

Goa Budget Analysis

2022-23

The Chief Minister of Goa, Dr. Pramod Sawant, presented the Budget for the state for the financial year 2022-23 on March 30, 2022.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Goa for 2022-23 (at current prices) is projected to be Rs 91,417 crore. This is a growth of 2.2% over the revised estimate of GSDP for 2021-22 (Rs 89,422 crore). In 2021-22, GSDP is estimated to contract by 3.1% over the previous year (at current prices).
- **Expenditure (excluding debt repayment)** in 2022-23 is estimated to be Rs 21,691 crore, a 10% decrease from the revised estimates of 2021-22 (Rs 24,154 crore). In addition, debt of Rs 2,583 crore will be repaid by the state in 2022-23. In 2021-22, expenditure (excluding debt repayment) is estimated to be 8% higher than the budget estimate.
- **Receipts (excluding borrowings)** for 2022-23 are estimated to be Rs 17,388 crore, which is a marginal decrease from the revised estimates of 2021-22 (Rs 17,424 crore). In 2021-22, receipts (excluding borrowings) are estimated to exceed the budget estimate by Rs 830 crore (an increase of 5%).
- **Fiscal deficit** for 2022-23 is targeted at Rs 4,303 crore (4.71% of GSDP). In 2021-22, as per the revised estimates, fiscal deficit is expected to be 7.53% of GSDP, higher than the budget estimate of 6.57% of GSDP.
- **Revenue surplus** for 2022-23 is estimated to be Rs 434 crore, which is 0.48% of the GSDP. In 2021-22, the state is estimated to observe a revenue deficit of 0.02% of GSDP, as opposed to a revenue surplus of 0.07% of GSDP estimated at the budget stage.

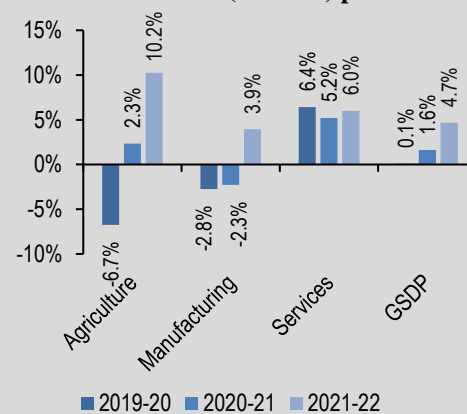
Policy Highlights

- **Education:** The government will set up a State Research Foundation to promote research and innovation in the educational sector across disciplines. Further, a State Education Technology Foundation will be set up to encourage higher education institutions to use latest educational technology.
- **Sanitation:** In 2022-23, the state government aims to increase the sewerage connectivity target from 17% to 28%. Further, sewerage projects will be commissioned at Colva, Kavlem, Baga, and Mapusa.
- **Power:** The government will convert existing overhead conductors to underground cabling across major towns and cities. Further, central assistance under the Revamped Distribution Sector scheme will be availed to undertake projects related to Smart Metering, setting up and augmentation of substations, and system strengthening works.

Goa's Economy

- **GSDP:** Goa's GSDP (at constant prices) is estimated to grow by 4.7% in 2021-22, as compared to a growth of 1.6% in 2020-21. In 2021-22, India's GDP (at constant prices) is estimated to increase by 8.7% (against a contraction of 6.6% in 2020-21).
- **Sectors:** In 2021-22, at current prices, agriculture, manufacturing, and services sectors are estimated to contribute 7%, 49%, and 44% of the economy respectively. In 2021-22, agriculture, manufacturing, and services sectors are estimated to grow (at constant prices) by 10.2%, 3.9%, and 6% respectively.
- **Per capita GSDP:** The per capita GSDP of Goa in 2021-22 (at current prices) was Rs 5,44,865; 8% higher than the corresponding figure in 2020-21. In 2021-22, per capita GSDP of Goa was higher than the per capita GDP at the national level (Rs 1,72,913 at current prices).

Figure 1: Growth in GSDP and sectors in Goa at constant (2011-12) prices



Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

Sources: MoSPI; PRS.

Budget Estimates for 2022-23

- **Expenditure (excluding debt repayment)** in 2022-23 is targeted at Rs 21,691 crore. This is a decrease of 10% over the revised estimate of 2021-22 (Rs 24,154 crore). This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 17,388 crore and **net borrowings** of Rs 4,303 crore. Receipts (excluding borrowings) for 2022-23 are expected to decrease marginally from the revised estimate of 2021-22. In 2021-22, receipts are estimated to be 5% higher than the budget estimates.
- In 2022-23, the state is estimated to observe a **revenue surplus** of Rs 434 crore, which is 0.48% of its GSDP. The state's revenue deficit in 2021-22 is expected to be 0.02% of GSDP as per revised estimates.
- **Fiscal deficit** in 2022-23 is estimated to be 4.71% of GSDP which is higher than limit of 4% of GSDP permitted by the central government in Union Budget 2022-23 (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). In 2021-22, the state has estimated a fiscal deficit of 7.53% of GSDP, which is higher than the limit of 4.5% of GSDP permitted by the central government (of which, 0.5% of GSDP becomes available upon undertaking power sector reforms).

Table 1: Budget 2022-23 - Key figures (in Rs crore)

Items	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21- 22 to RE 21- 22	2022-23 BE	% change from RE 21- 22 to BE 22- 23
Total Expenditure	17,957	24,733	26,419	7%	24,274	-8%
(-) Repayment of debt	3,819	2,264	2,264	0%	2,583	14%
Net Expenditure (E)	14,138	22,469	24,154	8%	21,691	-10%
Total Receipts	18,191	21,088	21,819	3%	22,960	5%
(-) Borrowings	6,783	4,494	4,394	-2%	5,571	27%
Net Receipts (R)	11,408	16,594	17,424	5%	17,388	0%
Fiscal Deficit (E-R)	2,730	5,875	6,730	15%	4,303	-36%
as % of GSDP	2.96%	6.57%	7.53%		4.71%	
Revenue Balance	-665	58	-19	-133%	434	2348%
as % of GSDP	-0.72%	0.07%	-0.02%		0.48%	
Primary Deficit	1,069	3,981	4,836	21%	2,314	-52%
as % of GSDP	1.16%	4.45%	5.41%		2.53%	

Note: Positive revenue balance indicates a revenue surplus while negative revenue balance shows a revenue deficit. BE is Budget Estimates; RE is Revised Estimates.

Sources: Goa Budget Documents 2022-23; PRS.

Expenditure in 2022-23

- **Revenue expenditure** in 2022-23 is estimated to be Rs 16,916 crore, which is a decrease of 3% from the revised estimate of 2021-22 (Rs 17,437 crore). This expenditure includes the payment of salaries, pensions, interest, and subsidies. In 2021-22, as per the revised estimates, revenue expenditure is estimated to be 5% higher than budgeted.
- **Capital outlay** in 2022-23 is estimated to be Rs 4,759 crore, which is a decrease of 29% from the revised estimate of 2021-22. Capital outlay comprises expenditure towards creation of assets. This includes expenditure on building schools, hospitals, and roads and bridges. In 2021-22, capital outlay is estimated to be 13% higher than the budget estimate.

Spending on Capital Outlay

Goa estimates to spend Rs 4,759 crore on capital outlay in 2022-23 which is a decrease of 29% from the revised estimates of 2021-22. In 2022-23, most sectors such as social welfare and nutrition, transport, and police have seen a decline in allocation for capital outlay. In 2020-21, actual spending on capital outlay fell short of the budget estimates by 66%. Between 2015-20, spending by the state on capital outlay was 54% lower than budget estimates. During 2015-20, underspending on capital outlay by Goa was the highest among all states. On average, states underspent their capital outlay budget by 17%.

Table 2: Expenditure budget 2022-23 (in Rs crore)

Items	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
Revenue Expenditure	12,070	16,529	17,437	5%	16,916	-3%
Capital Outlay	2,067	5,920	6,697	13%	4,759	-29%
Loans given by the state	2	20	20	0%	17	-16%
Net Expenditure	14,138	22,469	24,154	8%	21,691	-10%

Sources: Goa Budget Documents 2022-23; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. Allocation of a large portion of the budget for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as developmental schemes and capital outlay. In 2022-23, Goa is estimated to spend Rs 4,029 crore on committed expenditure items (excluding salaries), which is 23% of its revenue receipts. This comprises spending on pension (12% of revenue receipts), and interest payments (11%). Interest payments in 2022-23 are estimated to increase by 5% over the revised estimate of 2021-22 while expenditure on pension is estimated to decrease by 7%.

Table 3: Committed Expenditure in 2022-23 (in Rs crore)

Items	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
Salaries	NA	NA	NA	-	NA	-
Pensions	1,412	2,195	2,195	0%	2,041	-7%
Interest Payment	1,473	1,894	1,894	0%	1,988	5%
Total Committed Expenditure	2,885	4,088	4,088	0%	4,029	-1%

Sources: Goa Budget Documents 2022-23; PRS.

Sector-wise expenditure: The sectors listed below account for 65% of the total expenditure on sectors by the state in 2022-23. A comparison of Goa's expenditure on the key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Goa Budget 2022-23 (in Rs crore)

Sectors	2020-21 Actuals	2021-22 BE	2021-22 RE	2022-23 BE	% change from RE 21-22 to BE 22-23	Budget Provisions 2022-23 BE
Energy	2,305	3,033	3,078	3,135	2%	Rs 1,900 crore has been allocated towards cost of bulk supply of power from NTPC, KPTCL, and RSPCL.
Education, Sports, Arts, and Culture	2,126	3,076	3,208	3,071	-4%	Rs 1,035 crore has been allocated for assistance to non-government secondary schools. Rs 562 crore has been allocated towards elementary education.
Health and Family Welfare	1,250	1,595	1,970	1,966	0%	Rs 804 crore has been allocated towards Urban Health Services- Allopathy.
Water Supply and Sanitation	768	2,012	2,022	1,086	-46%	Rs 352 crore has been allocated towards capital outlay on sewerage and sanitation. Rs 324 crore has been allocated for Urban Water Supply Programme.
Transport	618	1,678	1,926	1,072	-44%	Rs 685 crore has been allocated towards roads and bridges.
Police	564	578	644	939	46%	Rs 554 crore has been allocated towards District Police.
Social Welfare and Nutrition	715	957	1,174	922	-21%	Rs 357 crore has been allocated towards welfare of aged, infirm, and destitute.
Agriculture and allied activities	425	538	725	703	-3%	Rs 252 crore has been allocated towards crop husbandry.
Urban Development	170	568	686	613	-11%	Rs 136 crore has been allocated for Assistance to Local Bodies Corporation, Urban Development Authorities, and Town Implementation Boards etc.
Rural Development	286	528	594	532	-10%	Rs 352 crore has been allocated for Panchayati Raj.
% of total expenditure on all sectors	65%	65%	66%	65%		

Note: NTPC- National Thermal Power Corporation; KPTCL- Karnataka Power Transmission Corporation; RSPCL- Rajasthan State Petroleum Corporation.

Sources: Goa Budget Documents 2022-23; PRS.

Receipts in 2022-23

- **Total revenue receipts** for 2022-23 are estimated to be Rs 17,350 crore, a marginal decrease from the revised estimate of 2021-22. Of this, Rs 11,367 crore (66%) will be raised by the state through its **own resources**, and Rs 5,983 crore (34%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (18% of revenue receipts) and grants (16% of revenue receipts).
- **Devolution:** In 2022-23, the state estimates to receive Rs 3,174 crore in the form of share in central taxes, a decrease of 4% over the revised estimates of 2021-22 (Rs 3,292 crore). In 2021-22, the devolution from the central government is estimated to be 28% higher than the budget estimate.
- **State's own tax revenue:** Total own tax revenue of Goa is estimated to be Rs 6,241 crore in 2022-23, an increase of 9% over the revised estimate of 2021-22. The state's own tax revenue as a percentage of GSDP is estimated to increase from 4.6% of GSDP in 2020-21 (as per actuals) to 6.8% of GSDP in 2022-23 (as per budget estimate).
- **State's non-tax revenue:** In 2022-23, the state is estimated to earn Rs 5,126 crore in the form of state's own non-tax revenue, a 2% increase over the revised estimates of 2021-22. In 2021-22, state's own non-tax revenue is estimated to remain largely unchanged as compared to the budget estimates.

Table 5: Break-up of the state government's receipts (in Rs crore)

Sources	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
State's Own Tax	4,241	5,473	5,721	5%	6,241	9%
State's Own Non-Tax	2,900	5,009	5,008	0%	5,126	2%
Share in Central Taxes	2,297	2,569	3,292	28%	3,174	-4%
Grants-in-aid from Centre	1,967	3,537	3,397	-4%	2,808	-17%
Revenue Receipts	11,405	16,587	17,418	5%	17,350	0%
Non-debt Capital Receipts	3	7	6	-4%	38	503%
Net Receipts	11,408	16,594	17,424	5%	17,388	0%

Note: Some totals may not tally due to roundingoff. BE is Budget Estimates; RE is Revised Estimates.

Sources: Goa Budget Documents 2022-23; PRS.

- In 2022-23, **SGST** is estimated to be the largest source of own tax revenue (45%). SGST revenue in 2022-23 is estimated at Rs 2,783 crore, which is a 12% increase over the revised estimates of 2021-22. There is no change in the estimates of SGST revenue from the budget to the revised stage in 2021-22. The state has estimated to receive Rs 800 crore as GST compensation grants in 2022-23. As per revised estimates for 2021-22, GST compensation grants are expected to be Rs 1,786 crore which is 5% lower than the budget estimates. Goa received Rs 847 crore as GST compensation loans in 2021-22.
- In 2022-23, revenue from Sales Tax/VAT and State Excise are estimated to increase by 28% and 5% respectively over the revised estimates of 2021-22 (Table 6).

GST Compensation ends in June 2022

When GST was introduced, the central government guaranteed states a 14% compounded annual growth in their GST revenue for a period of five years. Any shortfall in a state's GST revenue from this level is covered by the Centre by providing compensation grants to the state. This guarantee ended in June 2022. During 2018-22, Goa has relied on GST compensation grants to achieve the guaranteed SGST revenue level. In 2021-22, Goa is estimated to receive Rs 1,786 crore in the form of GST compensation grants, which is about 31% of its own tax revenue. Hence, beyond June 2022, Goa might see a decline in the level of revenue receipts.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Taxes	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
State GST	1,985	2,483	2,483	0%	2,783	12%
Sales Tax/ VAT	1,081	1,106	1,355	23%	1,731	28%
State Excise	515	598	598	0%	629	5%
Stamps Duty and Registration Fees	350	636	636	0%	609	-4%
Taxes on Vehicles	219	368	368	0%	371	1%
Land Revenue	34	40	39	-2%	41	5%
Other Taxes and Duties	16	181	181	0%	41	16
GST Compensation Grants	1,683	1,887	1,786	-5%	800	-55%
GST Compensation Loans	840	-	847	-	-	-

Sources: Goa Budget Documents 2022-23; Press Information Bureau; PRS.

Deficits and Debt Targets for 2022-23

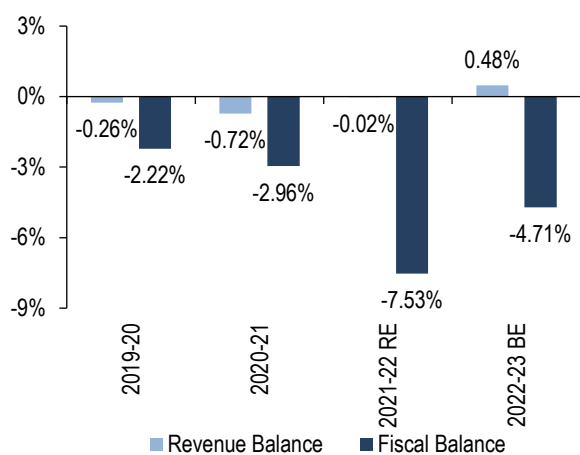
The Goa Fiscal Responsibility Act, 2006 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit, and fiscal deficit of the state government.

Revenue Balance: It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance its expenses which do not increase its assets or reduces its liabilities. In 2022-23, Goa is estimated to observe a revenue surplus of Rs 434 crore, which is 0.48% of the GSDP. The state has estimated a revenue deficit of 0.02% of GSDP in 2021-22 as per the revised estimates.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities of the state government. In 2022-23, the fiscal deficit is estimated to be Rs 4,303 crore (4.71% of GSDP). It is higher than the limit of 4% of GSDP permitted by the central government in 2022-23 as per the Union Budget (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). Fiscal deficit does not take into account transactions from the public account to meet expenditures. Fiscal deficit has been calculated according to the figures provided in the annual financial statement.

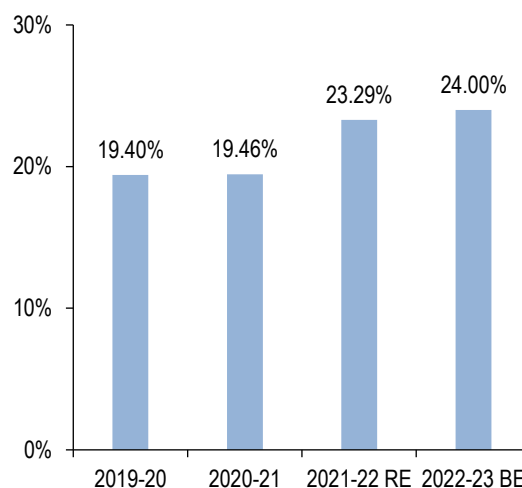
Outstanding public debt: Outstanding public debt is the accumulation of total borrowings at the end of a financial year. At the end of March 2023, the outstanding public debt of the state is estimated to be 24% of the GSDP.

Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: RE is Revised Estimates; BE is budget estimates. A positive figure means a surplus, a negative figure means a deficit.
Sources: Goa Budget Documents 2022-23; PRS.

Figure 3: Outstanding Public Debt (% of GSDP)



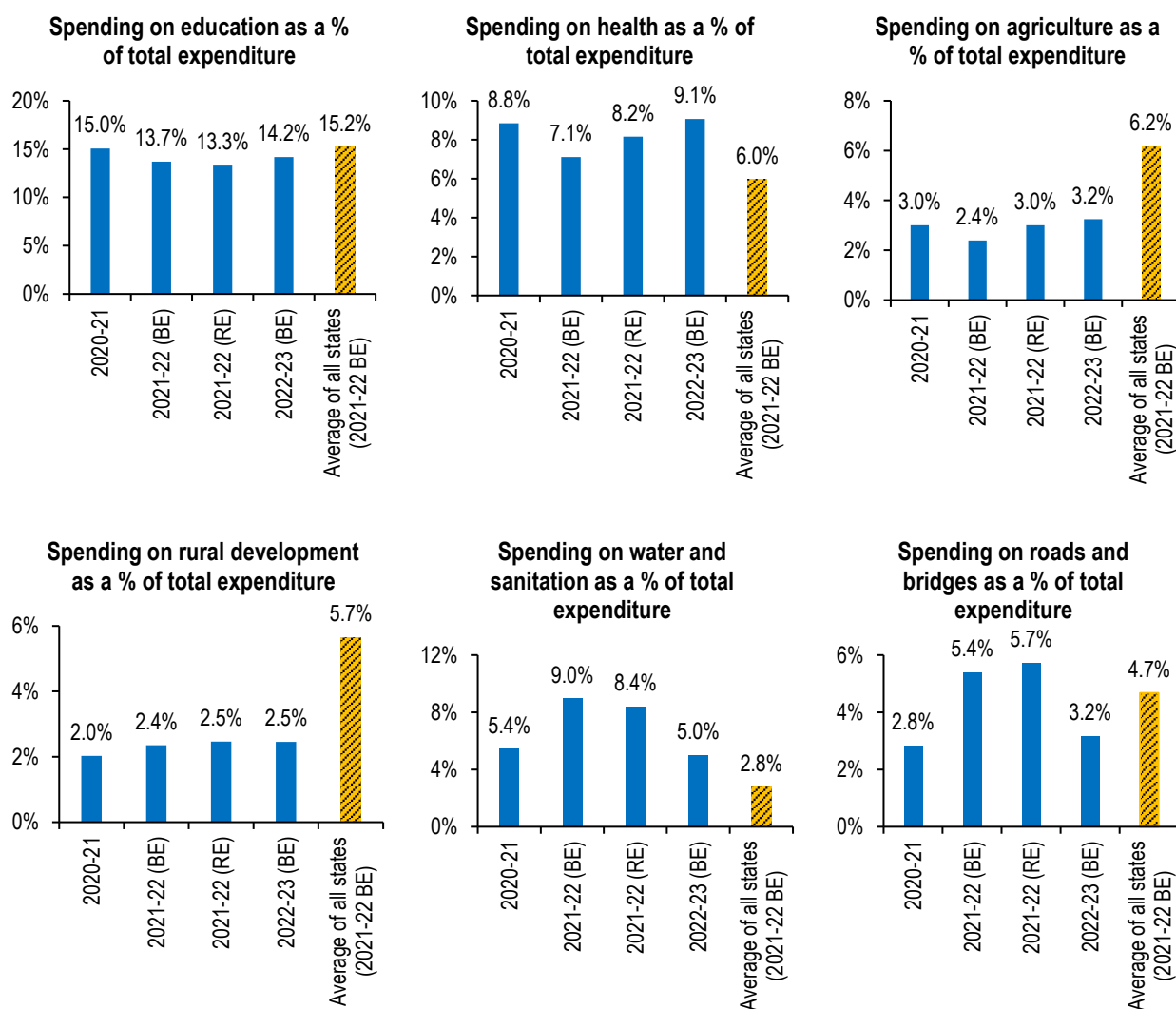
Note: RE is Revised Estimates; BE is budget estimates.
Sources: Goa Budget Documents 2022-23; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Goa's expenditure on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 30 states (including Goa) as per their budget estimates of 2021-22.¹

- **Education:** Goa has allocated 14.2% of its total expenditure for education in 2022-23. This is lower than the average allocation (15.2%) for education by all states (as per 2021-22 Budget Estimates).
- **Health:** Goa has allocated 9.1% of its total expenditure on health, which is higher than the average allocation for health by states (6%).
- **Agriculture:** The state has allocated 3.2% of its total expenditure towards agriculture and allied activities. This is lower than the average allocation for agriculture by states (6.2%).
- **Rural development:** Goa has allocated 2.5% of its expenditure on rural development. This is lower than the average allocation for rural development by states (5.7%).
- **Water and sanitation:** Goa has allocated 5% of its total expenditure on water and sanitation, which is higher than the average expenditure on water and sanitation by states (2.8%).
- **Roads and bridges:** Goa has allocated 3.2% of its total expenditure on roads and bridges, which is lower than the average allocation by states (4.7%).



Note: 2020-21, 2021-22 (BE), 2021-22 (RE), and 2022-23 (BE) figures are for Goa.
Sources: Goa Budget Documents 2022-23; various state budgets; PRS.

¹ The 30 states include the Union Territory of Delhi and Union Territory of Jammu and Kashmir.

Annexure 2: Comparison of 2020-21 Budget Estimates and Actuals

The following tables compare the actuals of 2020-21 with budget estimates for that year.

Table 7: Overview of Receipts and Expenditure (in Rs crore)

Particular	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Net Receipts (1+2)	15,091	11,408	-24%
1. Revenue Receipts (a+b+c+d)	15,081	11,405	-24%
a. Own Tax Revenue	5,845	4,241	-27%
b. Own Non-Tax Revenue	3,836	2,900	-24%
c. Share in central taxes	3,027	2,297	-24%
d. Grants-in-aid from the Centre	2,373	1,967	-17%
Of which GST compensation grants	1,358	1,683	24%
2. Non-Debt Capital Receipts	10	3	-69%
3. Borrowings	2,639	6,783	157%
Of which GST compensation loan	-	840	-
Net Expenditure (4+5+6)	20,820	14,138	-32%
4. Revenue Expenditure	14,727	12,070	-18%
5. Capital Outlay	6,022	2,067	-66%
6. Loans and Advances	71	2	-98%
7. Debt Repayment	1,010	3,819	278%
Revenue Balance	353	-665	-288%
Revenue Balance (as % of GSDP) *	0.38%	-0.72%	
Fiscal Deficit	4,649	2,542	-45%
Fiscal Deficit (as % of GSDP)	5.04%	2.96%	

Note: *A negative revenue sign indicates a deficit, positive sign indicates a surplus. BE: Budget Estimates.

Source: Goa Budget Documents of various years; PRS.

Table 8: Key Components of State's Own Tax Revenue (in Rs crore)

Sector	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Stamps Duty and Registration Fees	728	350	-52%
Land Revenue	68	34	-49%
Taxes on Vehicles	368	219	-40%
SGST	2,772	1,985	-28%
Sales Tax/VAT	1,244	1,081	-13%
State Excise Duty	548	515	-6%

Note: BE is Budget Estimates; RE is Revised Estimates.

Source: Goa Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors (in Rs crore)

Sector	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Urban Development	546	170	-69%
Welfare of SC, ST, OBC, and Minorities	257	86	-66%
Transport	1,274	618	-52%
of which Roads and Bridges	882	402	-54%
Irrigation and Flood Control	653	314	-52%
Housing	23	12	-48%
Rural Development	431	286	-34%
Social Welfare and Nutrition	1,019	715	-30%
Water Supply and Sanitation	1,083	768	-29%
Education, Sports, Arts, and Culture	3,000	2,126	-29%
Agriculture and allied activities	548	425	-22%
Energy	2,822	2,305	-18%
Health and Family Welfare	1,480	1,250	-16%
Police	618	564	-9%

Note: BE is Budget Estimates.

Source: Goa Budget Documents of various years; PRS.