

Goa Budget Analysis 2023-24

The Chief Minister of Goa, Dr. Pramod Sawant, presented the Budget for the state for the financial year 2023-24 on March 29, 2023.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Goa for 2023-24 (at current prices) is projected to be Rs 1 lakh crore, amounting to growth of 9.4% over 2022-23.
- **Expenditure (excluding debt repayment)** in 2023-24 is estimated to be Rs 24,571 crore, an increase of 8% over the revised estimates of 2022-23. In addition, debt of Rs 1,923 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2023-24 are estimated to be Rs 20,262 crore, an increase of 11% as compared to the revised estimate of 2022-23.
- **Revenue surplus** in 2023-24 is estimated to be 0.7% of GSDP (Rs 669 crore), marginally higher than the revised estimates for 2022-23 (0.6% of GSDP). In 2022-23, the revenue surplus is expected to be marginally higher than the budget estimate (0.5% of GSDP).
- **Fiscal deficit** for 2023-24 is targeted at 4.3% of GSDP (Rs 4,308 crore). In 2022-23, as per the revised estimates, the fiscal deficit is expected to be 4.8% of GSDP, marginally higher than the budget estimate of 4.7% of GSDP.

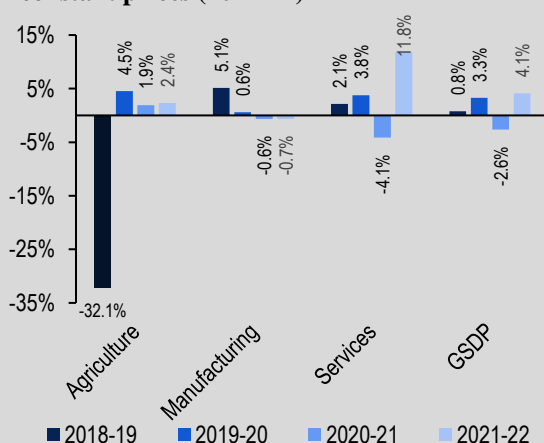
Policy Highlights

- **Digital Payment:** Digital payment methods will be adopted by all government departments and corporations to eliminate cash handling.
- **Mukhyamantri Saral Pagar Yojana:** This scheme will provide government employees instant wages anytime in the month proportional to the number of days worked.
- **Tax changes:** The state will rationalise VAT on natural gas and base it on consumption. The state will introduce a ‘green cess’ on non-Goan vehicles entering Goa. The excise duty on high end liquor will be reduced, and the excise duty on Indian Made Foreign Liquor (IMFL) will be increased marginally.
- **Deen Dayal Upadhyay Grameen Kaushalya Yojana:** Under this scheme candidates will receive training in various professions and courses
- **New and renewable energy:** A Green Goa Policy, 2023 will be formulated, under which incremental power will be procured from green sources without any additional financial burden.

Goa’s Economy

- **GSDP:** In 2021-22, Goa’s GSDP (at constant prices) is estimated to grow at 4.1%, over a low base of the previous year. In 2020-21, GSDP had contracted by 2.6%. In comparison, national GDP grew at 8.7% in 2021-22, after a contraction of 6.6% in 2020-21.
- **Sectors:** Services recorded a high growth over a low base in the previous year (Figure 1). In 2021-22, agriculture, manufacturing, and services sectors are estimated to contribute 8%, 52%, and 40% of the economy, respectively (at current prices).
- **Per capita GSDP:** The per capita GSDP of Goa in 2021-22 (at current prices) is estimated at Rs 5,27,146, an annualised increase of 4% over 2017-18.

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



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

Agriculture includes mining.

Sources: Ministry of Statistics and Programme Implementation; PRS.

Budget Estimates for 2023-24

- **Total expenditure (excluding debt repayment)** in 2023-24 is targeted at Rs 24,571 crore. This is an increase of 8% over the revised estimate of 2022-23. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 20,262 crore and net borrowings of Rs 3,652 crore. Total receipts for 2023-24 (other than borrowings) are expected to register an increase of 11% over the revised estimate of 2022-23.
- **Revenue surplus** in 2023-24 is estimated to be 0.7% of GSDP (Rs 669 crore), marginally higher than the revised estimates for 2022-23 (0.6% of GSDP). **Fiscal deficit** for 2023-24 is targeted at 4.3% of GSDP (Rs 4,308 crore), lower than the revised estimates for 2022-23 (4.8% of GSDP). This is higher than the amount allowed by the central government (3.5% of GSDP, of which 0.5% is provided for power sector reforms).

Table 1: Budget 2023-24 - Key figures (in Rs crore)

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Total Expenditure	19,530	24,274	25,180	4%	26,493	5%
(-) Repayment of debt	2,618	2,583	2,483	-4%	1,923	-23%
Net Expenditure (E)	16,912	21,691	22,697	5%	24,571	8%
Total Receipts	19,448	22,960	23,746	3%	25,837	9%
(-) Borrowings	5,160	5,571	5,456	-2%	5,574	2%
Net Receipts (R)	14,289	17,388	18,290	5%	20,262	11%
Fiscal Deficit (E-R)	2,623	4,303	4,407	2%	4,308	-2%
as % of GSDP	2.9%	4.7%	4.8%		4.3%	
Revenue Surplus	60	434	545	26%	669	23%
as % of GSDP	0.1%	0.5%	0.6%		0.7%	
Primary Deficit	841	2,314	2,479	7%	2,311	-7%
as % of GSDP	0.9%	2.5%	2.7%		2.3%	

Note: BE is Budget Estimates; RE is Revised Estimates. Fiscal deficit has been calculated using numbers in the Annual Financial Statement
Sources: Budget at a Glance, Goa Budget 2023-24; PRS.

Expenditure in 2023-24

- **Revenue expenditure** for 2023-24 is proposed to be Rs 19,558 crore, an increase of 10% over the revised estimate of 2022-23. This includes the expenditure on salaries, pensions, interest, grants, and subsidies.
- **Capital outlay** for 2023-24 is proposed to be Rs 5,001 crore, which is largely same as the revised estimate of 2022-23. Capital outlay indicates the expenditure towards creation of assets.
- In 2023-24, loans given by the state are projected to decrease by 14% (Rs 12 crore) as compared to the revised estimates of 2022-23 (Rs 14 crore).

Spending on Capital Outlay

Goa estimates to spend Rs 5,001 crore on capital outlay in 2023-24, which is broadly similar to the revised estimates for 2022-23 (Rs 4,977 crore). The revised estimates for 2022-23 are 5% higher than the budget estimates. However, as per the actual figures for 2021-22, Goa underspent on capital outlay by 55%. Between 2015 and 2020, Goa spent 54% less on capital outlay than what was estimated at the budget stage. This was the highest amongst all the states. Underspending on capital outlay by states, on average, was 17% during the same period.

Table 2: Expenditure budget 2023-24 (in Rs crore)

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Revenue Expenditure	14,227	16,916	17,706	5%	19,558	10%
Capital Outlay	2,681	4,759	4,977	5%	5,001	0%
Loans given by the state	4	17	14	-18%	12	-14%
Net Expenditure	16,912	21,691	22,697	5%	24,571	8%

Sources: Annual Financial Statement, Goa Budget 2023-24; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. A larger proportion of budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2023-24, Goa is estimated to spend Rs 9,369 crore on committed expenditure which is 46% of its estimated revenue receipts. This comprises spending on salaries (25% of revenue receipts), pension (11%), and interest payments (10%).

Table 3: Committed Expenditure in 2023-24 (in Rs crore)

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Salaries	NA	NA	NA	-	5,146	-
Pensions	1,848	2,041	2,045	0%	2,226	9%
Interest Payment	1,783	1,988	1,928	-3%	1,998	4%
Total Committed Expenditure	-	-	-	-	9,369	-

Sources: Medium Term Fiscal Policy and Annual Financial Statement, Goa Budget 2023-24; PRS.

Sector-wise expenditure: The sectors listed below account for **63%** of the total expenditure on sectors by the state in 2023-24. A comparison of Goa's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Goa Budget 2023-24 (in Rs crore)

Sectors	2021-22 Actuals	2022-23 BE	2022-23 RE	2023-24 BE	% change from RE 22-23 to BE 23-24	Budget Provisions 2023-24 BE
Energy	2,501	3,135	3,635	3,790	4%	Rs 1,850 crore has been allocated towards the purchase of power from NTPC, KPTCL and RSPCL.
Education, Sports, Arts, and Culture	2,270	3,071	3,151	3,651	16%	Rs 918 crore has been allocated towards assistance to non-government secondary schools. Rs 252 crore has been allocated towards non-government colleges and institutes.
Health and Family Welfare	1,497	1,966	1,942	2,271	17%	Rs 1,029 crore has been allocated towards Urban Health Services – Allopathy.
Roads and Bridges	559	685	826	1,030	25%	Rs 846 crore has been allocated towards capital outlay on roads and bridges.
Social Welfare and Nutrition	797	922	962	1,010	5%	Rs 324 crore has been allocated towards welfare for the aged, infirm and destitute.
Police	586	939	939	947	1%	Rs 765 crore has been allocated to the District Police.
Water Supply and Sanitation	1,390	1,086	989	938	-5%	Rs 164 crore has been allocated to the Urban Water Supply Program and Rs 196 crore has been allocated for rural water supply.
Agriculture and Allied Activities	429	703	731	661	-10%	Rs 247 crores has been allocated towards crop husbandry.
Urban Development	302	613	615	644	5%	Rs 172 crore has been allocated to local body corporations, urban development authorities, town implementation.
Irrigation and Flood Control	321	519	550	574	4%	Rs 118 crore has been allocated towards capital outlay on medium irrigation and Rs 136 crore has been allocated as capital outlay for minor irrigation.
% of total expenditure on all sectors	63%	63%	63%	63%		

Sources: Annual Financial Statement, Demand for Grants Volume II, Goa Budget 2023-24; PRS.

Receipts in 2023-24

- **Total revenue receipts** for 2023-24 are estimated to be Rs 20,228 crore, an increase of 11% over the revised estimate of 2022-23. Of this, Rs 14,615 crore (72%) will be raised by the state through its **own resources**, and Rs 5,613 crore (28%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (19% of revenue receipts) and grants (8% of revenue receipts).
- **Devolution:** In 2023-24, state's share in central taxes is estimated at Rs 3,943 crore, an increase of 12% over the revised estimate of 2022-23.
- **Grants from the centre** in 2023-24 is estimated at Rs 1,670 crore, a decrease of 50% over the revised estimates for 2022-23. This decline is on account of to the decrease of GST compensation after June 2022.
- **State's own tax revenue:** Goa's total own tax revenue is estimated to be Rs 8,589 crore in 2023-24, an increase of 36% over the revised estimate of 2022-23. Own tax revenue as a percentage of GSDP is estimated at 8.6% in 2023-24. For 2022-23, the state had estimated this ratio at 6.8%, and as per revised estimates, it is expected to be marginally higher (6.9%).

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

Sources	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
State's Own Tax	5,805	6,241	6,331	1%	8,589	36%
State's Own Non-Tax	3,787	5,126	5,060	-1%	6,026	19%
Share in Central Taxes	3,357	3,174	3,509	11%	3,943	12%
Grants-in-aid from Centre	1,337	2,808	3,351	19%	1,670	-50%
Revenue Receipts	14,286	17,350	18,252	5%	20,228	11%
Non-debt Capital Receipts	2	38	38	0%	35	-10%
Net Receipts	14,289	17,388	18,290	5%	20,262	11%

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

Sources: Annual Financial Statement, Budget at a Glance, Goa Budget 2023-24; PRS.

- In 2023-24, State GST is estimated to be the largest source of own tax revenue with a 45% share. State GST revenue is estimated to increase by 38% over the revised estimates of 2022-23.
- Revenue from stamp duties and registration fees is estimated to increase by 80% to Rs 1,098 crore in 2023-24 as compared to the revised estimates of 2022-23 (Rs 609 crore). Revenue from Sales Tax / VAT is also estimated to grow by 24% to Rs 2,142 crore as compared to the revised estimates of 2022-23 (Rs 1,731 crore).

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

Taxes	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
State GST	2,758	2,783	2,783	0%	3,836	38%
Sales Tax/ VAT	1,383	1,731	1,731	0%	2,142	24%
Stamps Duty and Registration Fees	645	609	609	0%	1,098	80%
State Excise	650	629	719	14%	841	17%
Taxes on Vehicles	261	371	371	0%	499	34%
Land Revenue	66	41	41	0%	95	132%
Taxes and Duties on Electricity	-	-	-	-	-	-
GST Compensation Grants	911	800	1,500	88%	50	-97%
GST Compensation Loans	847	-	-	-	-	-

Sources: Annual Financial Statement and Receipt Budget, Goa Budget 2023-24; PRS.

Deficits, Debt, and FRBM Targets for 2023-24

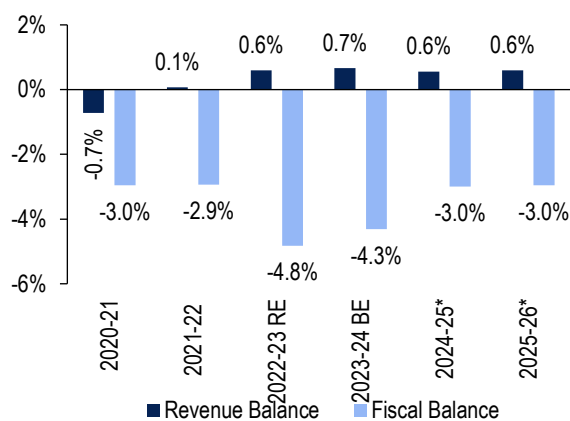
The Goa Fiscal Responsibility and Budget Management Act, 2006 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

Revenue Balance: It is the difference of revenue expenditure and revenue receipts. A revenue surplus implies that the government does not need to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue surplus of Rs 669 crore (or 0.7% of the GSDP) in 2023-24. In 2022-23, the revenue surplus is expected to be Rs 545 crore (0.6% of GSDP) as per revised estimates. The state has projected a revenue surplus of 0.6% of GSDP in 2024-25 and 2025-26.

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. In 2023-24, the fiscal deficit is estimated to be 4.3% of GSDP. For 2023-24, the central government has permitted fiscal deficit of up to 3.5% of GSDP to states, of which 0.5% of GSDP will be available only upon carrying out certain power sector reforms. As per the revised estimates, in 2022-23, the fiscal deficit of the state is expected to be 4.8% of GSDP, which is marginally higher than the budget estimate of 4.9% of GSDP. In 2022-23, the maximum allowed fiscal deficit was 4% of GSDP. The state expects to reduce the fiscal deficit to 3% of GSDP in 2024-25 and reduce it further to 2.96% of GSDP in 2025-26. A higher fiscal deficit limits the ability of the state to borrow funds, which can have an impact on expenditure.

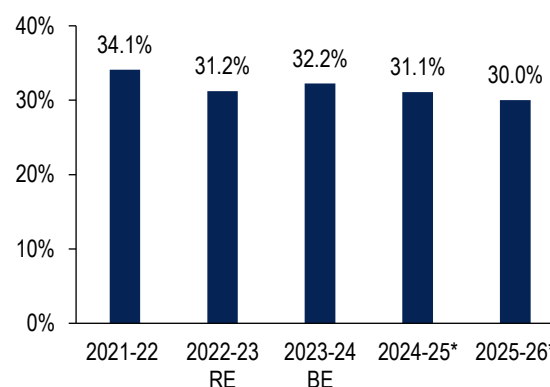
Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes any liabilities on the public account. At the end of 2023-24, the outstanding liabilities is estimated to be 32.2% of GSDP, higher than the revised estimate for 2022-23 (31.2% of GSDP). The outstanding liabilities are expected to reduce to 30% of GSDP by 2025-26.

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



Note: Positive (+) figures indicate a surplus, negative (-) figures indicate a deficit; RE is Revised Estimates; BE is budget estimates.
*Figures for 2024-25 and 2025-26 are projections;
Sources: Medium Term Fiscal Policy, Goa Budget 2023-24; PRS.

Figure 3: Outstanding Liabilities (% of GSDP)



Note: *Figures for 2024-25 and 2025-26 are projections; RE: Revised Estimates; BE: Budget Estimates.
Sources: Medium Term Fiscal Policy, Goa Budget 2023-24; PRS.

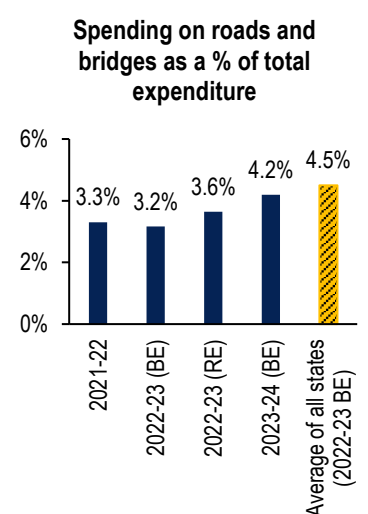
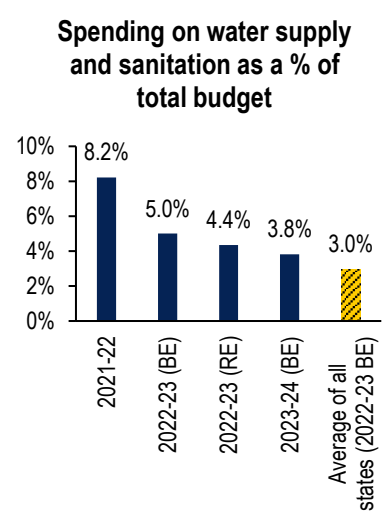
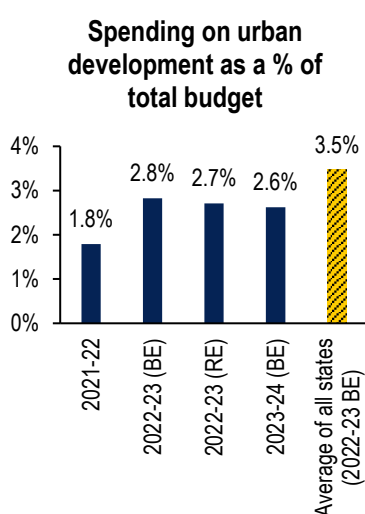
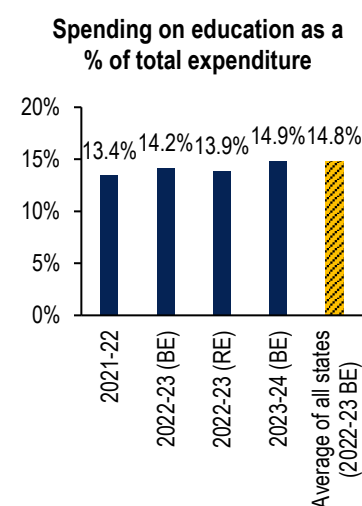
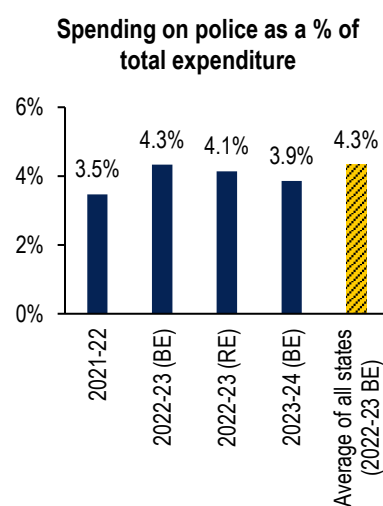
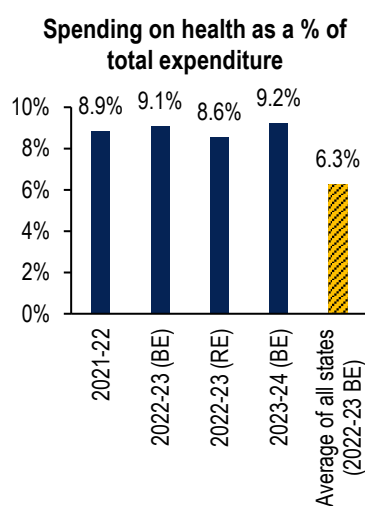
Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. Goa's outstanding guarantees for the year 2022-23 are estimated to be Rs 1,193 crore (1% of GSDP).

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Goa's expenditure in 2023-24 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 31 states (including Goa) as per their budget estimates of 2022-23.¹

- **Health:** Goa has allocated 9.2% of its expenditure on health in 2023-24. This is higher than the average allocation for health by states in 2022-23 (6.3%).
- **Police:** Goa has allocated 3.9% of its total expenditure towards police, which is less than the average allocation for police by states (4.3%).
- **Education:** Goa has allocated 14.9% of its expenditure on education. This is marginally higher than the average allocation for education by states (14.8%).
- **Urban development:** Goa has allocated 2.6% of its expenditure towards urban development. This is lower than the average allocation towards urban development by states (3.5%).
- **Water Supply and Sanitation:** Goa has allocated 3.8% of its total expenditure towards water supply and sanitation, which is higher than the average expenditure by states (3%).
- **Roads and bridges:** Goa has allocated 4.2% of its total expenditure towards roads and bridges, which is lower than the average allocation by states (4.5%).



Note: 2021-22, 2022-23 (BE), 2022-23 (RE), and 2023-24 (BE) figures are for Goa.

Sources: Annual Financial Statement, Goa Budget 2023-24; various state budgets; PRS.

¹ The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

Annexure 2: Comparison of 2021-22 Budget Estimates and Actuals

The following tables compare the actuals of 2021-22 with budget estimates for that year.

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

Particular	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Net Receipts (1+2)	16,594	14,289	-14%
1. Revenue Receipts (a+b+c+d)	16,587	14,286	-14%
a. Own Tax Revenue	5,473	5,805	6%
b. Own Non-Tax Revenue	5,009	3,787	-24%
c. Share in central taxes	2,569	3,357	31%
d. Grants-in-aid from the Centre	3,537	1,337	-62%
Of which GST compensation grants	1,887	911	-52%
2. Non-Debt Capital Receipts	7	2	-67%
3. Borrowings	4,494	5,160	15%
Of which GST compensation loan	0	847	-
Net Expenditure (4+5+6)	22,469	16,912	-25%
4. Revenue Expenditure	16,529	14,227	-14%
5. Capital Outlay	5,920	2,681	-55%
6. Loans and Advances	20	4	-80%
7. Debt Repayment	2,264	2,618	16%
Revenue Surplus	58	60	2%
Revenue Surplus (as % of GSDP)*	0.07%	0.1%	-
Fiscal Deficit	5,875	2,623	-55%
Fiscal Deficit (as % of GSDP)	6.6%	2.9%	-

Note: BE: Budget Estimates. For calculating deficits, GST compensation loan not treated as grants.

Sources: Goa Budget Documents of various years; PRS.

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

Tax Head	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Taxes on Vehicles	368	261	-29%
Stamps Duty and Registration Fees	636	645	1%
State Excise	598	650	9%
State GST	2,483	2,758	11%
Sales Tax/ VAT	1,106	1,383	25%
Land Revenue	40	66	65%
Taxes and Duties on Electricity	-	-	-

Sources: Goa Budget Documents of various years; PRS.

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

Sector	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Welfare of SC, ST, OBC, and Minorities	246	78	-68%
Transport	1,678	831	-51%
<i>of which Roads and Bridges</i>	<i>1,209</i>	<i>559</i>	<i>-54%</i>
Irrigation and Flood Control	621	321	-48%
Housing	26	13	-48%
Urban Development	568	302	-47%
Rural Development	528	355	-33%
Water Supply and Sanitation	2,012	1,390	-31%
Education, Sports, Arts, and Culture	3,076	2,270	-26%
Agriculture and Allied Activities	538	429	-20%
Energy	3,033	2,501	-18%
Social Welfare and Nutrition	957	797	-17%
Health and Family Welfare	1,595	1,497	-6%
Police	578	586	1%

Sources: Goa Budget Documents of various years; PRS.