

ODISHA STATE BUDGET 2013-14: A Quick Response

The state budget 2013-14 has been presented in Odisha legislative Assembly today (19 February 2013). After Karnatak, Odisha is the second state to bring a separate budget on Agriculture this year in India. Odisha Budget and Accountability Centre (OBAC) has prepared a quick response on the budget presented by the state which may be helpful for the researchers, media and academicians to think through on the critical aspects of the budget 2013-14. Deeper analysis is going on and some of the quick observations on Budget 2013-14 are given below.

Fiscal scenario 2013-14

Revenue surplus State: The State maintains revenue surplus since 2005-06. It is estimated Rs. 1904.61 Cr for this year.

Lower annual growth rate of GSDP: The estimated growth of GSDP is 13% which was 19.8% and 19.3% during 2012-13 and 2010-11 respectively.

Annual Growth in the size of the Budget is lowest in four years: The total budget size for 2013-14 is estimated at Rs. 60326.11 Cr. The growth of this year's budget is 16.3%- lower compared to 23.1%, 16.8% and 18.1% in the years 2012-13, 2011-12 and 2010-11 respectively.

Annual Growth of the plan size is lower: Plan budget for 2013-14 is Rs. 22344.52 Cr. which comprise of Rs. 19367 Cr for Government sector and Rs. 2100 Cr for PSUs in the state. The growth of plan budget is 23% in 2013-14 against 28.3% and 29.7% in 2012-13 and 2010-11 respectively.

Non plan budget: Non plan budget for the current year is estimated at Rs. 37958.57 Cr. – Which includes Rs. 13316.19 Cr, Rs. 6728 Cr, Rs. 5007.86 Cr and Rs. 3591.82 Cr towards salaries, pension, interest payment and maintenance of capital assets. **Pension and Interest payment holds 18% and 13% in non plan budget of the state.**

Significant annual growth in capital expenditure: Capital budget for the current year is estimated with 36.4% growth over previous year which is Rs. 7840.13 Cr.

Own revenue growth target is not encouraging: No tax enhancement measures have been taken up in this year. Own revenue receipt (Own tax and non tax) for 2013-14 is estimated at Rs. 24430 Cr which is 12% growth over previous year. The growth of own revenue receipt was 31% and 24.5% during 2010-11 and 2011-12 respectively.

This year, receipt from centre also continues with more than 50 percent i.e 52.34 % of total receipt.

The total debt stock of the state for current year is Rs. 45561.12 Cr which includes **net debt of Rs. 4985.6 Cr, highest over years since 1999-00.**

	2009-10	2010-11	2011-12	2012-13 RE	2013-14 BE
Rs. In Crs					
Expenditure Indicators					
Plan	8901.54	11549.18	14157.53	18162.91	22344.52
<i>Growth</i>		29.7	22.6	28.3	23.0
Non Plan	21639.1	24502.14	27947.56	33674	37958.57
Total State Budget	30540.64	36081.06	42127.67	51865.20	60326.11
<i>Growth</i>		18.1	16.8	23.1	16.3
Revenue	25291.59	29367.94	34660.24	42651.32	49394.37
Capital*	3647.88	4285.11	4728.2	5747.32	7840.13
<i>Growth</i>		17.5	10.3	21.6	36.4
Receipt Indicators					
Own Tax	8982.34	11192.66	13442.74	15310.28	17605
Own non Tax	3212.2	4780.38	6442.96	6500	6825
Total own Revenue	12194.54	15973.04	19885.7	21810.28	24430
<i>Growth</i>		31.0	24.5	9.7	12.0
Receipt from Centre	14235.67	17303.12	20381.32	23799	26868.98
Total State Receipt	26430.21	33276.16	40267.02	45609.28	51298.98
Deficit / Surplus indicators					
Revenue Surplus / Deficit	1138.62	3908.21	5606.78	2957.96	1904.61
Fiscal deficit	3754.07	2741.35	1706	5987.34	8763.82
Debt indicators					
Debt Stock	37730.04	39136.91	38589.37	40575.52	45561.12
Net Debt	1229.5	1406.87	-547.53	1986.15	4985.6
GSDP	162946	194465	215899	258744	292381
<i>Growth</i>		19.3	11.0	19.8	13.0

*Capital expenditure excludes all types of loan repayment out of it
Source: Budget at a Glance, 2013-14, Government of odisha

Health

- Budget for Health and family Welfare department in 2013-14 has increased by Rs. 246.16 Cr from Rs. 1961.01 Cr in 2012-13(RE) to Rs. 2207.17 Cr in 2013-14(BE)
- As share to the GSDP, it is 0.75% which is 0.01% less compared to 2012-13.
- There is **decreased in the share of health expenditure** in the state budget from 3.78 percent in 2012-13 RE to 3.66 percent in the year 2013-14 BE
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- new initiative of Health management Information System with Rs. 10 Cr has been introduced in this year
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- the plan expenditure is 815.72 Cr., which has increased by 53.14 Cr in the current year. It is 36.95 percent of the departmental expenditure, **which is less by 1.91 percent as compared 2012-13RE.**

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- he current budget **emphasis has been laid on non plan expenditure within the department budget allocation.** It is 63.04 percent in 2013-14 BE which was 61.12 percent in 2012-13RE. T
- udget allocation for capital expenditure as percentage of total departmental expenditure is 9.29 percent in the 2013 -14 BE, which was 7.61 percent in 2012-13RE. B
- he state budget has allocated an amount Rs260.95 Crore under the state plan including thirteenth Finance Commission grant for infrastructure development of Medical colleges, staff quarters, sub centre building and new PHC buildings. T
- he govt. has increased the under graduate seats from 150 to 250 each in the existing 3 govt. medical collages. In the current budget Rs 91 Crore has been allocated for extension of building in three govt. medical collages. T
- or Mo Masari scheme Rs 10 Crore is allocated in 13-14 BE, which was 4 Crore in last year F

Education

- Budget for School and Mass Education has increased by 9.75% in 2013-14(BE) than 2012-13(RE). It was Rs 6524.42 Cr. in 2012-13(RE), which has increased to Rs 7160.81 Cr. for 2013-14. There was annual growth rate of 32.23 percentage in 2012-13(compared to 2011-12).
- There is no new scheme in the department of School and Mass Education for the coming financial year.
- **Share decreased:** Share of the School and Mass Education budget in the total state budget is 11.87% which was 12.59% in 2012-13(RE). Similarly as percentage of GSDP it is only 2.44% in 2013-14(BE) which was 2.52% in 2012-13(RE)
- Budget for elementary education has increased by 7.67 % (Rs 339.24 Cr.) over 2012-13(RE).
- Elementary education budget as percentage of School and Mass Education budget has marginally decreased from 67.82% in 2012-13(RE) to 66.53% in 2013-14(BE).

- Capital expenditure(meant for construction of school building, etc.) within the School and Mass Education department is only 0.34% (Rs 24.20 Cr.) of the total budget.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13(RE)	2013-14(BE)
	Rs In Crs						
Total State budget	22844.33	26922.86	30540.64	36051.32	42105.1	51836.91	60303.09
Budget for School and Mass Education Department	2379.56	3351.17	4107.66	4515.17	4934.03	6524.42	7160.81
Budget for S&ME as % of total State budget	10.42	12.45	13.45	12.52	11.72	12.59	11.87
Plan Expenditure	176.51	424.54	620.68	829.86	1144.34	2099.81	2444.59
Revenue Expenditure	2379.07	3351.17	4107.66	4515.17	4893.26	6513.37	7136.61
Capital Expenditure	0.49	0.00	0.00	0.00	40.77	11.05	24.20
Elementary education	1644.22	2209.17	2641.41	2901.74	3153.93	4424.77	4764.01
Elementary education expenditure as % of S&ME budget	69.10	65.92	64.30	64.27	63.92	67.82	66.53

Agriculture

- It is appreciable that the state for the first time presented a special agriculture budget comprising four departments namely agriculture, cooperation, animal husbandry , water resources and energy
- Total budget for agriculture is amounting to 7161 crs. During 2013-14BE
- Though the state adopted the model of karnatak for preparation of separate budget, in terms of budget allocation odisha has allocated 12 percentage contrary to 30 percentage in karnatak(during 2011-12)
- In reality, the agriculture department budget size as a **proportion of the state budget has declined from 3.15 in 2011-12 to 3.02** percentage in 2013-14. It seems agriculture department is not allocated adequately. Similarly as a proportion of GSDP, it declined by .01 percentage compared to the last year
- Annual Growth of Agr. Department budget was as high as 58 percentage during 2008-09, but it declined afterwards and reached to 11.62 during this year 2013-14 which raises question for having a separate budget
- Annual growth in plan expenditure in the agriculture department is lowest from the year 2006-07. During 2006-07, annual growth rate was 25 percent and in 2012-13, it was 32.47 percent, contrary to 13 percentages during the year 2013-14.

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