWRF
Within Services: Share of Transport, Storage and Communication Sector to Total GSVA (Nominal), %	8.0% (FY 2021-22)	5.9% (FY 2021-22)	-1.9% points	MoSPI; EPWRF
Within Services: Share of Real Estate and Business Services Sector to Total GSVA (Nominal), %	8.3% (FY 2021-2022)	11.4% (FY 2021-22)	-0.8% points	MoSPI; EPWRF

Source: Data is taken from MOSPI, as of August 2023.

Note: i. States' Average for shares are simple averages of each State's/UT's share for that year; ii. States' average growth rates are calculated as the simple average of each State/UT's growth rate for that year.

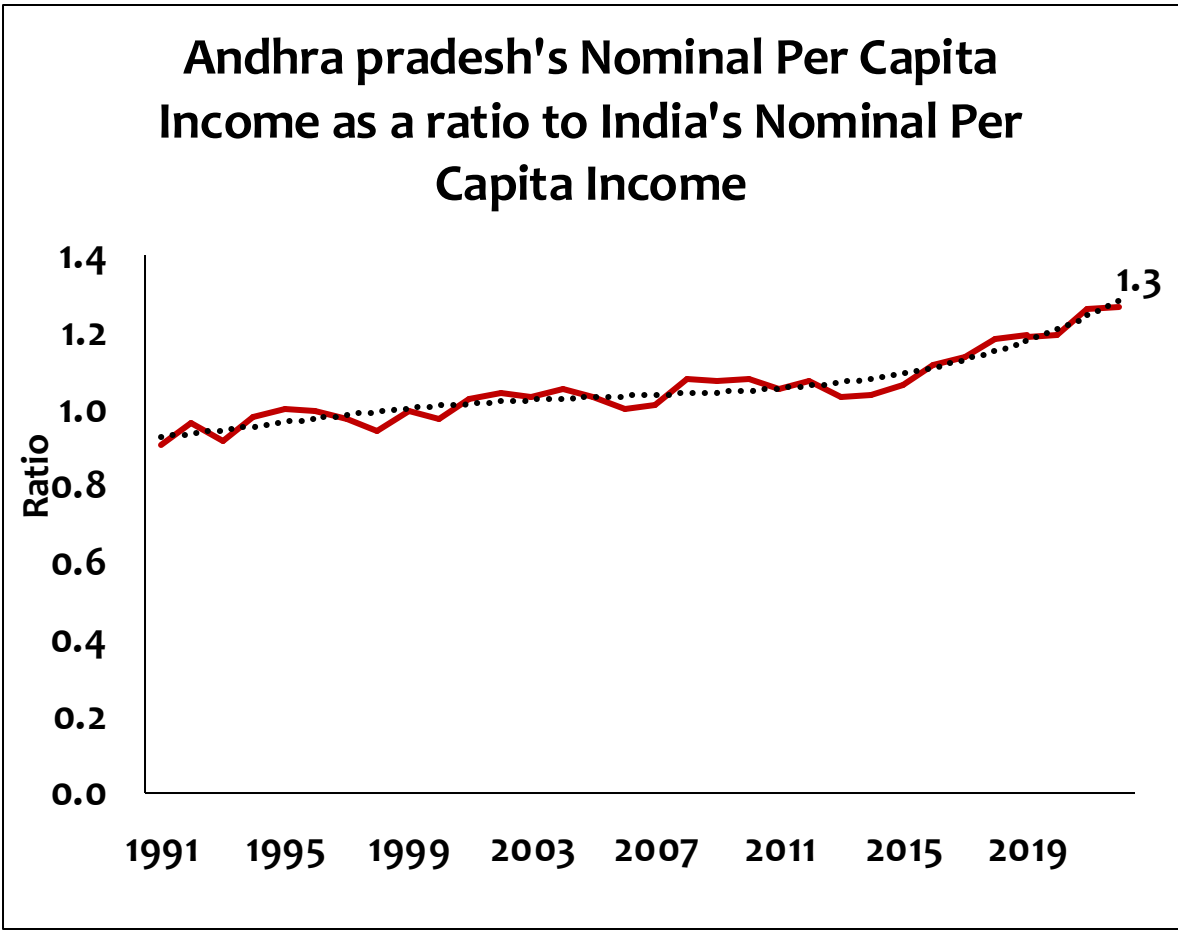
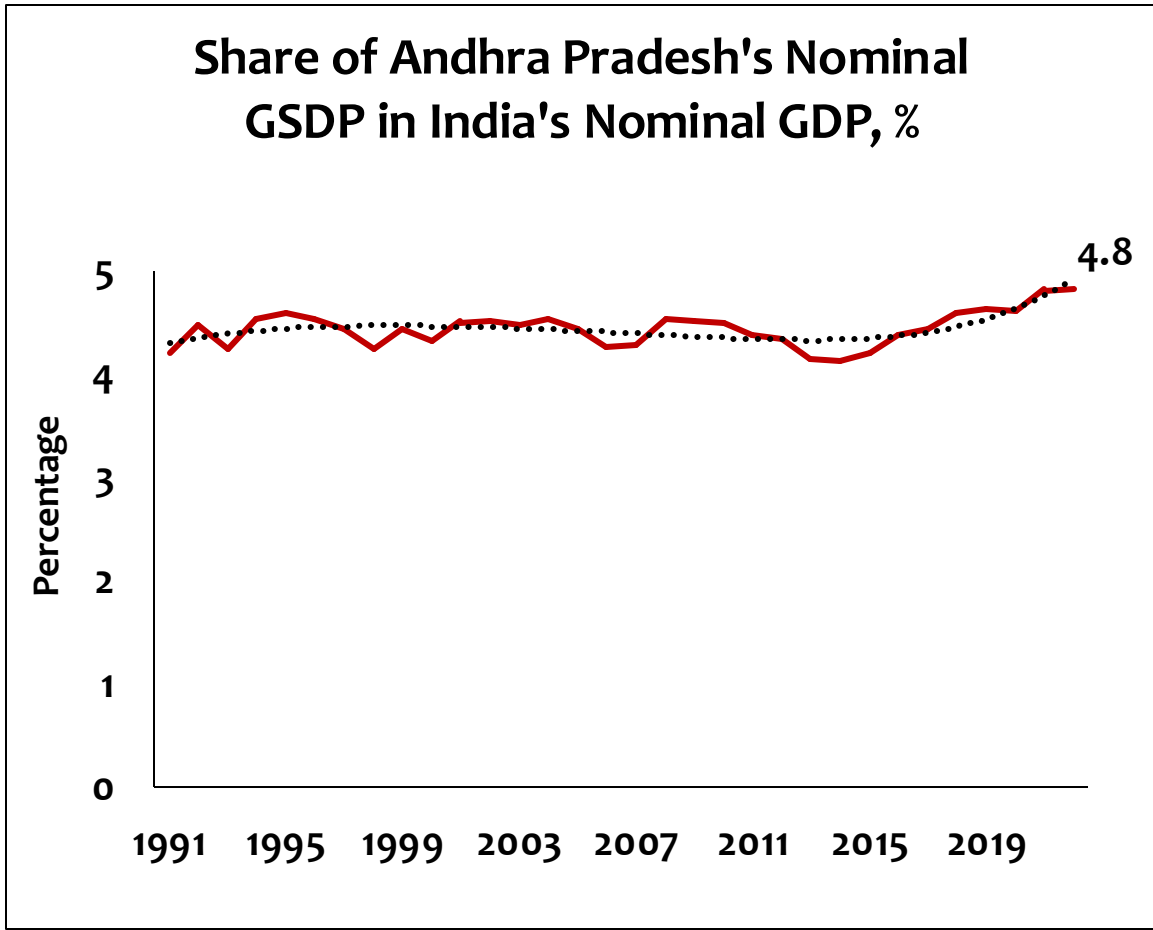
Table 2B: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Andhra Pradesh

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2013-14 to 2022-23)	Source
Share of Agricultural Sector to Total GSDP (Nominal), %	32.8% (FY 2022-23)	17.6% (FY 2022-23)	+ 5.1 % points	MoSPI, EPWRF
Share of Industry Sector to Total GSDP (Nominal), %	24.2% (FY 2022-23)	28.1% (FY 2022-23)	+ 1.0 % points	MoSPI, EPWRF
Within Industry: Share of Manufacturing Sector to Total GSDP (Nominal), %	12.0% (FY 2022-23)	14.4% (FY 2022-23)	+ 2.9% points	MoSPI, EPWRF
Share of Service Sector to Total GSDP (Nominal), %	36.9% (FY 2022-23)	46.6% (FY 2022-23)	-4.1 % points	MoSPI, EPWRF
Inflation Rate	+ 6.1% (FY 2022-23)	+ 5.5 % (FY 2022-23)	+6.1 points	MoSPI, EPWRF
FDI Inflow	0.2 % of India FDI Inflow (2023-24)	3% of India FDI Inflow	0.1 % of India FDI Inflow (b/w 2020-21 and 2023-24)	DPIIT
Exports	19,861 Million \$ (2022-23)	15,346 Million \$	4,508 Million \$ (b/w 2013-14 and 2022-23)	Multiple Sources*

Source: i. Data on sectoral shares to GSDP is taken from MOSPI, as of March 2024; ii. (*) Multiple sources for exports are various Issues of Economic Survey, Department of Economic Affairs, (data.gov.in); Various Issues of Bulletin on Foreign Trade Statistics, Directorate General of Foreign Trade (DGFT); iii. FDI data is available State-wise in a cumulative format with the starting date as December 2019 till the month and year of the DPIIT publication.

Note: i. The State average for FDI has been calculated as the sum of all States/region divided by the number of States/regions, and this is divided by India's FDI inflow, multiplied by 100; ii. Benchmark number for exports is an average of all States/UT number.

Andhra Pradesh's share in India's Nominal GDP and its Nominal Per Capita Income as a ratio to India's Nominal Per Capita Income have increased by 0.6 percent and 0.4 percent respectively in 2022 compared to their levels in 1991



Source: Ministry of Statistics and Programme Implementation (MOSPI), as of August 2023. Back series with 2011-12 base has been taken from Economic & Political Weekly Research Foundation (EPWRF).

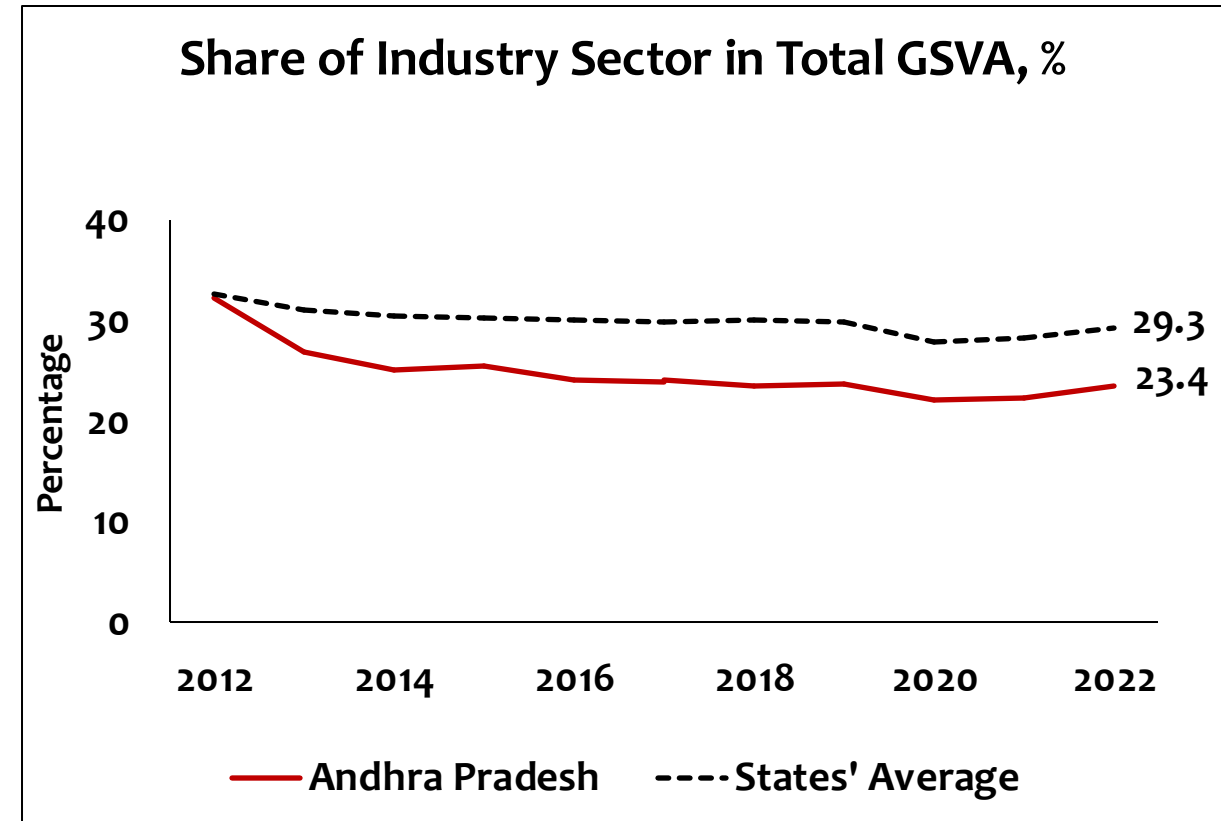
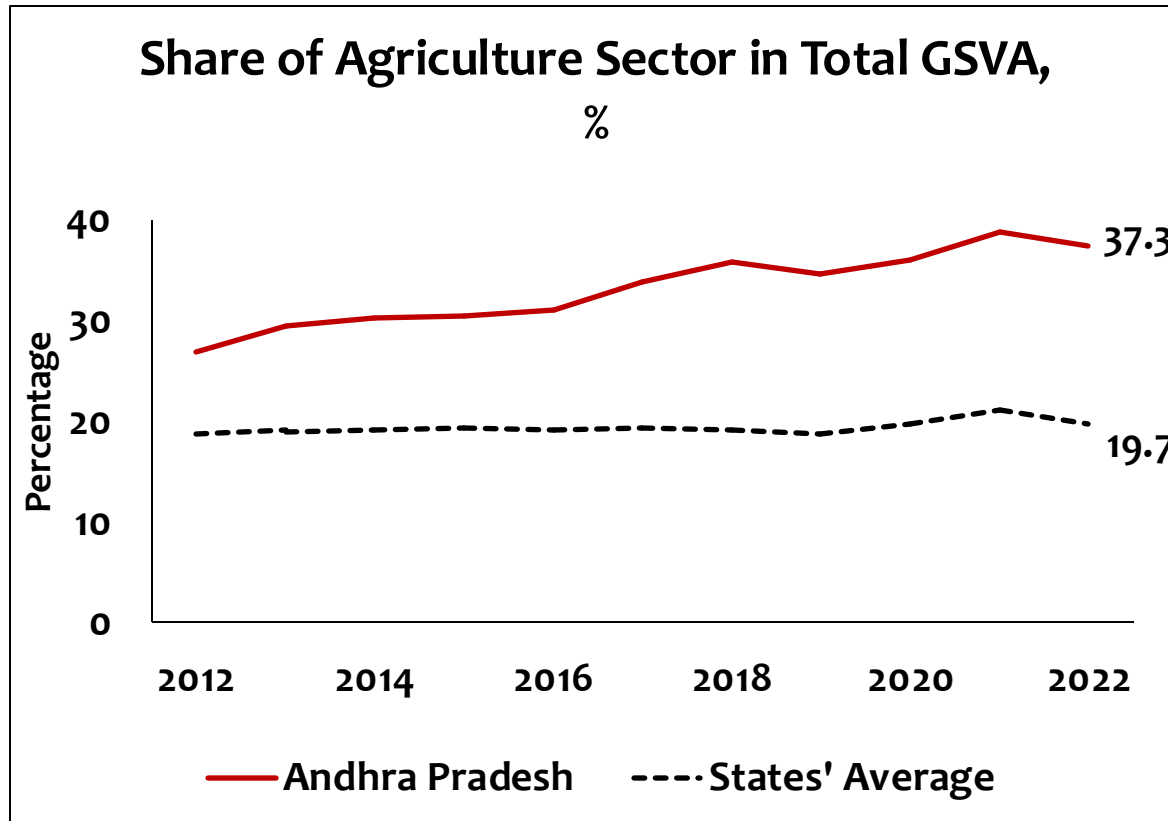
Note: i. GSDP refers to Gross State Domestic Product at current market prices; ii. As per EPWRF, this series is spliced with earlier GSDP series to generate the long-time series; iii. National GDP is the National Gross Domestic Product of India at current market prices. This series has been spliced with earlier GDP series to generate the long-time series.

Sectoral Gross State Value Added (GSVA): Andhra Pradesh vis-à-vis rest of India (FY2021-22)

- According to official estimates for FY 2021-22, Andhra Pradesh's Agriculture sector contributes 37.3 percent to its GSVA, which is much higher than the States' average of 19.7 percent.
- For FY 2021-22, Services sector contributes a 39.2 percent share to GSVA in Andhra Pradesh, while the States' average stands at 51 percent. Within Services sector, the largest contributors are Real Estate, Ownership of Dwellings and Business Services (8.3 percent), and Transport, Storage and Communication (8 percent).
- For FY 2021-22, the Industry sector commands a 23.4 percent share of Andhra Pradesh's GSVA, whereas the States' average stands higher at 29.3 percent. This sector is primarily driven by Manufacturing (10.7 percent) and Construction (6.9 percent) of total GSVA with minor contributions from Electricity (3.2 percent) and Mining (2.7 percent).
- For FY 2021-22, Andhra Pradesh ranks 2nd out of 33 States and UTs in its share of GSDP in the Agriculture sector, but ranks 28th in its share of GSDP in the Services Sector, and 20th in its share of GSDP in the Industry Sector.

Note: Gross State Value Added (GSVA) is defined as the sum of the value added by each of the sectors under agriculture, industry, and services. This series currently is available at basic prices with 2011-12 base and it can be spliced with the earlier GSVA series to obtain the long time series for this variable.

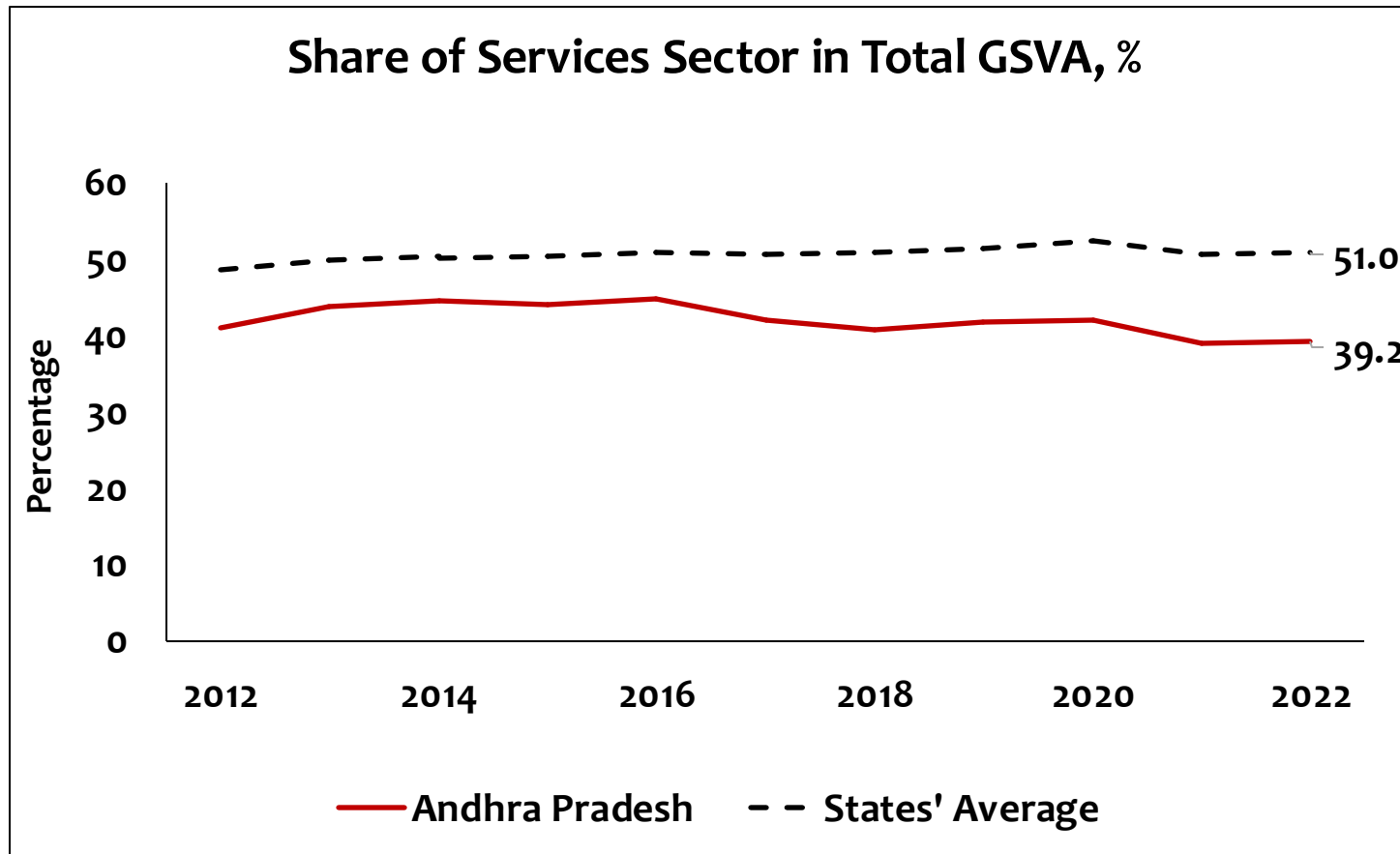
Andhra Pradesh's share of the Agriculture sector in its GSVA has remained well above the States' average, while the share of the Industry sector has decreased and remained below the average share of all States



Source: MOSPI, as of August 2023.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iv. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water.

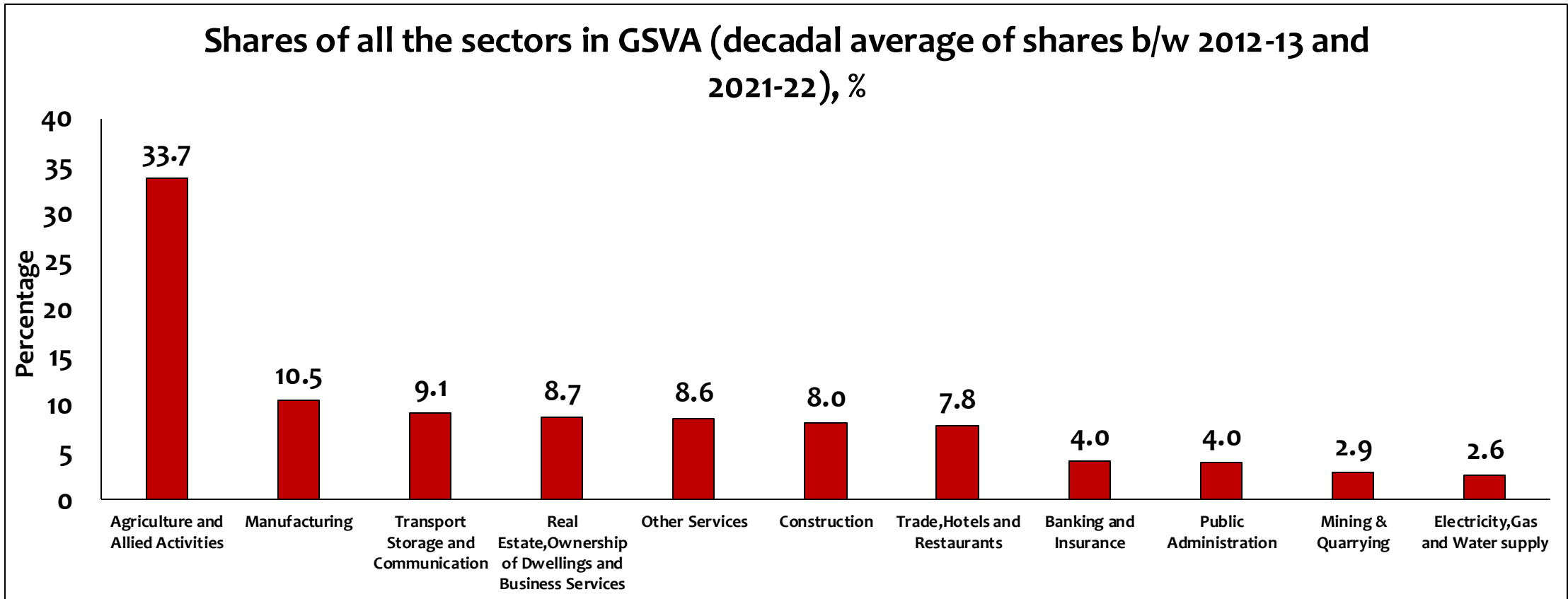
Share of the Services sector in total GSVA has remained lower than the average of all States, and the gap has been widening further since 2017



Source: MOSPI, as of August 2023.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

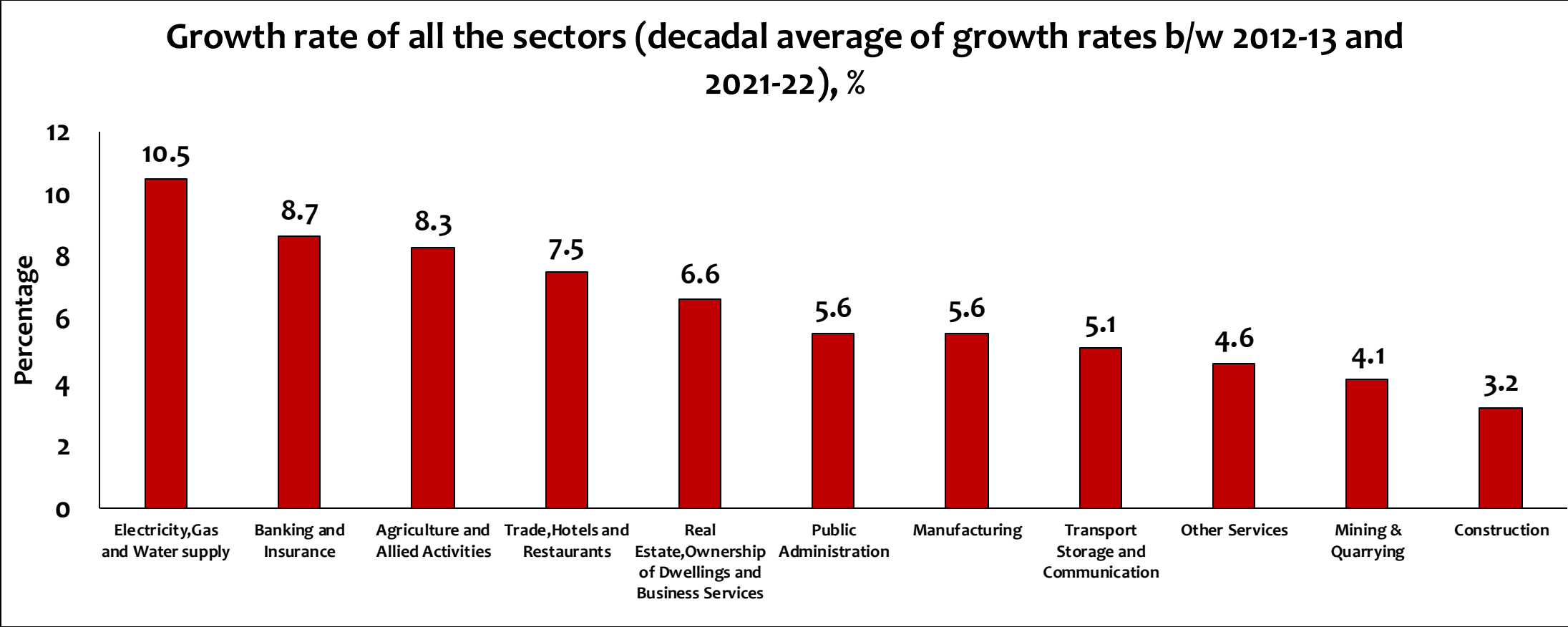
Among all major sectors, the Agriculture and Allied Activities sector has had the largest share in Gross State Value Added (GSVA) over the last 10 years



Source: MOSPI, as of August 2023.

Note: i. Nominal variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Out of all major sectors, the Electricity, Gas and Water Supply sector has shown the highest growth in GSVA over the last decade



Source: MOSPI, as of August 2023.

Note: i. Real variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2C: Andhra Pradesh Sectoral Growth Rates and Decadal Averages

Sector	Latest Annual Growth Rate (2019-20)	Decadal Average of Growth rates (b/w 2010-11 and 2019-20)	Decadal Average of Growth rates for India (b/w 2010-11 and 2019-20)
Agriculture	8.5%	7.4%	4.4%
Industry	-0.4%	4.7%	5.3%
Manufacturing	0.1%	7.2%	6.0%
Services	6.5%	7.6%	7.7%
GSVA	5.2%	6.7%	6.4%
GSDP	3.7%	6.9%	6.6%

Back series with 2011-12 base has been taken from EPWRF.

Note: i. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2D: Andhra Pradesh Sectoral Growth Rates and Decadal Averages

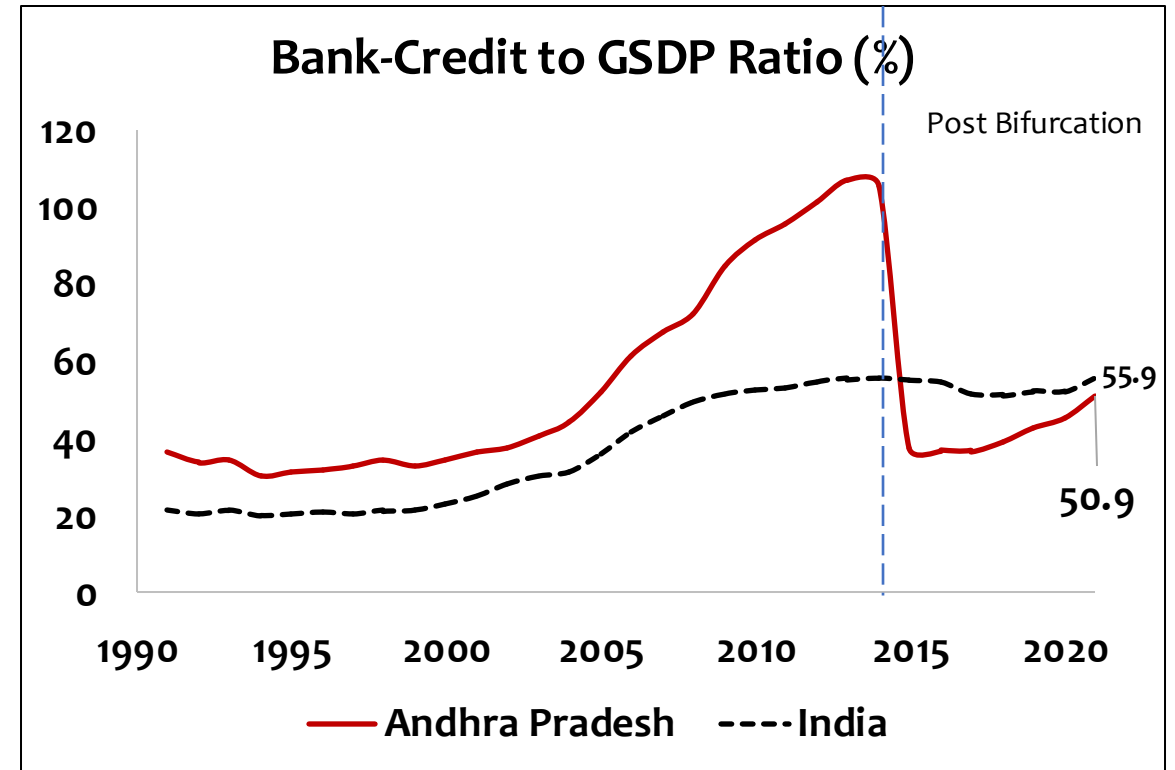
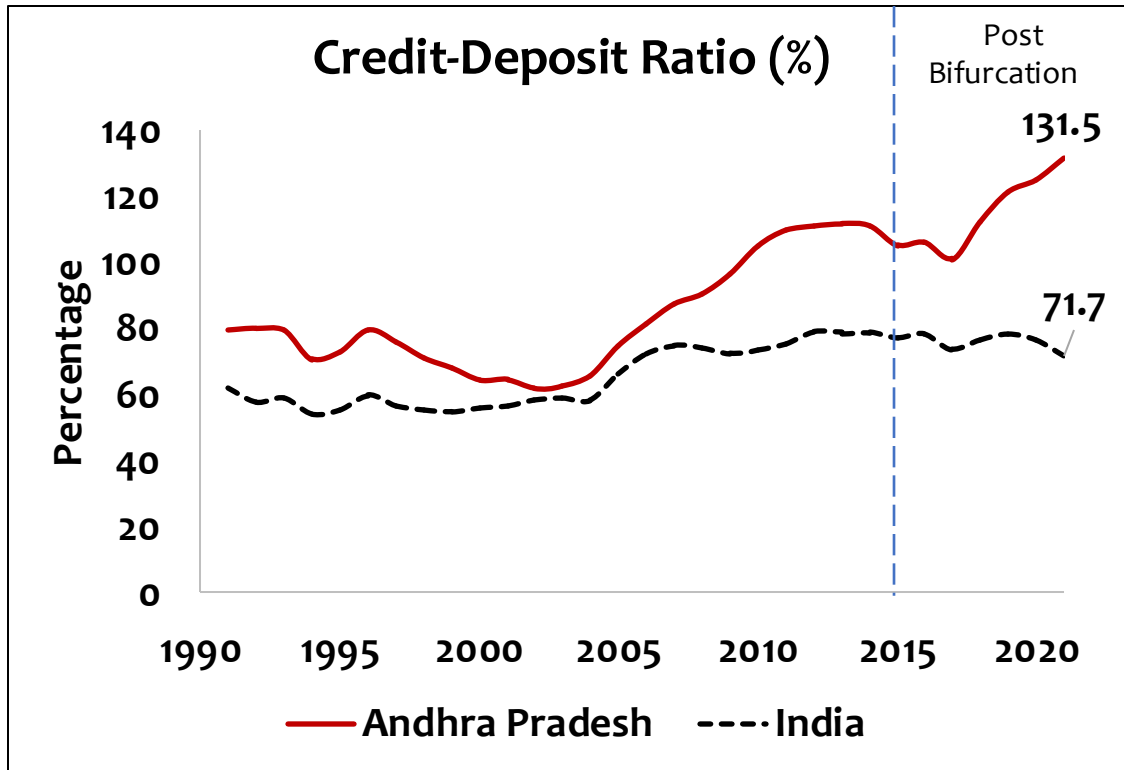
Sector	Latest Annual Growth Rate (2022-23)	Average 5-Year Growth rate (b/w 2018-19 and 2022-23)	Decadal Average of Growth rates (b/w 2013-14 and 2022-23)	Decadal Average of Growth rate for India (b/w 2013-14 and 2022-23)
Agriculture	3.0%	5.3 %	8.3 %	4.1%
Industry	6.2%	7.2%	7.9 %	5.2%
Manufacturing	3.6 %	11.0 %	10.9 %	5.5%
Services	9.0 %	4.4 %	6.1%	6.6%
GVA	6.3%	5.3 %	7.1 %	7.1%
GSDP	7.0%	4.2 %	5.8 %	5.8%

Source: MoSPI as of March 2024. Back series with 2011-12 base has been taken from EPWRF.

Note: i. India's GVA has been calculated taking a simple sum of the three sectors. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Andhra Pradesh's Credit-Deposit Ratio has increased over the last decade, resulting in a sixty percentage point difference compared to the national estimate as of 2021. However the Credit to GSDP Ratio has declined sharply since 2014 and is below the national estimate as of 2021

Indicators	Most Recent Value	Year	Decadal Change (b/w 2011-12 & 2020-21)	India
Credit - Deposit Ratio (%)	131.5%	2020-21	+20.2% points	71.7%
Credit - GSDP Ratio (%)	50.9%	2020-21	-50.4% points	55.9%

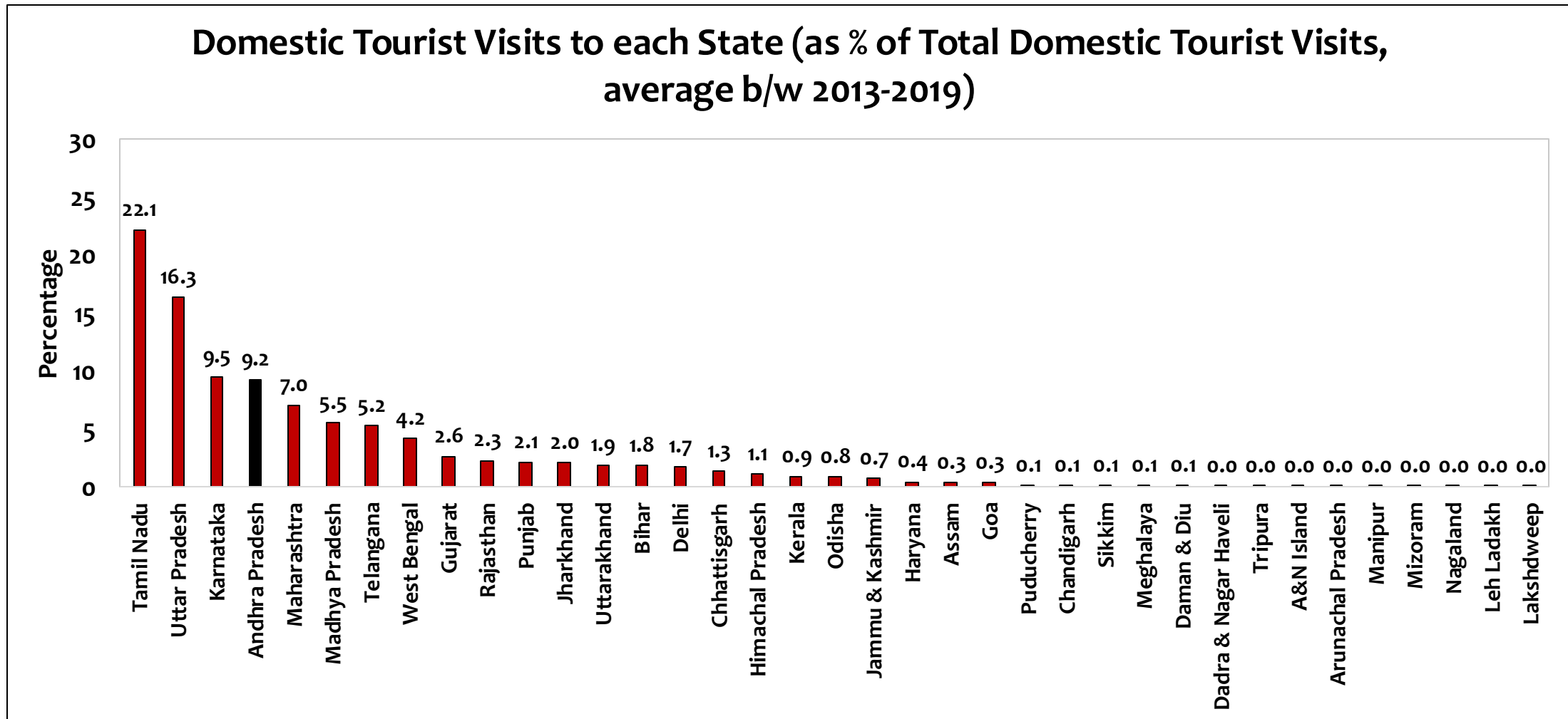


Source: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21).
Note: India's numbers have been taken directly from the source.

Source: i. Bank-Credit: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21); ii. GSDP: MOSPI (2020-21). Back series with 2011-12 base has been taken from EPWRF.

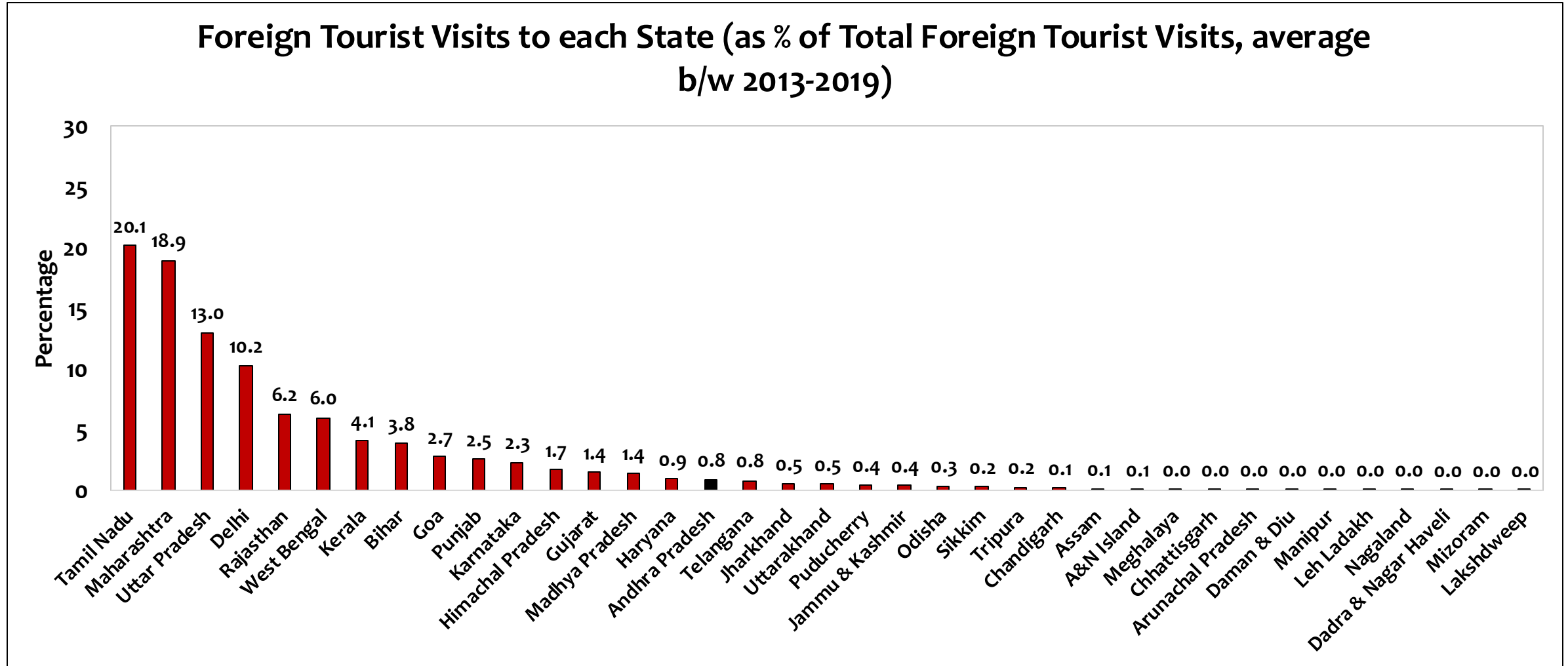
Note: i. The Credit variable used is Credit Outstanding as per Sanction; ii. The sharp decline in the Credit to GSDP ratio in 2014 was on account of [bifurcation of the State](#).

Andhra Pradesh holds a 9.2 percent share of total Domestic Tourist Visits between 2013 - 2019



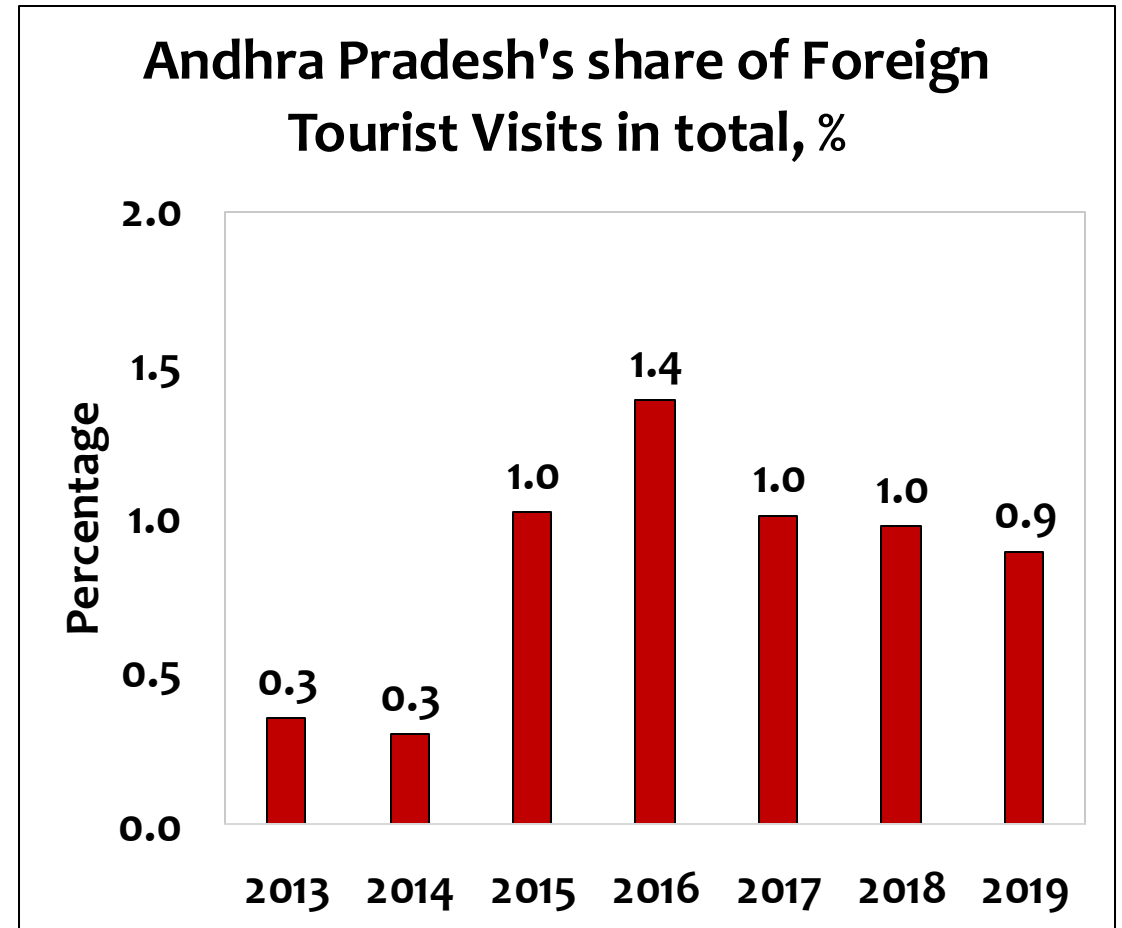
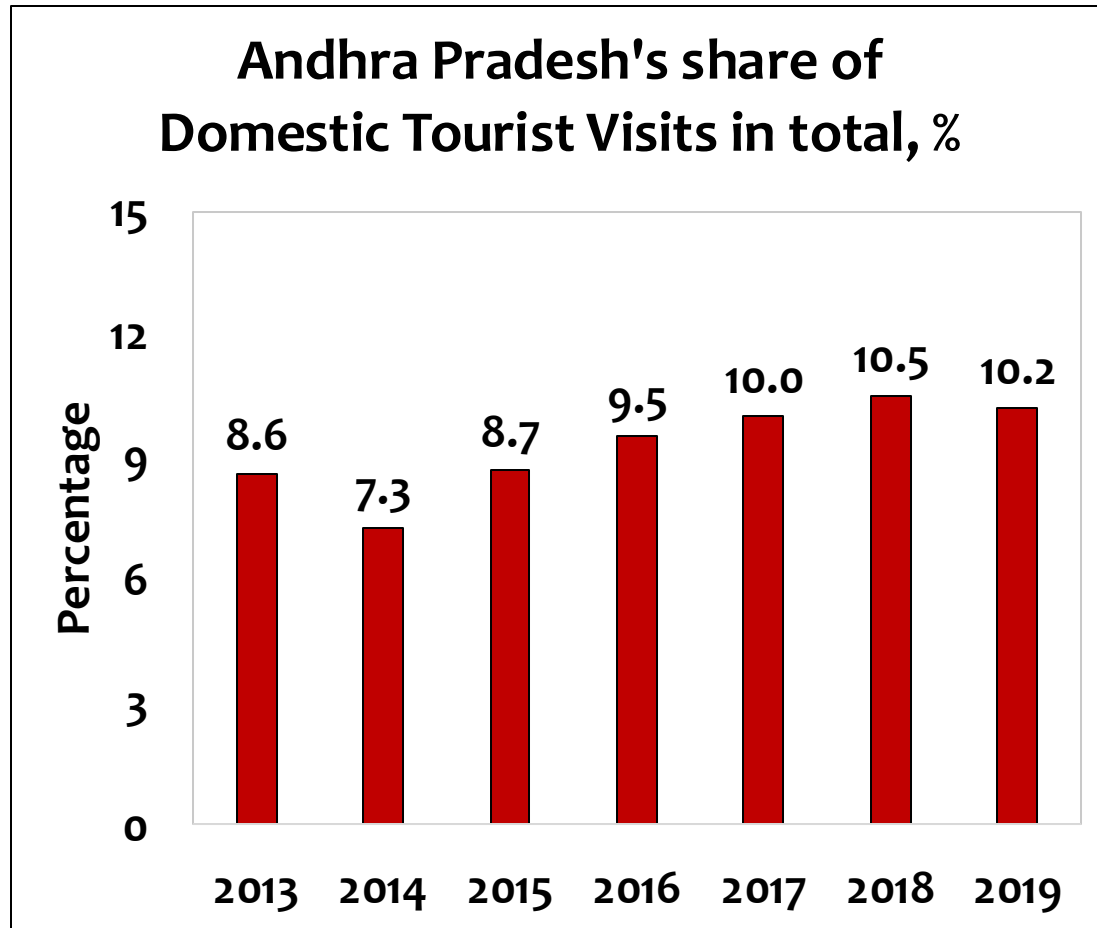
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Andhra Pradesh holds a 0.8 percent share of total Foreign Tourist Visits between 2013 - 2019



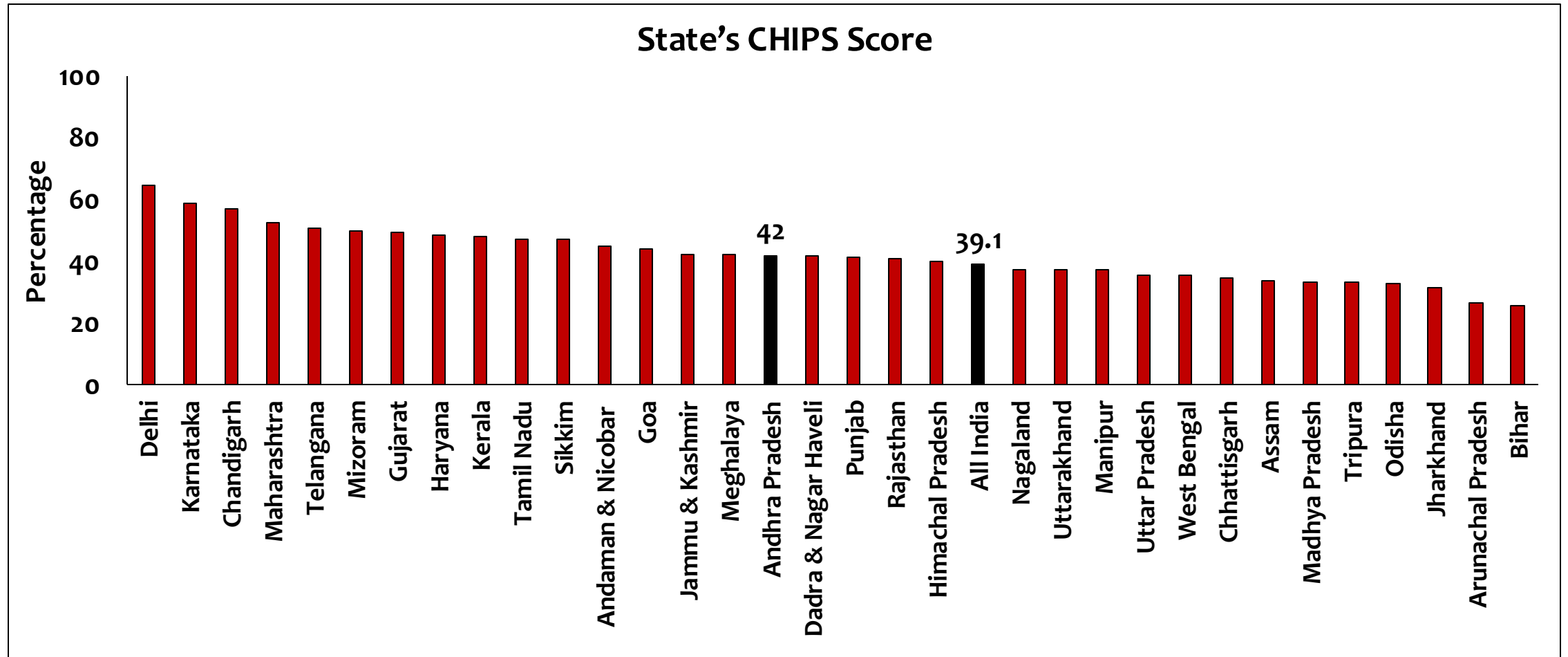
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Domestic and Foreign Tourist Visits over the years in Andhra Pradesh



Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Andhra Pradesh's CHIPS (Connect, Harness, Innovate, Protect and Sustain) score is among the top 16 States



Source: The State of India's Digital Economy Report 2024 by Indian Council for Research on International Economic Relations (ICRIER).
Note: 50 indicators have been used to measure the CHIPS score.

4. Socio-Economic Indicators (Education and Health)

- School Education data covers the period 2012-13 to 2016-17;
- Higher Education data covers the period 2012 to 2021;
- Health data covers the period 2011 – 2020 (SRS) and 1992-93 to 2019-21 (NFHS)

Table 3A: Education Indicators for Andhra Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Literacy Rate	67.0% (2011)	73.0%	+6.5% points (b/w 2001 & 2011)	Census of India
Drop-Out Rates (Class X)	28.3% (2015-16)	35.2%	+5.2% points (b/w 2013-14 & 2015-16)	U-DISE
Drop-Out Rates (Class VIII-X)	15.7% (2015-16)	21.1%	+3.0% points (b/w 2014-15 & 2015-16)	U-DISE
Students passing Board Examinations (Class X)	97.5% (2015-16)	86.1%	+5.5% points (b/w 2012-13 & 2015-16)	U-DISE
Student passing Board Examinations (Class XII)	85.2% (2014-15)	87.3%	+9.6% points (b/w 2012-13 & 2014-15)	U-DISE
Gross Enrolment Ratio (Higher Secondary)	60.2% (2015-16)	56.2%	+11.3 points (b/w 2012-13 & 2015-16)	U-DISE
Gross Enrolment Ratio (Higher Education)	37.2% (2021)	27.3%	+7.3% points (b/w 2012 & 2021)	AISHE
Gender Parity Index (Higher Education)	0.94 (2021)	1.05	+0.15 points (b/w 2012 & 2021)	AISHE
Colleges per 100,000 population	49 (2021)	31	+1.0 points (b/w 2012 & 2021)	AISHE

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal changes are across a period of 10 years unless data is available for a lesser period; iv. All years represent corresponding survey years.

Table 3B: Health Indicators for Andhra Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Infant Mortality Rate	24 deaths per 1000 live births (2020)	28 deaths per 1000 live births	43 deaths per 1000 live births (2011)	Sample Registration System
Total Fertility Rate	1.7 children per woman (2019-21)	2.0 children per woman	1.8 children per woman (2005-06)	Sample Registration System
Life Expectancy	70.6 years (2020)	70.0 years	+4.3 years	NFHS
Children Fully Immunized	73.0% (2019-21)	76.4%	+27.0% points	NFHS
Households with Access to Improved Drinking Water Source	96.7% (2019-21)	95.9%	+9.4% points	NFHS
Households with Access to Electricity	99.1% (2019-21)	96.5%	+10.7% points	NFHS
Households with Access to Sanitation Facilities	76.9% (2019-21)	69.3%	+46.9% points	NFHS

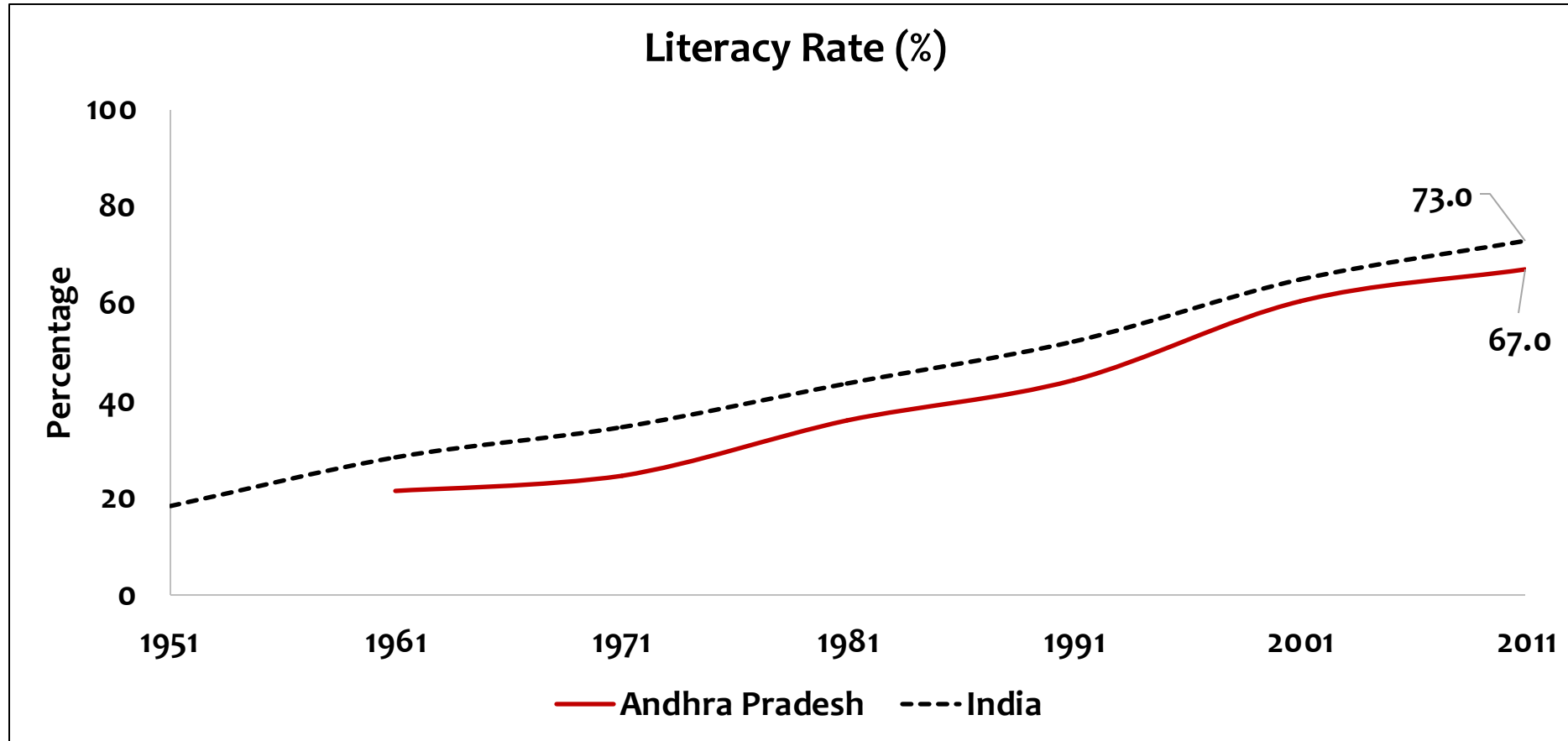
Note: i. Decadal change for NFHS variables taken from NFHS-V (2019-21) to NFHS-III (2005-06); ii. The number for India has been taken directly from the source; iii. All years represent corresponding survey years.

Table 3C: Other Socio-Economic Indicators for Andhra Pradesh

Indicator	Most Recent Value	India Value	Decadal Change	Source
Pupil-Teacher Ratio: Elementary	22 (2016-17)	25	-4 points (b/w 2006-07 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Secondary	88 (2016-17)	31	+28 points (b/w 2012-13 & 2015-16)	U-DISE
Pupil-Teacher Ratio: Higher Education	16 (2018-19)	24	0 points (b/w 2008-09 & 2018-19)	AISHE
Underweight Children	29.6 % (2019-21)	32.1%	-2.9% points (b/w 2005-06 and 2019-21)	NFHS
Stunting Among Children	31.2 % (2019-21)	35.5%	-11.50 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Children	63.2 % (2019-21)	67.1%	-7.6% points (b/w 2005-06 and 2019-21)	NFHS
Anemia Among Women	58.8 % (2019-21)	57%	-4.1 % points (b/w 2005-06 and 2019-21)	NFHS
Under 5 Mortality Rate	35.2 deaths per 1000 live births	41.9 deaths per 1000 live births	-28.0 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Infant Mortality Rate	30.3 deaths per 1000 live births	35.2 deaths per 1000 live births	-23.2 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Multidimensional Poverty Index (MPI)	0.03 (2019-21)	0.07	-0.03 points (b/w 2015-16 & 2019-21)	NFHS
Sustainable Development Goals (SDG) Index	74 (2023-24)	71	+10 points (b/w 2018-19 & 2023-24)	NITI Aayog

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal change for NFHS variables taken from NFHS-III (2005-06) to NFHS-V (2019-21); iv. Infant Mortality Rate in Table 3B was defined using the SRS data and the Infant Mortality Rate defined here is based on the NFHS data; v. All years represent corresponding survey years.

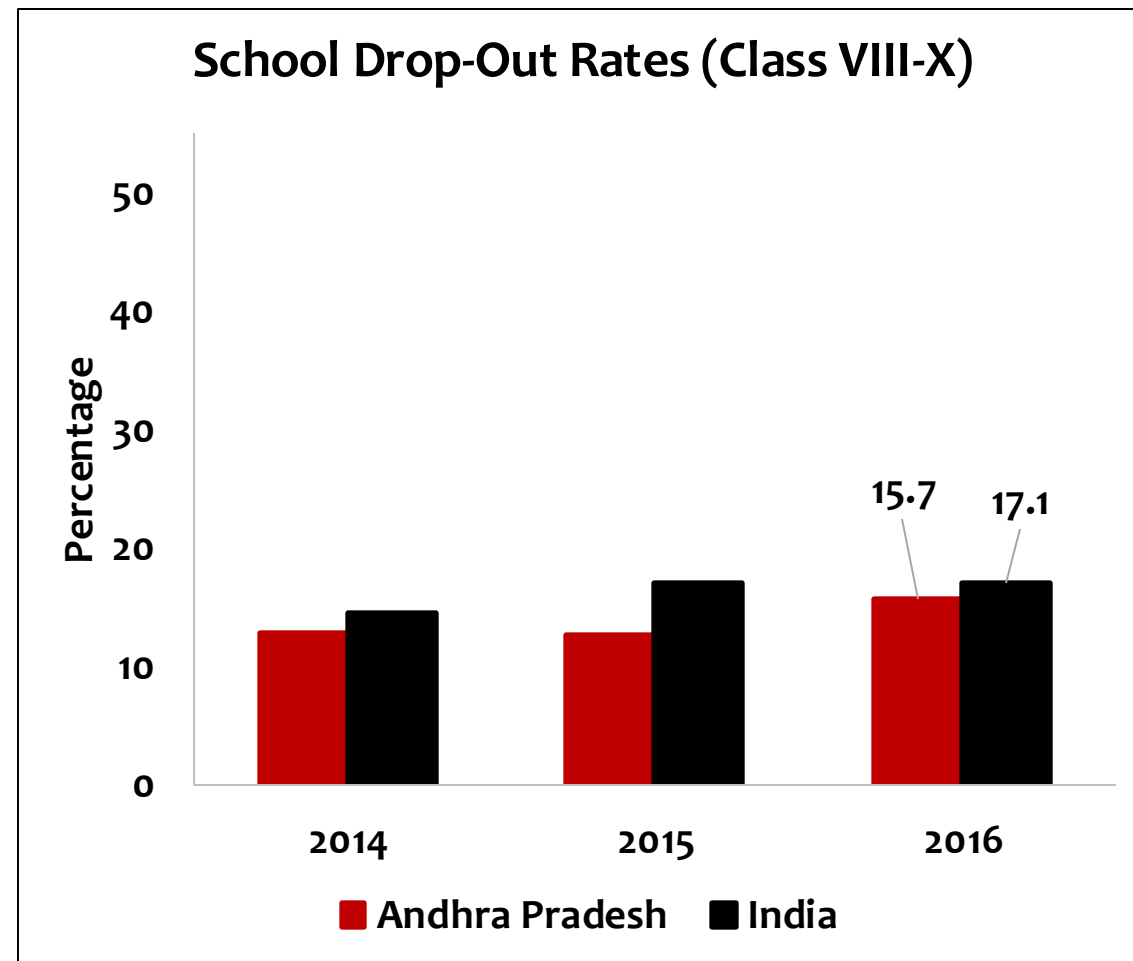
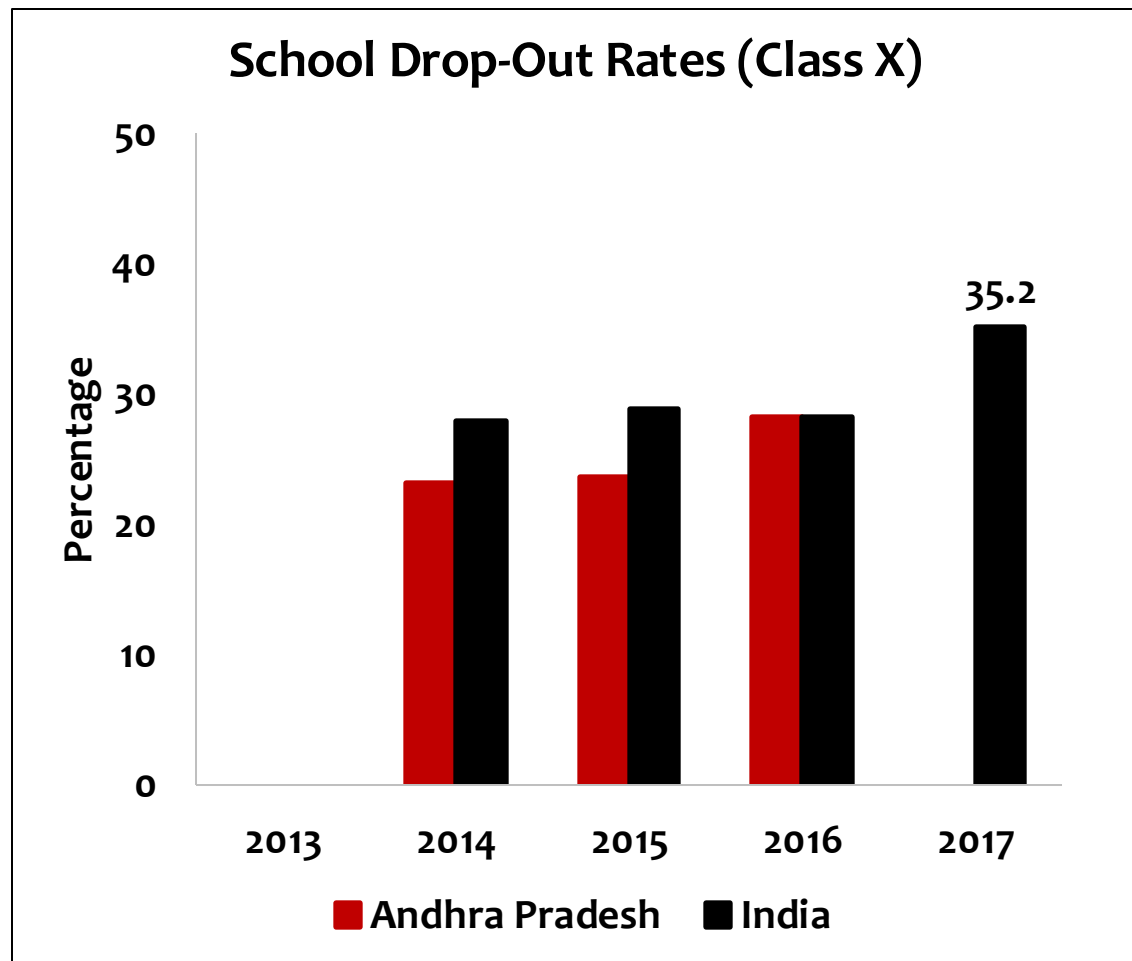
Andhra Pradesh's Literacy Rate has increased rapidly over the decades but it has always remained below the national estimate



Source: Office of the Registrar General and Census Commissioner, Ministry of Home Affairs (1951 – 2011).

Note: i. India number has been taken directly from the source; ii. Census Literacy Rate relates to population aged seven years and above from 1981.

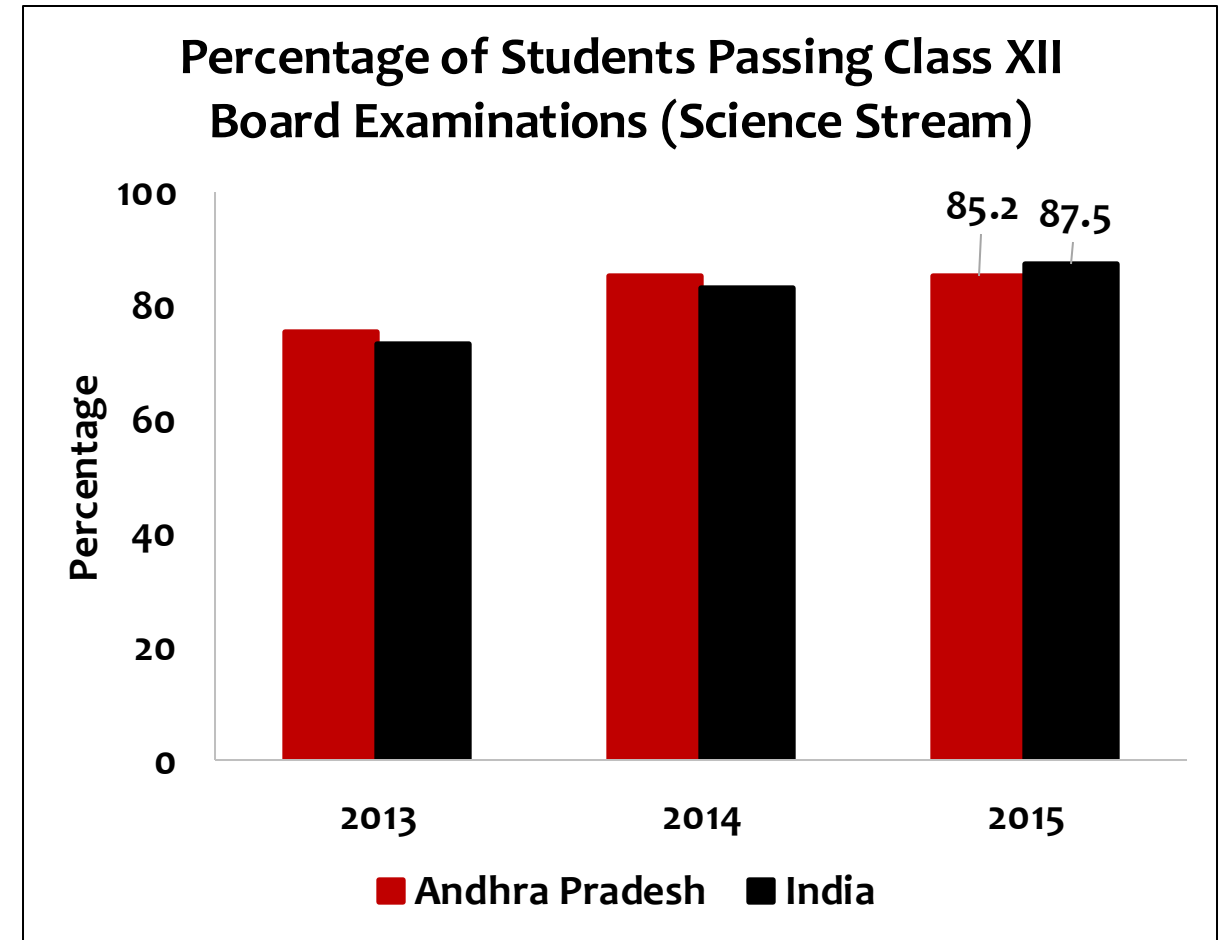
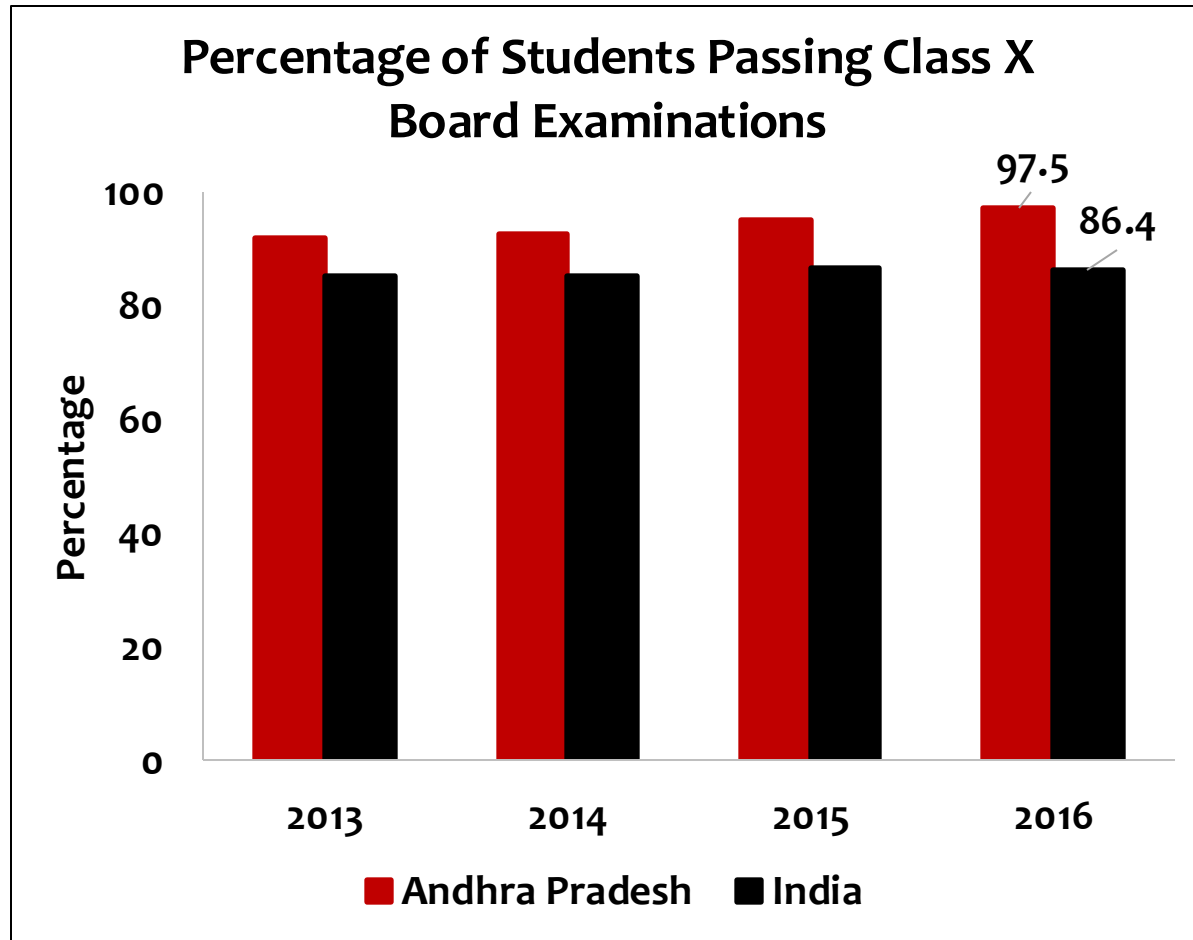
As of 2015-16, Andhra Pradesh's School Dropout Rates for Class X is equal to the national average but School Dropout rates for the Secondary (Class VIII-X) Level are lower than the national estimates



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Drop-Out Rate is defined as the proportion of pupils from a cohort enrolled in a given stage in a school year who are no longer enrolled in the following school year; ii. India number has been taken directly from the source; iii. Few observations have been removed due to data discrepancy issues.

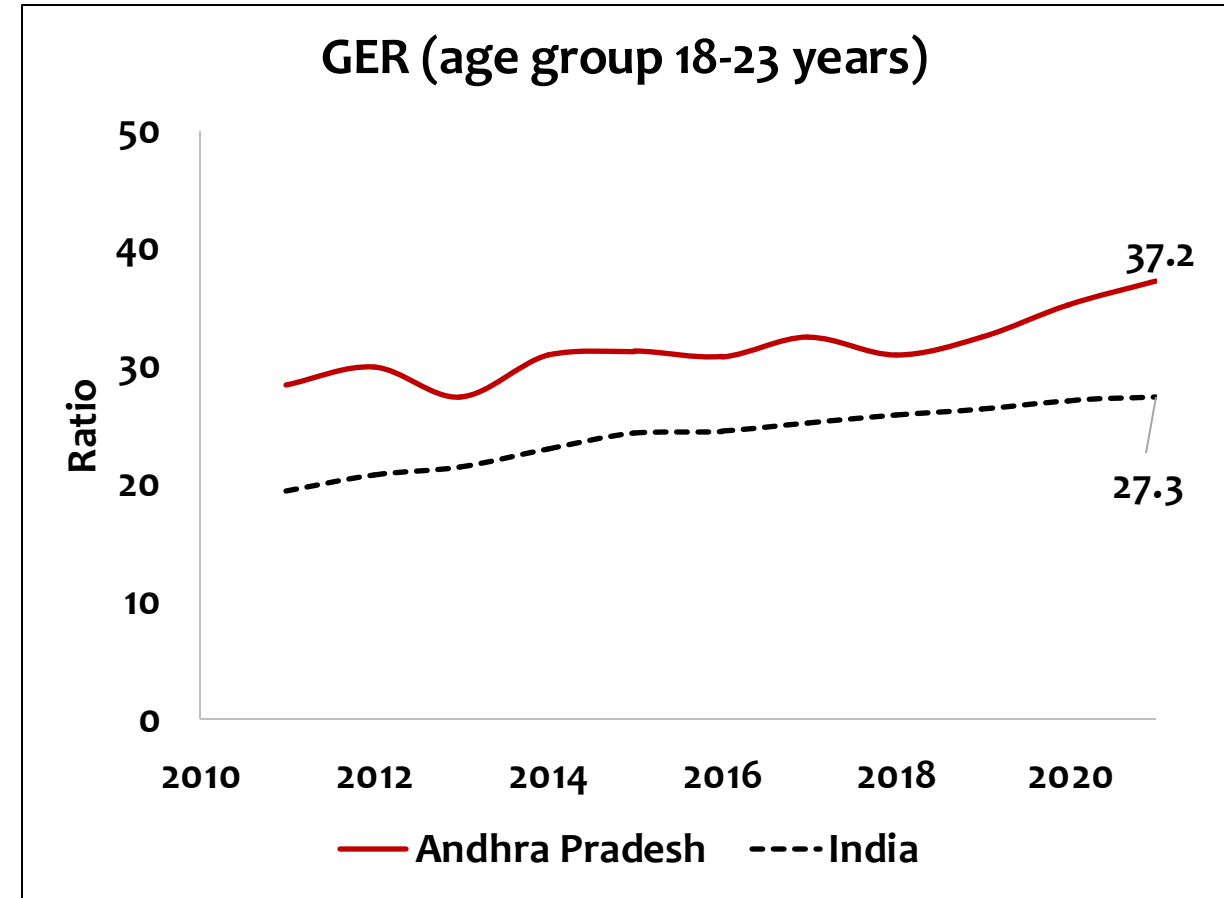
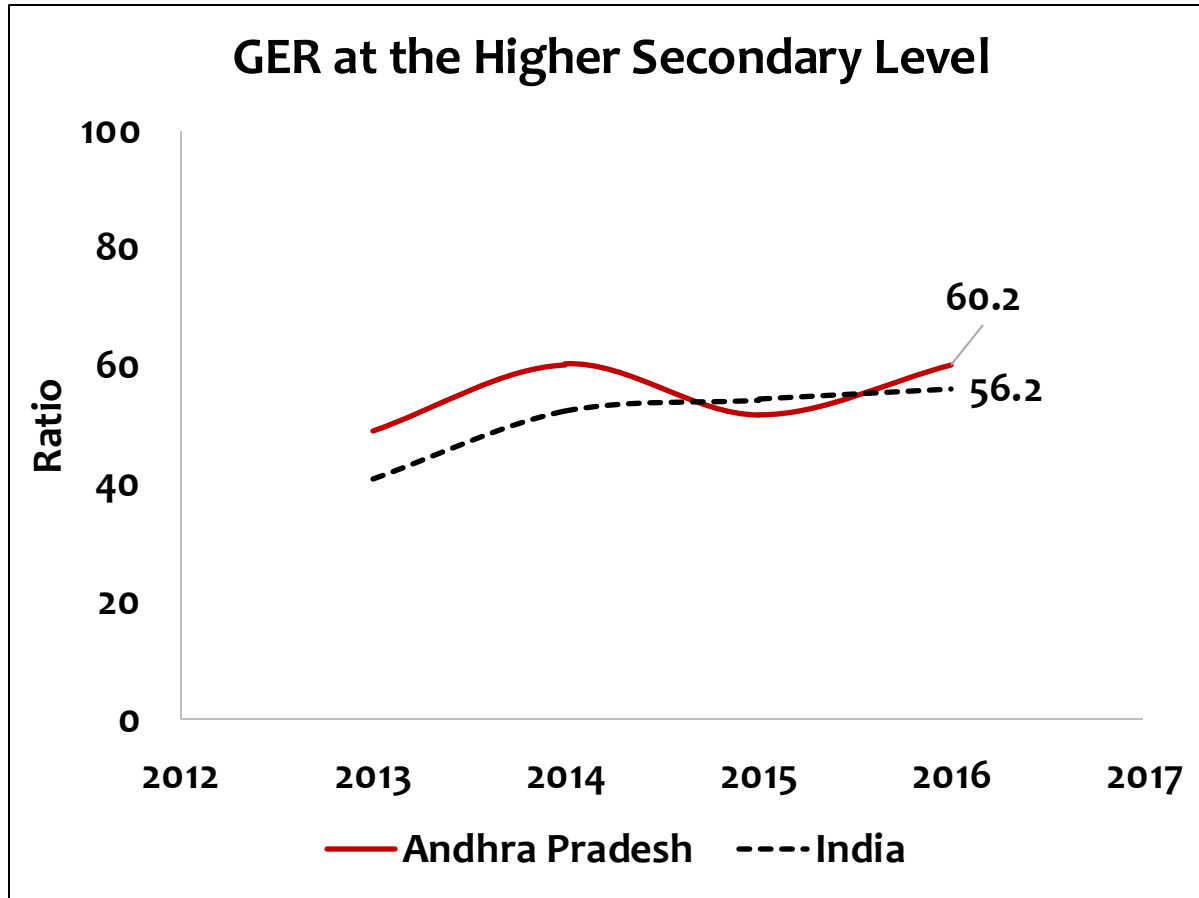
The share of students who pass the Secondary (Class X) Level Examinations are at 97.5 percent in Andhra Pradesh which is above the national average in 2015-16. The share of students who pass the Higher Secondary (Class XII) Level Examinations are at 85.2 percent which is below the national average in 2014-15



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Percentages are a simple average of the pass percentages for boys and girls as reported separately; ii. India number has been taken directly from the source; iii. Pass percentages for Higher Secondary Level are reported separately by Stream (Science, Arts, Humanities, Vocational, Others); iv. Few observations have been removed due to data discrepancy issues.

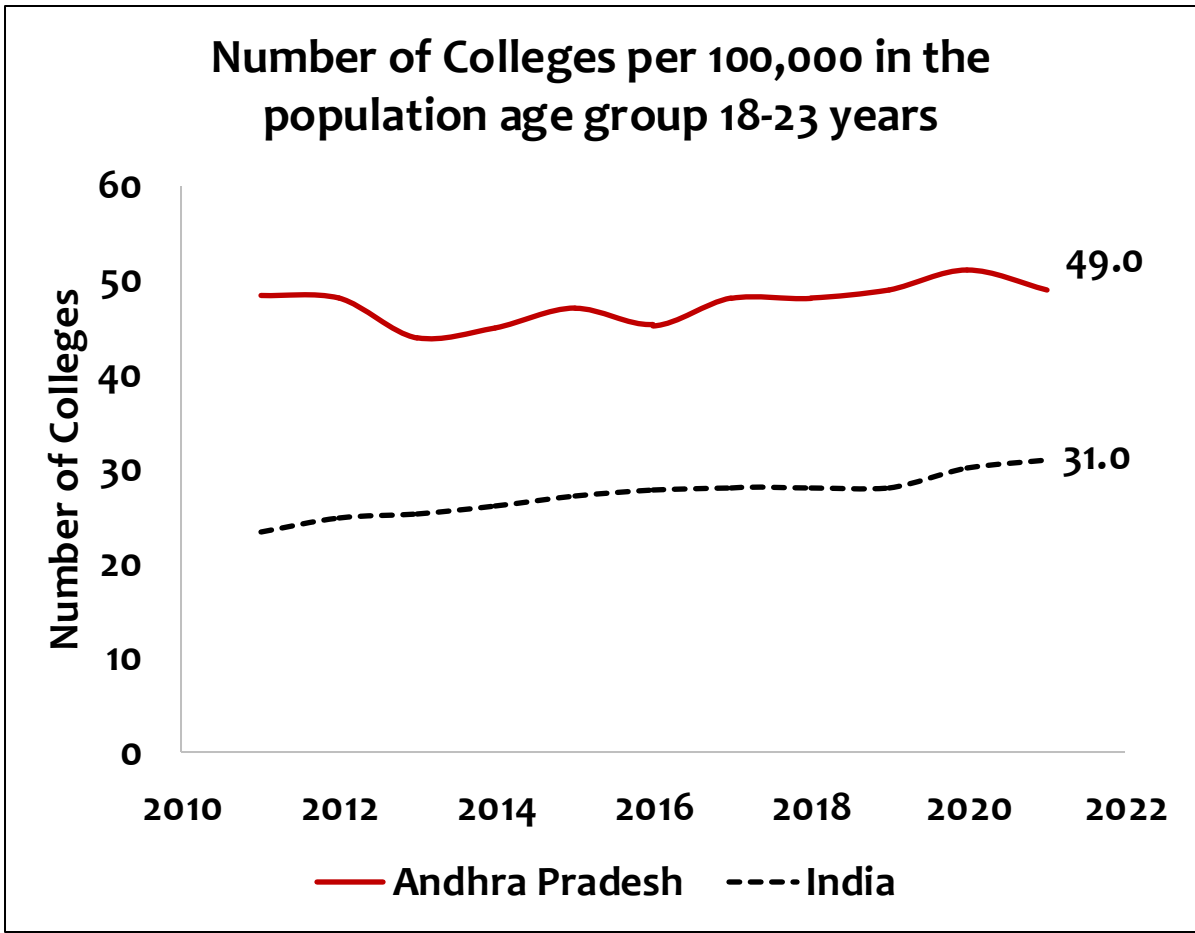
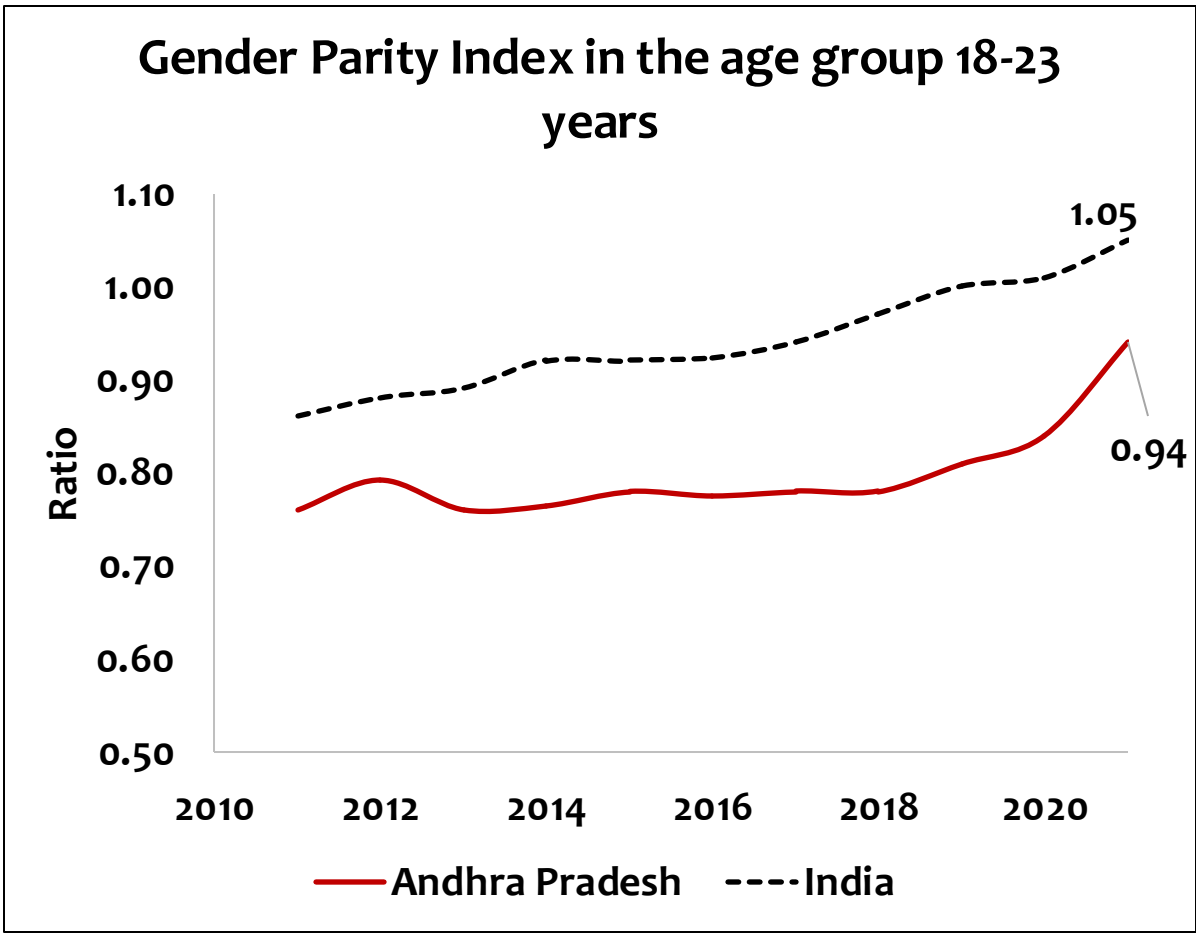
Andhra Pradesh's Gross Enrolment Ratio (GER) at the Higher Secondary Level declined to a level below the national average in 2015 but it increased again and was above the national average in 2016. Higher Education GER level (age group 18-23 years) has always been above the national estimate over the last decade



Source: i. Unified District Information System for Education (U-DISE), 2015-16; ii. All India Survey on Higher Education (AISHE), 2020-21.

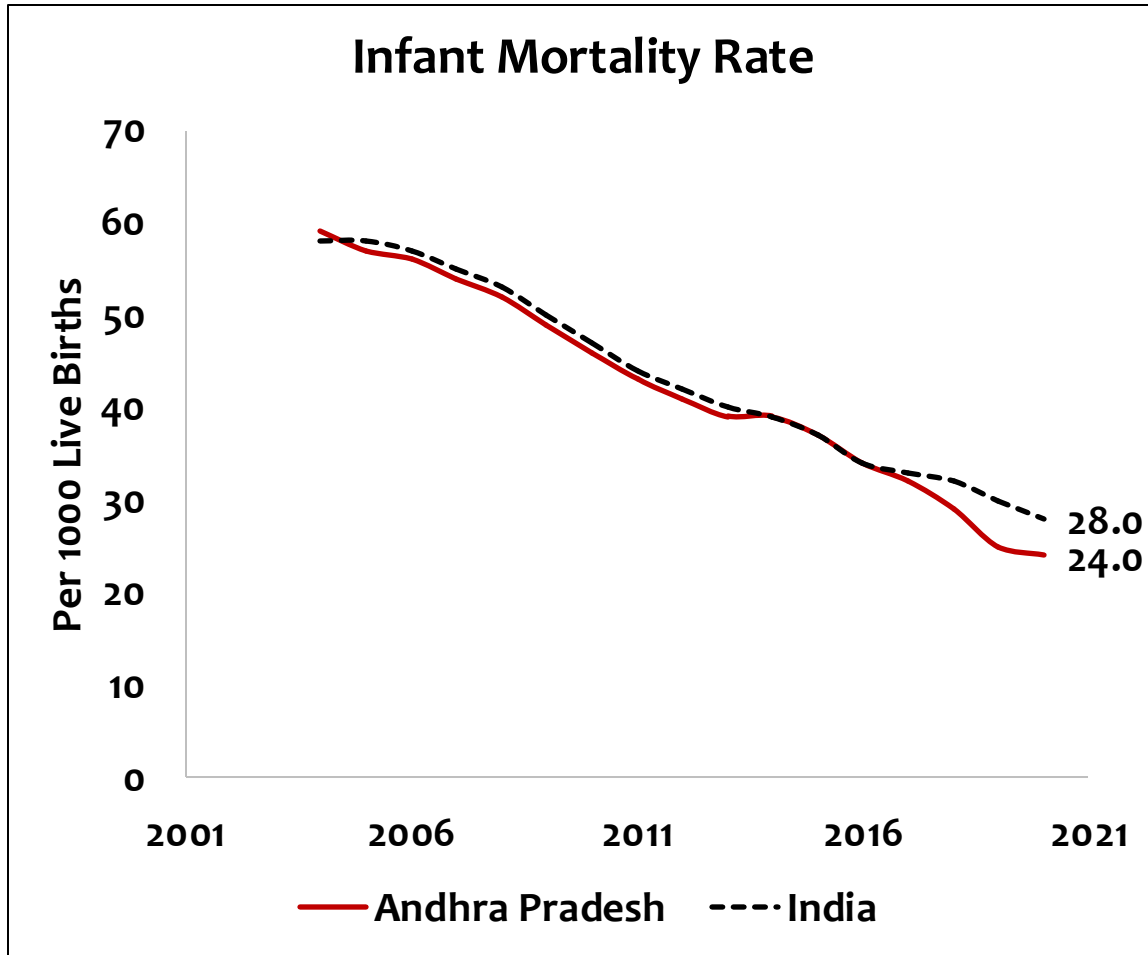
Note: i. GER is the total enrolment in a particular stage of education, regardless of age, expressed as a percentage of the official age-group of the population which corresponds to the given stage of education in a given year. It is the general level of participation per stage of education; ii. The Higher Education GER represents share of enrollees to the total population in the age group 18-23 years; iii. India number has been taken directly from the source.

In terms of Gender Parity Index (the share of girls to boys enrolled at Higher Education institutions in the age group 18-23 years), Andhra Pradesh has remained below the national benchmark over the last decade. The State has significantly higher college density per 100,000 people in the age-group 18-23 years compared to the national average



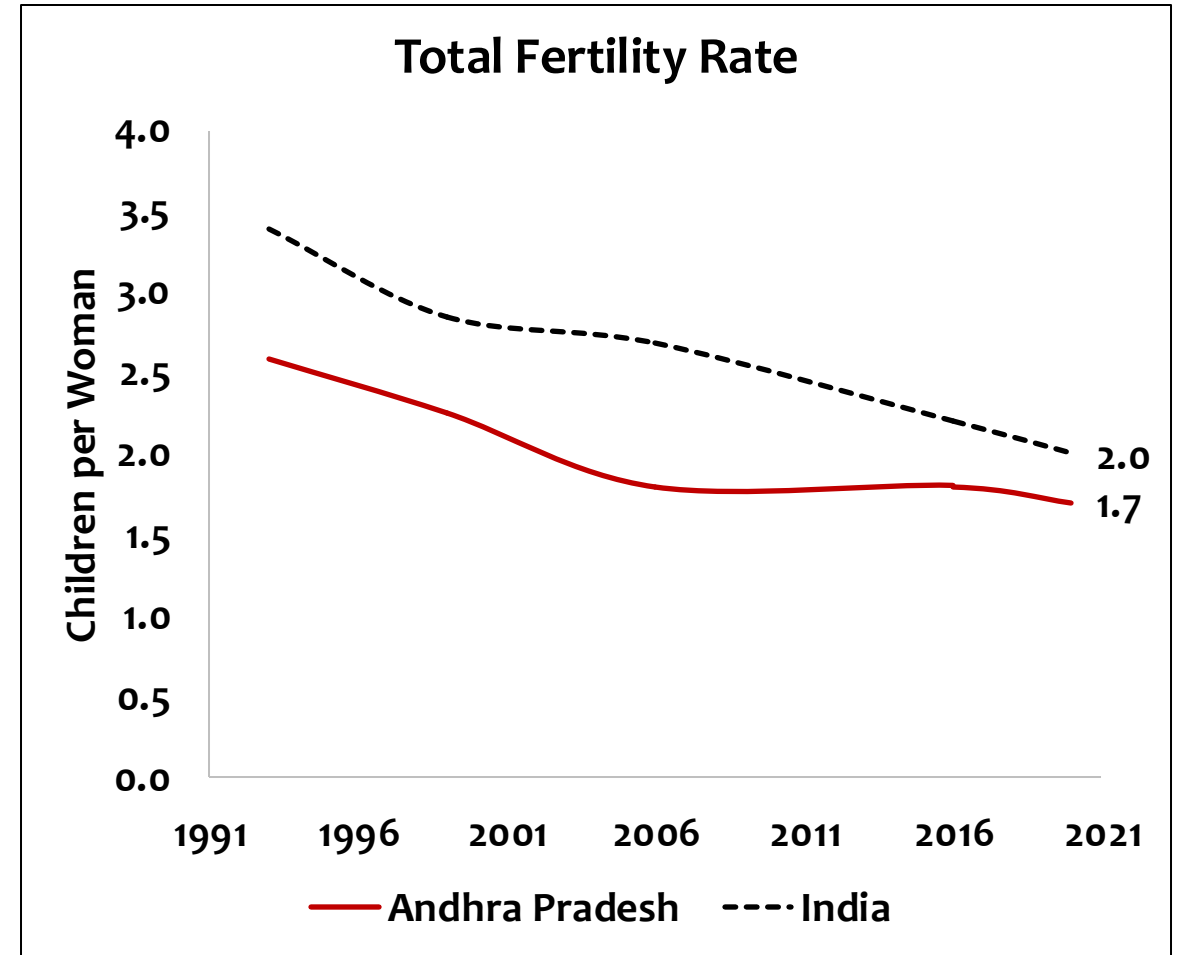
Source: All India Survey on Higher Education (AISHE), 2020-21.
Note: The number for India has been taken directly from the source.

Andhra Pradesh has seen a decline in Infant Mortality and Total Fertility Rates over their respective decades and is in a slightly better shape compared to the national benchmarks, as of 2021



Source: Sample Registration System (SRS) Bulletin, Ministry of Home Affairs, 2020.

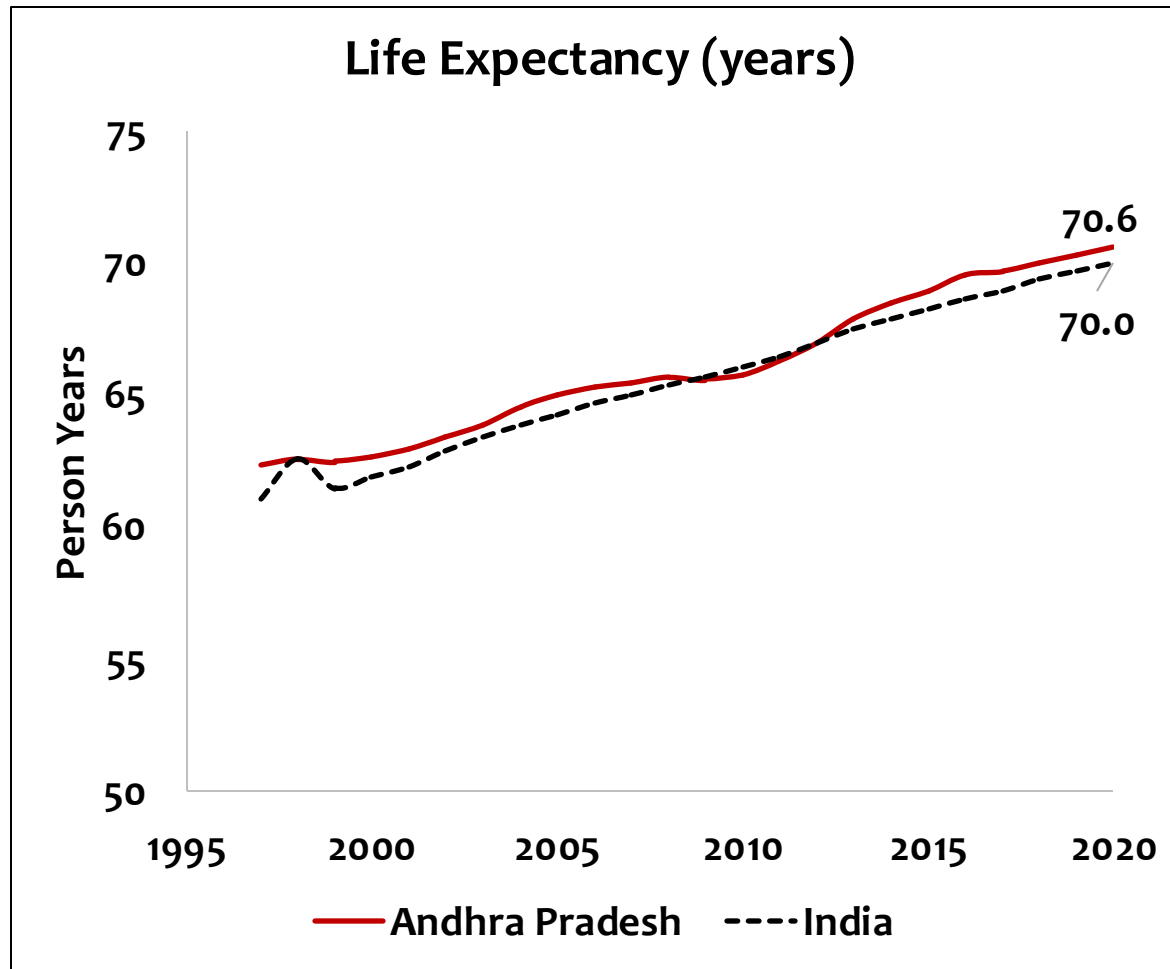
Note: India Number has been taken directly from the source



Source: National Family Health Survey (I - V).

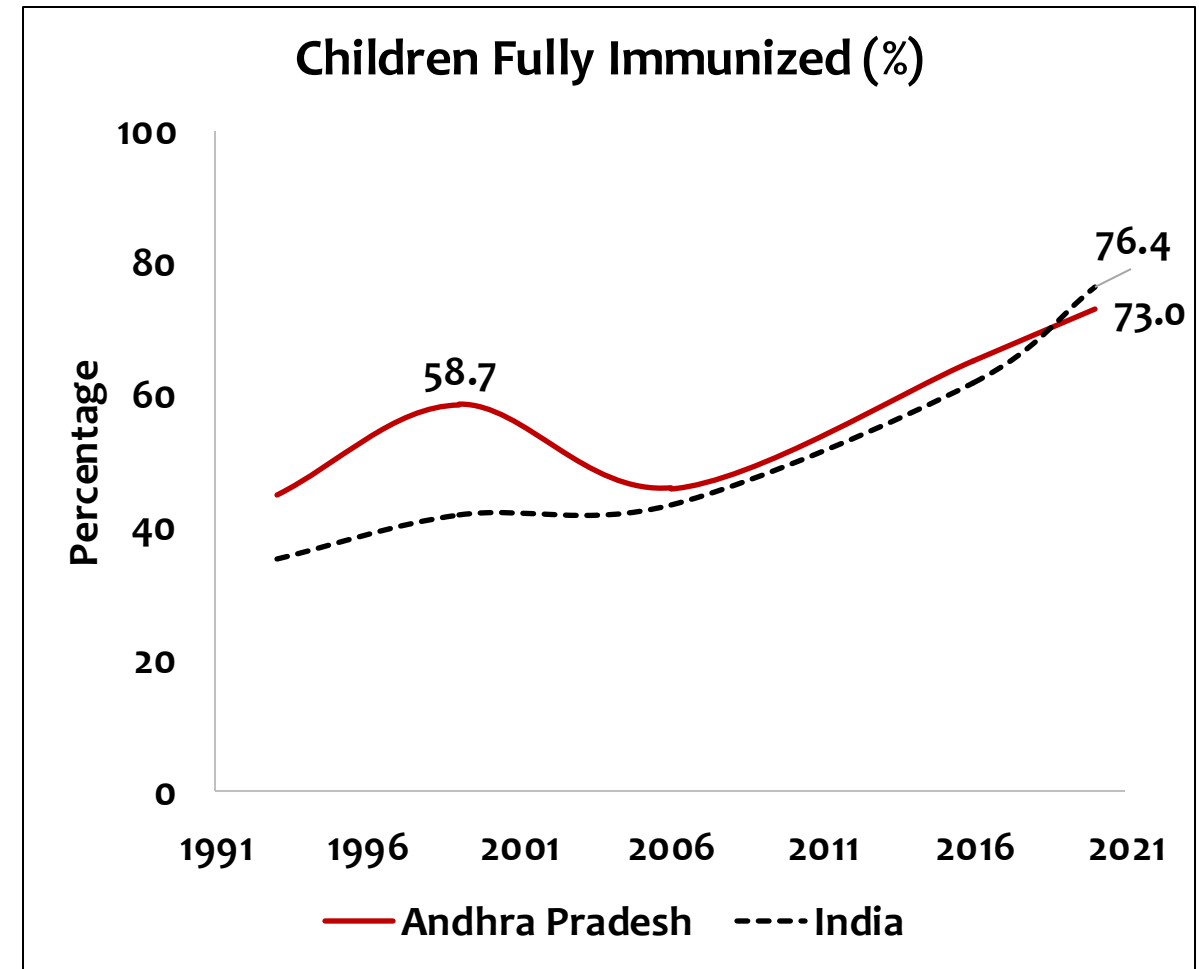
Note: India Number has been taken directly from the source

Life expectancy in Andhra Pradesh is marginally higher than that of an average person in India. Andhra Pradesh is placed lower than the national average in terms of full immunization of children (12-23 months), as of 2019-21



Source: Sample Registration System Bulletin, Ministry of Home Affairs, 2020.

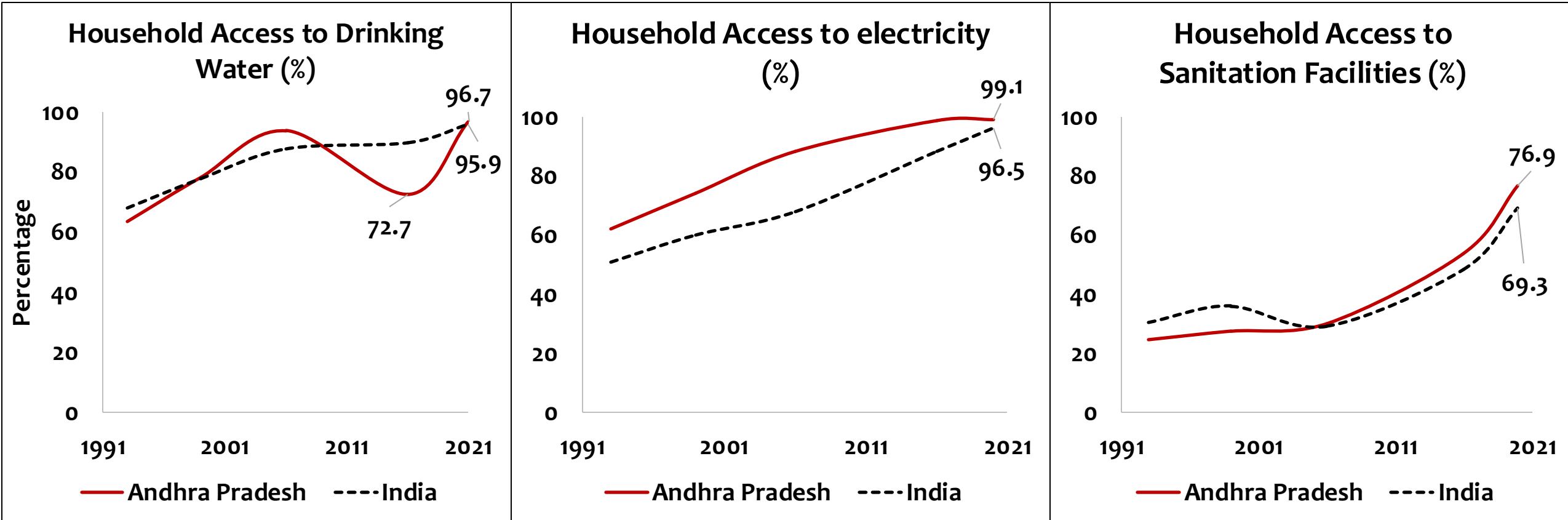
Note: India number has been taken directly from the source.



Source: National Family Health Survey (I – V).

Note: India number has been taken directly from the source.

Andhra Pradesh has improved on “quality of life” indicators over the decades. As of 2021, household access to electricity and sanitation facilities is above the national benchmarks, while household access to drinking water is close to the national benchmark



Source: National Family Health Survey (I – V).

Note: i. India number has been taken directly from the source.; ii. Drinking water and sanitation refers to improved sources and facilities respectively as defined in NFHS.

5. Fiscal Indicators

- Fiscal Data covers the fiscal period 1990-91 - 2022-23
- Benchmark includes all 29 States (all Union Territories are excluded)

Table 4A: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Andhra Pradesh

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	States' Mean (All States and UTs)
Fiscal Deficit, % of GSDP	3.6 %	2022-23	- 0.3 % points	3.8 %	3.6%	3.4 %
Primary Deficit, % of GSDP	1.7 %	2022-23	+ 0.6 % points	1.9 %	1.6%	1.7 %
Revenue Surplus (+)/Deficit (-), % of GSDP	- 2.2 %	2022-23	- 2.3 % points	0.3 %	-0.4%	- 0.5 %
Total Revenue Receipts, % of GSDP	13.4 %	2022-23	- 10.5 % points	19.9 %	15.3%	14.4 %
Own Tax Revenue, % of GSDP	6.4 %	2022-23	- 7.4 % points	6.3 %	6.4%	6.6 %
Own Non Tax Revenue, % of GSDP	0.5 %	2022-23	- 2.8 % points	1.2 %	1.1%	1.0 %
Total Expenditure, % of GSDP	17.0 %	2022-23	- 10.8 % points	24.0 %	19.3%	17.8 %
Revenue Expenditure, % of GSDP	15.6 %	2022-23	- 8.2 % points	18.8 %	16.9 %	14.8 %
Capital Expenditure, % of GSDP	1.4 %	2022-23	- 2.7 % points	4.0 %	3.4%	3.0 %
Capital Expenditure, % of Total Exp	8.3 %	2022-23	- 6.3 % points	17.6 %	16.1%	16.7 %
Total Public Debt, % of GSDP	32.5 %	2022-23	- 9.7 % points	32.1 %	30.7%	27.5 %
Contingent Liabilities, % of GSDP	10.4 %	2021-22	+ 6.8 % points	1.6 %	1.7%	3.8 %

Source: Data is taken from State Finances Report (SFR), Reserve Bank of India (RBI), as of December 2023.

Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Most Recent Values are the Revised Estimates for 2022-23 (except for Contingent Liabilities, for which the most recent value is for 2021-22).

Table 4B : Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Andhra Pradesh

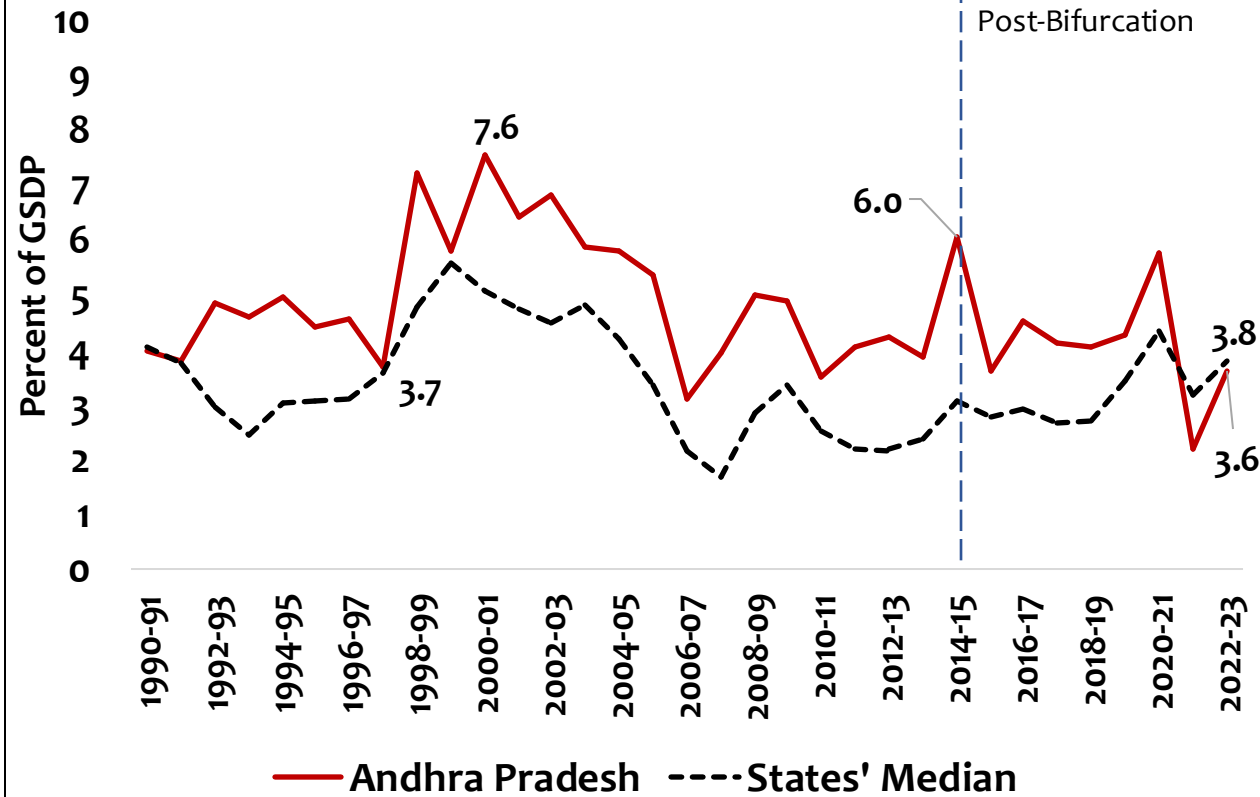
Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	All States/UT's (% of National GDP)
Committed Expenditure, % of GSDP	7.8%	2022-23	-4.9% points	9.2%	8.1%	6.9%
Committed Expenditure, % of Total Expenditure	45.3%	2022-23	-0.3% points	42.4%	40.9%	38.6%
Subsidies, % of GSDP	1.0%	2022-23	+0.8% points (b/w 2018-19 & 2022-23)	1.0%	1.1%	1.5%
Subsidies, % of Total Expenditure	6.1%	2022-23	+4.5% points (b/w 2018-19 & 2022-23)	3.7%	5.8%	8.2%
Off-Budget Borrowings, % of GSDP	0.2%	2022-23	-	0.2%	0.2%	0.1%
Per Capita Social Expenditure	Rs. 23,226	2022-23	+Rs. 12,448	Rs. 18,949	Rs. 2,606	Rs. 6,514
Per Capita Health Expenditure	Rs. 2,529	2022-23	+Rs. 1,338	Rs. 17,385	Rs. 2,494	Rs. 5,669
Per Capita Education Expenditure	Rs. 5,341	2022-23	+Rs. 1,587	Rs. 17,585	Rs. 2,421	Rs. 5,700
Social Expenditure, % of Total Expenditure	55.0%	2022-23	+13.4% points	43.9%	45.6%	45.3%
Health Expenditure, % of Total Expenditure	6.0%	2022-23	+1.4% points	6.3%	6.3%	6.2%
Education Expenditure, % of Total Expenditure	12.6%	2022-23	-1.8% points	14.6%	14.8%	14.7%
Buoyancy for Revenue Expenditure with GSDP - ratio	2.2%	2022-23	+1.6% points	1.8%	1.7%	1.5%

Source: i. Subsidies, Wage and Salaries, Pension, Social sector expenditure, Medical and Public Health, Family Welfare, Education expenditure, Total Expenditure data are from the RBI's SFR, as of December 2023; ii. Off-Budget Borrowing data is from Ministry of Expenditure (2021-22); iii. Data for Population and GSDP are taken from MoSPI.

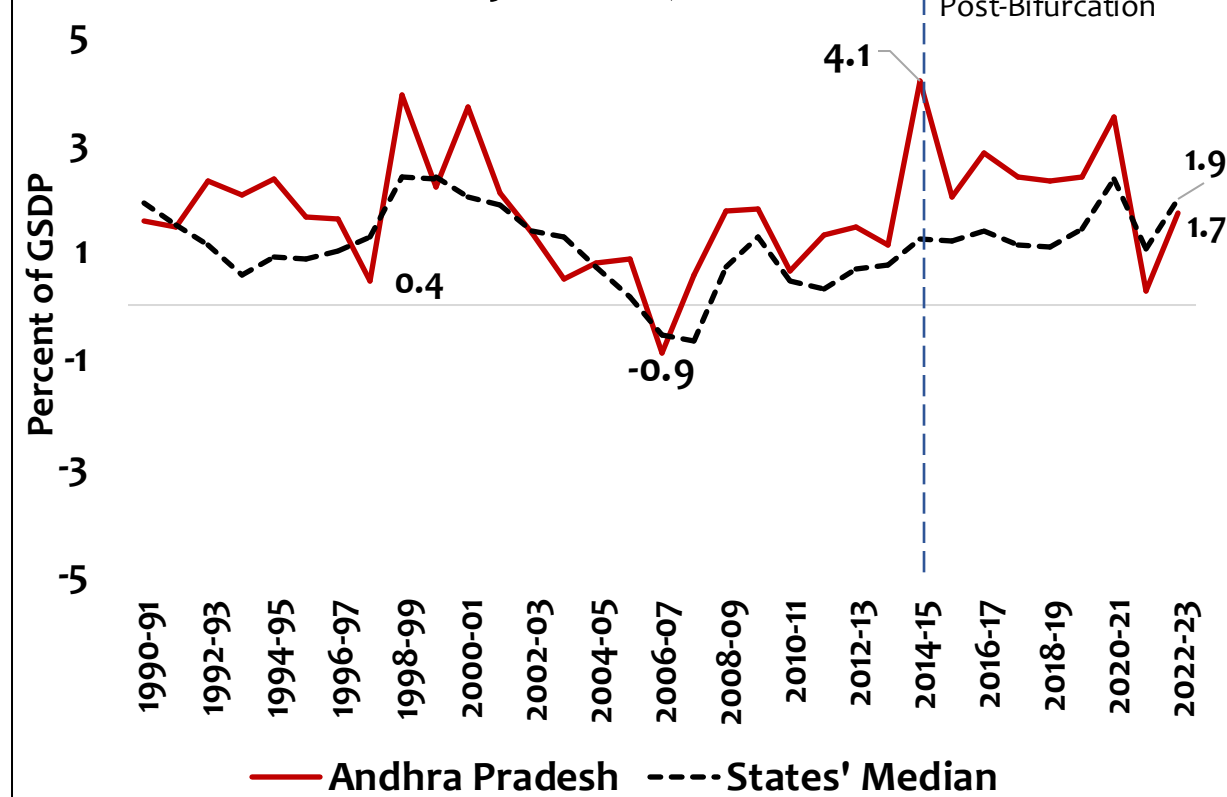
Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Committed Expenditure is calculated as the sum of Wage, Salaries, and Pension; v. Health Expenditure is calculated as the sum of Medical and Public Health, Family Welfare; vi. Social, Health, and Education Expenditures are calculated as per capita values by dividing the respective expenditure by the population; vii. Total Expenditure is calculated as the sum of Revenue Expenditure (RevEx), Capital Outlay, and Loans and Advances; viii. The Buoyancy of RevEx is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.

Fiscal and Primary Deficits in Andhra Pradesh are higher than that of a median State in most years. In 2022-23, Andhra Pradesh ran a Fiscal Deficit of 3.6 percent of its GSDP, and Primary Deficit of 1.7 percent of its GSDP, both 0.2 percentage points lower than that of a median State

Fiscal Deficit, % of GSDP



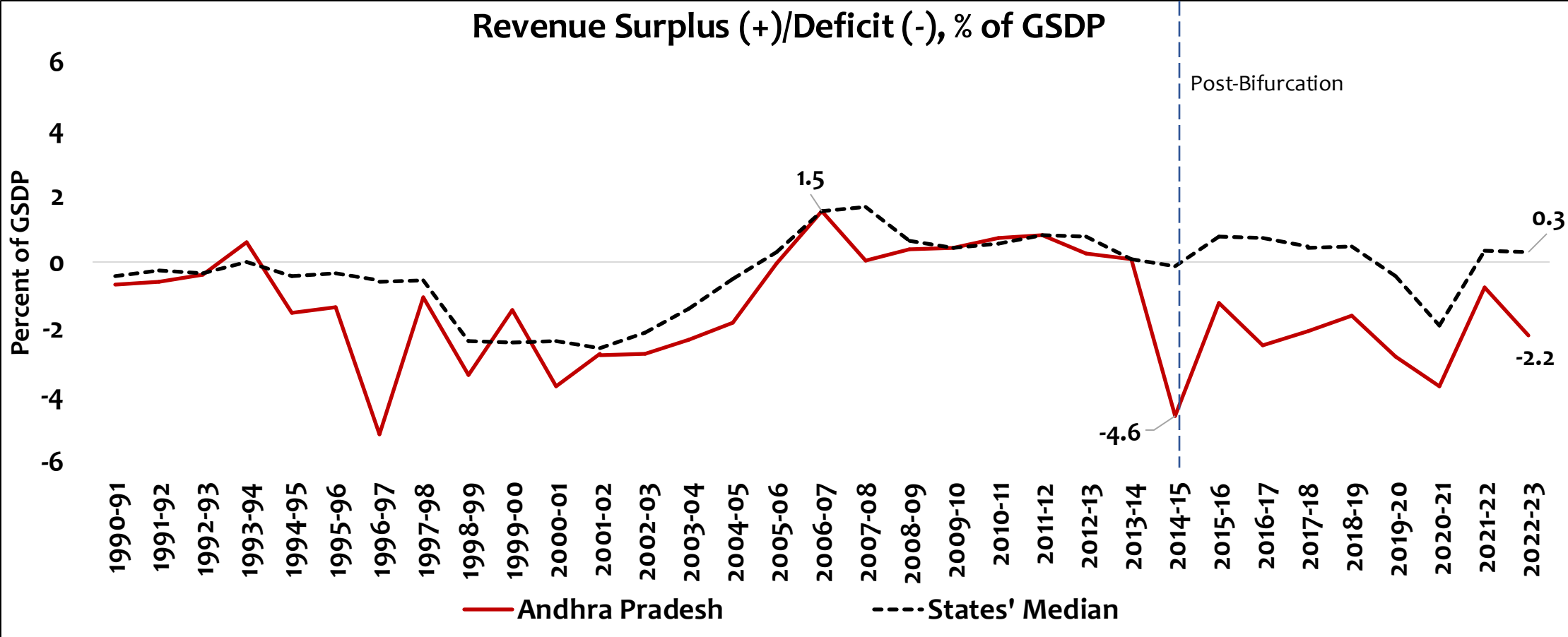
Primary Deficit, % of GSDP



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Primary Deficit (PD) is calculated as Fiscal Deficit minus Interest Payments. Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The fiscal deficit saw a sharp increase after 1997-98 due to increased spending on the social and community services expenditure (particularly, education), without a corresponding rise in revenues ([Subnational Fiscal Management in Indian States: Case Study of Andhra Pradesh](#)); iv. The spike in fiscal deficit in 2014-15 is on [account of the bifurcation of the State](#), wherein the revenues (own tax and non-tax) dropped substantially, while the expenditure did not see a reduction of the same magnitude.

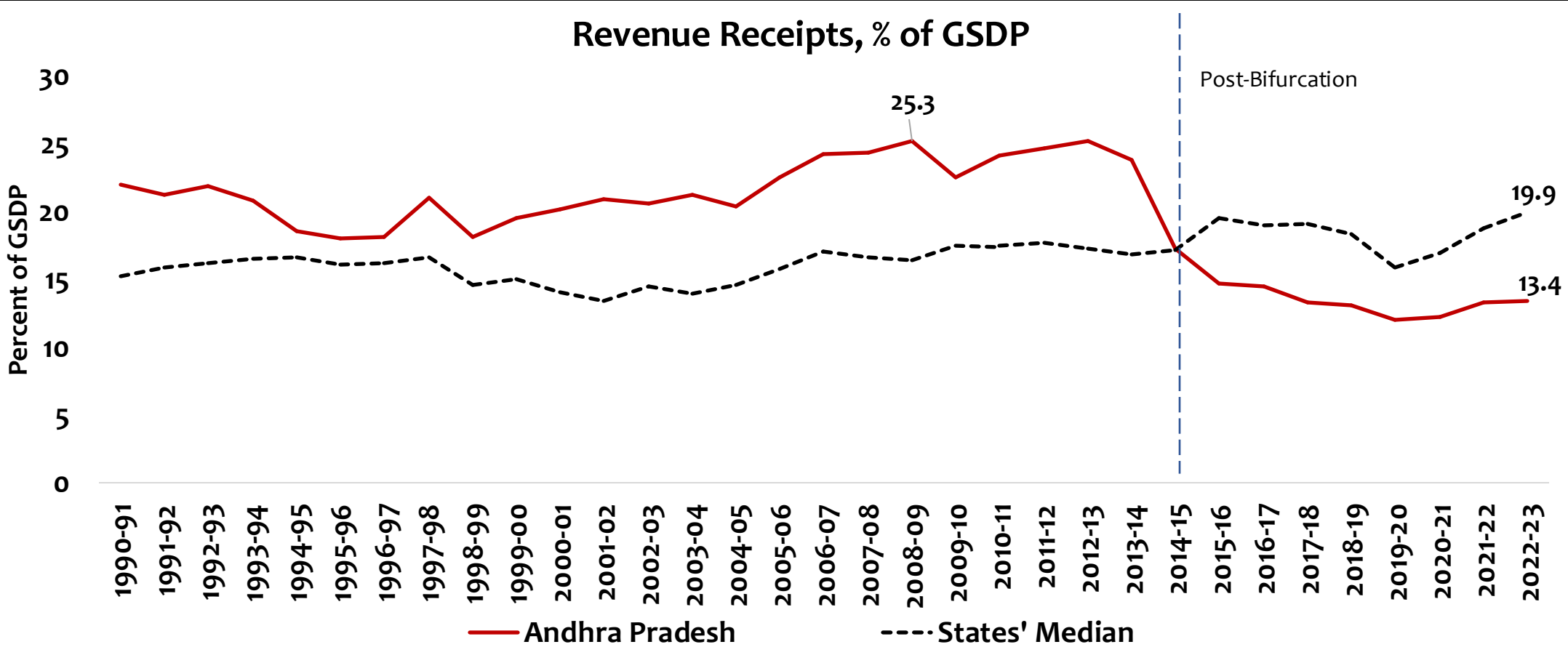
Andhra Pradesh ran a Revenue Deficit of 2.2 percent of its GSDP in 2022-23, while the median State ran a Revenue Surplus



Source: i. Revenue Deficit is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

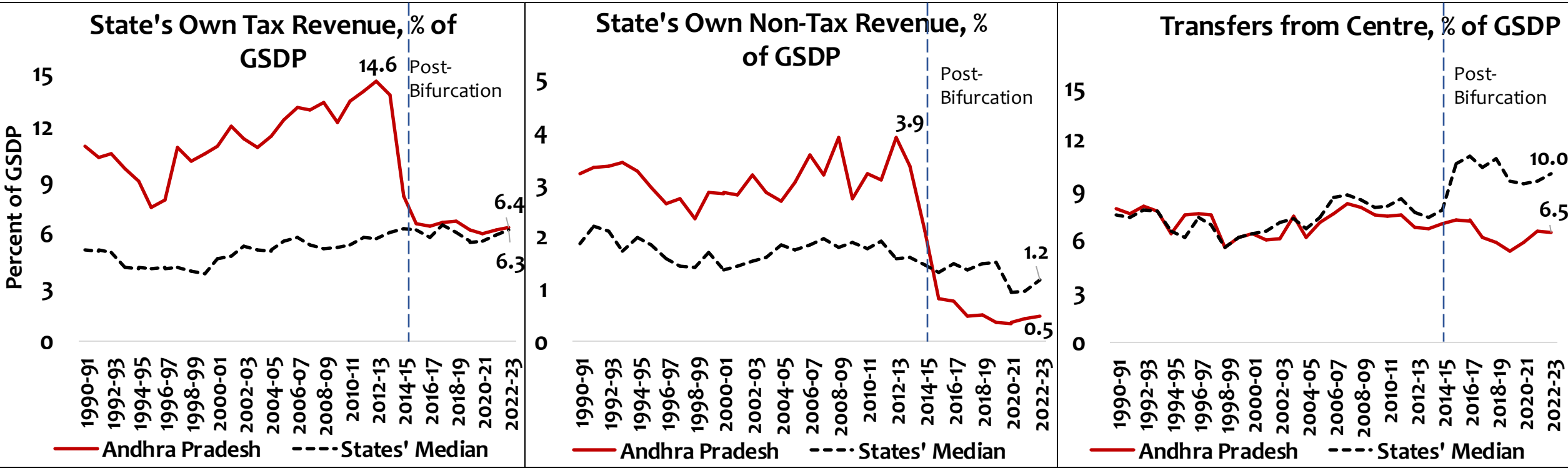
Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. The spike in revenue deficit in 2014-15 is on [account of the bifurcation of the State](#), wherein the revenues (own tax and non-tax) dropped substantially.

In 2022-23, Andhra Pradesh's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were about 6 percentage points lower than what a median State collected, at 13.4 percent of its GSDP



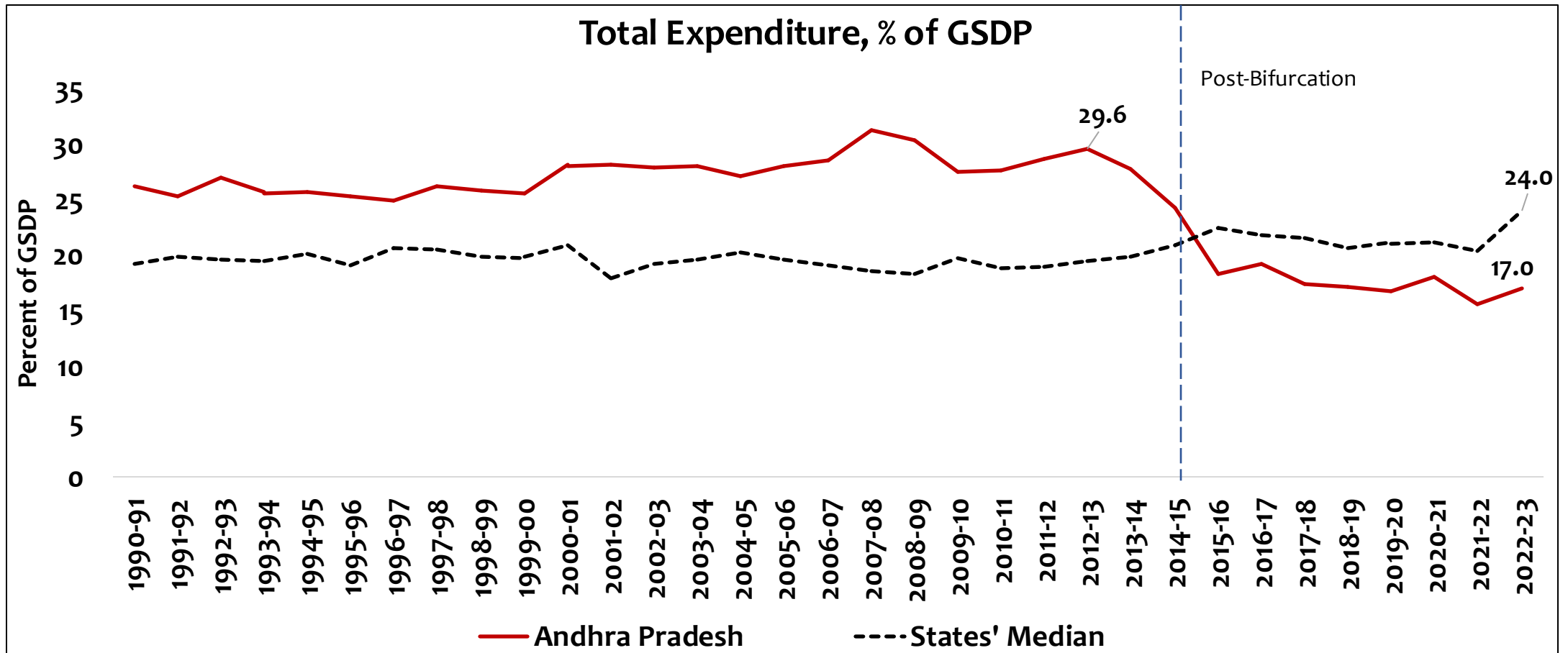
Source: i. Revenue Receipts from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Andhra Pradesh's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from Centre are 6.4, 0.5, and 6.5 percent of its GSDP respectively. Its Own Non-Tax Revenues and Transfers from the Centre are lower than that of a median State. Transfers from Centre constitute 48 percent of their total Revenue Receipts



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

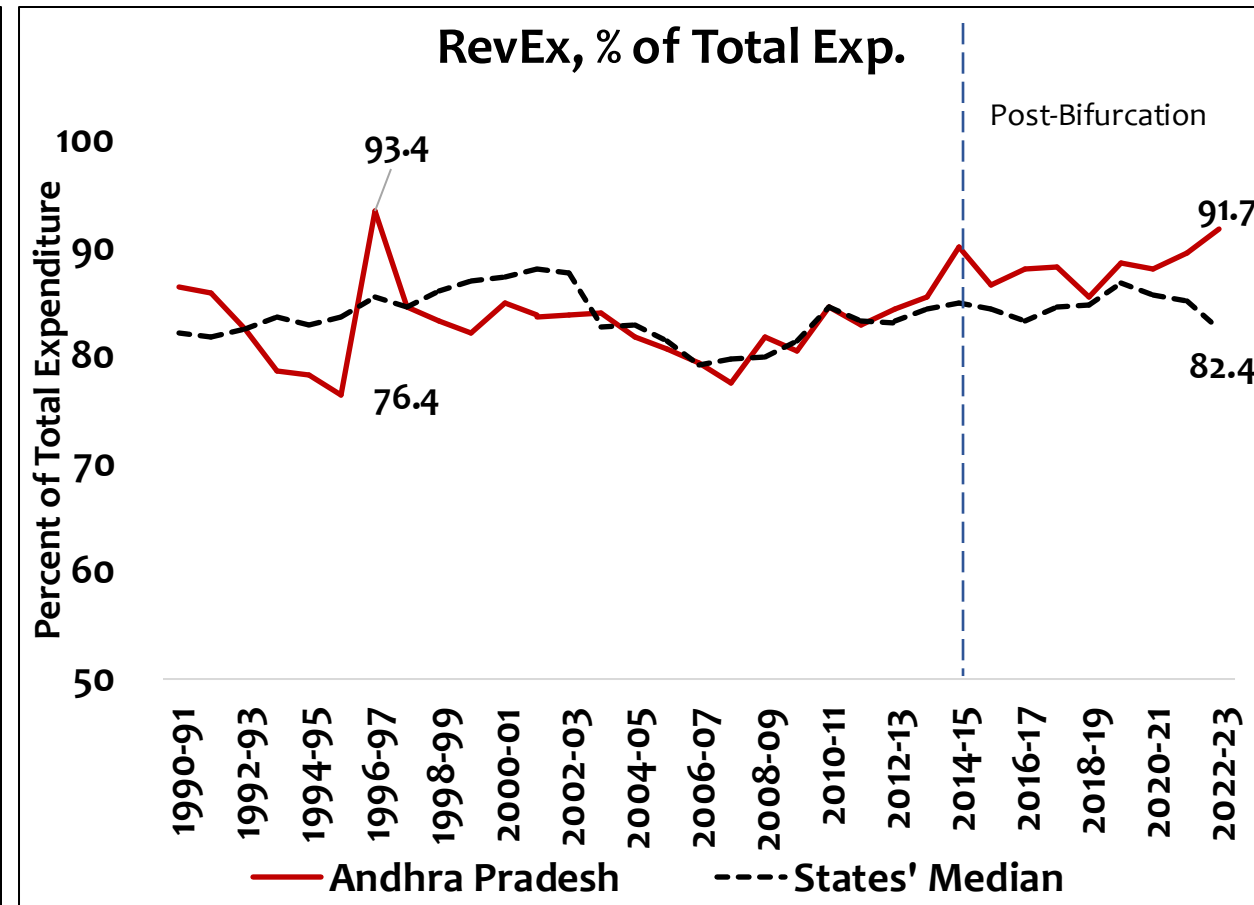
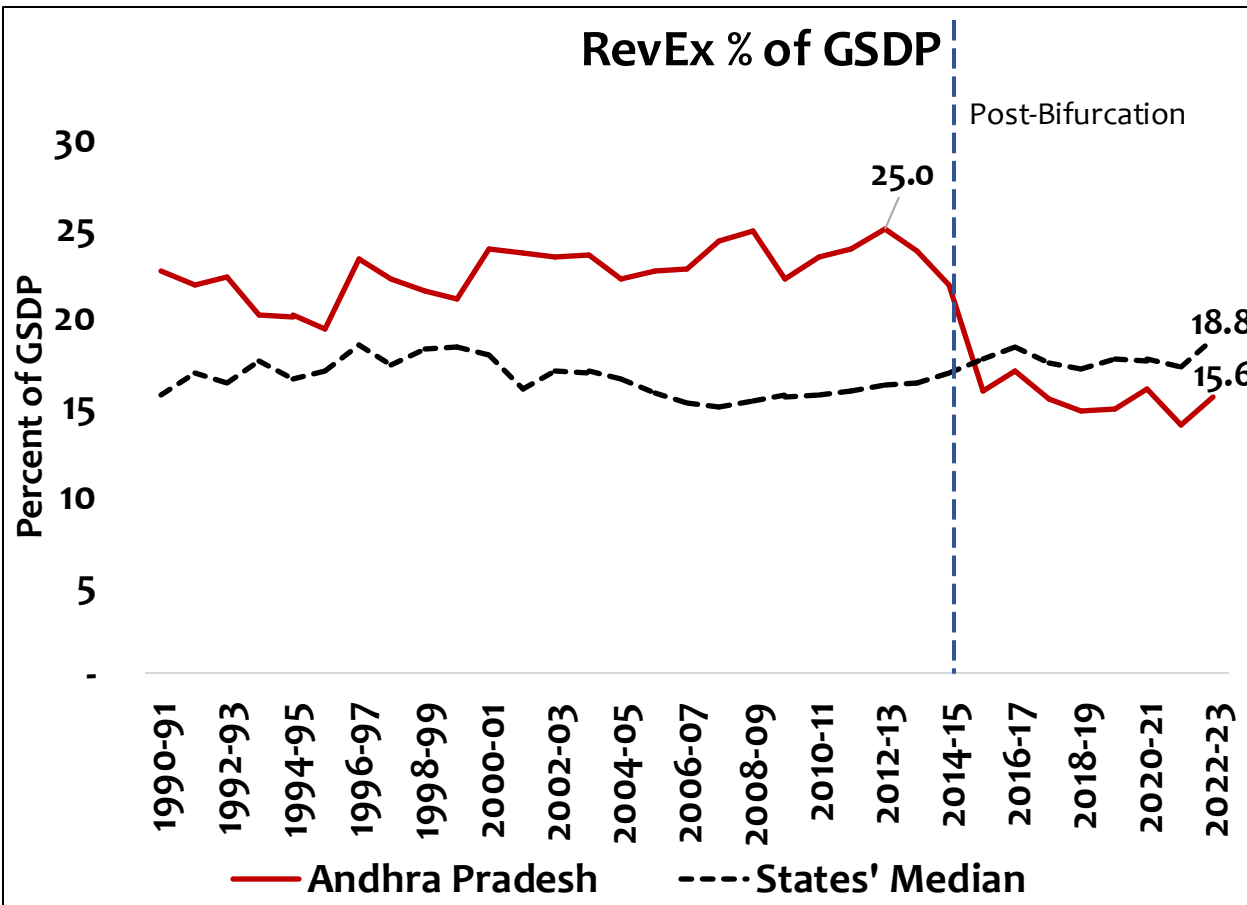
In 2022-23, Andhra Pradesh's Expenditure was lower than that of a median State, at 17 percent of its GSDP



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Andhra Pradesh's RevEx at 15.6 percent of its GSDP, was lower than that of median State in 2022-23. However, as percent of Total Expenditure, Andhra Pradesh's RevEx is 91.7 percent, higher than that of a median State as of 2022-23.

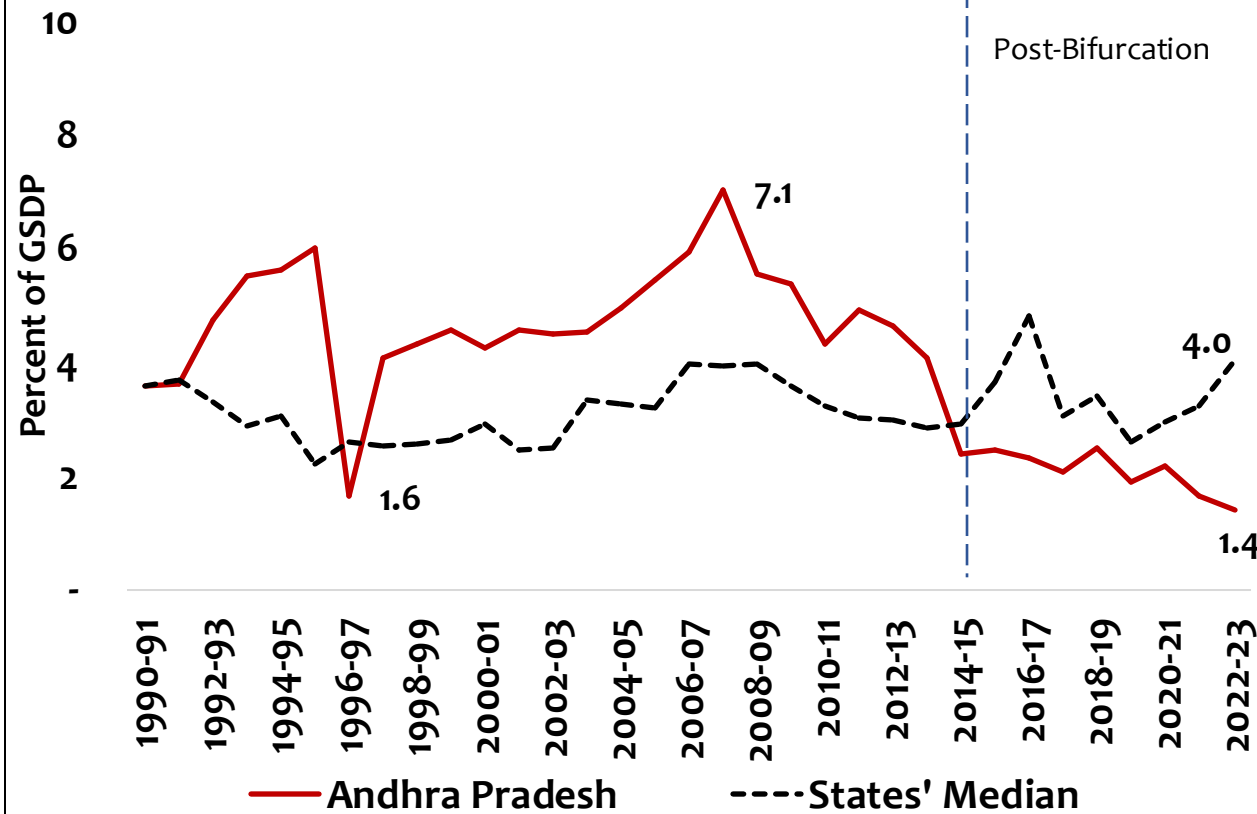


Source: i. Revenue Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

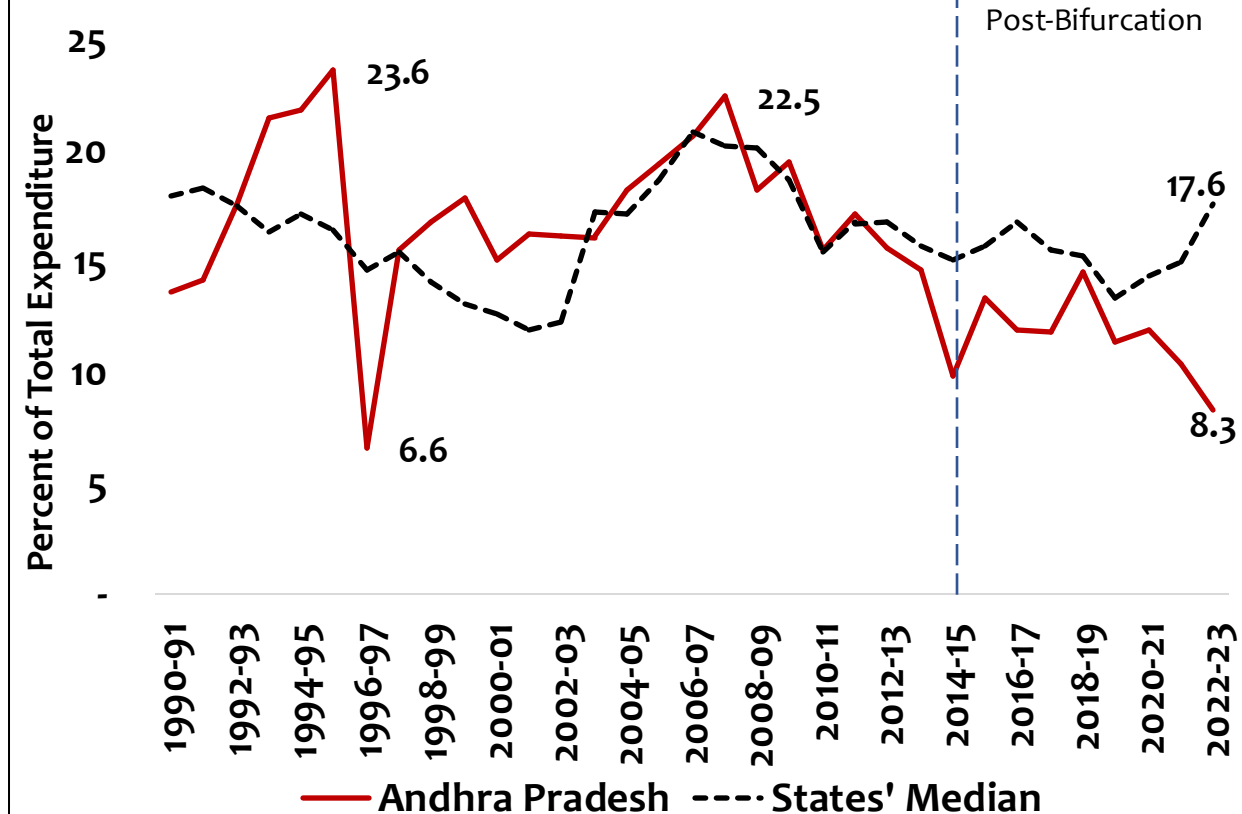
Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

In 2022-23, Andhra Pradesh's CapEx at 1.4 percent of its GSDP, was 2.6 percentage points lower than what a median State spent on CapEx, and as a percent of the Total Expenditure was 9.3 percentage points lower than that of a median State

CapEx, % of GSDP



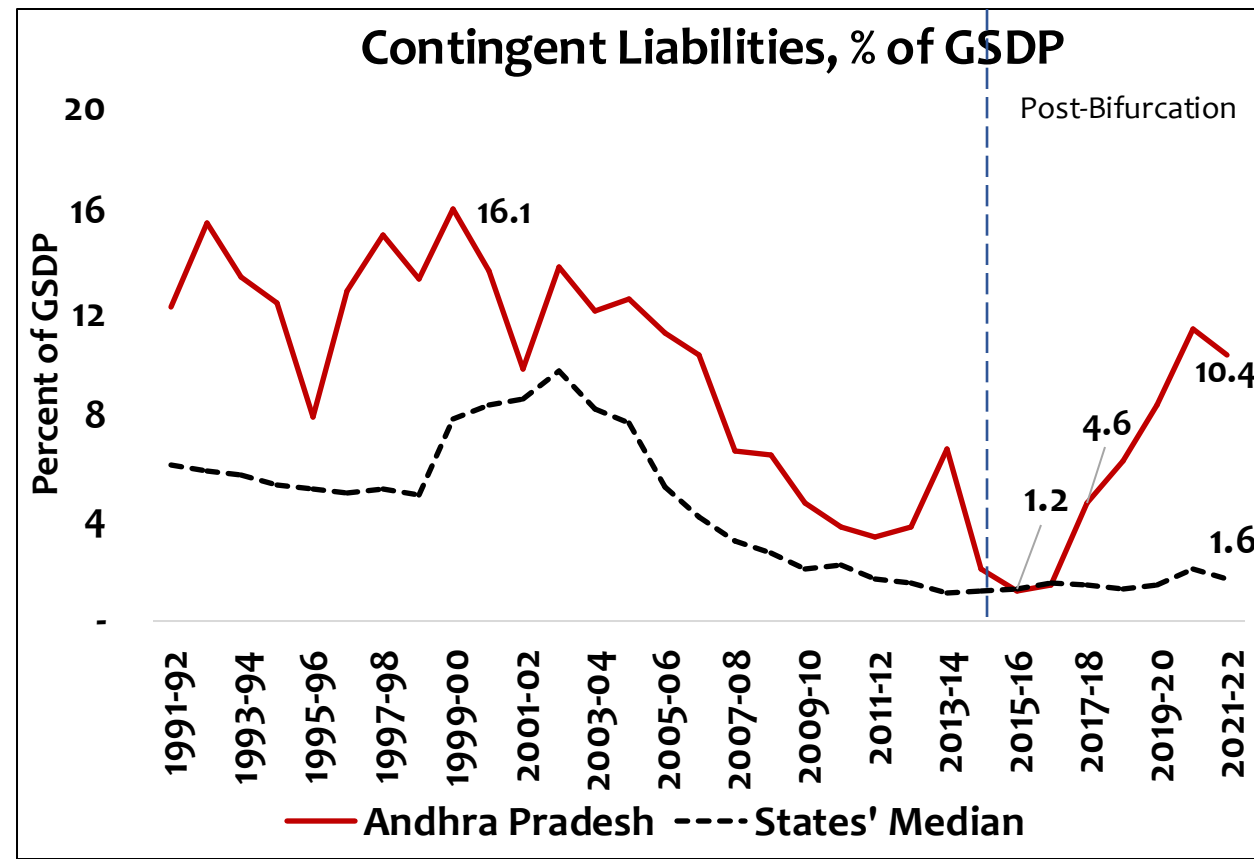
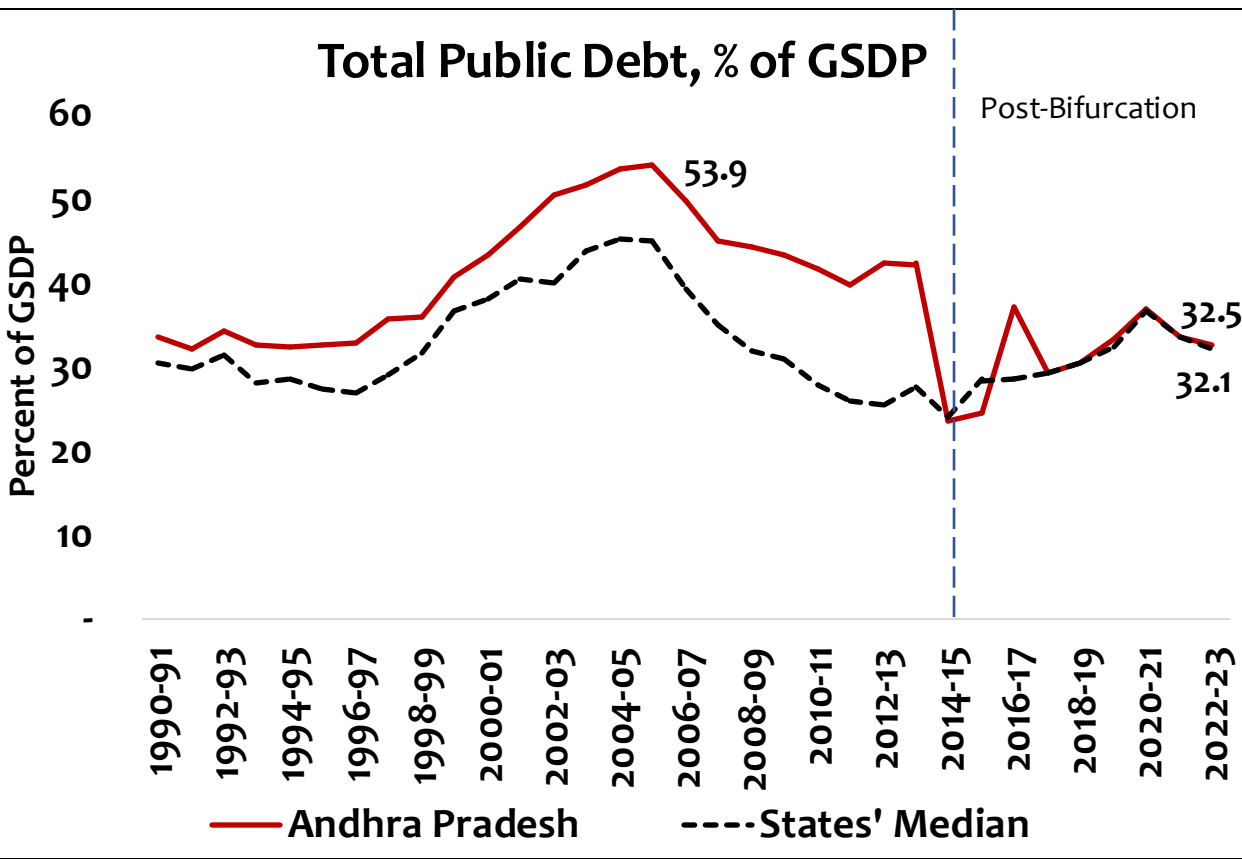
CapEx, % of Total Exp.



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Andhra Pradesh's Public Debt at 32.5 percent of its GSDP was at par with that of a median State, as of 2022-23. Its contingent liabilities, at 10.4 percent of its GSDP in 2021-22, were 8.8 percentage points higher than that of a median State



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. The increase in contingent liabilities after 2017-18 is mainly due to new guarantees issued by the State Government to AP Civil Supplies Corporation, AP Township and Infrastructure Development Corporation and AP Capital Region Development Authority etc. [[CAG, State Finances Audit Report 2020](#)].

Debt Sustainability Assessment

- Extrapolations of the debt-to-GSDP ratio are used as a way of thinking about debt sustainability, using the equation: $\Delta b_t = \frac{b_{t-1}(r_t - g_t)}{1 + g_t} + pd_t^*$
- A baseline scenario assumes real GDP growth, the real effective interest rate and primary deficit will be at the same levels for the next five years as their respective averages from 2012-13 to 2021-22.
- Second scenario assumes faster GDP growth to the tune of half a standard deviation over the average growth between 2012-13 to 2021-22.
- Third scenario assumes a favorable change of half a standard deviation to the primary deficit over the average deficit between 2012-13 to 2021-22.
- Fourth scenario assumes baseline plus outstanding contingent liabilities in 2021-22 will be absorbed (by 20 percent) each year in the next five years.
- A fifth scenario, by combining scenarios two and three.

Note: i. b_t is the debt-to-GSDP ratio, pd_t is the primary-deficit-to-GSDP ratio (deficit net of interest payment), g_t is growth of real GSDP, and r_t is the real effective interest rate on public debt; all in year t ; ii. Δb_t is the change in debt-to-GSDP ratio between t and $t-1$; iii. The exercise is based on the assumption that g , r , and pd are exogenous, that is, they are not impacted by the level of debt.

Andhra Pradesh Debt Evolution (2012-13 to 2021-22)

Averages and standard deviations of key parameters

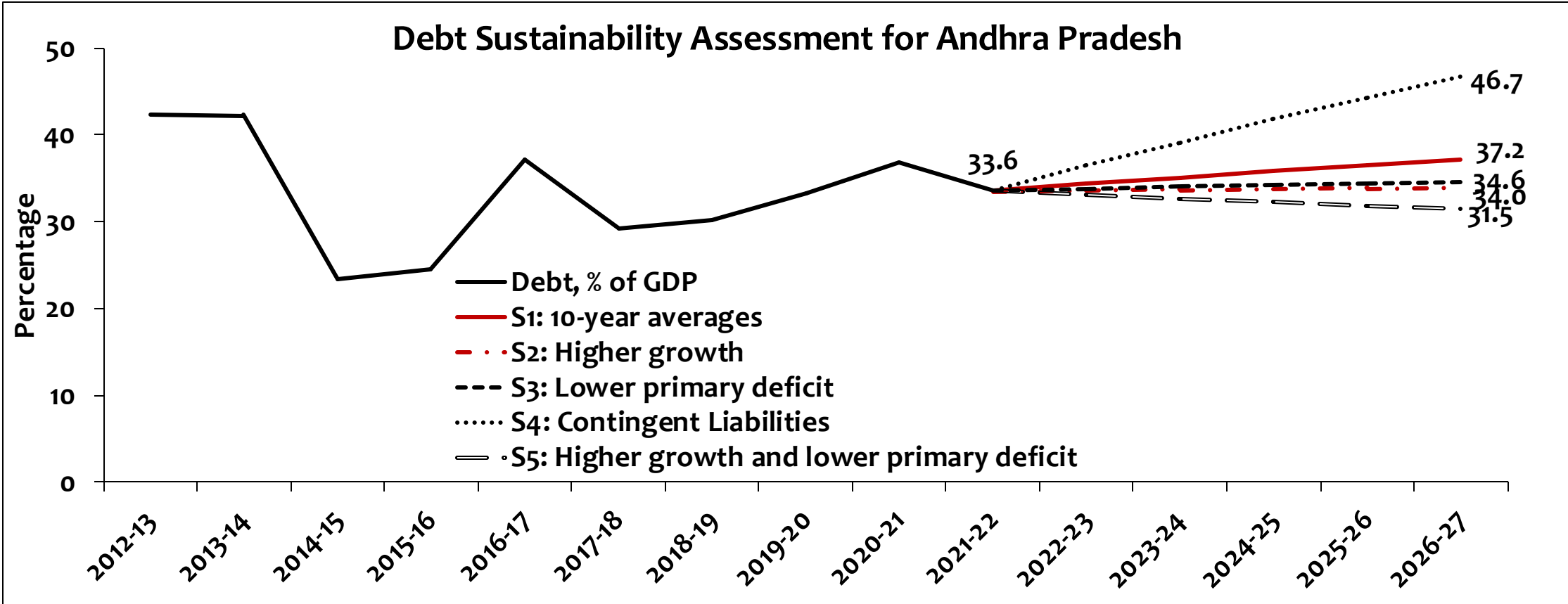
	Ten-year average and std. deviations (2012-13 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth (γ)	11.7	4.6	10.8	6.2
Deflator growth (π)	4.9	1.8	4.9	1.7
Real GDP growth (g)	6.5	4.8	5.6	5.5
Effective interest rate (e)	6.8	1.0	6.4	0.6
Real effective interest rate (r)	2.0	1.9	1.5	1.8
Primary deficit (pd)	2.2	1.1	2.2	1.2
Growth-effective interest differential ($g-\hat{e}$)	4.5	4.6	4.0	6.4
Contingent Liabilities (CL) as of 2021-22	10.4	-	-	-
Percentage points of CL absorbed each year for 5 years	2.07	-	-	-

Different scenarios for conducting debt sustainability assessments

Scenarios	Debt level in 2021-22 (bt-1)	Primary Deficit (pd)	Real GDP growth (g)	Real Effective Interest Rate (r)	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
Baseline (Scenario 1): 10-year averages (2012-13 to 2021-22)	33.6	2.2	6.5	2.0	0.79	3.65
Scenario 2: Higher growth (increasing growth by half a standard deviation over baseline)	33.6	2.2	8.9	2.0	0.09	0.39
Scenario 3: Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	33.6	1.7	6.5	2.0	0.23	1.06
Scenario 4: Contingent Liabilities in 2021-22 are absorbed 20% in each year	33.6	2.2	6.5	2.0	2.87	13.17
Scenario 5: Lower Primary Deficit and Higher Growth	33.6	1.7	8.9	2.0	-0.48	-2.09

Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 2.07 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

Outstanding contingent liabilities (as percent of GSDP in 2021-22) in Andhra Pradesh was above 10%. Absorbing these would predictably result in a massive increase in debt to GSDP ratio in the next five years. Only under scenarios of higher growth and lower primary deficit (combined) is the debt to GSDP ratio predicted to decline for Andhra Pradesh



Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 2.07 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year

Debt Sustainability Assessment for Andhra Pradesh post-bifurcation (from 2014-15 till 2021-22)

Andhra Pradesh Debt Evolution (2014-15 to 2021-22)

Averages and standard deviations of key parameters

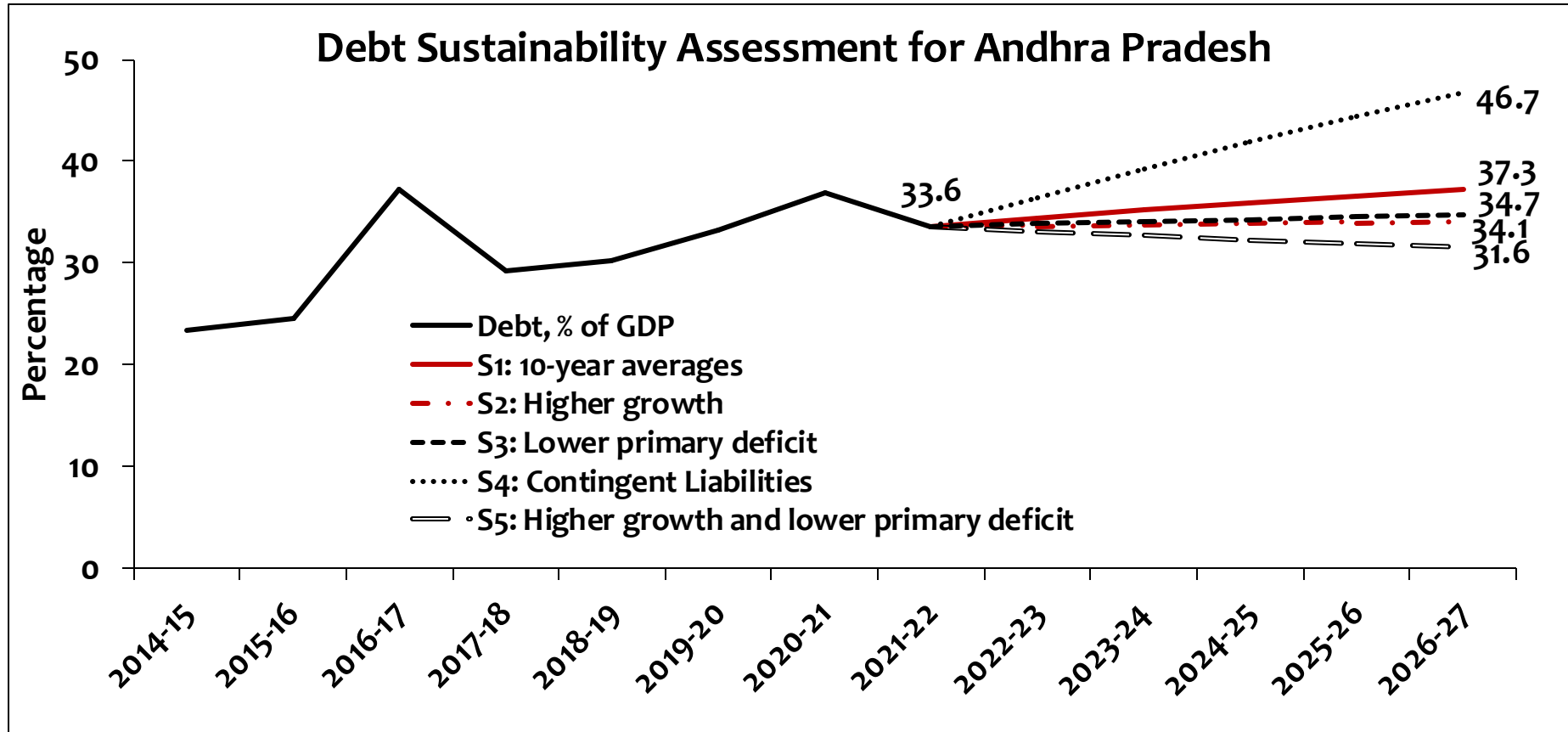
	Eight-year average and std. deviations (2014-15 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth (γ)	11.9	5.0	10.8	6.2
Deflator growth (π)	4.7	1.6	4.9	1.7
Real GDP growth (g)	7.2	4.8	5.6	5.5
Effective interest rate (e)	6.7	0.9	6.4	0.6
Real effective interest rate (r)	2.0	2.2	1.5	1.8
Primary deficit (pd)	2.5	1.1	2.2	1.2
Growth-effective interest differential ($g-\hat{e}$)	5.2	5.6	4.0	6.4
Contingent Liabilities (CL) as of 2021-22	10.4	-	-	-
Percentage points of CL absorbed each year for 5 years	2.07	-	-	-

Different scenarios for conducting debt sustainability assessments

Scenarios	Debt level in 2021-22 (bt-1)	Primary Deficit (pd)	Real GDP growth (g)	Real Effective Interest Rate (r)	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
Baseline (Scenario 1): 8-year averages (2014-15 - 2021-22)	33.6	2.5	7.2	2.0	0.82	3.71
Scenario 2: Higher growth (increasing growth by half a standard deviation over baseline)	33.6	2.5	9.6	2.0	0.11	0.50
Scenario 3: Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	33.6	1.9	7.2	2.0	0.25	1.13
Scenario 4: Contingent Liabilities in 2021-22 are absorbed 20% in each year	33.6	2.5	7.2	2.0	2.90	13.14
Scenario 5: Lower Primary Deficit and Higher Growth	33.6	1.9	9.6	2.0	-0.46	-1.98

Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 2.07 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

Outstanding contingent liabilities (as percent of GSDP in 2021-22) in Andhra Pradesh was above 10%. Absorbing these would predictably result in a massive increase in debt to GSDP ratio in the next five years. Only under scenarios of higher growth and lower primary deficit (combined) is the debt to GSDP ratio predicted to decline for Andhra Pradesh



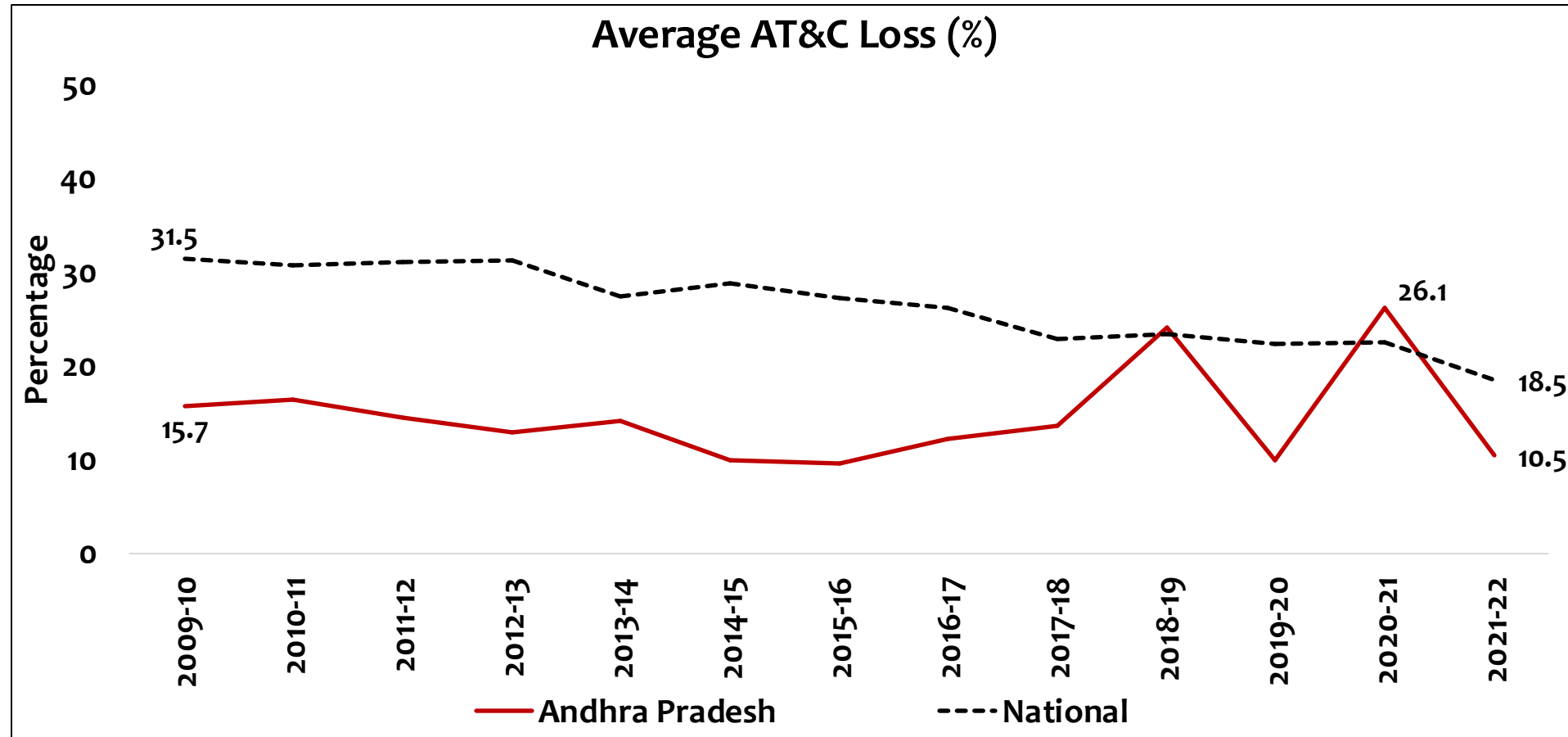
Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 2.07 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year

Andhra Pradesh: Power Sector

- The State has three State operated distribution utility/companies (DISCOMs) – Andhra Pradesh (AP) Central Power Distribution Company Limited, AP Eastern Power Distribution Company Limited, AP Southern Power Distribution Company Limited.
- The decline in their Aggregate Technical & Commercial Losses (AT&C) Losses has not been consistent, having declined from 16 percent in 2009-10 to 11 percent in 2021-22.
- Under the operational parameters of the Ujwal DISCOM Assurance Yojana (UDAY), the State performed poorly in metering at DTs (Distribution Transformers) in rural areas and smart metering, while the performance has been good in terms of feeder metering, feeder segregation, metering at DTs in urban areas, electricity to unconnected households and distribution of LEDs.
- However, it did not achieve the most important target of reduction of AT&C losses by 2018-19.
- The State also opted for the financial turnaround provision of the policy, wherein the State government took over a part of the DISCOM's grant.
- In 2021-22, about 20 percent of the State's contingent liabilities were on account of the AP DISCOMs.

Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22), [CAG State Finances Audit Report for the year ended 31 March 2022](#).

The average AT&C Losses of the DISCOMs in Andhra Pradesh are lower than the national average, standing at 10.5 percent in 2021-22



Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22).

Note: i. Figure shows the average AT&C Loss across the three DISCOMs in Andhra Pradesh; ii. The National average is across all DISCOMs in the 29 States and 2 Union Territories (Delhi & Puducherry).

6. Devolution to Andhra Pradesh from Centre in 14th and 15th Finance Commission (FC)

Tax Devolution Criteria of 14th and 15th FCs to all States

- The Net Proceeds of all taxes¹ collected by the Union are shareable with the States, and constitute the divisible pool of taxes.
- The 14th FC placed the States' share of tax devolution to 42 percent of the divisible pool, and the 15th FC adjusted it to 41 percent of the divisible pool due to the changed status of Jammu & Kashmir into the Union Territories of Ladakh and Jammu & Kashmir.
- Below table highlights the tax devolution matrix used by the two FCs, and the corresponding weights for each criteria.

Criteria	14th FC (2015-20)	15th FC (2021-26)
Income Distance	50	45
Area	15	15
Population (1971)	17.5	0
Population (2011) ²	10	15
Demographic Performance	0	12.5
Forest Cover	7.5	0
Forest and Ecology	0	10
Tax and fiscal efforts ³	0	2.5
Total	100	100

Source: 14th and 15th FC Reports.

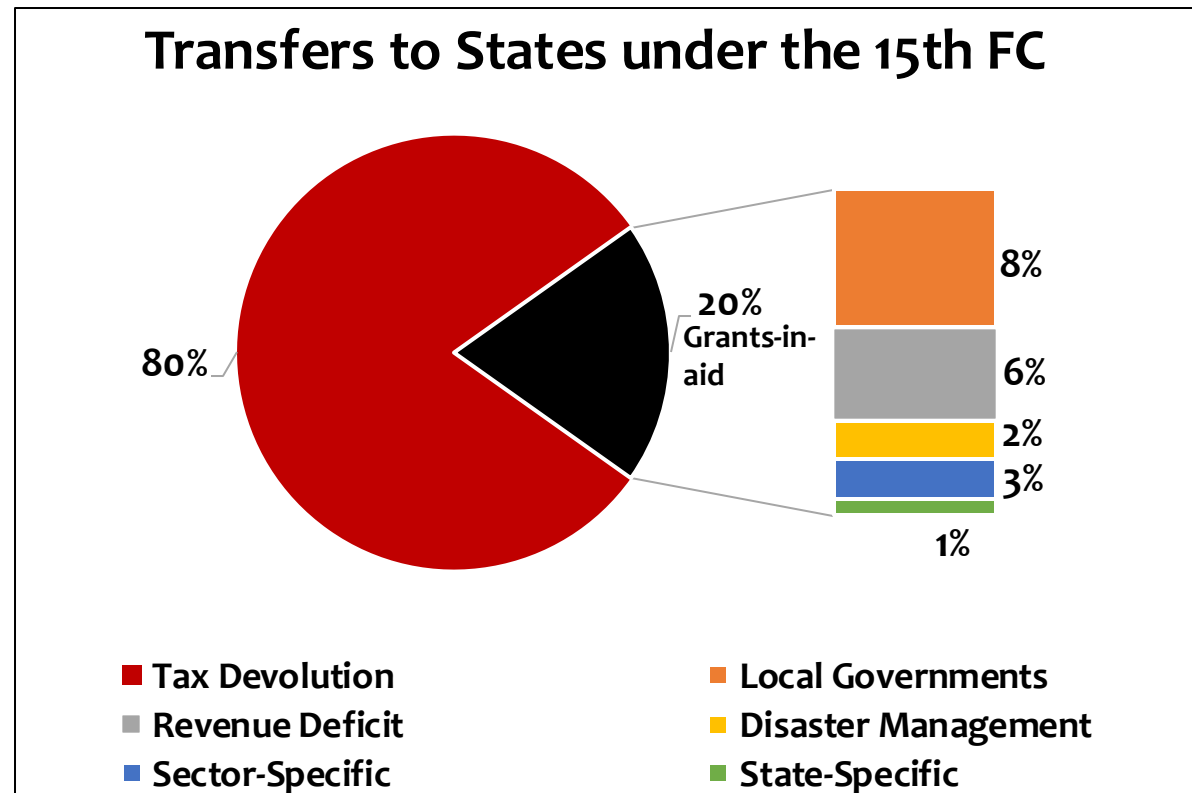
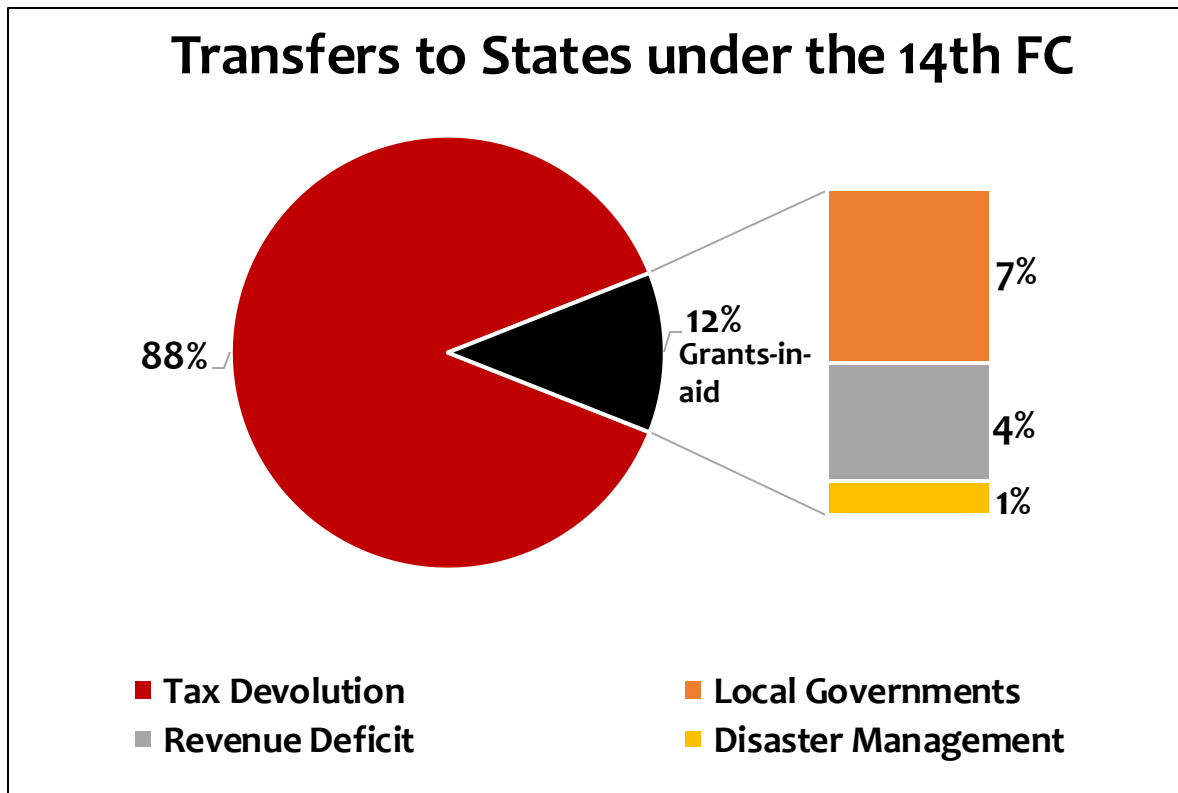
Note: i. Per Articles 270 and 279, Net Proceeds of taxes is defined as all the taxes, except cess and surcharges, reduced by the cost of collection; ii. 14th FC used the term “demographic change” which was defined as Population in 2011; iii. The 15th FC reintroduced the “tax and fiscal efforts” criteria. The definitions of all criteria can be referred to from the [15th FC Report](#).

Grants-in-Aid

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
 1. **Revenue-deficit grants:** Post tax devolution, those States which remain in a State of revenue deficit, are allocated this grant in the magnitude of their deficit (estimated for the award period based on the projected revenues and tax devolution).
 2. **Grants for Local Governments:** These are distributed between the rural and urban local bodies (65:35 ratio per the 15th FC). The States' shares are calculated with 90 percent weightage given to population and 10 percent to area.
 3. **Grants for Disaster Management:** The corpus of the State Disaster Response Fund (envisaged under the Disaster Management Act, 2005, which covers both natural and man-made disasters) is recommended by the FC per Article 275 (1) of the Constitution. Under the 14th FC, it was recommended that Centre contribute 90 percent of the SDRF and States provide the remaining 10 percent. The 15th FC reinstated the previous sharing arrangement, wherein Centre's contribution to SDRF for General Category States is 75 percent contribution and it remains 90 percent for the North-Eastern and Himalayan States.
 4. **Sector-Specific Grants:** The 15th FC reinstated recommendations for social sectors like health and education, rural economy (encouraging agricultural reforms and grants for the Pradhan Mantri Gram Sadak Yojana), administrative and governance reforms (for judiciary, improved statistics, and incentivizing aspirational districts and blocks).
 5. **State-specific Grants:** To help States address special needs and overcome cost disabilities, State-specific grants were recommended by the 15th Finance Commission. These span six broad areas: a) social needs, b) administrative governance and related infrastructure, c) conservation and sustainable use of water, drainage and sanitation, d) preserving culture and historical monuments, e) high-cost physical infrastructure, and f) tourism.

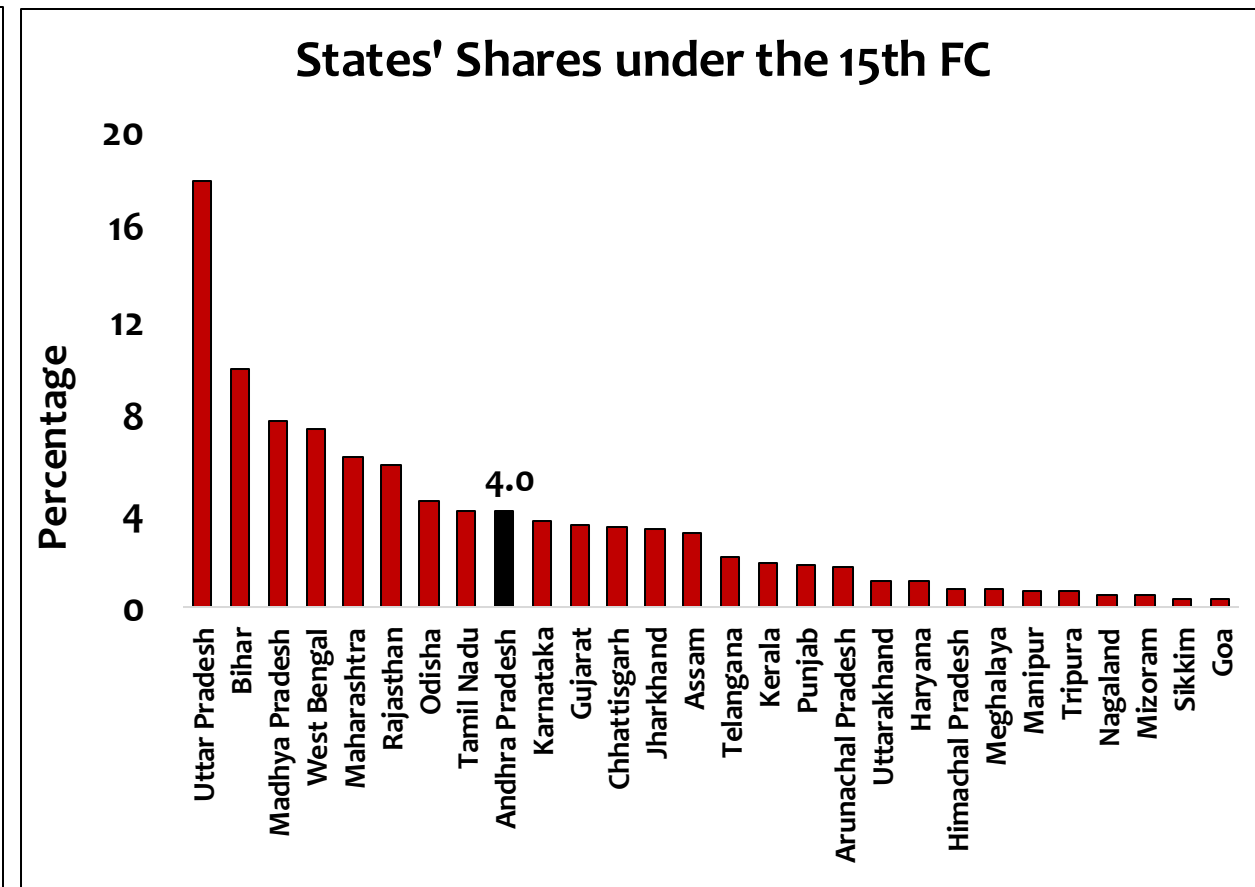
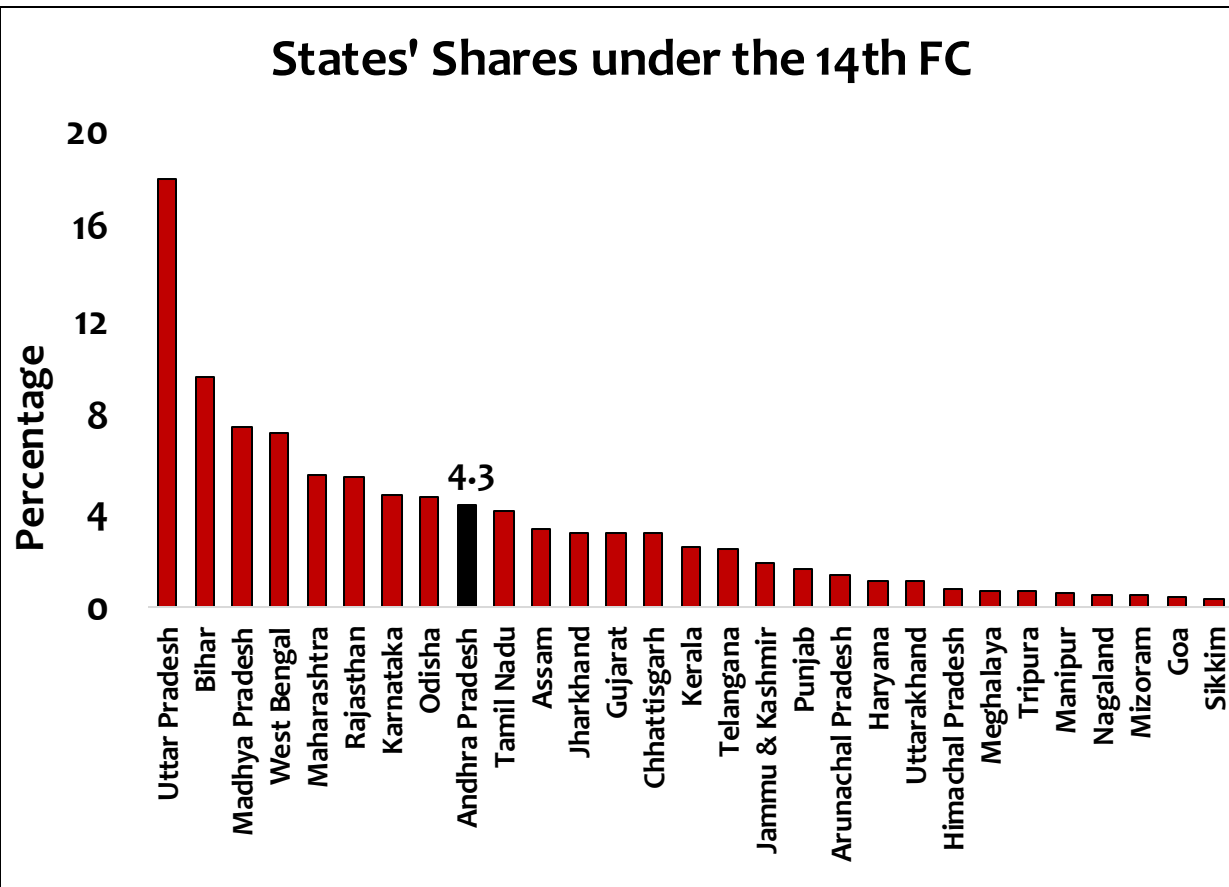
Source: 14th and 15th FC reports.

Proposed transfers from the Centre to all States: 15th FC reinstated recommendations on Sector-Specific and State-Specific Grants, which 14th FC had excluded from the Grants-in-Aid to States, thus increasing the share of grants in the total transfers recommended from Centre to States to 20 percent



- Sector-Specific Grants are further divided into three categories:
 - Social Sector - health and education
 - Rural Economy - agriculture reforms, self reliance, export & sustainability, and PMGSY roads
 - Governance and Administrative Reforms - judiciary, statistics, aspirational districts and blocks

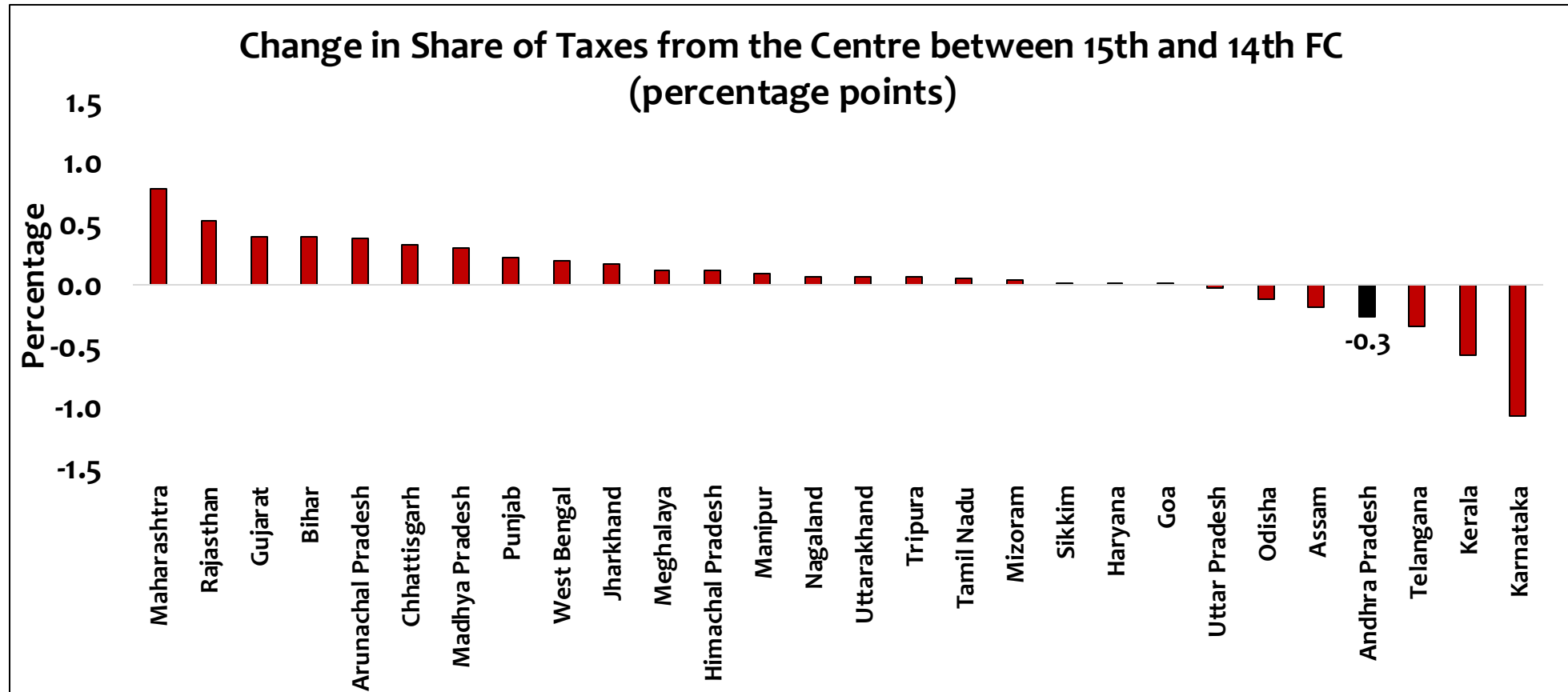
Andhra Pradesh's share in Taxes from Centre, as per the FC recommendations, reduced from 4.3 percent under 14th FC recommendations to 4 percent under the 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre.

Andhra Pradesh had a 0.3 percentage point decrease in Tax Devolution shares between the 14th and 15th Finance Commission recommendations



Source: 14th and 15th FC Reports.

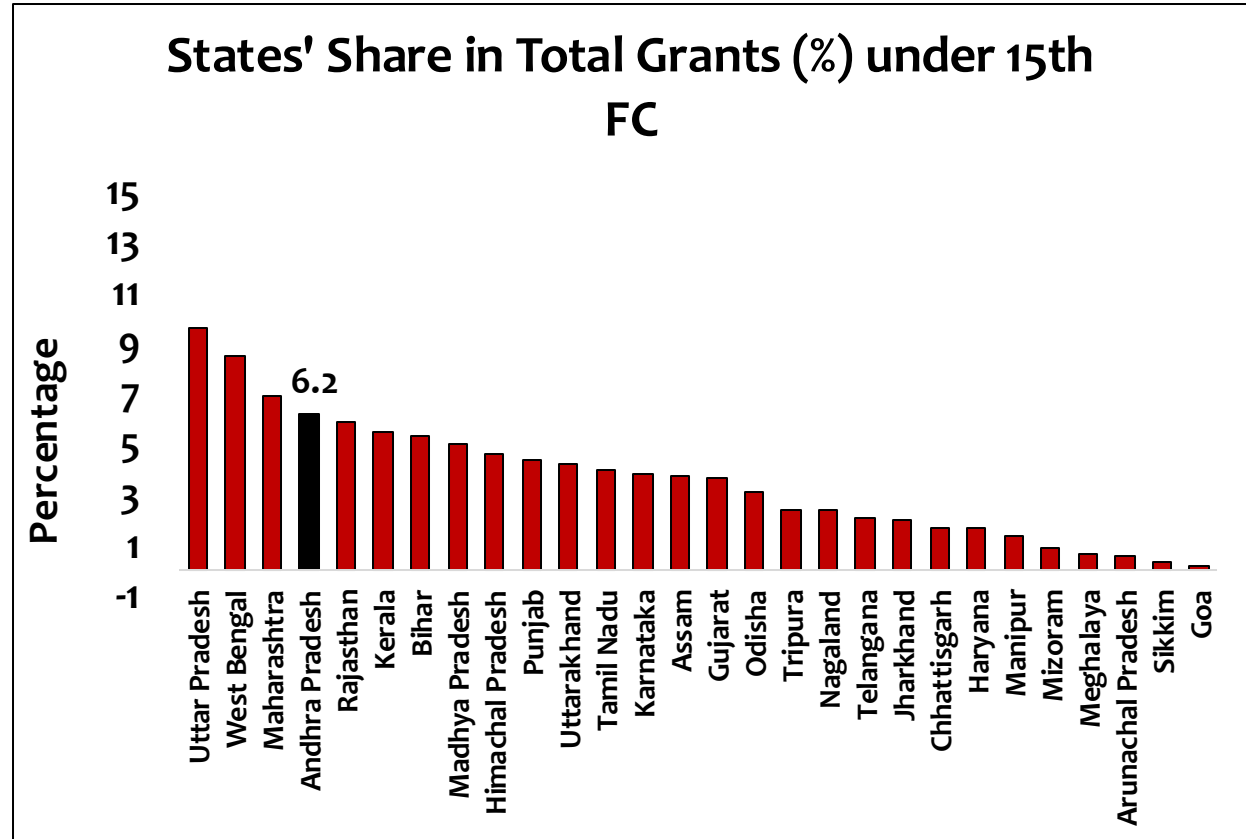
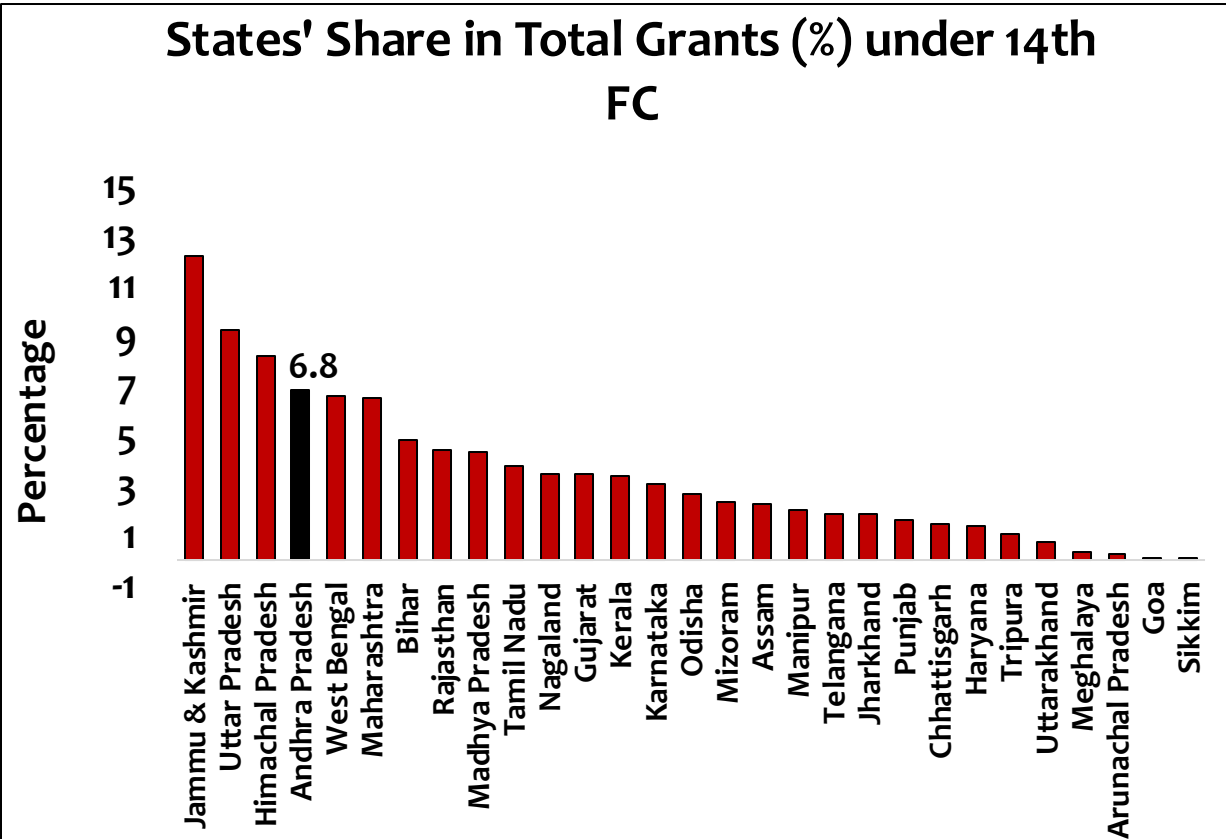
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre, and it has been excluded from this chart.

Grants-in-Aid: Andhra Pradesh

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
- **Total:** The State's share in the total grants-in-aid **decreased by 0.6 percentage points** under the 15th FC, compared to the 14th FC, at **6.2 percent**.
 1. **Revenue-Deficit Grants:** The 14th FC recommended 11.4 percent of the total Revenue Deficit Grants for Andhra Pradesh, while under the **15th FC recommendations it decreased to 10.4 percent**.
 2. **Grants for Local Governments:** Andhra Pradesh's share in Grants to Local Government Bodies from the Centre remained consistent at **4.2 percent between 14th and 15th Finance Commissions**.
 3. **Grants for Disaster Management:** Andhra Pradesh **received 5 percent of the total grants for disaster management** under the 15th FC recommendations, an increase of 1 percentage point from the 14th FC recommendations.
 4. **Sector-Specific Grants:** Per the 15th FC recommendations, it receives **4.9 percent of the total sectoral grants**. It received 9.4 percent of the agricultural performance incentive grants, the largest contributor to its share in total sectoral grants. Other sector-specific grants and the State's shares in each include grants for health and education (3.0 percent), grants for judiciary (2.8 percent), grants for maintenance of PMGSY Roads (1.2 percent), and grants for improving statistical data collection and dissemination (1.6 percent).
 5. **State-Specific Grants:** A total of **Rs. 2,300 crore (4.6 percent of the total)** was recommended in **State-Specific grants**, Rs 1,400 crore of which was directed towards development of core infrastructure in Vishakhapatnam to develop it as an economic hub to overcome the loss of Hyderabad. The remaining Rs 900 crores of the State-specific grants were directed towards water-grid projects for providing safe potable water in silicon, fluorosis and uranium affected areas.

Source: 14th and 15th FC reports.

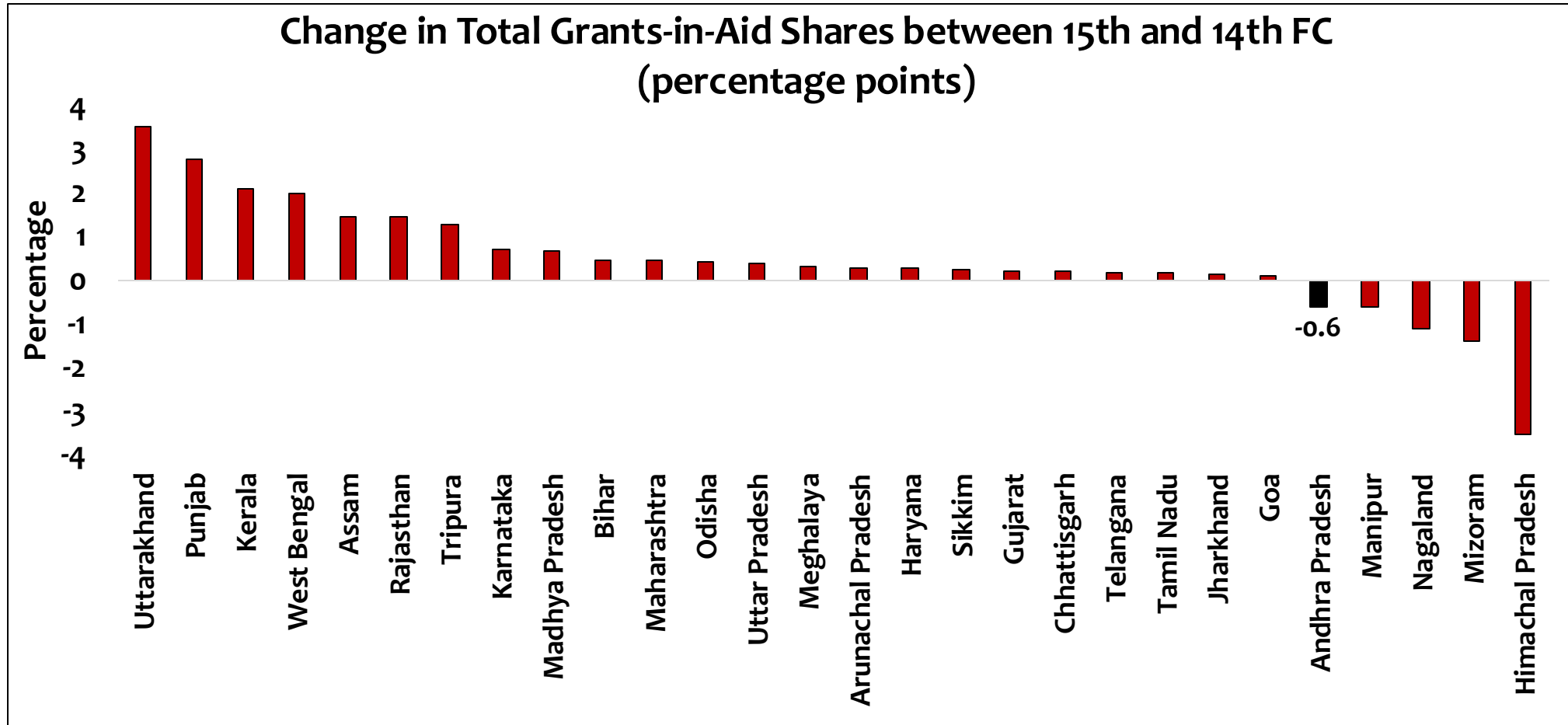
Andhra Pradesh noted a decline of 0.6 percentage points in its share of the Total Grants-in-aid recommended between 14th and 15th FCs, but remained the fourth largest recipient of the FC grants



Source: 14th and 15th FC Reports.

Note: i. Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre; ii. An amount of Rs. 16,400 crore is not included in the total Grants-in-aids figure for the 15th FC. This comprises of three grants (a) School Education (Rs. 4,800 crore), (b) Grants for aspirational districts and blocks (Rs. 3,150 crore) and (c) Local Bodies grants for (i) Incubation of new Cities (Rs. 8,000 Crore) and (ii) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

Andhra Pradesh had a 0.6 percent point fall in Total Grants-in-Aid shares between the 14th and 15th FC recommendations

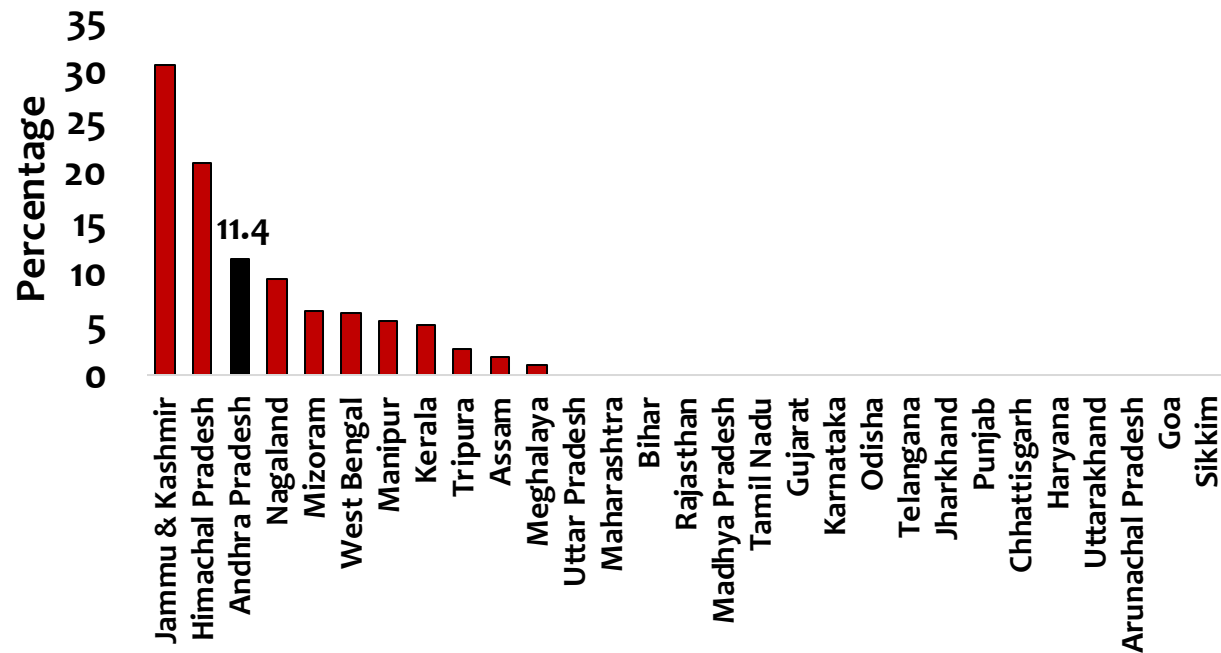


Source: 14th and 15th FC Reports.

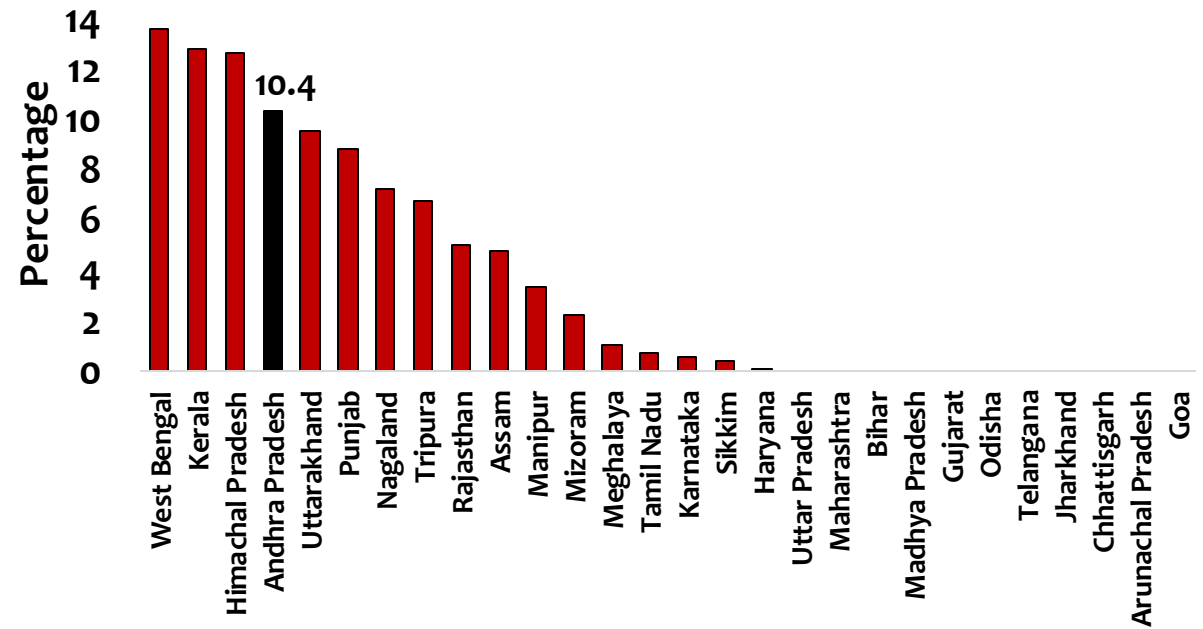
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre, and it has been excluded from this chart.

The 14th FC recommended 11.4 percent of the total Revenue Deficit Grants for Andhra Pradesh, while under the 15th FC recommendations, it decreased to 10.4 percent

States' Share in Revenue Deficit Grants (%) under 14th FC



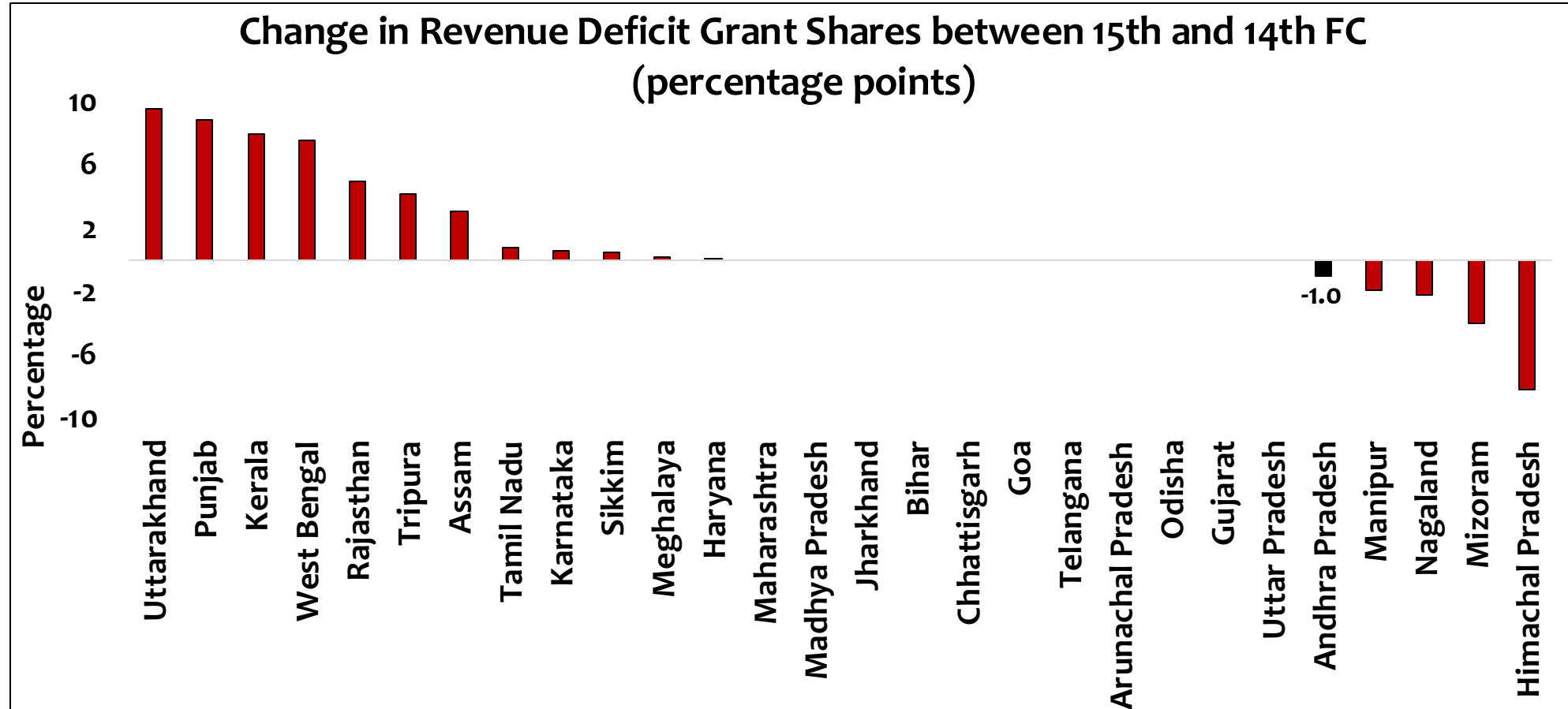
States' Share in Revenue Deficit Grants (%) under 15th FC



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre.

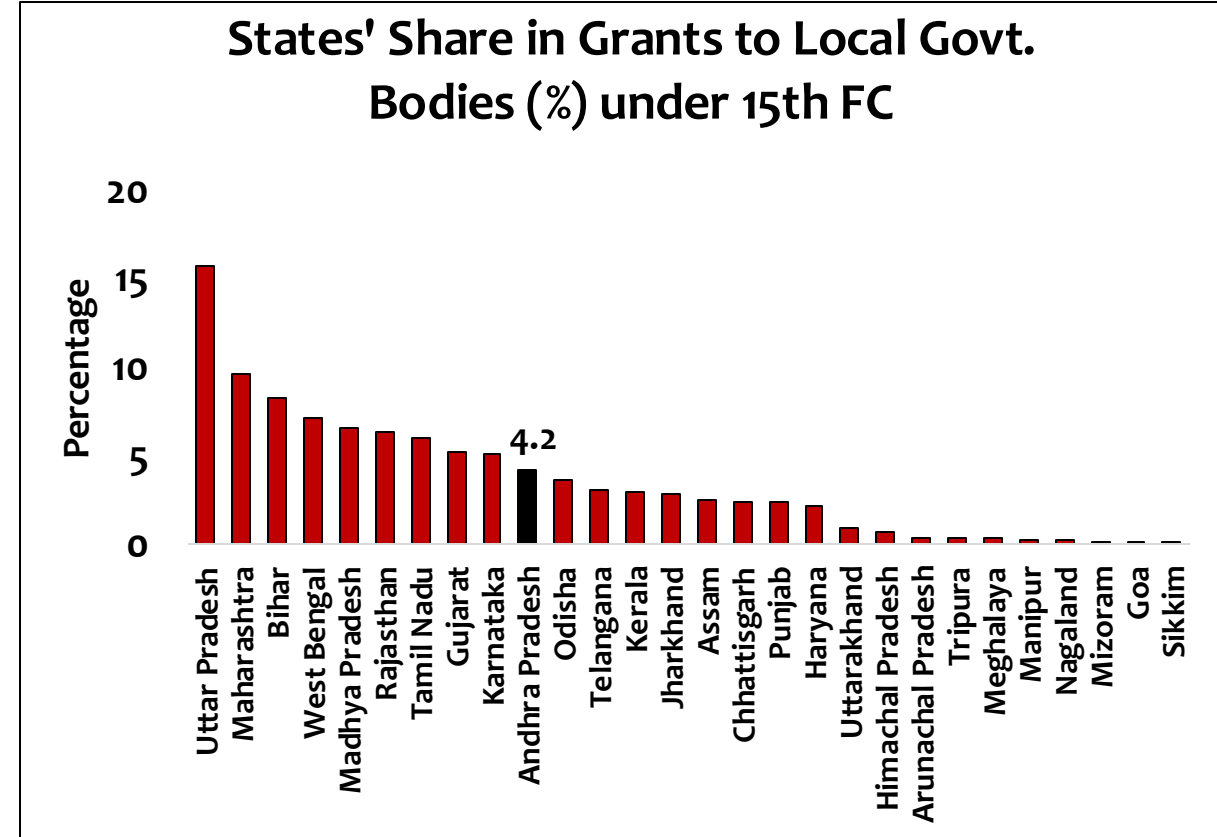
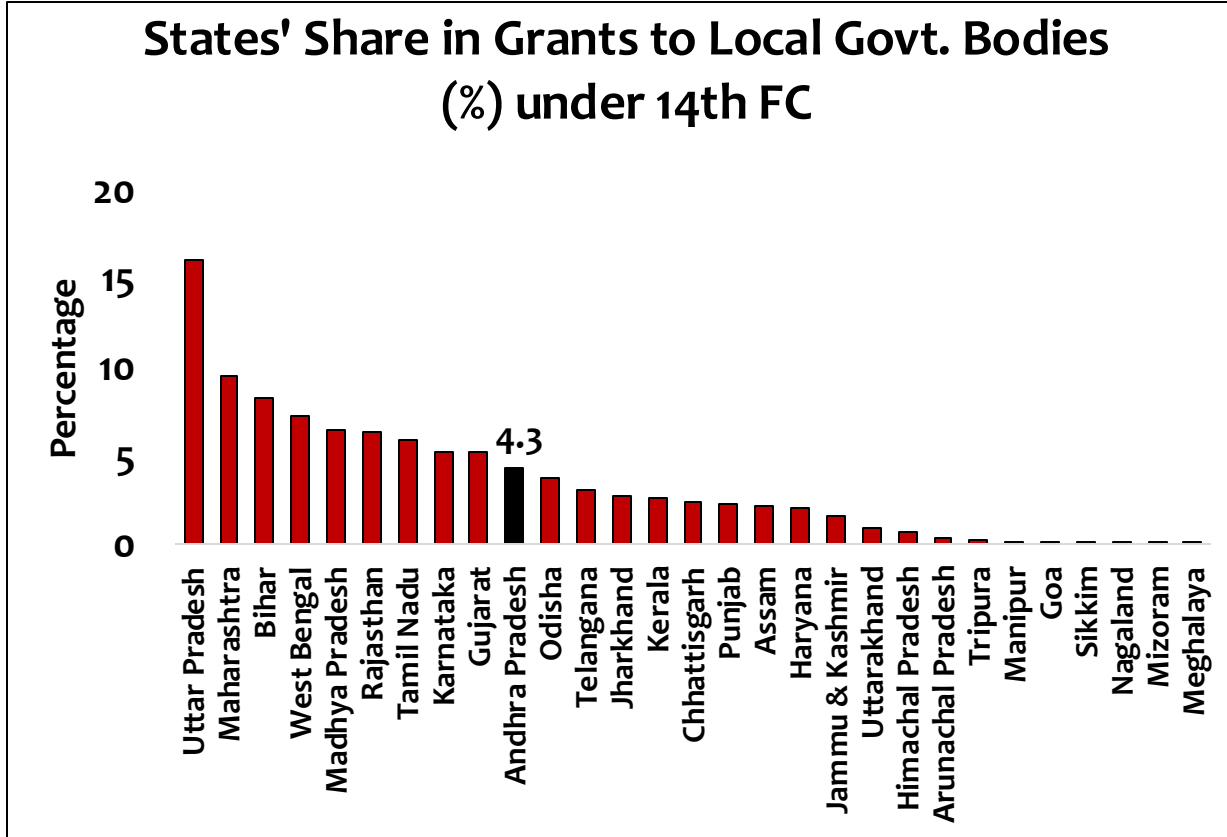
Andhra Pradesh saw a 1 percentage point decrease in Revenue Deficit Grants between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Revenue Deficit Grants from the Centre, and it has been excluded from this chart.

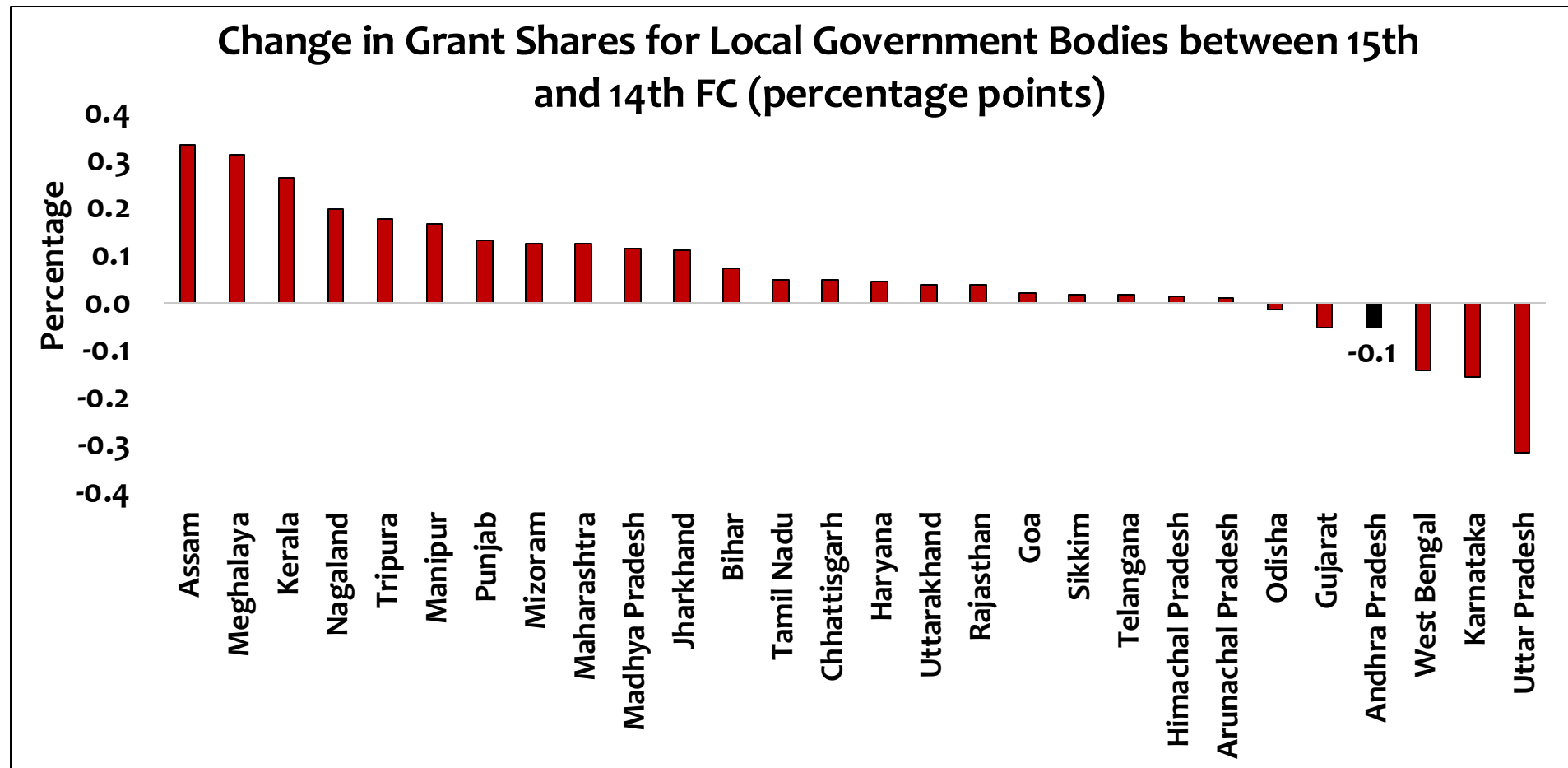
Andhra Pradesh's share in Grants to Local Government Bodies from the Centre remained consistent between 14th and 15th FCs



Source: 14th and 15th FC Reports.

Note: An amount of Rs. 8,450 crore is not included in the grants for Local Bodies, these include (a) Incubation of new Cities (Rs. 8,000 Crore) and (b) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

Andhra Pradesh saw a 0.1 percentage point decrease in Local Government Bodies' Grants between the 14th and 15th FC recommendations

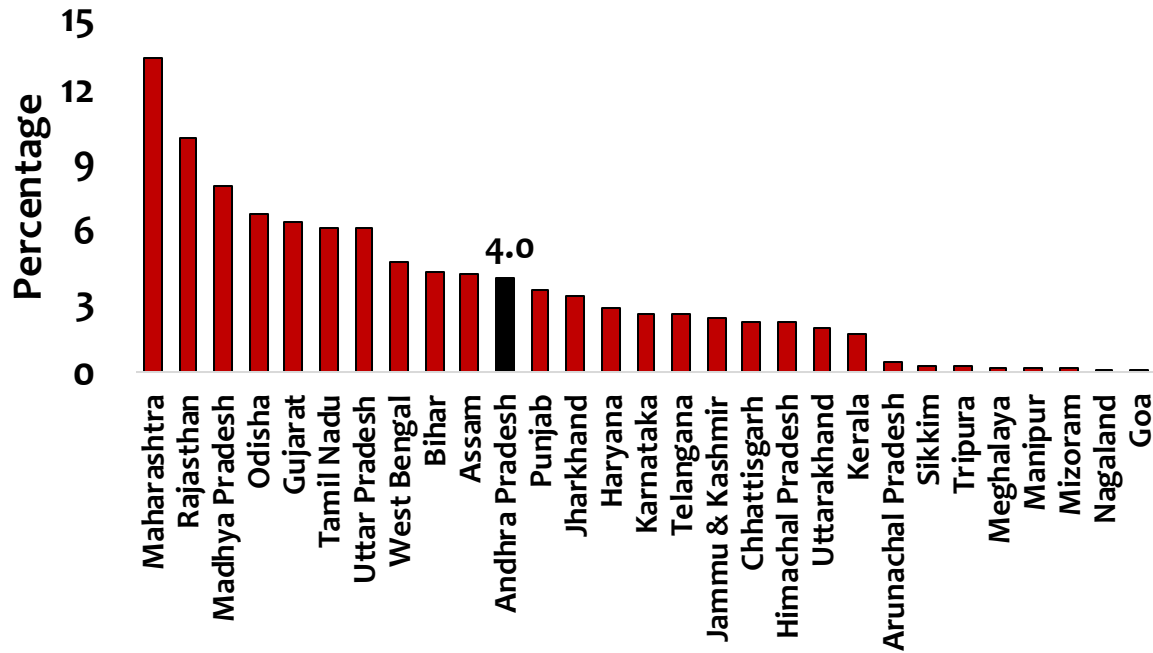


Source: 14th and 15th FC Reports.

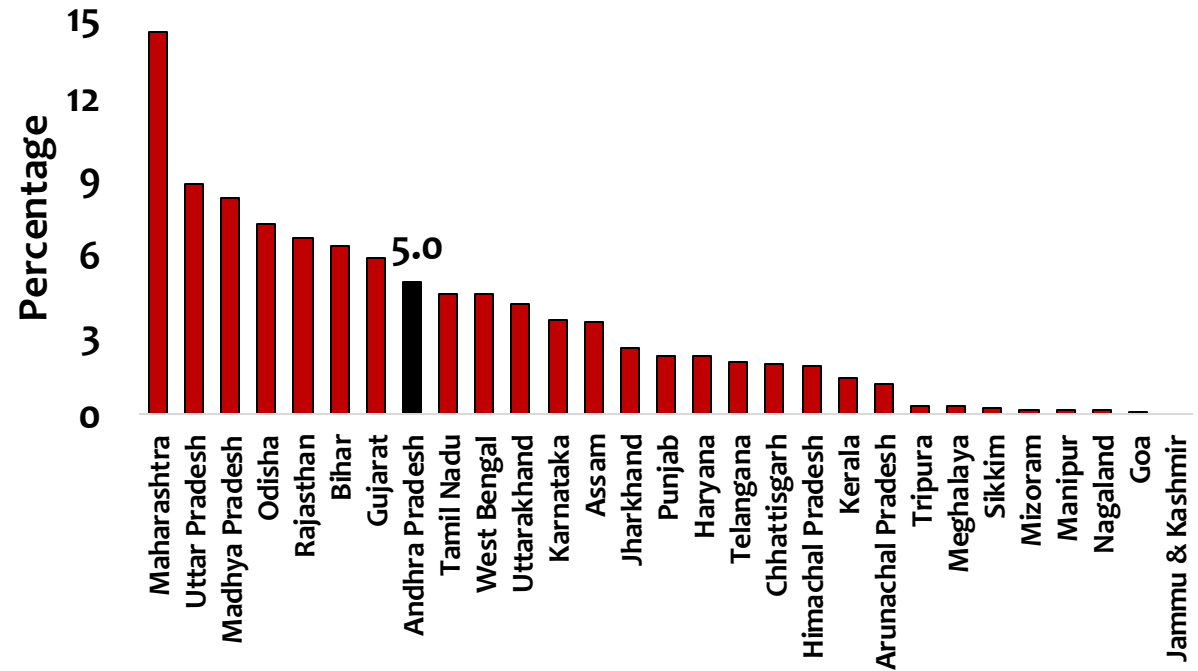
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Grants for Local Government Bodies from the Centre, and it has been excluded from this chart.

Andhra Pradesh's recommended share in the Grants for Disaster Management from the Centre increased from 4 percent in 14th FC to 5 percent by 15th FC

States' Share in Disaster Management Grants (%) under 14th FC



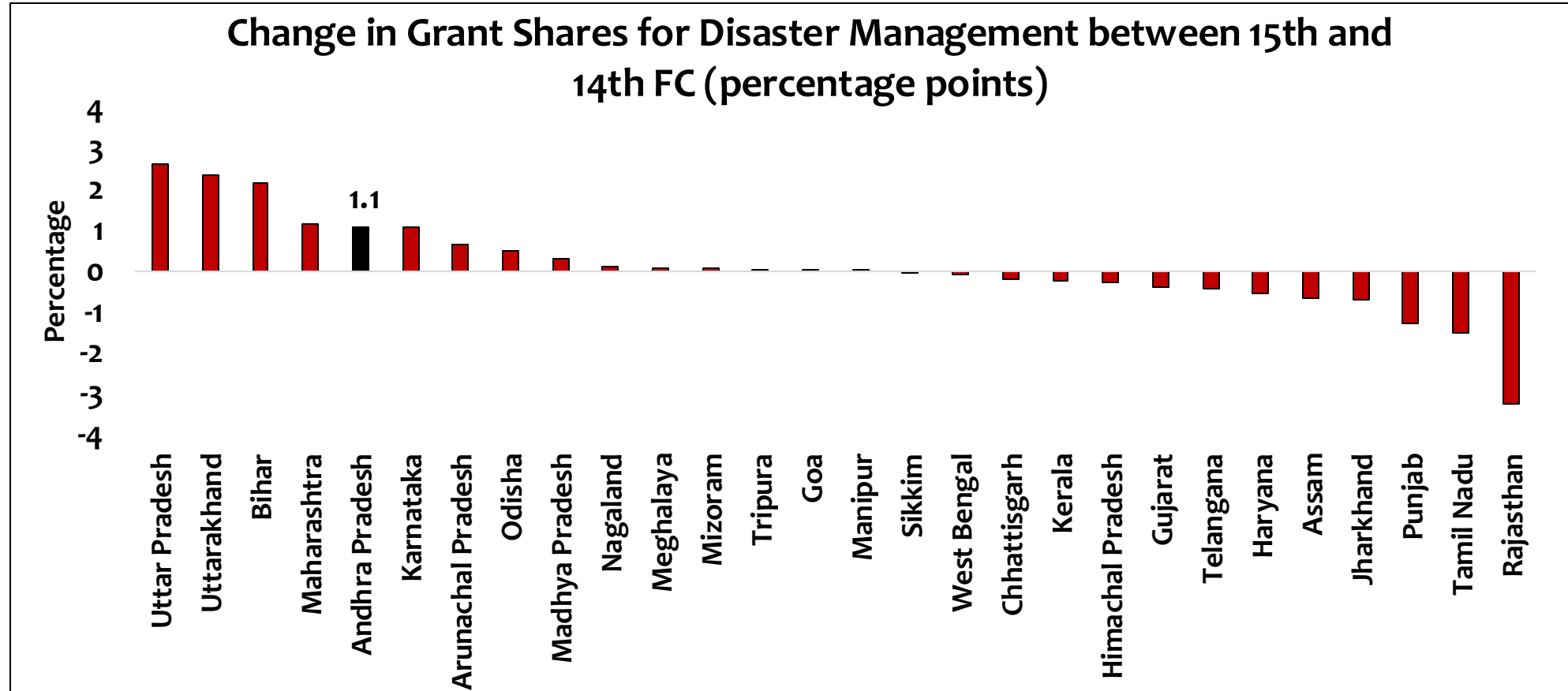
States' Share in Disaster Management Grants (%) under 15th FC



Source: 14th and 15th FC Reports.

Note: A Disaster Risk Index is calculated for all States, taking into consideration the natural calamities different States are prone to, poverty, and other factors. This index is then weighed by a factor accounting for the aggregate expenditure of States on disaster management, area and population, to calculate the States' shares in disaster management grants.

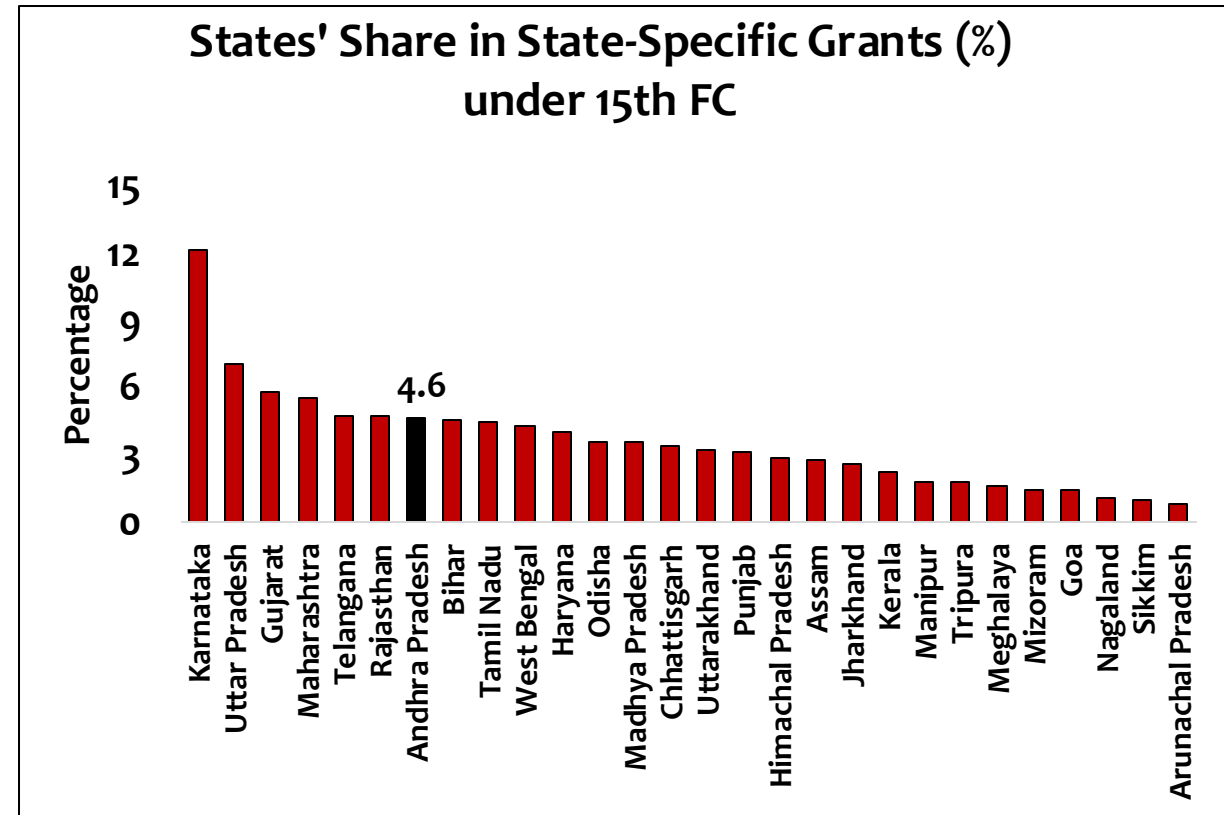
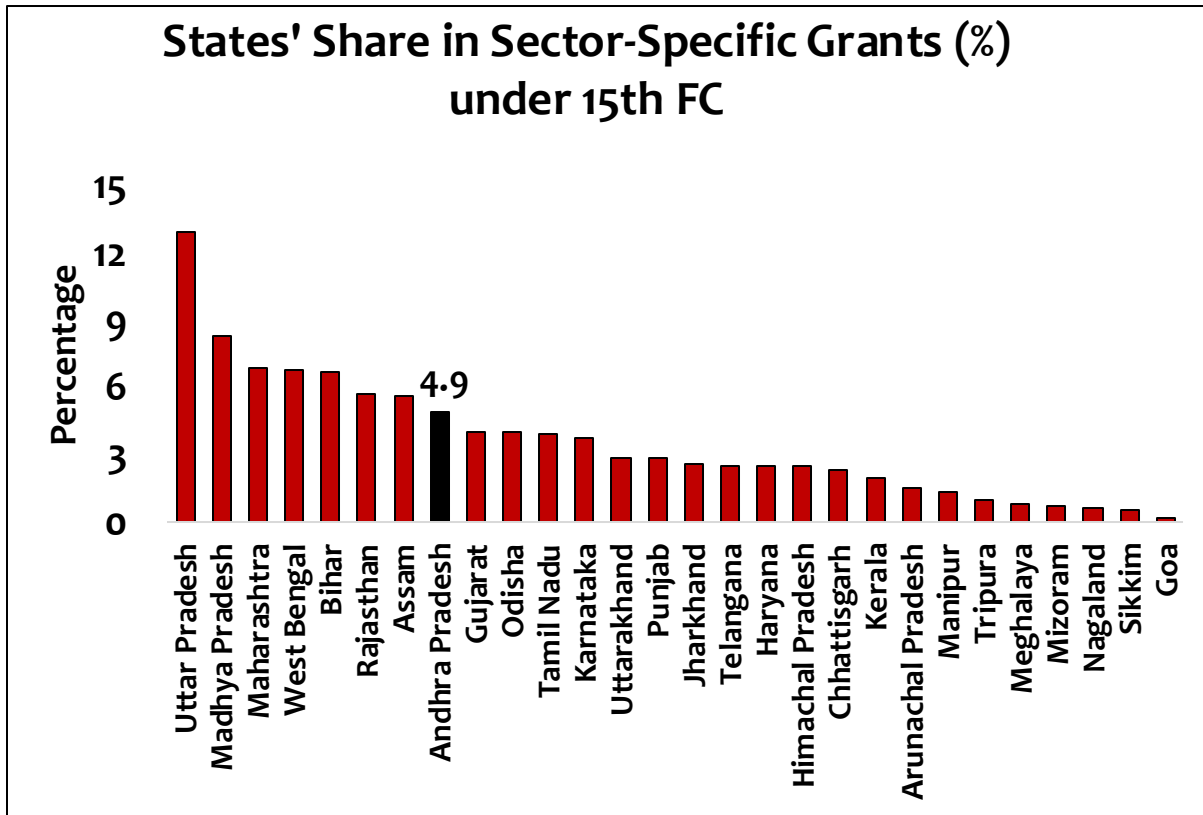
Andhra Pradesh saw a 1.1 percentage point* increase in Grants for Disaster Management between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: i. Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Grants-in-Aid from the Centre, and it has been excluded from this chart; ii. (*) Figures are rounded off to nearest one decimal point.

Andhra Pradesh's share in Sector-Specific Grants is 4.9 percent of the total. It received 9.4 percent of the agricultural performance incentive grants, the largest contributor to its share in total grants. A total of Rs 2,300 crore was recommended in State-Specific Grants, Rs. 1,400 crore of which was directed towards development of core infrastructure in Vishakhapatnam to develop it as an economic hub to overcome the loss of Hyderabad



Source: 14th and 15th FC Reports.

Note: i. Other Sector-Specific Grants and the State's shares in each include grants for health and education (3 percent), grants for judiciary (2.8 percent), grants for maintenance of PMGSY Roads (1.2 percent), and grants for statistics (1.6 percent); ii. The remaining Rs. 900 crores of the State-specific grants were directed towards water-grid projects for providing safe potable water in silicon, fluorosis and uranium affected areas.

Climate Change under the FC

- Looking at the last two decades, there has been a shift in how the issue of climate change has been addressed by different Finance Commissions.
- **12th and 13th Finance Commissions**
 - The **12th FC** recommended grants worth Rs. 1,000 crore to be shared by States for the Maintenance of Forests, in addition to what the States were spending through their respective forest departments. The amount was distributed among the States based on their forest area, and it was to be spent for preservation of forest wealth [refer to Chapter 10, pg. 175, 184-185].
 - Expanding on the same, the **13th FC** recommended Environment Grants worth Rs. 15,000 crore to States, which covered three areas: protection of forests, renewable energy, and water sector management (Rs. 5,000 crore each) [refer pg. 205 (table 12.1), pg. 210-217].
- **14th and 15th FCs**
 - The **14th FC** approached climate change and sustainable economic development from a fiscal perspective, and with the view that tax devolution should be the primary route of transfer of resources to States, increased the States' share in the divisible pool to 42 percent (from 32 percent under the 13th FC) [refer pg. 31 (point 2.33), pg. 103, 107 (point 8.27), pg. 180 (point 12.34-12.35)].
 - Forest cover was introduced as a criteria for tax devolution by the 14th FC, to continue accounting for concerns related to climate change and to encourage States to maintain higher forest covers. They assigned 7.5 percent weight to forest cover in the tax devolution matrix.
 - The **15th FC** maintained this recommendation, and assigned a higher weight of 10 percent to forest and ecology in the tax devolution matrix.
 - The 15th FC also made State-specific grant recommendations (based on specific requests from States). Very few of them are categorized under climate-change, and some others align with one or more of the three environment goals specified by the 13th FC: Arunachal Pradesh (Rs. 355 crore, renewable energy), Goa (Rs. 500 crore, alternative power sources, waste management), Jharkhand (Rs. 700 crore, renewable energy), Kerala (Rs. 500 crore, forest conservation), Maharashtra (Rs. 500 crore, forest conservation), Punjab (Rs. 390 crore, includes support for reduction in environment pollution caused by stubble burning), Rajasthan (Rs. 400 crore, integrated water management), Tamil Nadu (Rs. 200 crore, revamping water bodies to adapt to climate change) [refer Annex 10.9, pg. 803-810 (summary), Annex 10.10, pg. 811-837].

Source: Reports from the 12th to 14th FCs.

7. Andhra Pradesh Fiscal Responsibility and Budget Management Act, 2006

Status of Fiscal Rule in Andhra Pradesh

- Following the Twelfth Finance Commission's recommendations for prudent fiscal management, the Andhra Pradesh State Government enacted the **Andhra Pradesh Fiscal Responsibility Act and Budget Management Act (APFRBM)** in 2006, in line with Union Fiscal Responsibility and Budget Management Act, 2003.

- The APFRBM, 2006 prescribed the following fiscal targets for the State Government:
 1. **Revenue Deficit:** Reduce revenue deficit by an amount equivalent to at least 0.32 percentage point of GSDP in each financial year from 2005-06 to 2008-09 and generate revenue surplus thereafter
 2. **Fiscal Deficit:** Reduce fiscal deficit by an amount equivalent to at least 0.25 percentage point of GSDP in each financial year beginning from 2005-06 to 2008-09 such that it is not more than 3 percent by 2008-09
 3. **Outstanding Liabilities:** Ensure within a period of five years from 2005-06 to 2009-10 that the total outstanding liabilities do not exceed 35 percent of estimated GSDP for that year
 4. Limit the amount of annual incremental risk weighted guarantees to 90 percent of the total revenue receipts in the year preceding the current year

Source: Andhra Pradesh Fiscal Responsibility Act, 2006, 2010, 2011, 2020, 2021, The Andhra Pradesh Government Gazette, State Finances Audit Reports of the CAG.

Status of Fiscal Rule in Andhra Pradesh

➤ The APFRBM requires the State Government to present before the Andhra Pradesh Legislative Assembly:

- I. The Macroeconomic Framework Statement
- II. The Medium Term Fiscal Policy Statement
- III. Fiscal Policy Strategy Statement

➤ 2010 Amendment

In 2010, the amendment required the State to

- **Fiscal Deficit:** Reduce fiscal deficit by an amount equivalent to at least 0.25 percentage point of Gross State Domestic Product in each financial year beginning from the 1st day of April, 2005, so as to bring it down to not more than 3 percent; subject to the fiscal deficit limits fixed by the Government of India from time to time: Provided that for the financial year ending March, 2009 the fiscal deficit shall not be more than 3.5 percent of GSDP. and for the financial year ending March, 2010 the fiscal deficit shall not be more than 4 percent of GSDP

➤ 2011 Amendment

In 2011 the amendment required the State to

- **Total liabilities:** Ensure within the subsequent period of five years, beginning from the financial year on the 1st day of April, 2010, and ending on the 31st day of March, 2015, that the total outstanding liabilities do not exceed 27.6 percent of the GSDP, as prescribed by the Government of India in pursuance of the recommendations of Thirteenth Finance Commission, year wise as follows: 30.3 % in 2010-11, 29.6% in 2011-12, 28.9% in 2012-13, 28.2% in 2013-14, and 27.6% in 2014-15, respectively

Status of Fiscal Rule in Andhra Pradesh

➤ 2020 Amendment

In 2020, the Act was amended to modify the targets as per the following. The amendment required the State to :

- **Fiscal Deficit:** Ensure fiscal deficit to GSDP ratio does not exceed 5 percent from 2015-16 to 2020-21. Additionally, the State was permitted a one time additional borrowing of Rs. 2,534 crore for the year 2019-20 and was permitted to raise the fiscal deficit limit by 2% over and above the existing limit in the wake of the pandemic in the year 2020-21, and reduce it thereafter
- **Total Outstanding Liabilities:** Ensure that from 2015-16 to 2020-21, the total outstanding liabilities did not exceed 35 % of GSDP and maintain it thereafter, including the one time additional borrowing permitted for 2019-20 and the additional fiscal space permitted in 2020-21
- **Revenue Deficit:** Maintain revenue deficit at no more than 2.5 percent of GSDP including the one time additional borrowing permitted for 2019-20

➤ 2021 Amendment

In 2021, the amendment required the State to:

- **Revenue Deficit:** Limit revenue deficit to 3.6 percent of GSDP in 2021-22, 3.3 percent in 2022-23, 3 percent in 2023-24, 2.7 percent in 2024-25, and 2.4 percent in 2025-26, respectively
- **Fiscal Deficit:** Limit fiscal deficit (as a percentage of GSDP) to 5 percent in 2020-21, 4.5 percent in 2021-22, 4 percent in 2022-23, 4 percent in 2023-24, and 3.5 percent in 2024-25, respectively
- **Total Outstanding Liabilities:** Limit total outstanding liabilities (as percentage of GSDP) to 35.6 percent in 2020-21, 36.3 percent in 2021-22, 36.1 percent in 2022-23, 35.8 percent in 2023-24, and 35.5 percent in 2024-25, respectively
- Limit the amount of annual incremental risk guaranteed to 180 percent of the total revenue receipt in the year preceding the current year

State Finances Audit Report of the Comptroller and Auditor General of India (CAG) for Andhra Pradesh

Table 1.4: Compliance with provisions of APFRBM Act

Fiscal Parameters	Fiscal projections set in revised APFRBM Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (as percentage of GSDP)	2.5 per cent of GSDP from 2015-16 to 2019-20 and 4.5 per cent of GSDP for 2020-21; 3.6 per cent for the year 2021-22	-16,152 (-2.05)	-13,899 (-1.59)	-26,441 (-2.74)	-35,541 (-3.50)	-8,611 (-0.72)
		✓	✓	✗	✓	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Five per cent of GSDP	-32,381 (-4.12)	-35,467 (-4.06)	-39,687 (-4.11)	-55,168 (-5.44)	-25,013 (-2.08)
		✓	✓	✓	✗	✓
Ratio of total outstanding liabilities to GSDP (in per cent)	35 per cent of GSDP for the years 2015-16 to 2020-21 and 35.6 per cent of GSDP for the year 2021-22	28.46	29.47	31.24	34.33	31.00
		✓	✓	✓	✓	✓
Ratio of total outstanding liabilities to GSDP (in per cent) after taking into account the off – Budget borrowings		NA	NA	39.27	45.38	40.85

Source: Finance Accounts, Information provided by State Government; APFRBM Act 2021; Note: Outstanding Liabilities excludes an amount of ₹ 5,583.19 crore (2020-21: ₹ 2,311 crore and 2021-22: ₹ 3,272.19 crore) received towards back-to-back loan in lieu of GST compensation as it is to be serviced from cess collected in Compensation Fund with no repayment obligation on the State resources; NA; Not Available.

- During the period 2017-18 to 2021-22, Andhra Pradesh generated a revenue surplus in all years except in 2019-20.
- The State was able to contain its fiscal deficit as a percentage of GSDP within the limits prescribed in the State FRBM Act during this period except in 2020-21.
- The State was able to contain its total outstanding liabilities as a percentage of GSDP within the limits prescribed in the State FRBM Act in all years during this period.

Status of Fiscal Rule in Andhra Pradesh

- **Revenue deficit** in 2023-24 is estimated to be 1.5 percent of GSDP (Rs. 22,317 crore), lower than the revised estimates for 2022-23 (2.2 percent of GSDP). In 2022-23, the revenue deficit is expected to be higher than the budget estimate (1.3 percent of GSDP).
- **Fiscal deficit** for 2023-24 is targeted at 3.8 percent of GSDP (Rs 54,588 crore). In 2022-23, as per the revised estimates, fiscal deficit is expected to be 3.6 percent of GSDP, same as the budget estimates for the year.
- At the end of 2023-24, the **outstanding liabilities** is estimated to be 33.3 percent of GSDP, higher than the revised estimate for 2022-23 (32.4 percent of GSDP). The outstanding liabilities have risen as compared to 2019-20 level (31 percent of GSDP).
- As of March 31, 2022, the **State's outstanding guarantee** is estimated to be Rs. 138,875 crore, of which Rs. 38,473 are for the power sector. The State's total outstanding guarantees are 12 percent of Andhra Pradesh's GSDP in 2021-22.

Table 5A: Fiscal Parameters set in the APFRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act		
	2006	2010	2011
Revenue Deficit (Rs crore)	Reduce revenue deficit by an amount equivalent to at least 0.32 percentage point of GSDP in each financial year from 2005-06 to 2008-09 and generate revenue surplus thereafter	No change	No change
Fiscal Deficit (as percentage of GSDP)	Reduce fiscal deficit by an amount equivalent to at least 0.25 percentage point of GSDP in each financial year beginning from 2005-06 to 2008-09 such that it is not more than 3 percent by 2008-09	Reduce fiscal deficit by an amount equivalent to at least 0.25 percentage point of Gross State Domestic Product in each financial year beginning from the 1st day of April, 2005, so as to bring it down to not more than 3 percent; subject to the fiscal deficit limits fixed by the Government of India from time to time: Provided that for the financial year ending March, 2009 the fiscal deficit shall not be more than 3.5 percent of GSDP. and for the financial year ending March, 2010 the fiscal deficit shall not be more than 4 percent of GSDP	No change
Total Outstanding Debt (as percentage of GSDP)	Ensure within a period of five years from 2005-06 to 2009-10 that the total outstanding liabilities do not exceed 35 percent of estimated GSDP for that year	No change	Ensure within the subsequent period of five years, beginning from the financial year on the 1st day of April, 2010, and ending on the 31st day of March, 2015, that the total outstanding liabilities do not exceed 27.6 percent of the GSDP, as prescribed by the Government of India in pursuance of the recommendations of Thirteenth Finance Commission, year wise as follows: 30.3 % in 2010-11, 29.6 percent in 2011-12, 28.9 percent in 2012-13, 28.2 percent in 2013-14, and 27.6 percent in 2014-15, respectively

Source: Andhra Pradesh Fiscal Responsibility Act, 2006, 2010, 2011, 2020, 2021, The Andhra Pradesh Government Gazette, State Finances Audit Reports of the CAG.

Table 5B: Fiscal Parameters set in the APFRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act	
	2020	2021
Revenue Deficit (Rs crore)	Maintain revenue deficit at no more than 2.5 percent of GSDP including the one time additional borrowing permitted for 2019-20	Limit revenue deficit to 3.6 percent of GSDP in 2021-22, 3.3 percent in 2022-23, 3 percent in 2023-24, 2.7 percent in 2024-25, and 2.4 percent in 2025-26, respectively
Fiscal Deficit (as percentage of GSDP)	Ensure fiscal deficit to GSDP ratio does not exceed 5 percent from 2015-16 to 2020-21. Additionally, the State was permitted a one time additional borrowing of Rs. 2,534 crore for the year 2019-20 and was permitted to raise the fiscal deficit limit by 2 percent over and above the existing limit in the wake of the pandemic in the year 2020-21, and reduce it thereafter	Limit fiscal deficit (as a percentage of GSDP) to 5 percent in 2020-21, 4.5 percent in 2021-22, 4 percent in 2022-23, 4 percent in 2023-24, and 3.5 percent in 2024-25, respectively
Total Outstanding Debt (as percentage of GSDP)	Ensure that from 2015-16 to 2020-21, the total outstanding liabilities did not exceed 35 percent of GSDP and maintain it thereafter, including the one time additional borrowing permitted for 2019-20 and the additional fiscal space permitted in 2020-21	Limit total outstanding liabilities (as percentage of GSDP) to 35.6 percent in 2020-21, 36.3 percent in 2021-22, 36.1 percent in 2022-23, 35.8 percent in 2023-24, and 35.5 percent in 2024-25, respectively

Source: Andhra Pradesh Fiscal Responsibility Act, 2006, 2010, 2011, 2020, 2021, The Andhra Pradesh Government Gazette, State Finances Audit Reports of the CAG.

8. Extra Slides on Fiscal Variables

- Fiscal Data covers the fiscal period 1990-91 to 2022-23

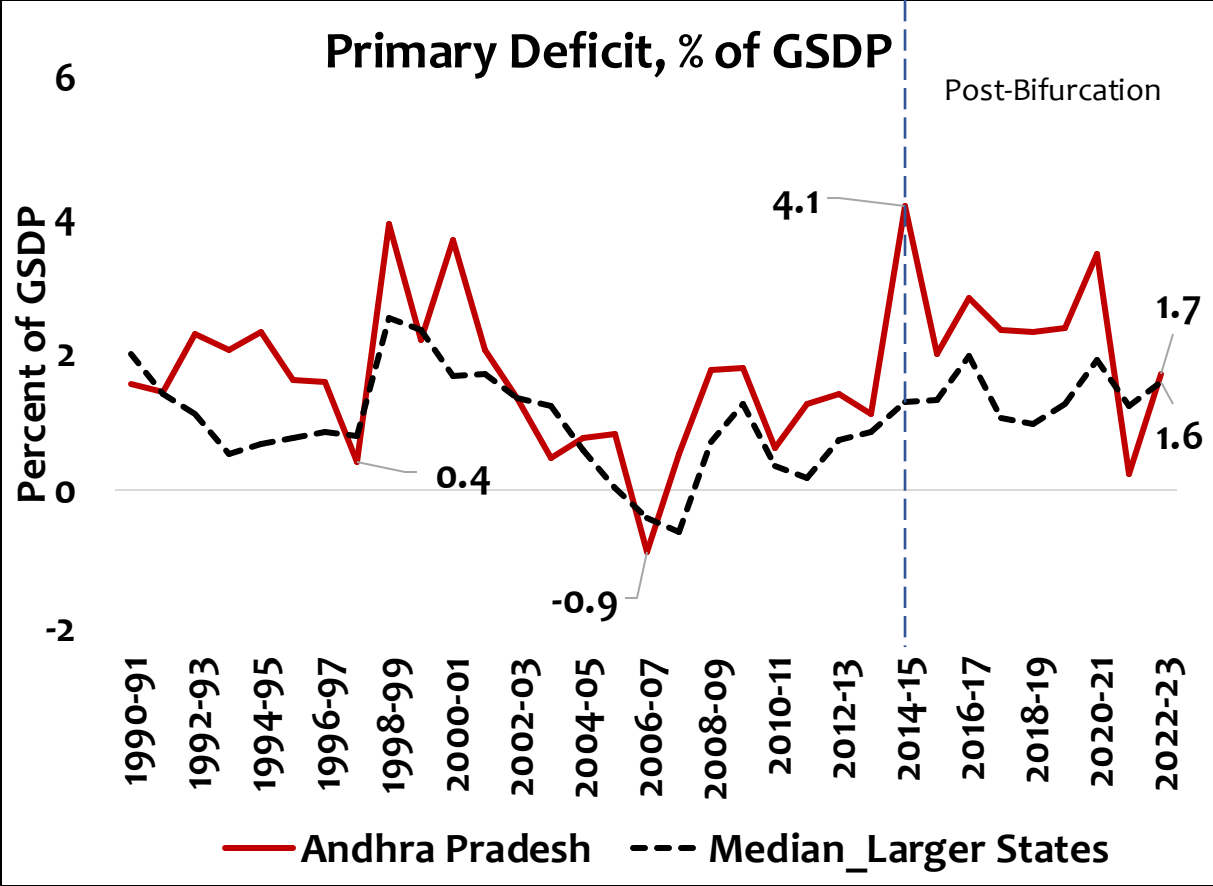
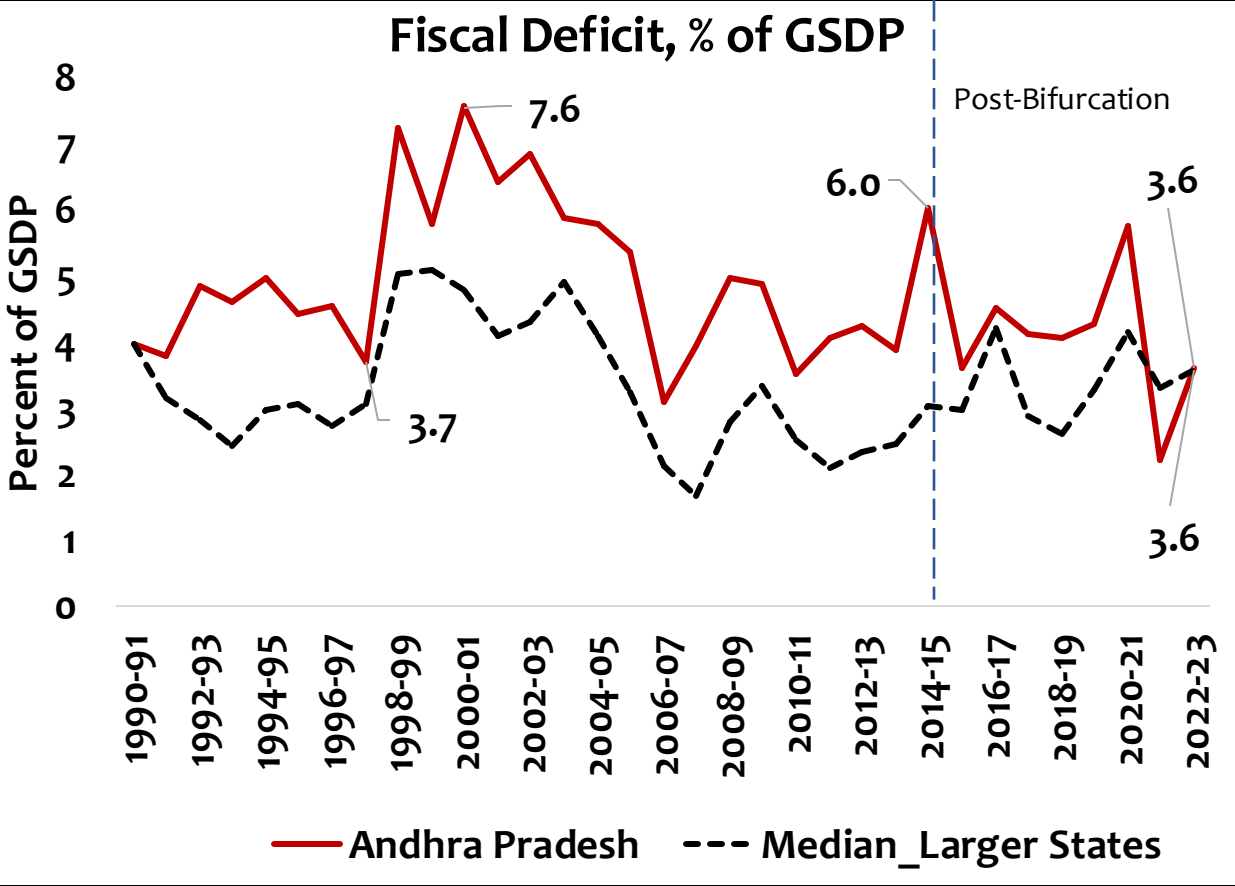
Fiscal Indicators

(I) Benchmarked with respect to *Median of Larger States*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

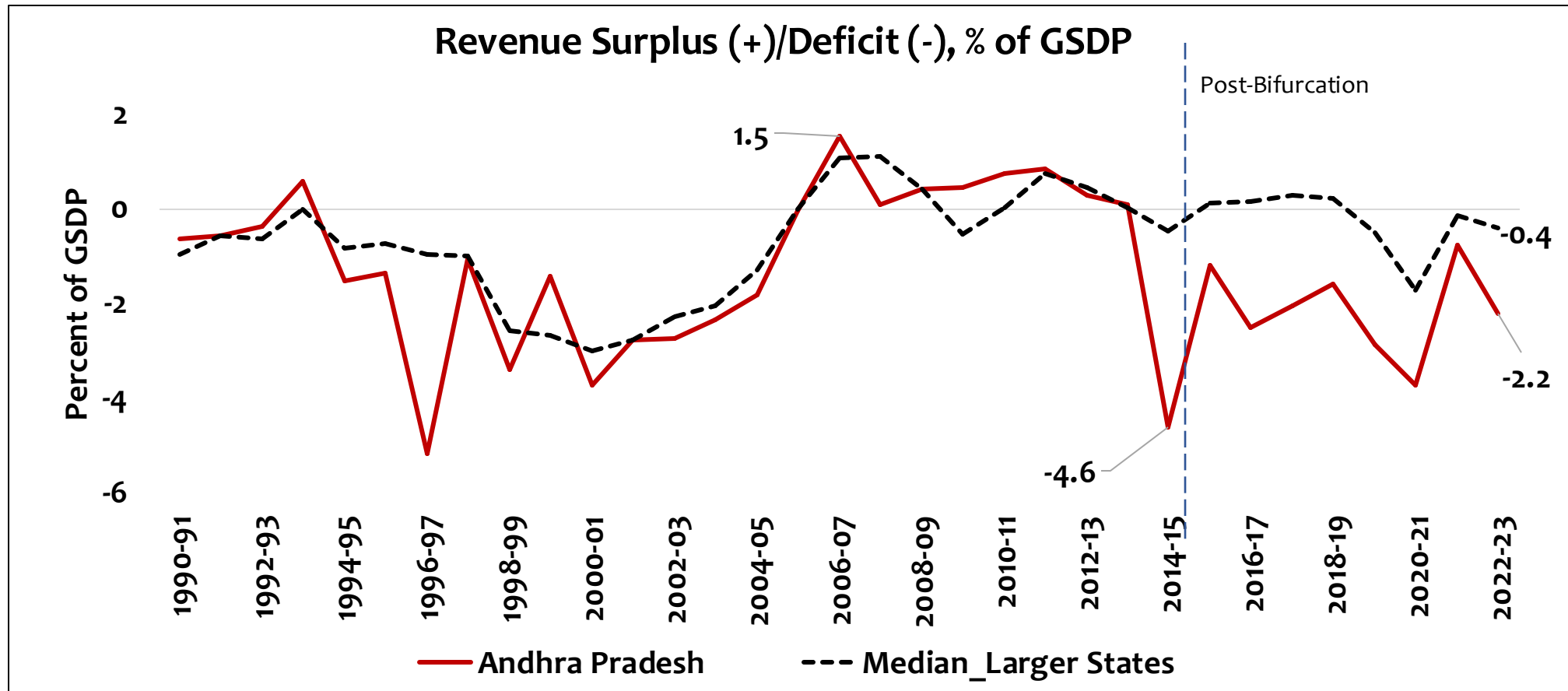
In contrast, the benchmark in this section refers to the median of larger States only. This variable was computed as a percentage of GSDP for each State, and the median was taken across 22 major States (Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand and West Bengal).

As of 2022-23, Andhra Pradesh ran a Fiscal deficit and Primary Deficit of 3.6 and 1.7 percent of its GSDP respectively, with both deficits being close to that of a median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).
 Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The fiscal deficit saw a sharp increase after 1997-98 due to increased spending on the social and community services expenditure (particularly, education), without a corresponding rise in revenues ([Subnational Fiscal Management in Indian States: Case Study of Andhra Pradesh](#)); iv. The spike in fiscal deficit in 2014-15 is on [account of the bifurcation of the State](#), wherein the revenues (own tax and non-tax) dropped substantially, while the expenditure did not see a reduction of the same magnitude.

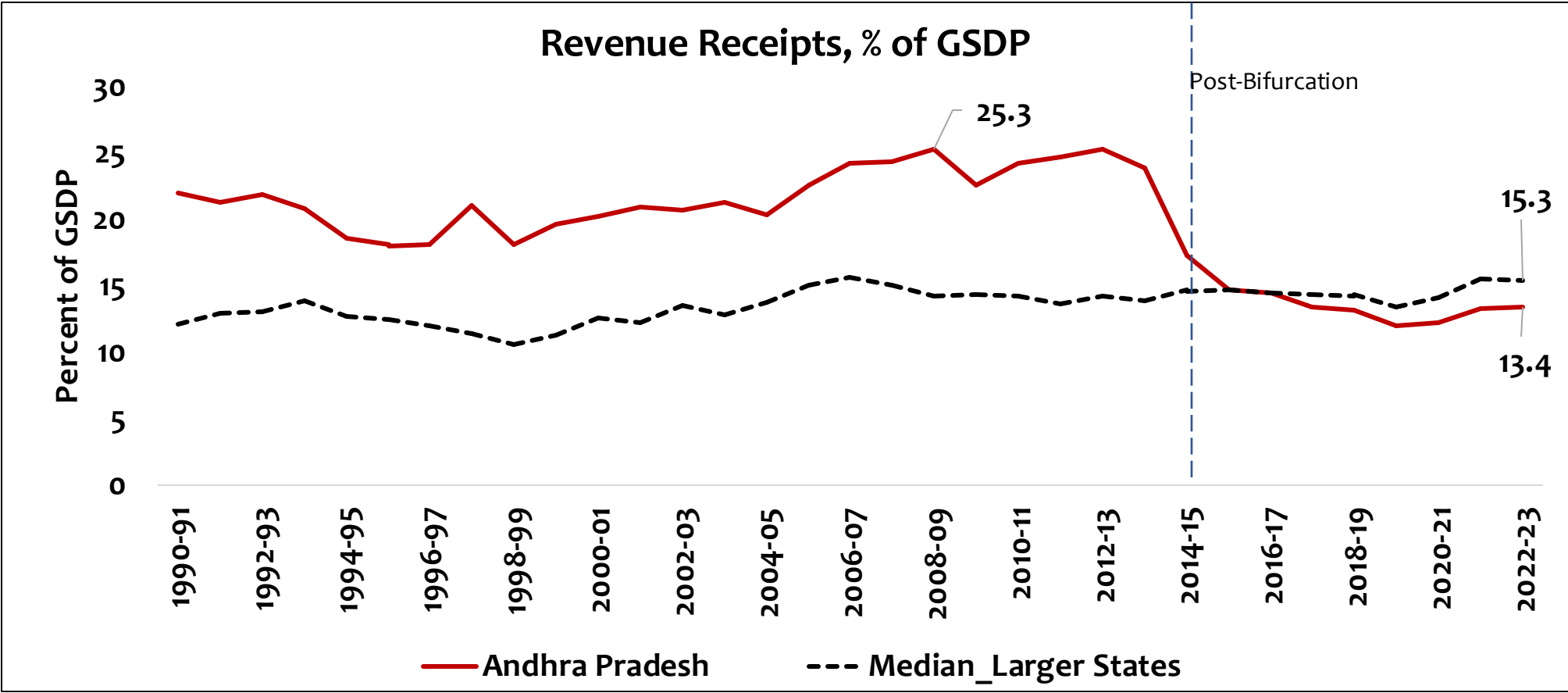
Andhra Pradesh's Revenue Deficit was 2.2 percent of its GSDP in 2022-23, while a median State ran a Revenue Deficit of 0.4 percent of its GSDP



Source: i. Revenue Deficit - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. The spike in revenue deficit in 2014-15 is on [account of the bifurcation of the State](#), wherein the revenues (own tax and non-tax) dropped substantially, while the expenditure did not see a reduction of the same magnitude.

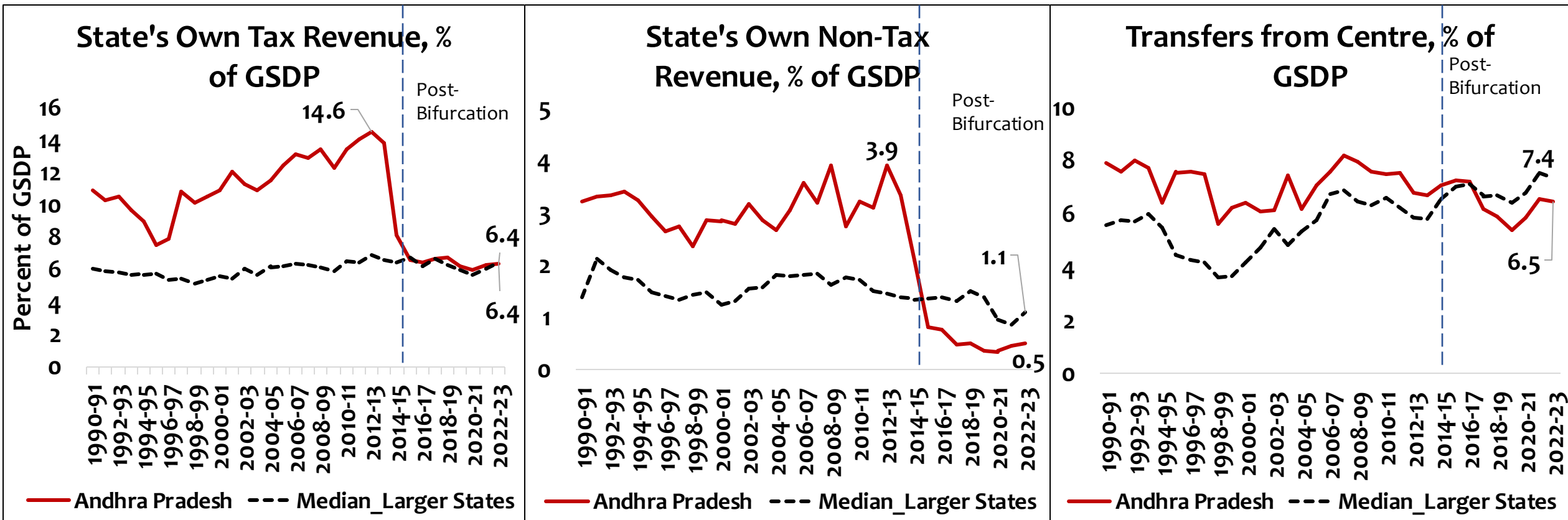
Andhra Pradesh's Total Revenue Receipts (own tax, own non-tax, and shared by the Centre) was lower than what a median State collects, at about 13.4 percent of its GSDP in 2022-23



Source: i. Revenue Receipt - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

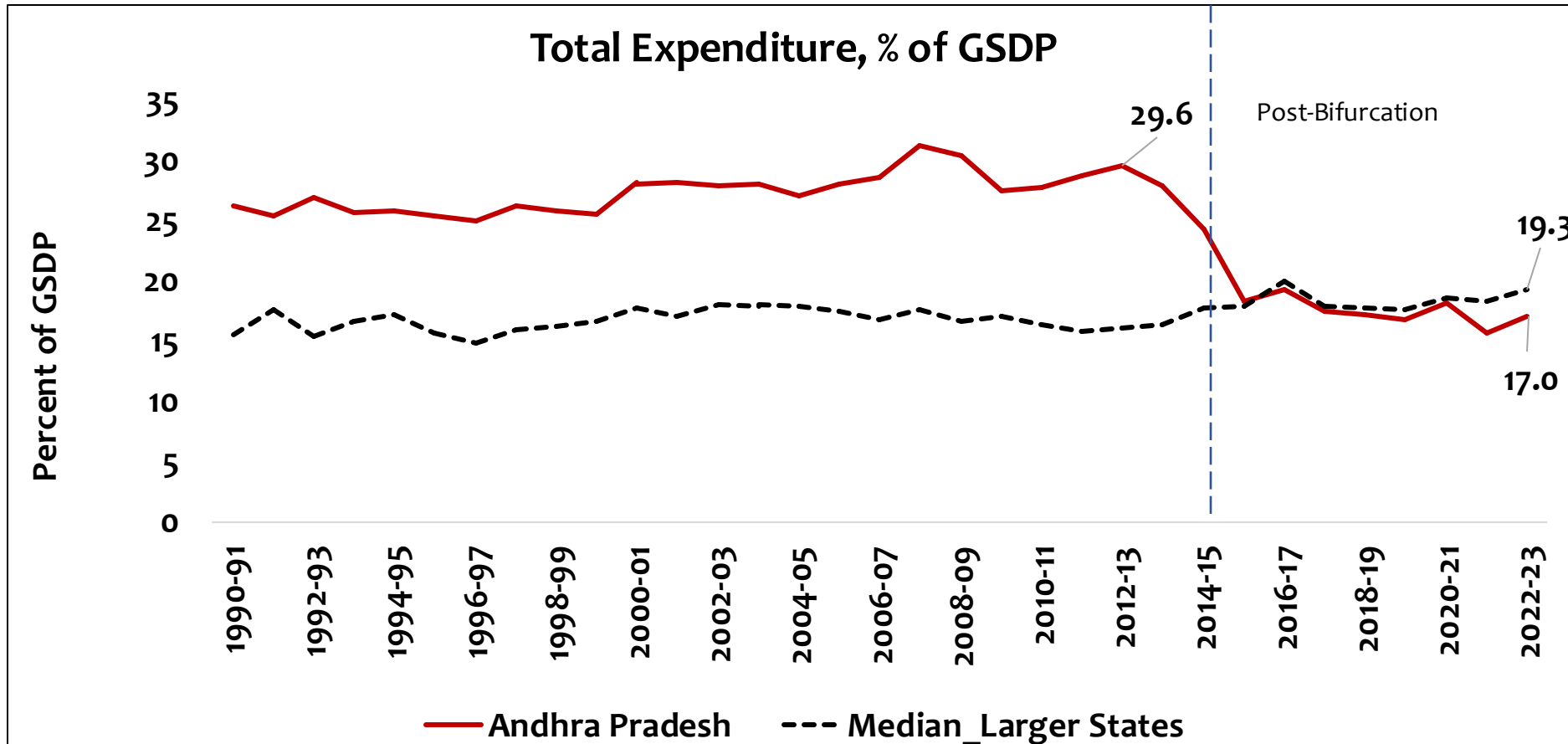
Andhra Pradesh's Own-Tax Revenue is 6.4 percent of the GSDP which is at par with a median State. Its Own Non-Tax Revenue and Transfers from Centre were 0.6 and 0.9 percentage points lower than that of a median State respectively, as of 2022-23



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

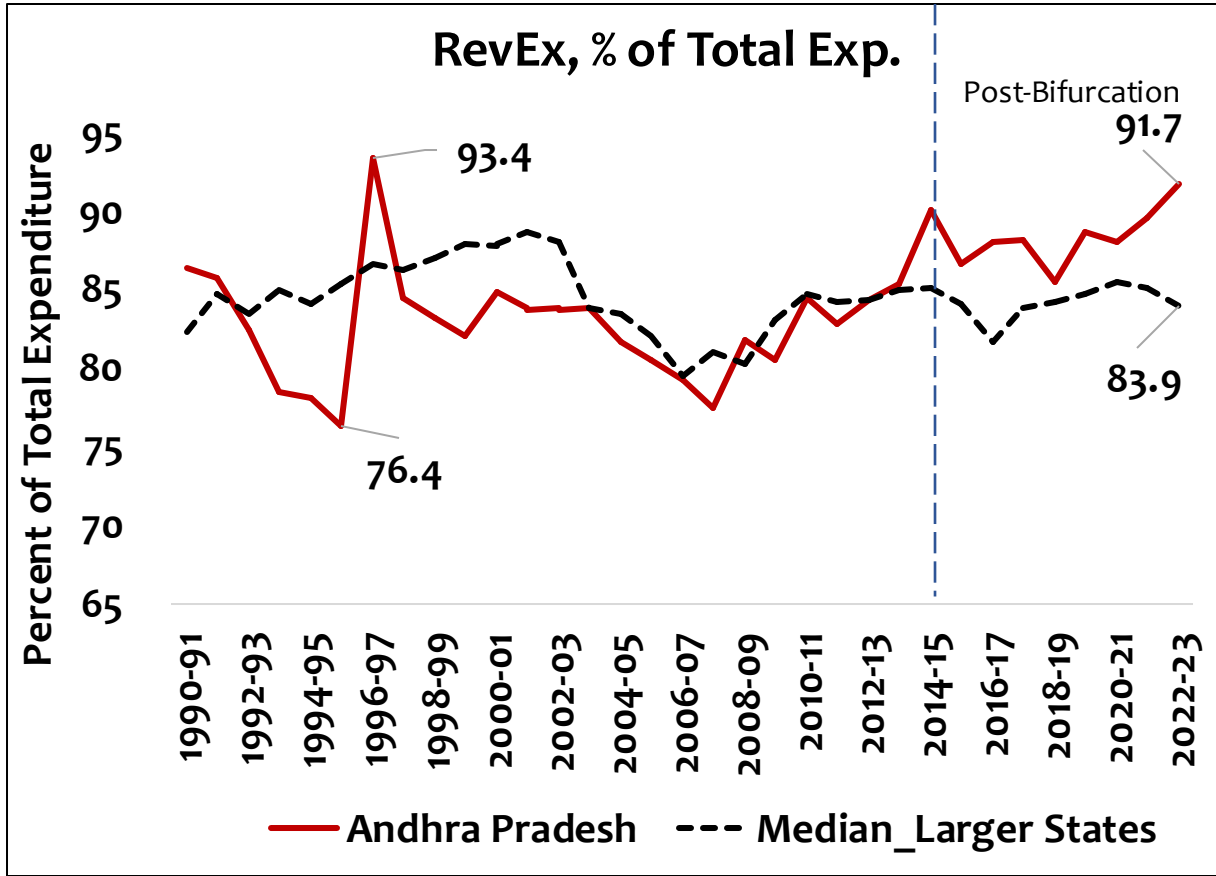
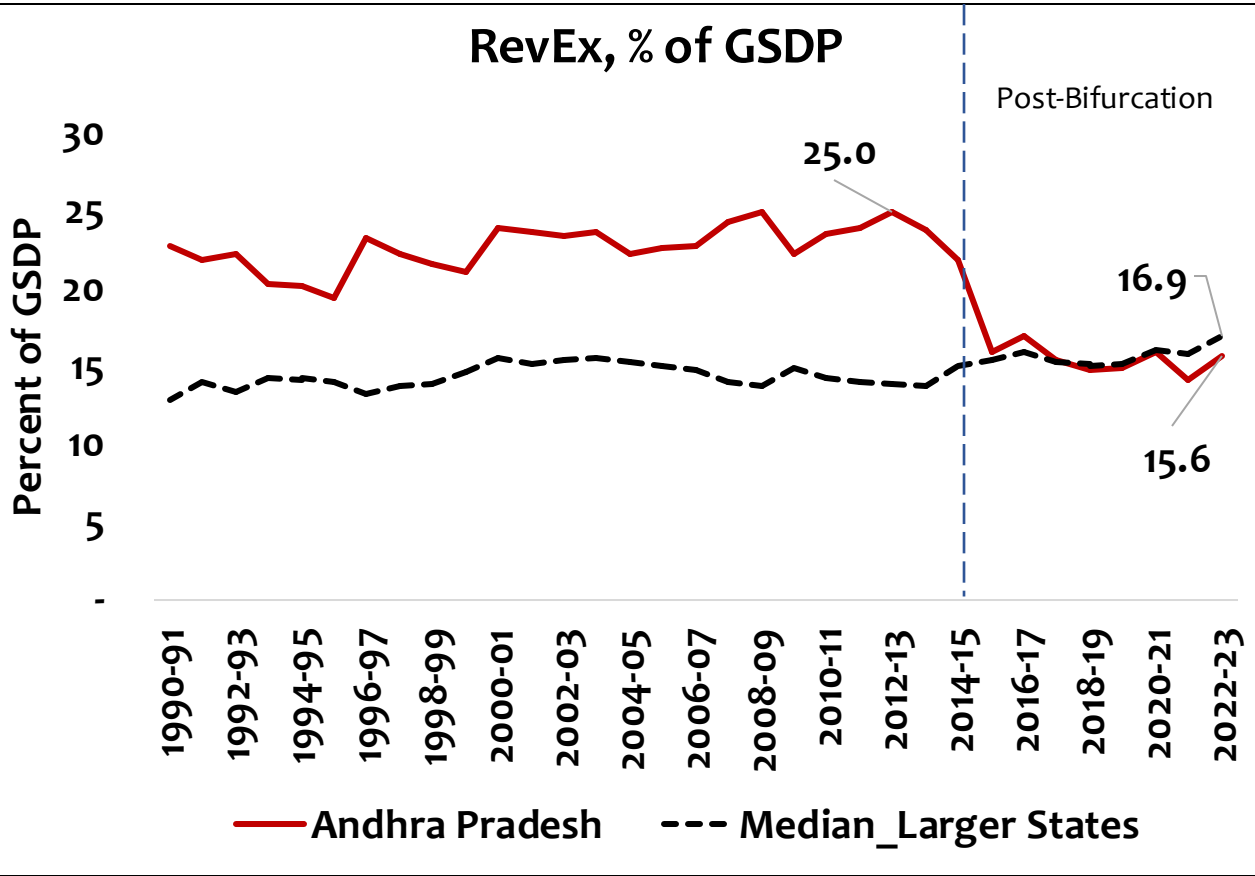
In 2022-23, Andhra Pradesh's Total Expenditure at 17 percent of its GSDP, was about 2.3 percentage points lower than the Expenditure of a median State



Source: i. Total Expenditure - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

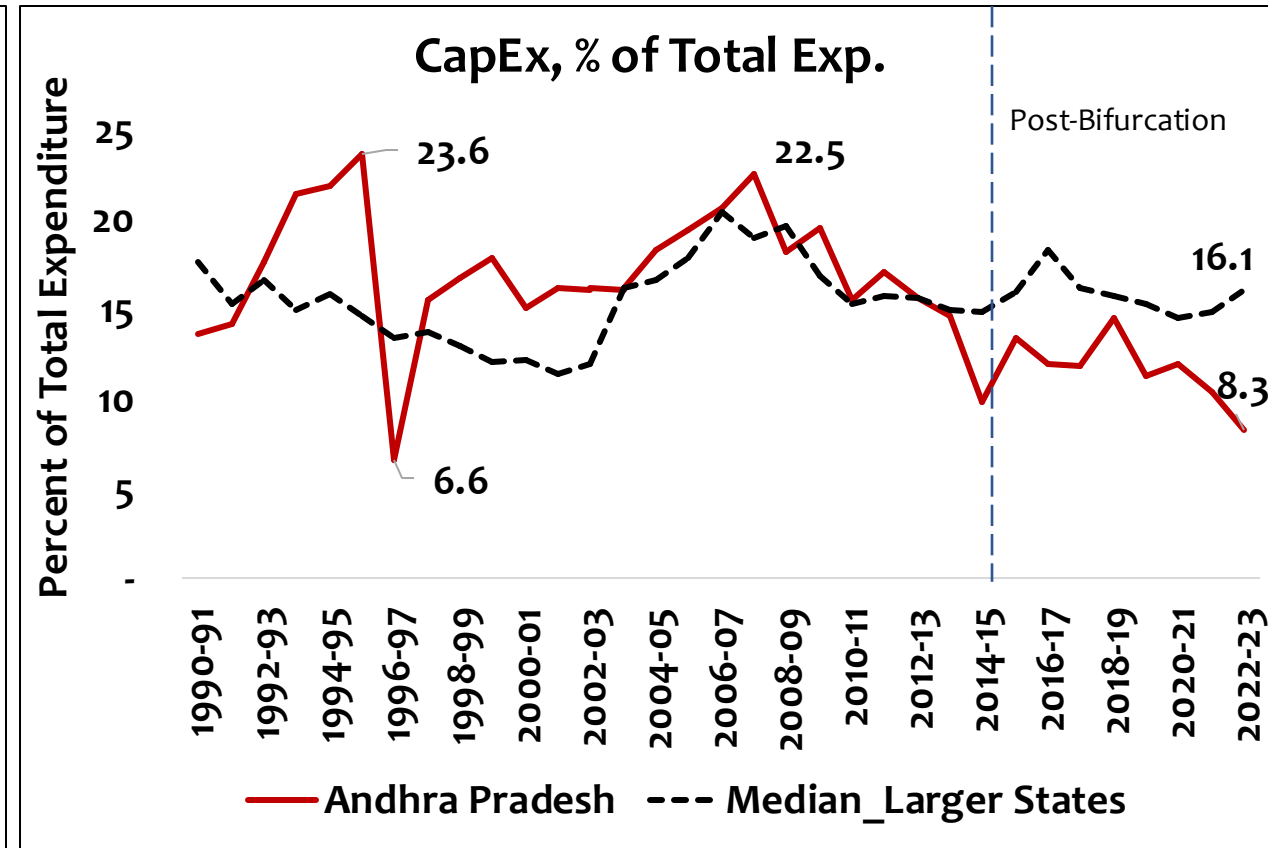
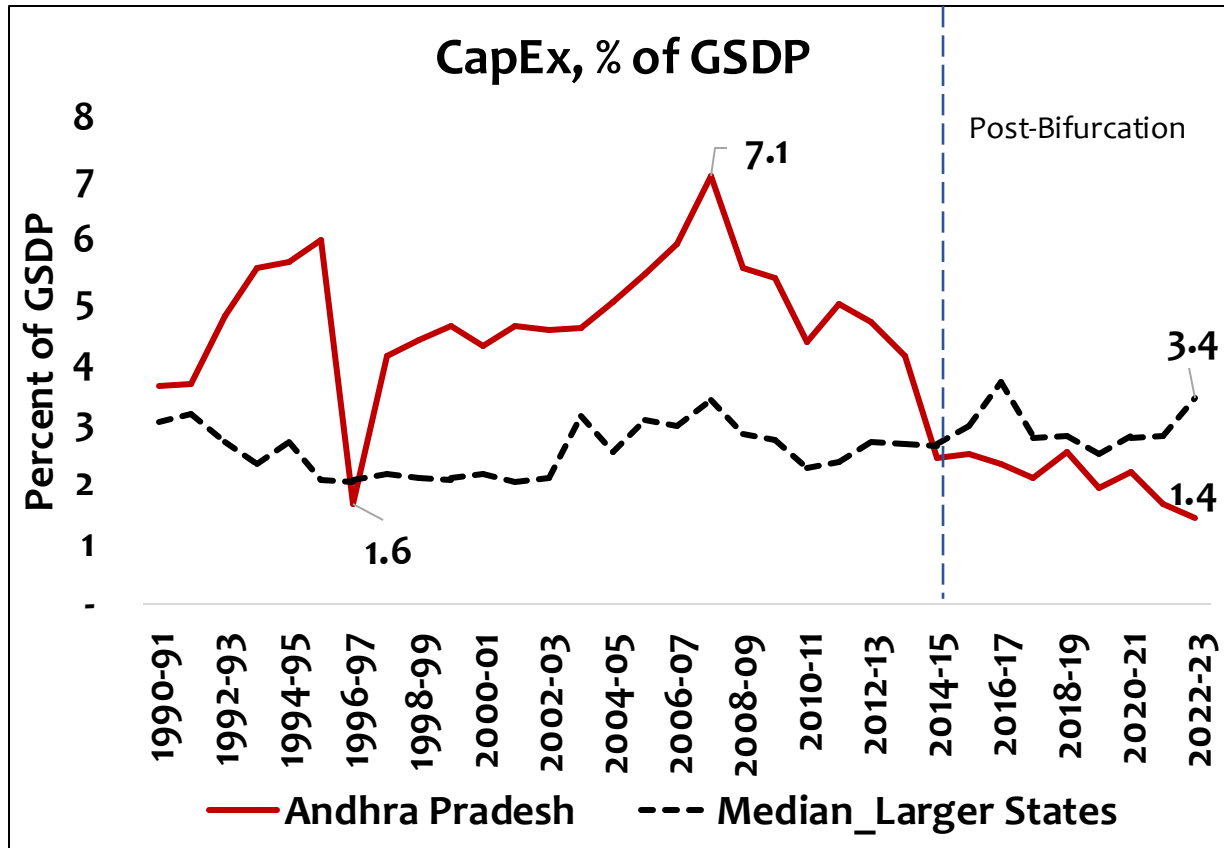
Andhra Pradesh's RevEx at 15.6 percent of its GSDP, was about 1.3 percentage points lower than that of a median State. However, as a percentage of Total Expenditure, Andhra Pradesh's RevEx was 91.7 percent, higher than that of a median State, as of 2022-23



Source: i. RevEx - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

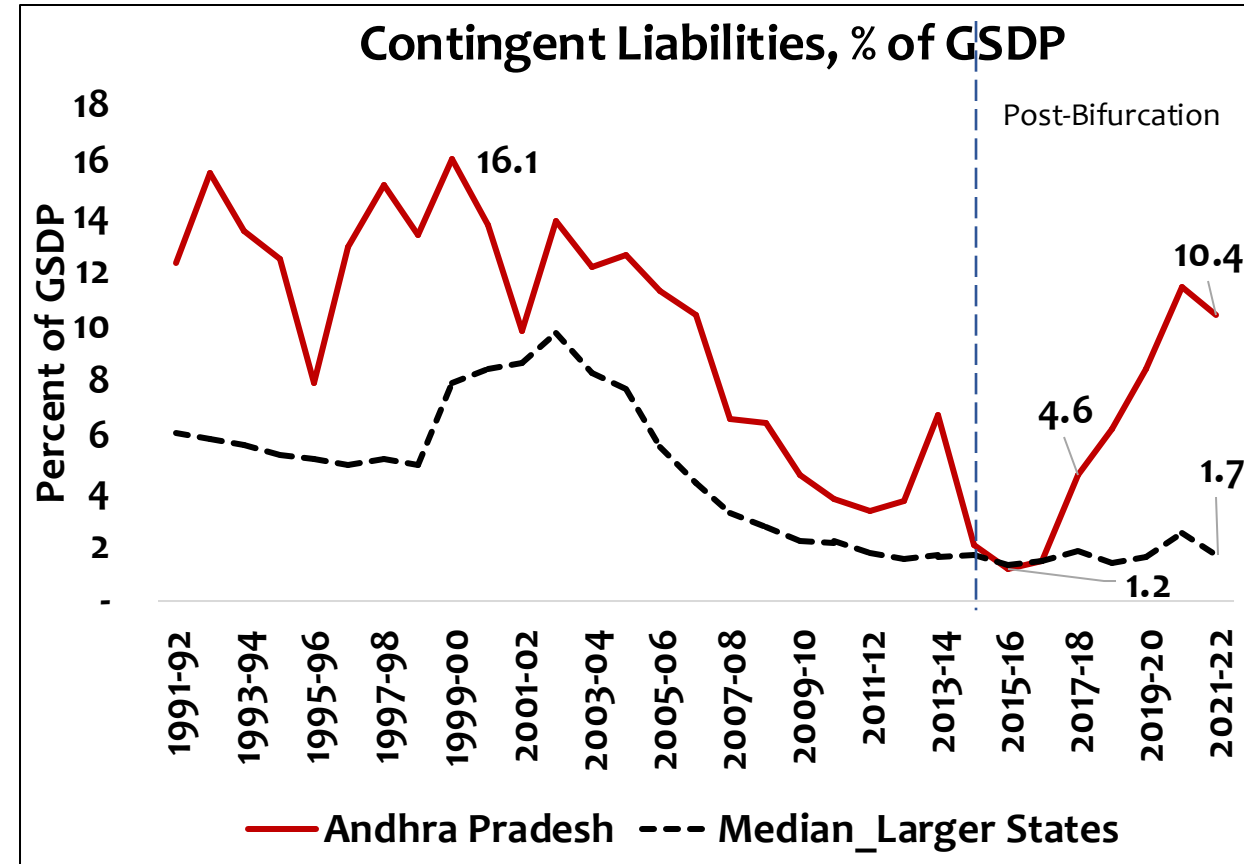
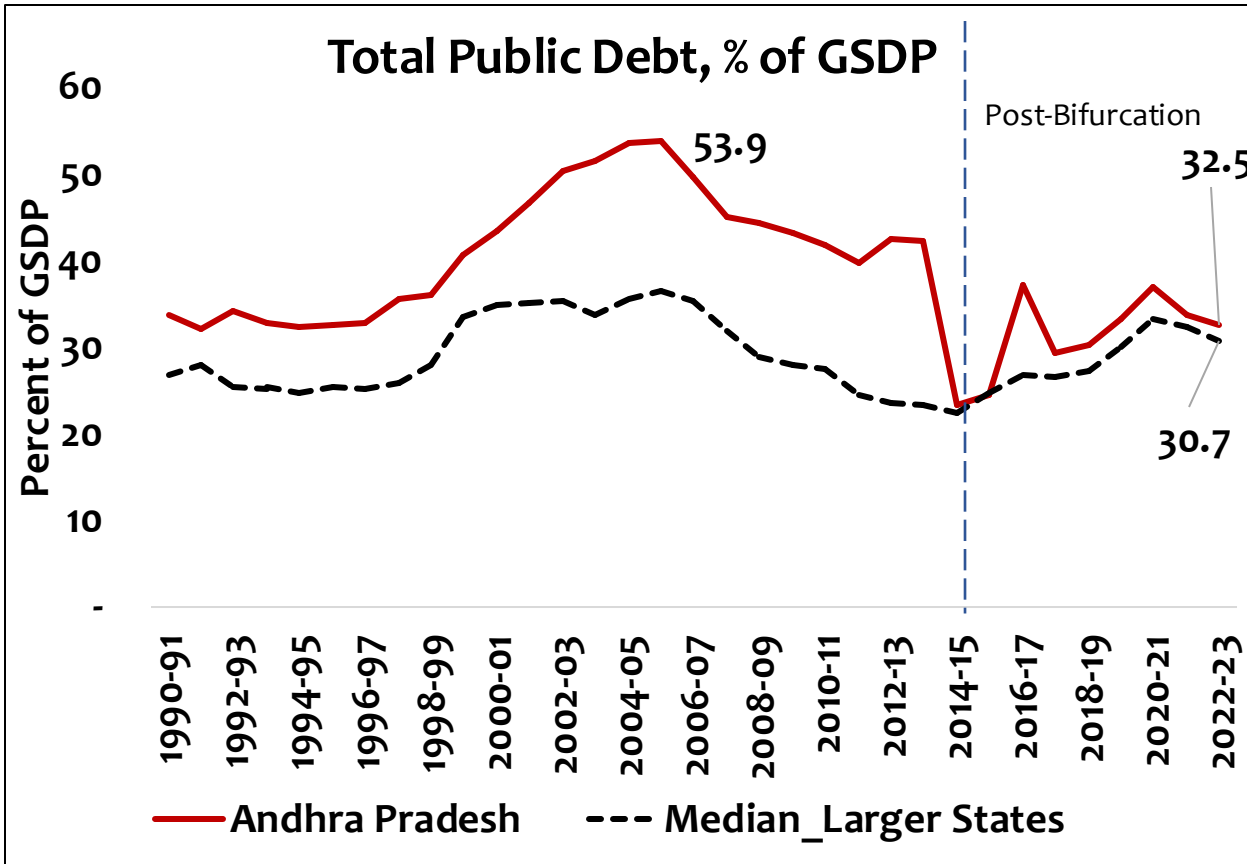
Andhra Pradesh's CapEx at 1.4 percent of its GSDP, was lower than what a median State spends on CapEx (as percent of the GSDP). The CapEx as percent of total expenditure was 7.8 percentage points lower than what a median State spent in 2022-23



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: i. The Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Andhra Pradesh's Public Debt has seen a drop since 2013 but it has consistently remained above the median State. At 10.4 percent of its GSDP, its Contingent Liabilities were substantially higher than that of a median State in 2021-22



Source: i. Public Debt and State-wise contingent liabilities - RBI SFR (2022-23); ii. State GSDP – MoSPI (2022-23).

Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 major States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. The increase in contingent liabilities after 2017-18 is mainly due to new guarantees issued by the State Government to AP Civil Supplies Corporation, AP Township and Infrastructure Development Corporation and AP Capital Region Development Authority etc. [[CAG, State Finances Audit Report 2020](#)]. 105

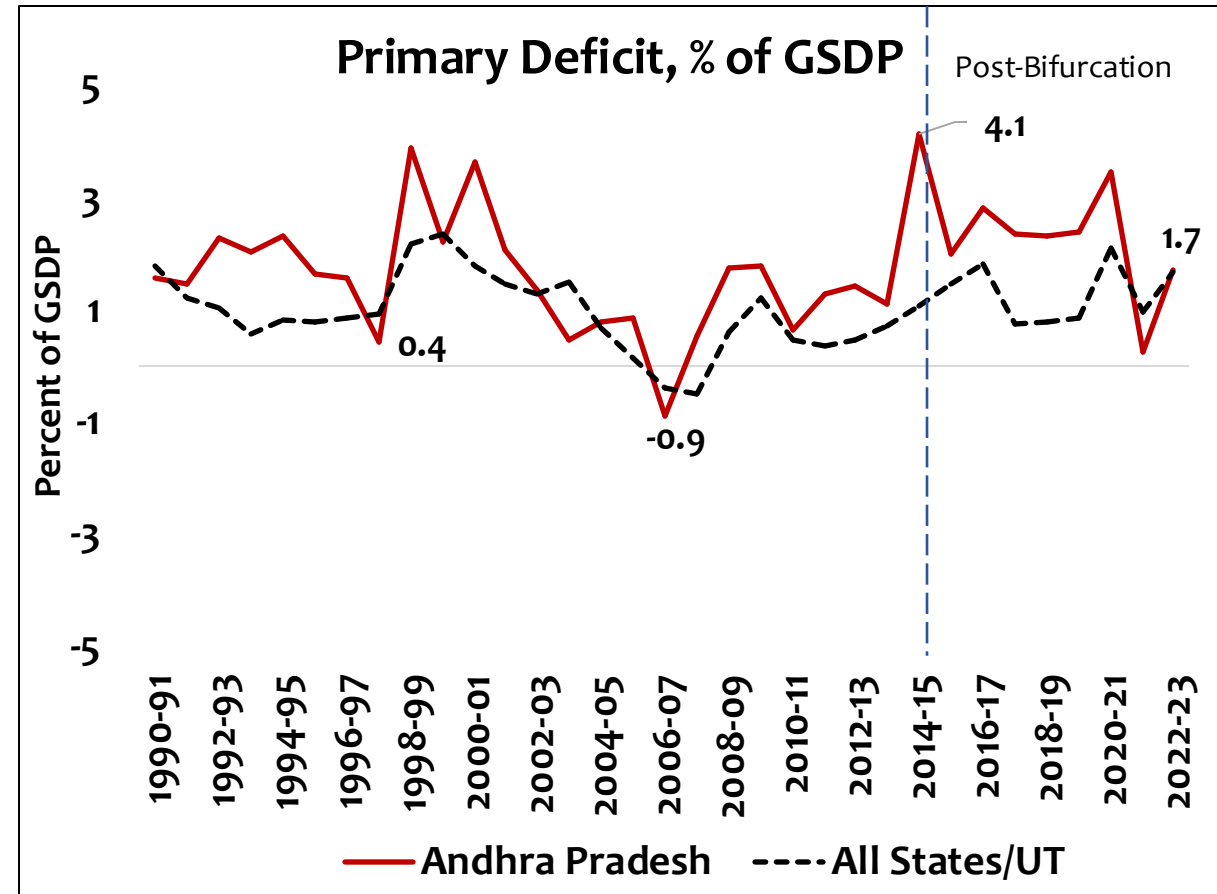
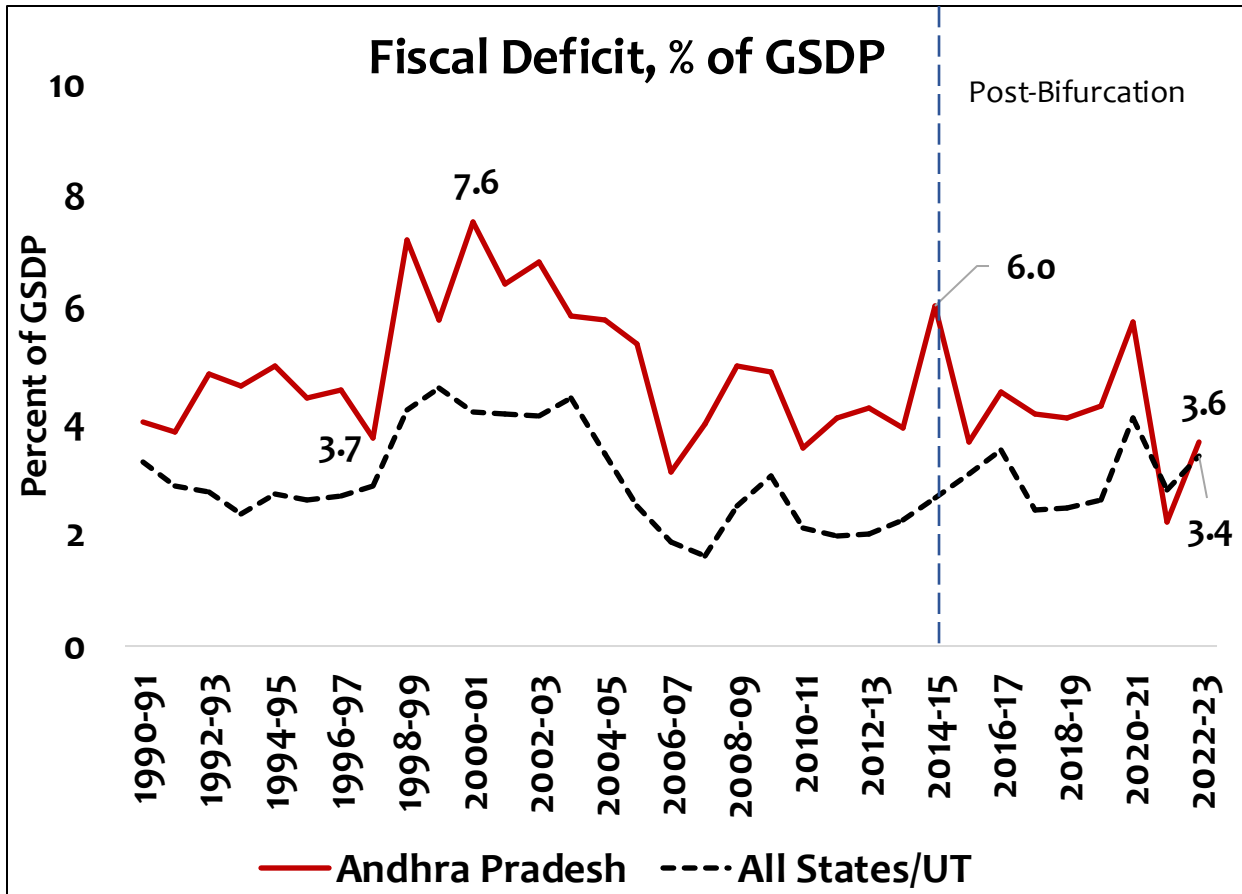
Fiscal Indicators

(II) Benchmarked with respect to *All States/UTs*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

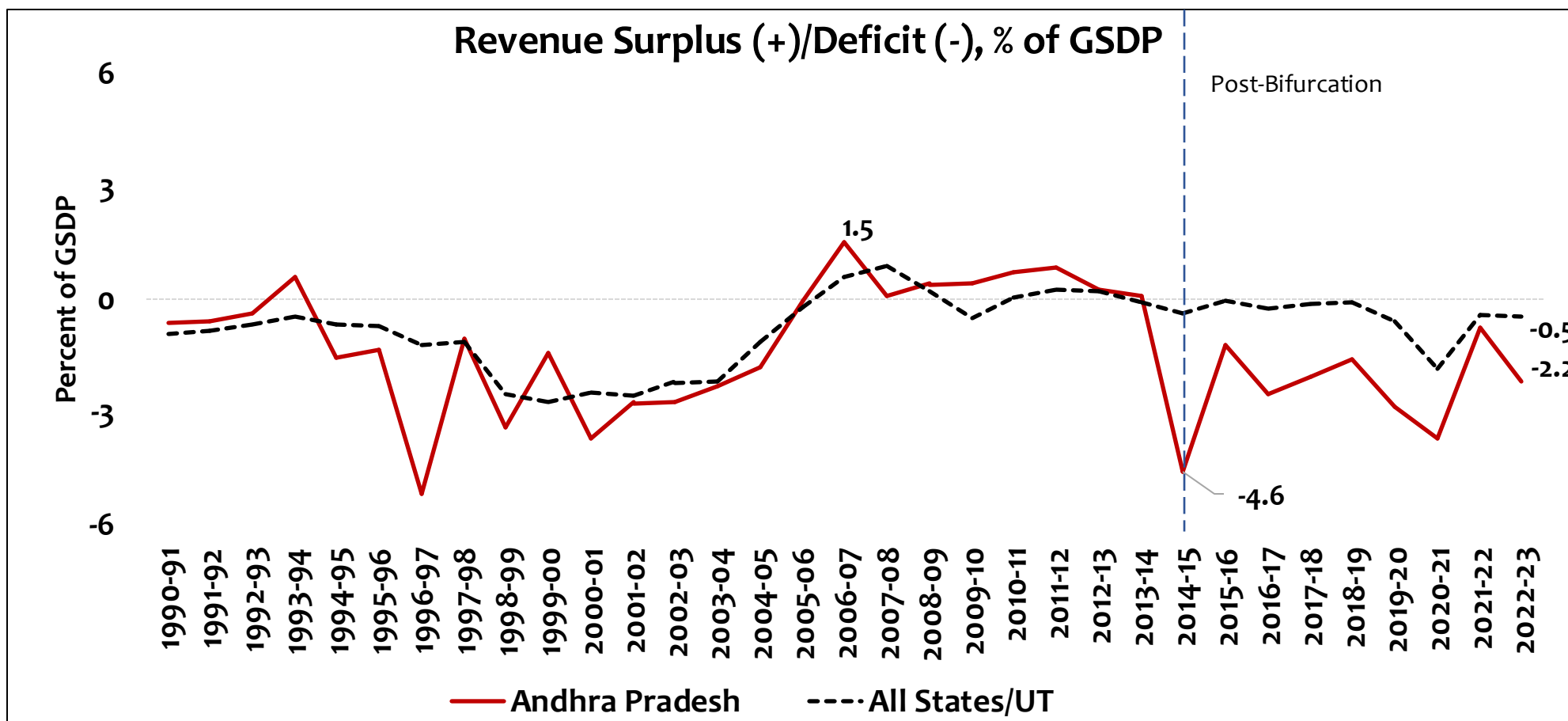
In contrast, the benchmark in this section refers to the All States/UTs number, taken as available from the source and expressed as a percentage of national Gross Domestic Product.

In 2022-23, Andhra Pradesh ran a Fiscal Deficit of 3.6 percent of its GSDP, which was 0.2 percentage points higher than that of an average State, and Primary Deficit of 1.7 percent of its GSDP, which was at par with that of an average State



Source: i. Fiscal Deficit is from RBI SFR (2022-23); ii. Primary Deficit is calculated as (Fiscal Deficit – Interest Payments). Interest Payments was sourced from RBI SFR.
 Note: i. State GSDP and national GDP data is from MoSPI; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The fiscal deficit saw a sharp increase after 1997-98 due to increased spending on the social and community services expenditure (particularly, education), without a corresponding rise in revenues ([Subnational Fiscal Management in Indian States: Case Study of Andhra Pradesh](#)); iv. The spike in fiscal deficit in 2014-15 is on [account of the bifurcation of the State](#), wherein the revenues (own tax and non-tax) dropped substantially, while the expenditure did not see a reduction of the same magnitude.

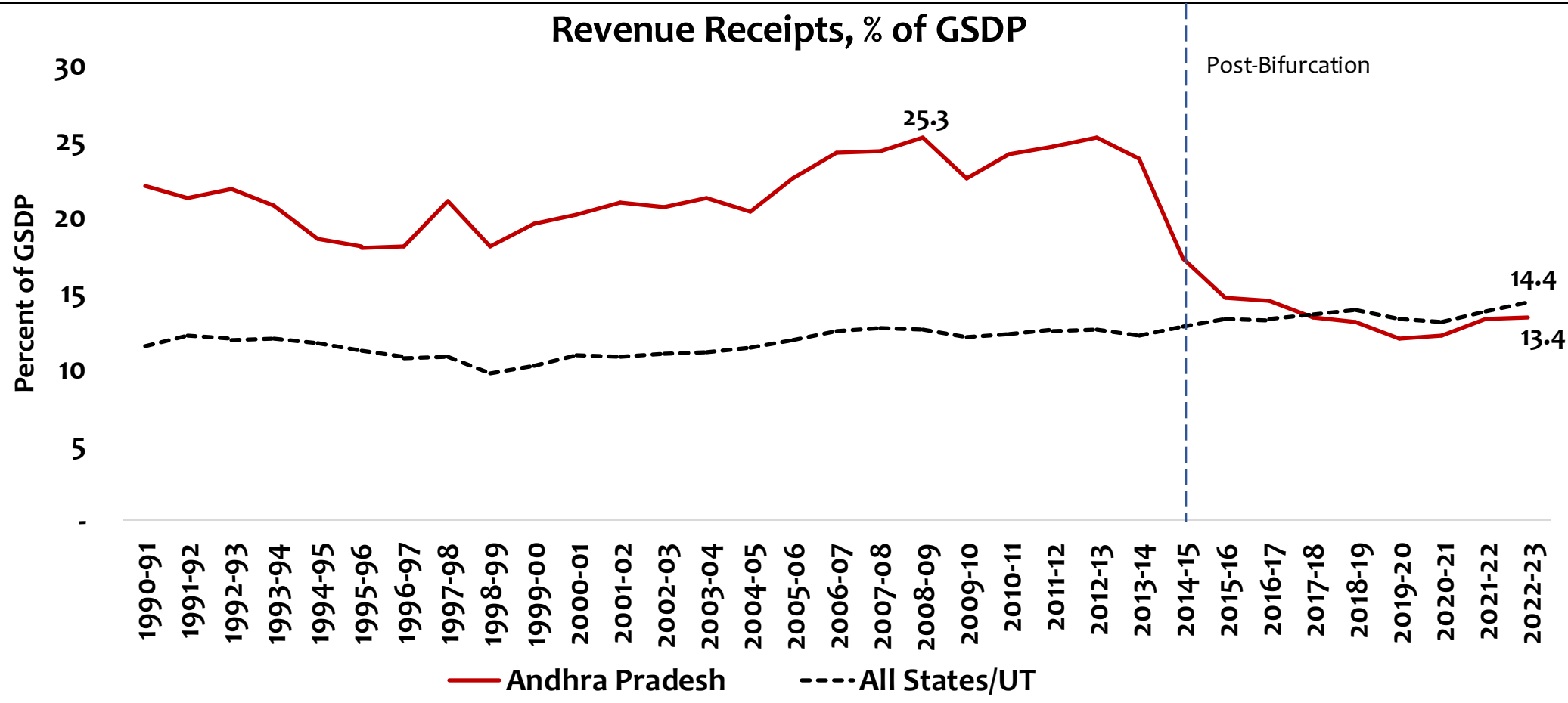
Andhra Pradesh ran a Revenue Deficit of 2.2 percent of its GSDP in 2022-23, while an average State ran a revenue deficit 0.5 percent of its GSDP



Source: i. Revenue Deficit from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

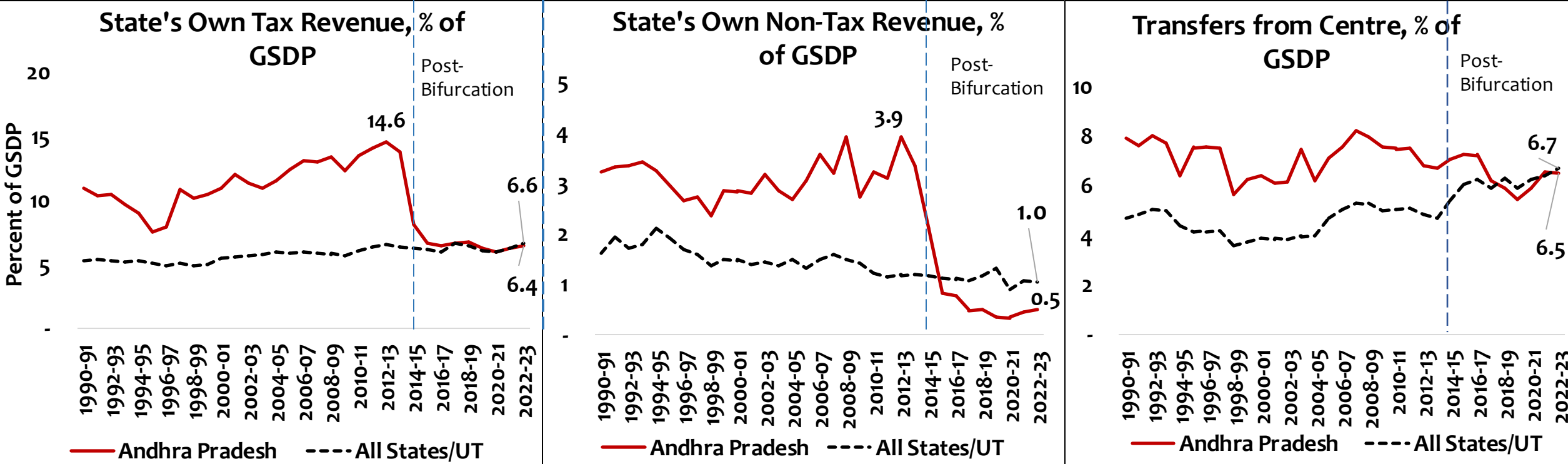
Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. The spike in revenue deficit in 2014-15 is on [account of the bifurcation of the State](#), wherein the revenues (own tax and non-tax) dropped substantially, while the expenditure did not see a reduction of the same magnitude.

Andhra Pradesh's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) was about 1 percentage point lower than what an average State collected, at 13.4 of its GSDP in 2022-23



Source: i. Revenue Receipts from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).
 Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

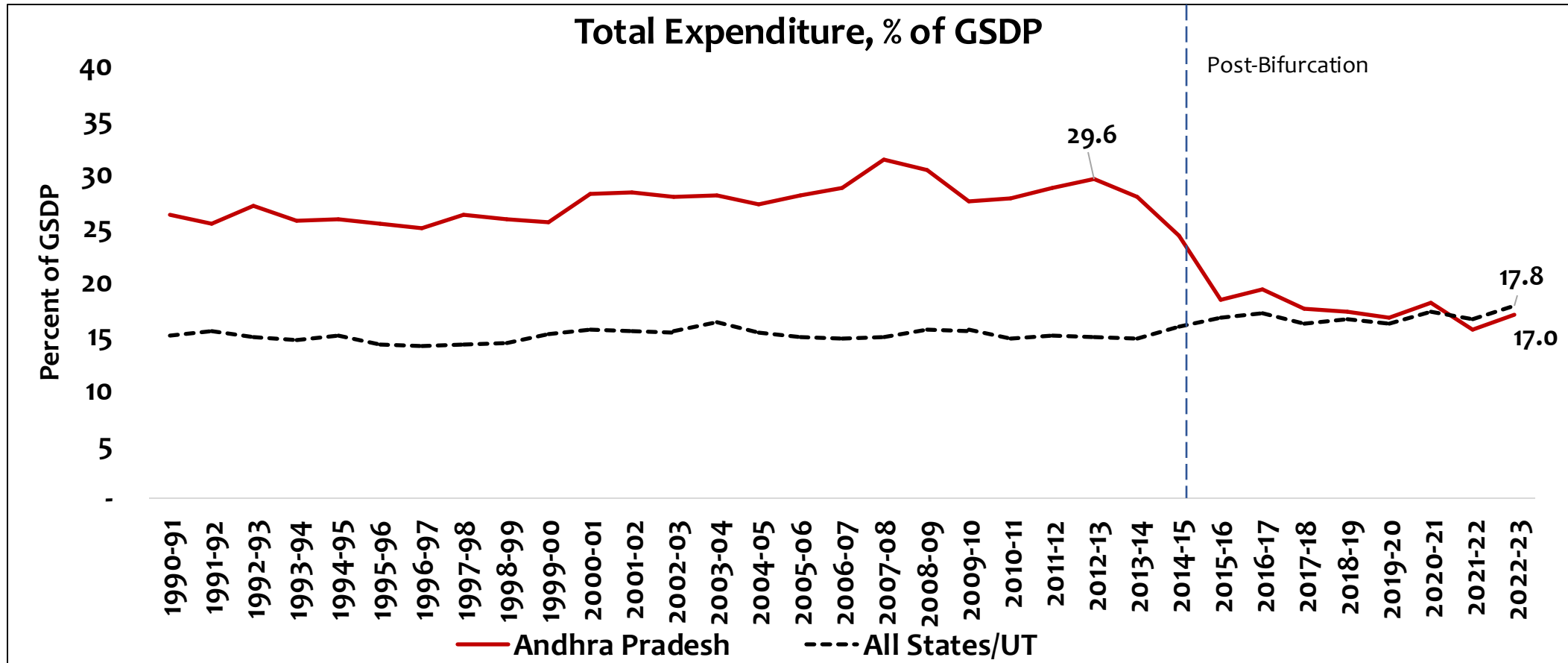
Andhra Pradesh's Own Tax Revenue, Own Non-Tax Revenue and Transfers from Centre are 6.4, 0.5, and 6.5 percent of its GSDP respectively as of 2022-23. Tax Revenues, Non-Tax Revenue and Transfers from the Centre are lower than an average State. Transfers from the Centre constitute 48 percent of its total Revenue Receipts



Source: i. Own Tax and Non-Tax Revenue, and Transfers from Centre from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Transfers from the Centre include both tax- and non-tax revenue transfers; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

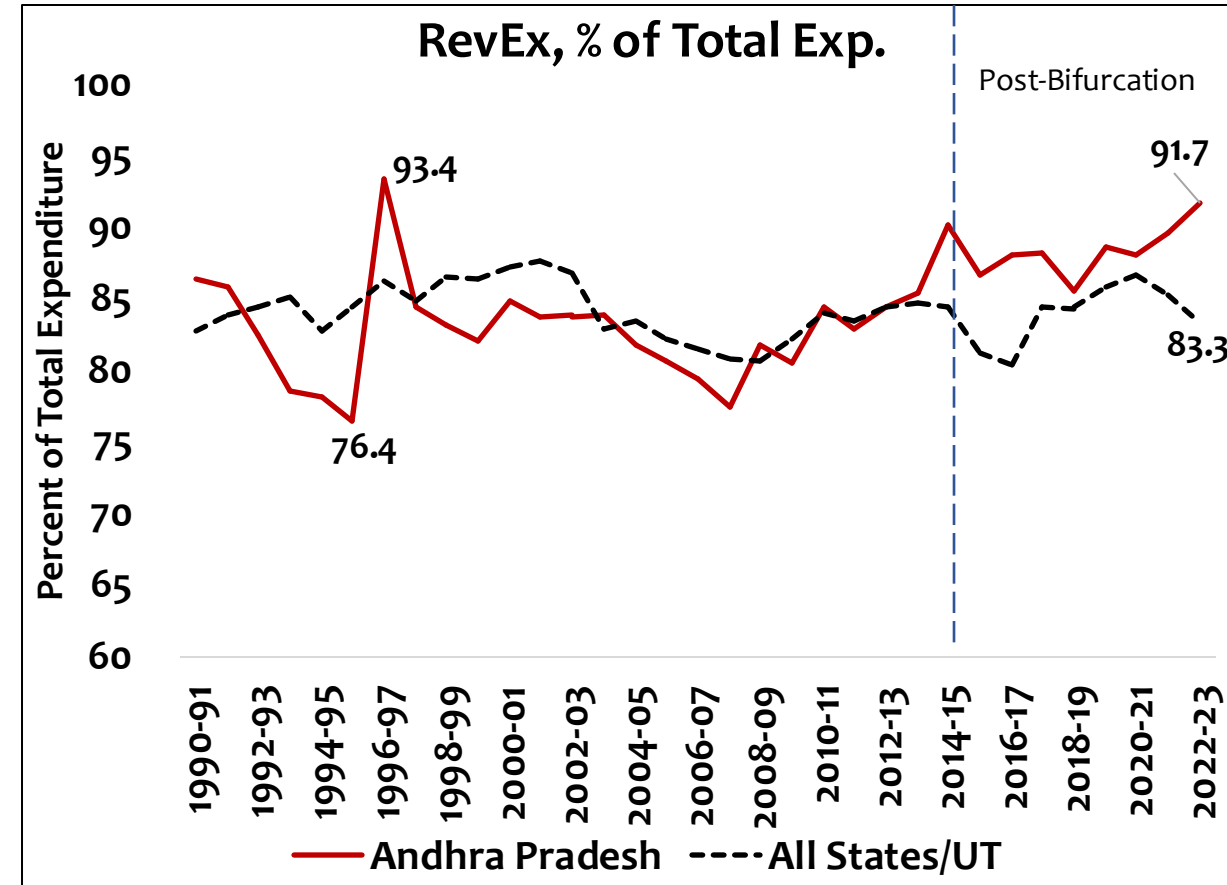
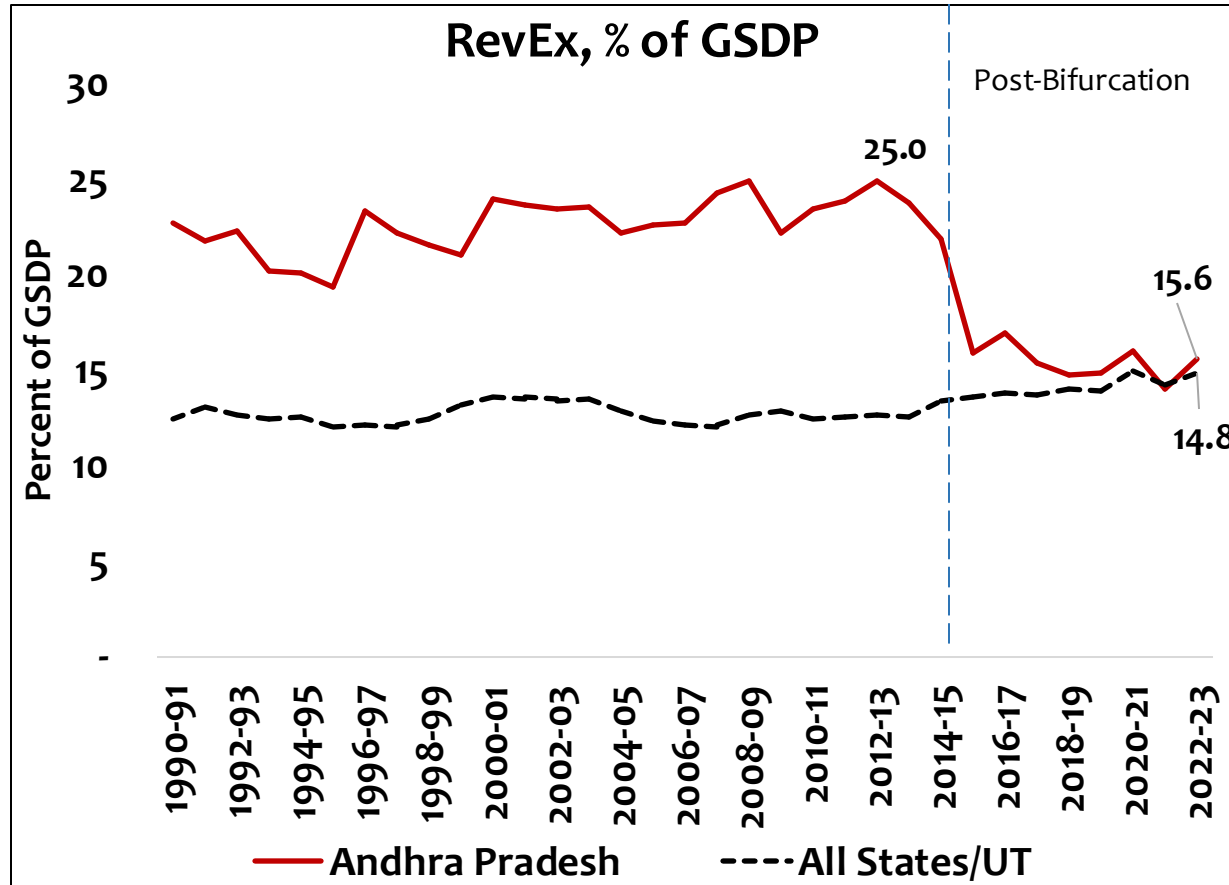
In 2022-23, Andhra Pradesh's Expenditure was 17 percent of its GSDP, about 0.8 percentage points lower than an average State



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. The Total Expenditure is calculated as sum of revenue expenditure (RevEx) and capital expenditure (CapEx); ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

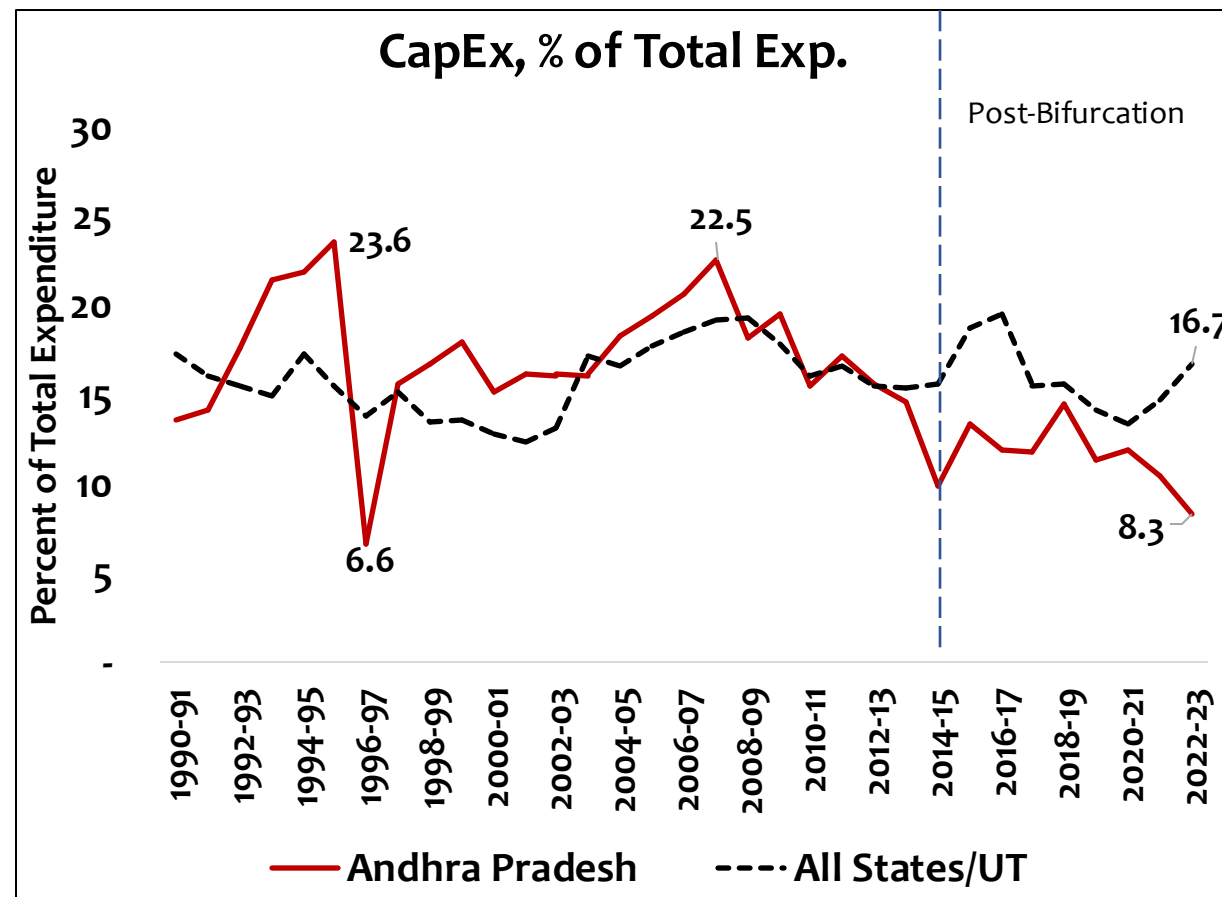
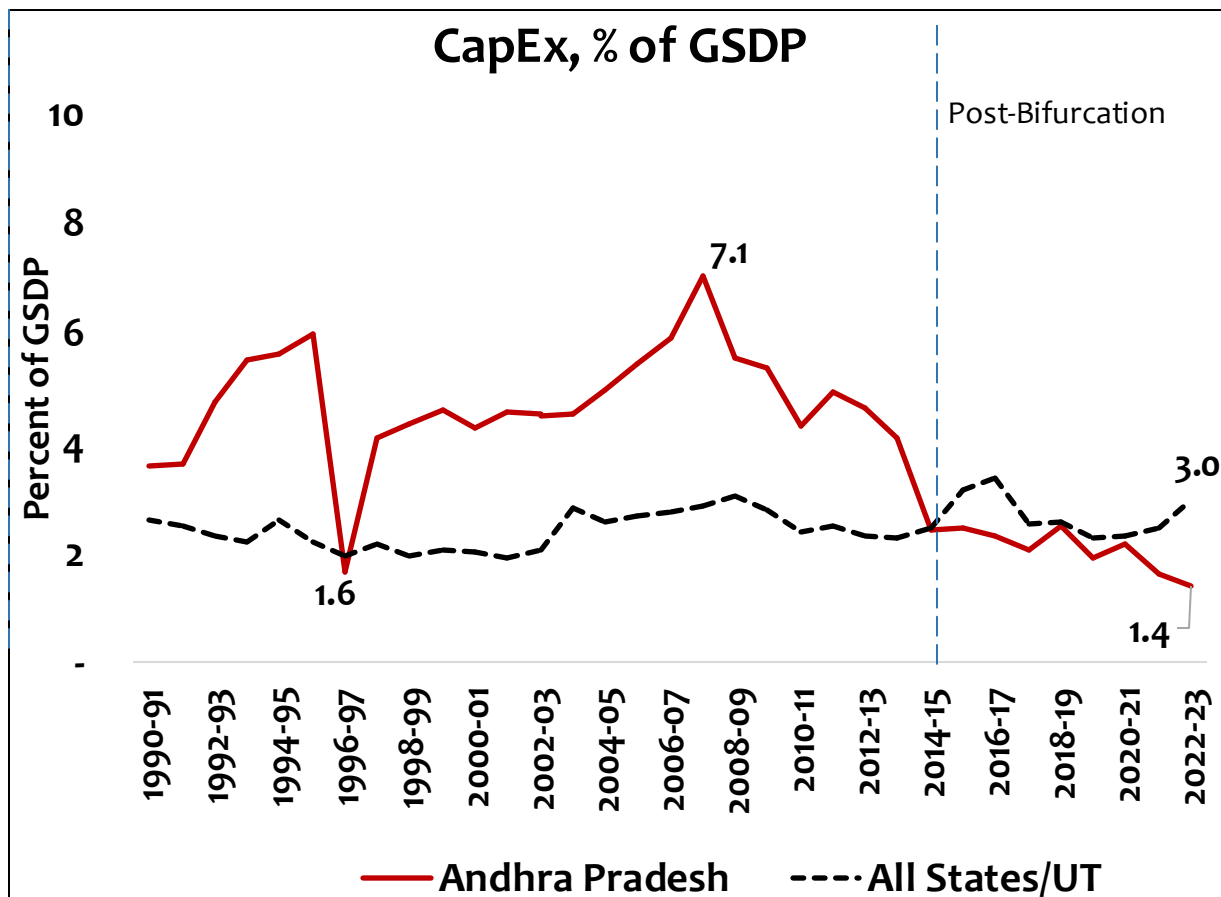
Andhra Pradesh's RevEx at 15.6 percent of its GSDP, was higher than that of an average State, as of 2022-23. Andhra Pradesh's RevEx at 91.7 percent of Total Expenditure, was higher than that of an average State, as of 2022-23



Source: i. Revenue Expenditure is from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

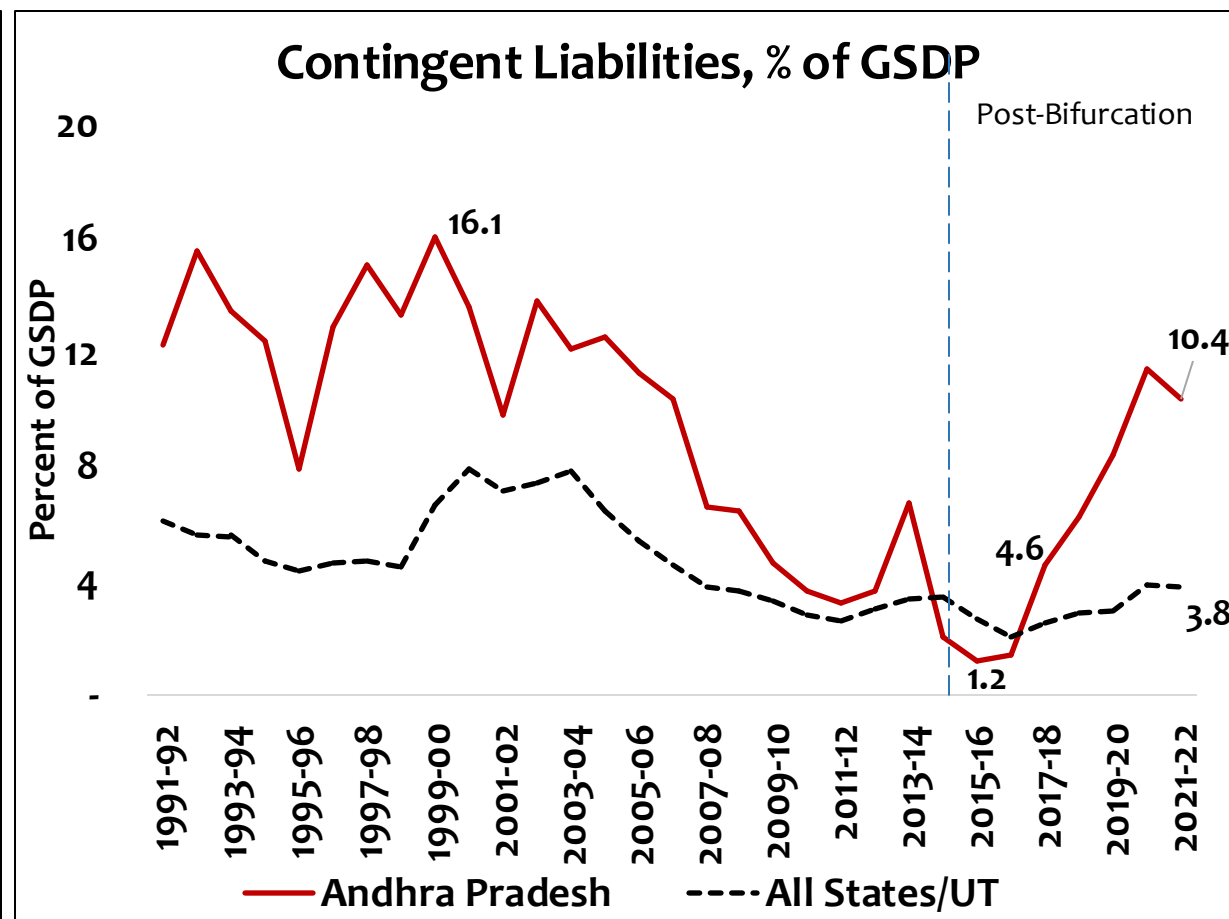
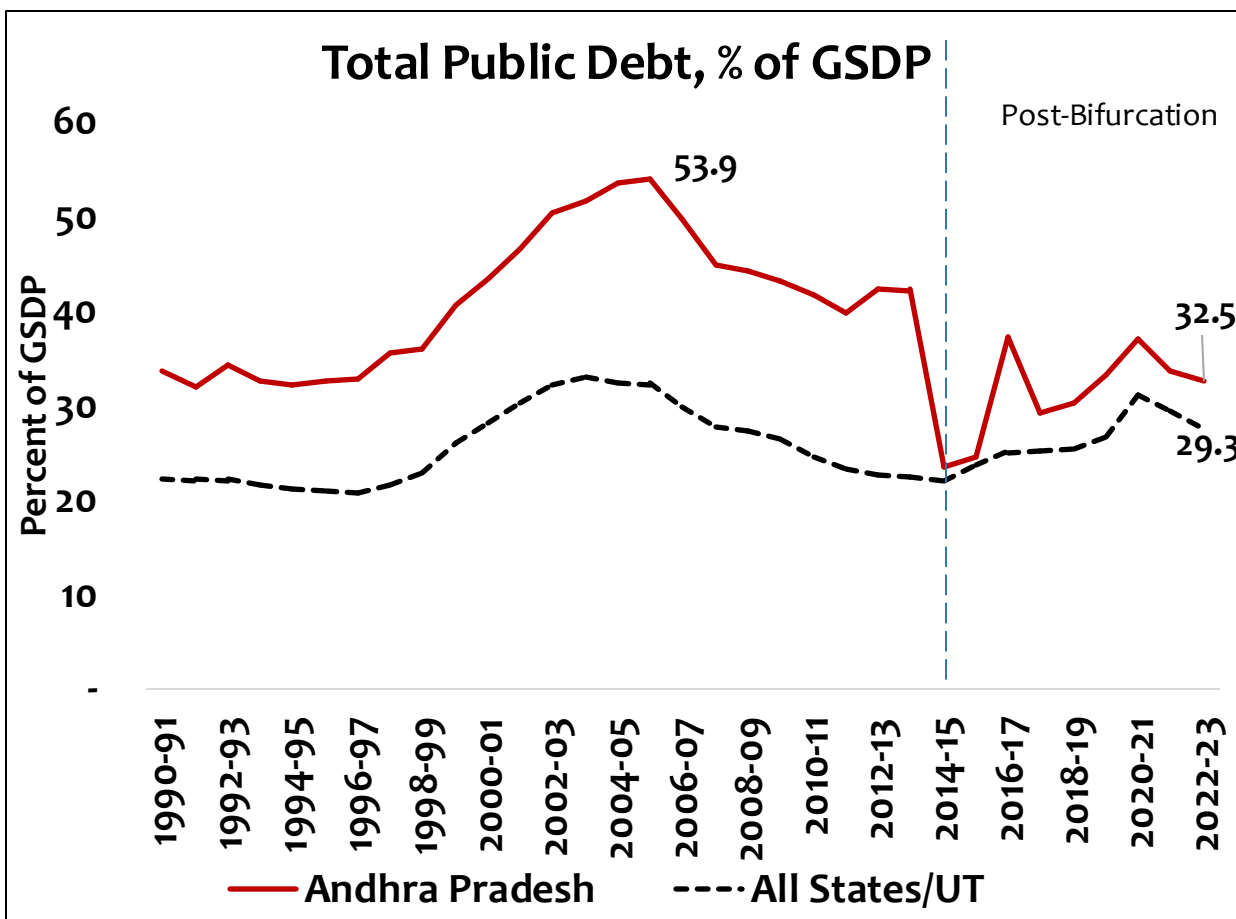
Andhra Pradesh's CapEx was 1.4 percent of its GSDP, and 8.3 percent of its Total Expenditure, both about half of what an average State spends on CapEx, in 2022-23



Source: i. CapEx is calculated as Capital Outlay plus Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx plus CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Andhra Pradesh's Public Debt was 32.5 percent of its GSDP as of 2022-23, 5 percentage points more than that of an average State. Its contingent liabilities were 6.6 percentage points higher than that of an average State, at 10.4 percent of its GSDP as of 2021-22



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. The increase in contingent liabilities after 2017-18 is mainly due to new guarantees issued by the State Government to AP Civil Supplies Corporation, AP Township and Infrastructure Development Corporation and AP Capital Region Development Authority etc. [[CAG, State Finances Audit Report 2020](#)].

9. Annexure

Glossary of Select Terms

Variable	Section	Definition
Dependency Ratio	Demography and Employment	The dependency ratio is the number of dependents—comprising children aged 0-14 years and older adults aged 60 years and above—per 100 individuals in the working-age population (15-59 years).
Sex Ratio	Demography and Employment	The Child Sex Ratio from Census is the number of females per 1,000 males in the age group of 0-6 years. The NFHS Sex Ratio at Birth is the number of female births per 1,000 male births for children born in the last five years preceding the survey.
Unemployment Rate	Demography and Employment	The unemployment rate measures the proportion of unemployed individuals within the labour force, aged 15 years and above, based on the Usual Status (PS+SS) approach. This method integrates data from both the Principal Status (PS) and Subsidiary Status (SS) across rural and urban areas.
Female Labour Force Participation Rate	Demography and Employment	The Female Labour Force Participation Rate (LFPR) refers to the percentage of females aged 15 years and above who are part of the labour force, either working or actively seeking/available for work, relative to the total female population in the same age group. It is measured using the Usual Status (PS+SS) approach, which combines data from the Principal Status (PS) and Subsidiary Status (SS) to account for both rural and urban areas.
Urbanization Rate	Demography and Employment	The urbanization rate is the annual percentage change in the proportion of the population that lives in urban areas.
SDG Index	Demography and Employment	The SDG Index calculates goal-specific scores for the 16 Sustainable Development Goals (SDGs) across 113 indicators set by MoSPI to combine into composite scores, ranging from 0 to 100 representing the overall performance of a State. The higher the score, the closer the State is to meeting the SDG targets.

Glossary of Select Terms

Variable	Section	Definition
MPI	Demography and Employment	The National Multidimensional Poverty Index (MPI) is calculated by multiplying the Headcount Ratio (proportion of multidimensionally poor people) and the Intensity of Poverty (the average percentage of deprivations experienced by poor individuals) across 12 indicators of health, education and living standards.
Inflation Rate	Economic Structure	The Inflation Rate is calculated as the annual growth rate of the Consumer Price Index (CPI), which has been calculated by averaging the monthly CPI values for each financial year.
GSDP	Economic Structure	Gross State Domestic Product (GSDP), at current market prices with 2011-12 as the base year, represents the total value of goods and services produced within a State. This series has been spliced with earlier GSDP series to generate the long time series.
GSVA	Economic Structure	Gross State Value Added (GSVA) is the sum of the value added by all sectors—agriculture, industry, and services—at current market prices with 2011-12 as the base year. This series has been spliced with earlier GSDP series to generate the long time series.
Decadal Average of Growth Rates	Economic Structure	The decadal average of growth rates is calculated using real variables to determine the shares of sectors. It represents the simple average of the annual growth rates over a ten-year period, from 2013-14 to 2022-23.
Foreign Direct Investment (FDI)	Trade	Investment through capital instruments by a resident outside India in an unlisted Indian company; or in 10 percent or more of the post-issue paid-up equity capital of a listed Indian company. Additionally, in case an existing investment by a resident outside India in capital instruments of a listed Indian company falls to a level below 10 percent, the investment shall continue to be treated as FDI.
Exports	Trade	Exports refer to transactions where goods are supplied with/without leaving the country, and payment for these supplies is received either in Indian rupees or in freely convertible foreign exchange.

Glossary of Select Terms

Variable	Section	Definition
Pupil-Teacher Ratio	Socio-Economic Indicators (Education)	The Pupil-Teacher Ratio is the average number of students (pupils) per teacher in a school or educational institution.
Infant Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the first birthday, expressed per 1,000 live births.
Under-Five Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the fifth birthday, expressed per 1,000 live births.
Total Fertility Rate	Socio-Economic Indicators (Health)	The average number of children a woman is expected to have by the end of her childbearing years, assuming she experiences the current age-specific fertility rates throughout her reproductive life. Age-specific fertility rates are calculated based on the three years preceding the survey, using detailed birth histories provided by women.
Children Fully Immunized	Socio-Economic Indicators (Health)	Includes children aged 12-23 months who have received one dose of Bacillus Calmette Guerin (BCG) vaccine for tuberculosis, three doses of DPT vaccine for diphtheria, pertussis and tetanus, three doses for polio vaccine and one dose of measles vaccine at any time before the survey.
Underweight Children	Socio-Economic Indicators (Health)	Children under five years whose weight-for-age score is below minus two standard deviations from the median of the reference population are classified as underweight.
Stunting among Children	Socio-Economic Indicators (Health)	Children under age five years whose height-for-age score is below minus two standard deviations from the median of the reference population are considered short for their age (stunted).

Glossary of Select Terms

Variable	Section	Definition
Anaemia among Children, Anaemia among Women	Socio-Economic Indicators (Health)	Children under five years and Women aged 15-49 years with haemoglobin levels below 11 grams/decilitre are considered anaemic.
Fiscal Deficit	Fiscal Indicators	Fiscal Deficit is calculated as the difference between the total expenditure and the total revenue (excluding borrowings).
Primary Deficit	Fiscal Indicators	Primary Deficit is calculated as the difference between fiscal deficit and interest payments.
Revenue Surplus (+)/Deficit (-)	Fiscal Indicators	Revenue Surplus/Deficit is a measure of the difference between the revenue receipts and revenue expenditure.
Total Revenue Receipts	Fiscal Indicators	Total Revenue Receipts is calculated as the sum of own tax revenue, own non-tax revenue and transfers from the centre.
Own Tax Revenue	Fiscal Indicators	Own Tax Revenue is the revenue collected by the government through taxes.
Own Non Tax Revenue	Fiscal Indicators	Own Non-Tax Revenue is the revenue collected by the government from non-tax sources like various services, fees, and penalties.
Revenue Expenditure	Fiscal Indicators	Revenue Expenditure refers to government spending that is incurred for the regular functioning of its departments and services, meeting its operational needs, and fulfilling its recurring liabilities.

Glossary of Select Terms

Variable	Section	Definition
Transfers from the Centre	Fiscal Indicators	Transfers from the Centre refer to central taxes and grants devolved to States as untied funds for States to spend according to their discretion, under the recommendations of the Finance Commission.
Capital Expenditure	Fiscal Indicators	Capital Expenditure refers to government spending on creating physical and financial assets or reducing its liabilities.
Total Public Debt	Fiscal Indicators	Public debt include borrowings and other financial commitments arising from past fiscal operations that are yet to be repaid at a given point in time.
Contingent Liabilities	Fiscal Indicators	Contingent Liabilities are the commitments made by State governments to repay loans or other liabilities incurred by entities such as public sector undertakings (PSUs), corporations, local bodies, or other organizations if they fail to meet their debt obligations.
Off-Budget Borrowings	Fiscal Indicators	Off-Budget Borrowings involve the government taking on debt through entities, public sector undertakings (PSUs), or other off-budget mechanisms, rather than directly from the government's own borrowing channels that are not included in the official government budget.
Health Expenditure	Fiscal Indicators	Health Expenditure is calculated as the sum of Medical, Public Health, and Family Welfare expenditure.
Subsidies	Fiscal Indicators	Subsidies are financial assistance provided by the government to individuals, businesses, or sectors to support the production, consumption, or pricing of specific goods and services.
Buoyancy of Revenue Expenditure with GSDP	Fiscal Indicators	The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.
Committed Expenditure	Fiscal Indicators	Committed Expenditure is calculated as the sum of Wages, Salaries, and Pensions.

List of Acronyms

- **AISHE** All India Survey on Higher Education
- **APFRBM** Andhra Pradesh Fiscal Responsibility Act and Budget Management Act
- **AT&C** Aggregate Technical & Commercial
- **BSR** Basic Statistical Returns
- **CAG** Comptroller and Auditor General
- **CapEx** Capital Expenditure
- **CHIPS** Connect, Harness, Innovate, Protect and Sustain
- **DGFT** Directorate General of Foreign Trade
- **DISCOMS** Distribution Utilities/Companies
- **EPWRF** Economic and Political Weekly Research Foundation
- **FC** Finance Commission
- **FLPR** Female Labour Participation Rate
- **FRA** Fiscal Responsibility Act
- **GPI** Gender Parity Index
- **GSDP** Gross State Domestic Product
- **GDP** Gross Domestic Product
- **GSVA** Gross State Value Added
- **GVA** Gross Value Added

List of Acronyms

- **MoSPI** Ministry of Statistical Programme and Implementation
- **MPI** Multidimensional Poverty Index
- **MTFP** Medium Term Fiscal Policy
- **NFHS** National Family Health Survey
- **PFC** Power Finance Corporation
- **PLFS** Periodic Labour Force Survey
- **RBI** Reserve Bank of India
- **RevEx** Revenue Expenditure
- **SDG** Sustainable Development Goal
- **SFR** State Finances Report
- **SPSE** State Public Sector Enterprises
- **SRS** Sample Registration System
- **SC** Scheduled Caste
- **ST** Scheduled Tribe
- **UDAY** Ujwal DISCOM Assurance Yojana
- **U-DISE** Unified District Information System for Education

Selected Research Topics

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NCAER-NITI AAYOG State Fiscal And Economic Dashboard

Research & Commentary

- Paper
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- Presentations

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