

## Gujarat presents surplus budget, but fiscal deficit widens

The Narendra Modi government today presented a surplus revenue Budget for 2013-14. However, the overall fiscal deficit and public debt are up and the growth rate of Gross State Domestic Product (GSDP) for 2011-12, issued with the Budget, showed a fall.

Nitin Patel, finance minister in the Bharatiya Janata Party government, has proposed a Rs 114,4500 crore Budget. This is 12.5 per cent higher than the Rs 101,712-crore one in 2012-13. In the Budget, Patel estimated a surplus of Rs 796.5 crore. Plan outlay is up 14.7 per cent, from Rs 51,000 crore in 2012-13 to Rs 58,500 crore in 2013-14.

The government also released the quick estimate GSDP figures for 2011-12, which saw a decline in growth over the previous year.

According to the Socio-Economic Review for 2012-13, issued today, GSDP at constant prices (2004-05) for 2011-12 grew 8.5 per cent from 2010-11. This growth was 10 per cent for the previous year.

Growth in per capita income for 2011-12 also came down to 6.9 per cent (at 2004-05 prices) against 9.4 per cent in 2010-11. In 2009-10, this growth was 12.6 per cent.

The Budget, which the finance minister said was focused on development, would raise the fiscal deficit from an estimated Rs 17,831 crore in 2012-13 to Rs 20,496 crore. In percentage of GSDP, this deficit has been revised to 2.61 per cent for 2012-13, against 1.8 per cent in 2011-12. The government estimate for this in 2013-14 is 2.57 per cent.

Patel, however, noted these were all well below the three per cent upper limit prescribed by the Planning Commission.

The proposed Budget, he said, showed the government (re-elected at the end of 2012) had began implementation of nearly 60 per cent of the promises it had made in the BJP's election manifesto. This included power connections to 100,000 framers, five million affordable houses for the neo-middle class, and facilities for irrigation, health and education.

The state's public debt is estimated to rise to Rs 158,770 crore in 2013-14 from the present Rs 133,000 crore.

"The budget," said the finance minister, "reflects our commitment to farmers, the youth, women and children, tribal and coastal communities. Our aim would be to fulfil the needs of the poor and the aspirations of the emerging middle class. The objective of our planning is to ensure prosperity, well being, health and education and security of all citizens."

*(Business Standard)*