

Summary Report for the State of Tripura



1. Demography

As per Census population projections for 2022-23, Tripura has a population of 4.1 million and represents 0.3 percent of the country's total population.¹ The State's projected population growth, at 0.9 percent, is equal to the national average, as of 2022-23. The State's population density, at 350 persons per sq. km., is below the national average of 415 persons per sq. km. (2021). Its dependency ratio, at 55.3 percent, is lower than the national average of 65.2 percent (2021). According to 2023 projections, a majority of the State's population lives is rural areas, with only 39.2 percent of its population residing in urban areas. As per the National Family Health Survey (NFHS V), the sex ratio at birth (1028 female births per 1000 male births) in the State is higher compared to the national estimates, as of 2019-21.

As of 2022-23, the State's annual unemployment rate, at 1.4 percent, and the Female Labour Force Participation Rate, at 35.2 percent, are both lower than the respective national averages. The working population in the State is predominantly concentrated in the Services (40.7 percent); Agriculture (35.6 percent); and, Construction (20.5 percent) sectors, in that order.²

2. Economic Structure (Growth and Sectoral Composition)

Tripura's real GSDP grew at an average rate of 7.7 percent during the period 2012-13 to 2021-22, which is higher than the national average growth rate of 5.6 percent.³ The State's share in the country's nominal GDP is 0.3 percent while its nominal per capita income is 11 percent less than the national per capita income, as of 2021-22.

With a share of 44.4 percent of the GSVA in 2021-22, the Services sector is the largest contributor to the State's GSVA, followed by the Agriculture (34.9 percent) and Industry sectors (20.7 percent), respectively. During the period 2013-14 to 2022-23, these three sectors grew by 7.0 percent, 6.1 percent, and 11.6 percent per annum, respectively.⁴

3. Socio-economic Indicators

Tripura's literacy rate, at 87.2 percent, is higher than the national average of 73 percent, as of 2011.⁵ As of 2016-17, the State had a higher school drop-out rate, at 29.8 percent, for Classes VIII to X, as compared to the national average. The pass percentage for students (91.1 percent for Class XII in 2016-17) is above the national average. The Gross Enrolment Ratio at the Higher Secondary level (43.5 percent in 2021) and at the Higher Education level (19.2 percent in 2021) are both lower than the respective national averages.⁶ For the age group 18 to 23 years, the Gender Parity Index in Higher Education (the ratio of girls to boys enrolled in higher

¹ Projected data on population growth rate, dependency ratio, population density, and urban population is sourced from *"Population Projections for India and States, 2011-2036"* by the Technical Group on Population Projections, National Commission on Population, Ministry of Health and Family Welfare, Government of India.

² Data on unemployment, female labour force participation, and workforce distribution is from the Periodic Labour Force Survey, 2017-18 to 2023-24.

³ Data on Economic Structure is sourced from Ministry of Statistics and Programme Implementation (MoSPI), as of August 2023

⁴ Data use is sourced from MoSPI, as of March 2024.

⁵ Literacy data is sourced from Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, 2011.

⁶ Data on dropout rates, pass percentage of students and Gross Enrolment Ratio at the Higher Secondary Level is taken from Unified District Information System for Education, 2015-16.

education institutions) and college density in the State, are both lower than the respective national averages, as of 2021.⁷

In terms of health indicators, the Infant Mortality Rate, at 18 deaths per 1000 live births, and the Total Fertility Rate, at 1.7 children per woman, are both lower than the respective national averages, as of 2019-21. The share of fully immunised children (69.5 percent) is lower than the national average, as of 2019-21. The State has shown improvement on the 'quality of life' indicators over time, as the households' access to electricity (97.9 percent) and sanitation facilities (71.5 percent) are both slightly above the respective national averages. However, the households' access to drinking water (88.5 percent) is still below the national average, as of 2019-21.

4. State of Public Finances and Tax Devolutions

Tripura's debt-to-GSDP ratio, at 32.2 percent, is close to that of a median State,⁹ and its contingent liabilities, at 1 percent of GSDP, are lower than those of a median State, as of 2022-23.¹⁰ The fiscal deficit and primary deficit levels, at 4 percent and 2 percent, respectively, are both slightly higher than that of a median State, as of 2022-23. The State had a revenue surplus of 0.6 percent of GSDP in 2022-23, which is higher than the median State's deficit of 0.4 percent.

As of 2022-23, the State collected almost twice as much revenue as compared to a median State. Its expenditure-to-GSDP ratio, at 33.3 percent, is higher than that of a median State.

The State's share in taxes from the Centre, as per the recommendations of the Finance Commission (FC), increased from 0.6 percent under 14th FC to 0.7 percent under 15th FC. The State's share in the total grants-in-aid increased by 1.2 percentage points from 1.1 percent under the 14th FC to 2.3 percent under the 15th FC.

5. Fiscal Rules

The Tripura Fiscal Responsibility and Budget Management (FRBM) Act, 2005, enacted under the 12th FC's recommendations, establishes fiscal targets for ensuring prudent fiscal management. Since 2005, the Act has been amended four times in 2007, 2011, 2020, and 2022.

The fiscal targets under these amendments have been modified as follows:

Revenue Deficit: The Act of 2005 required the State to maintain a revenue surplus by making a balance in revenue receipts and expenditure, and building up a further surplus. The 2011

⁷ Data on Gross Enrolment Ratio at the Higher Education Level, Gender Parity Index, and college density is taken from the All-India Survey on Higher Education, 2020-21.

⁸ Data on health variables is sourced from National Family Health Survey and the Sample Registration System.

⁹ Data on fiscal variables is sourced from Reserve Bank of India, State Finances Report, as of December 2023.

¹⁰ For calculation of a median state, the variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and the North-eastern States, except Assam). The Macro and Fiscal Landscape State brief includes this benchmark in the States' Median (Large States), Column 6, Table 4A.

¹¹ Data is sourced from the State Audit Report of the CAG for the respective years and the State Government Gazette.

amendment mandated the State to strive to achieve nil revenue deficit every year up to the period ending 31 March 2015, and thereafter.

Fiscal Deficit: The initial 2005 Act mandated the State to strive to bring down its fiscal deficit to 3 percent by the year ending March 2010. The 2007 amendment raised this level to 3.5 percent of GSDP by the year ending March 2010. The 2011 amendment required the State to bring down fiscal deficit as percent of estimated GSDP to 3.0 percent by 2013-14 and 2014-15. The 2020 amendment provided for an additional fiscal deficit of Rs. 378 Crore over and above the normal fiscal deficit limit as a one-time special dispensation, and for the financial year 2020-21, additional fiscal deficit of 2 percent over and above 3 percent of the GSDP (up to 5 percent of GSDP). The 2022 amendment required the State to reduce fiscal deficit as a percent of GSDP to not more than 3.0 percent by 2025-26.

Outstanding Liabilities: Initially, the State Act of 2005 mandated the State to ensure that the total debt stock did not exceed 40 percent of the estimated GSDP for that year within a period of five years, beginning from 1 April 2005 and ending on 31 March 2010. The 2011 amendment raised this level to: 45.2 percent in 2010-11, 44.9 percent in 2011-12, 44.6 percent in 2012-13, 44.2 percent in 2013-14, and 43.8 percent in 2014-15.

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, the State was able to meet revenue deficit targets for only two out of five years (2018-19 and 2021-22). It was able to meet fiscal deficit targets for three years (2018-19, 2020-21 and 2021-22). However, the State stayed within targets for the outstanding liabilities for four out of five years, with the only exception being the year 2020-21.