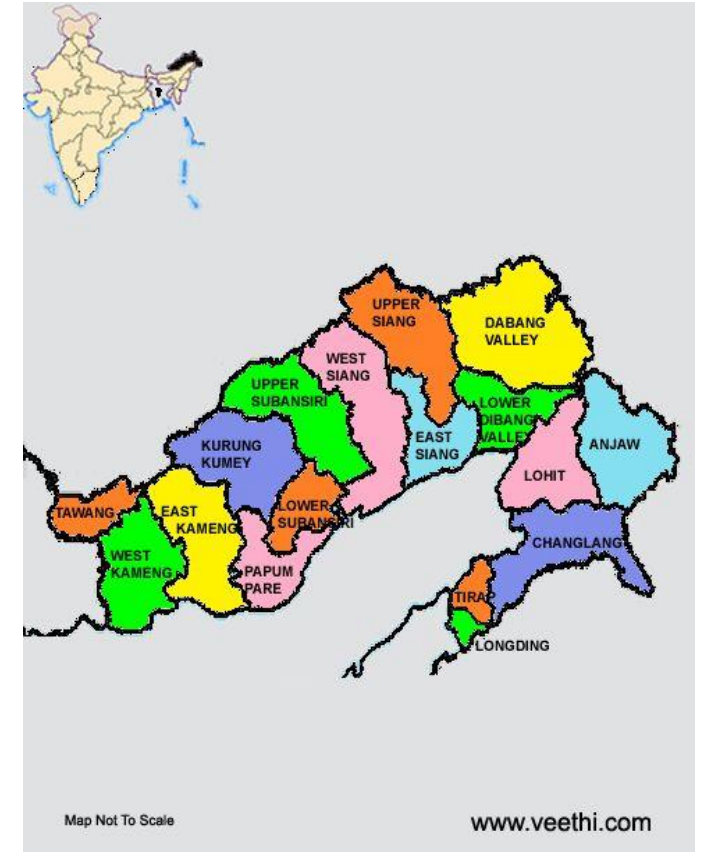


# Basic Details about state Arunachal Pradesh

- ❑ Arunachal Pradesh is the largest among the seven states located in the northeast of India, with an area of **83,743 sq kms.**
- ❑ It shares its borders with the neighboring countries of Bhutan in the west, China (Tibet) in the north and northeast, Myanmar in the east and southeast, and the Indian states of Assam and Nagaland in the south.
- ❑ At current prices, **Arunachal Pradesh's GSDP** is estimated to reach **Rs. 37,870 crore (US\$ 4.60 billion)** in 2023-24.
- ❑ It depicts a growth of **28.9% over 2022-23 budget estimates.**



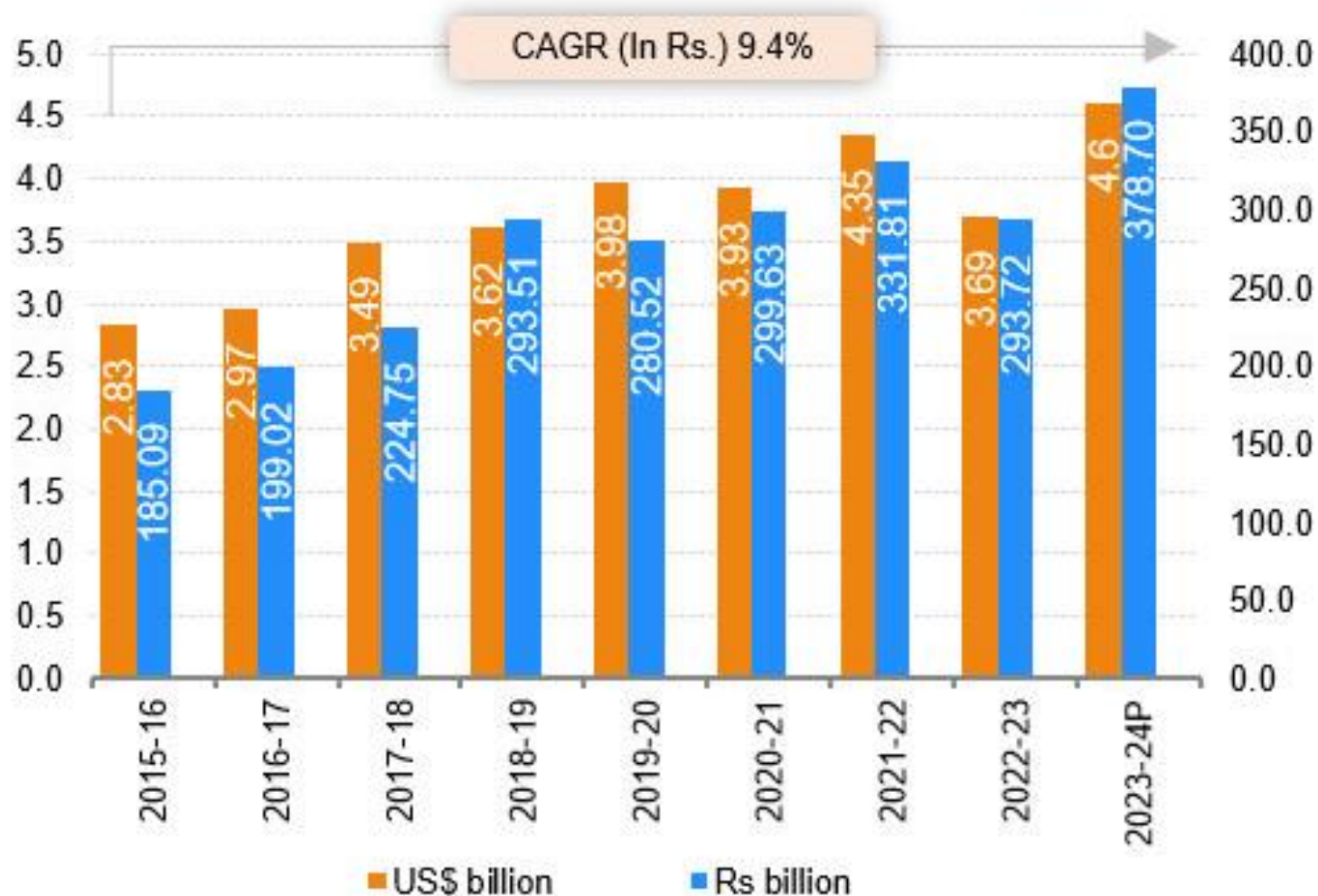
- ❑ The **state's per capita GSDP was Rs. 2,56,410 (US\$ 3,115.08)** in 2022-23. Per capita GSDP increased at 11.0% from 2021-22 to 2022-23.
- ❑ The state is divided into five river valleys - **the Kameng, the Subansiri, the Siang, the Lohit, and the Tirap.**
- ❑ These river valleys have immense hydropower potential, currently estimated at **50,328 Megawatt (MW)**, or approximately **22% of India's current power generating capacity.**
- ❑ As of August 2024, Arunachal Pradesh had a **total installed power-generation capacity of 783.68 MW.**
- ❑ The state's economy is largely **agrarian, based on the terraced farming** of rice and the cultivation of crops such as maize, millet, wheat, pulses, sugarcane, ginger, oilseeds, cereals, potato, and pineapple.
- ❑ In 2021-22\* total horticulture production reached **205.34 thousand metric tonnes (MT).**

## RECENT DEVELOPMENTS IN KEY SECTORS

- ❖ According to the Department for Promotion of Industry and Internal Trade (DPIIT), The state attracted **FDI inflow worth US\$ 5.55 million** between October 2019- June 2024.
- ❖ Merchandise export from the state reached **US\$ 1.01 million in FY25** (Until August 2024).
- ❖ Under the state **budget 2024-25**, the state government has allocated **Rs. 2,657 crore (US\$ 320 million)** each for **Agriculture and Allied activities**.
- ❖ In the **2024-25 budget**, focus was on prioritizing the promotion of eco-tourism, which includes the development of lakes and wildlife sanctuaries like the **Daying Ering wildlife sanctuary**.
- ❖ In 2022-23, construction of **2,000 km of road per year** was announced by the State Government.

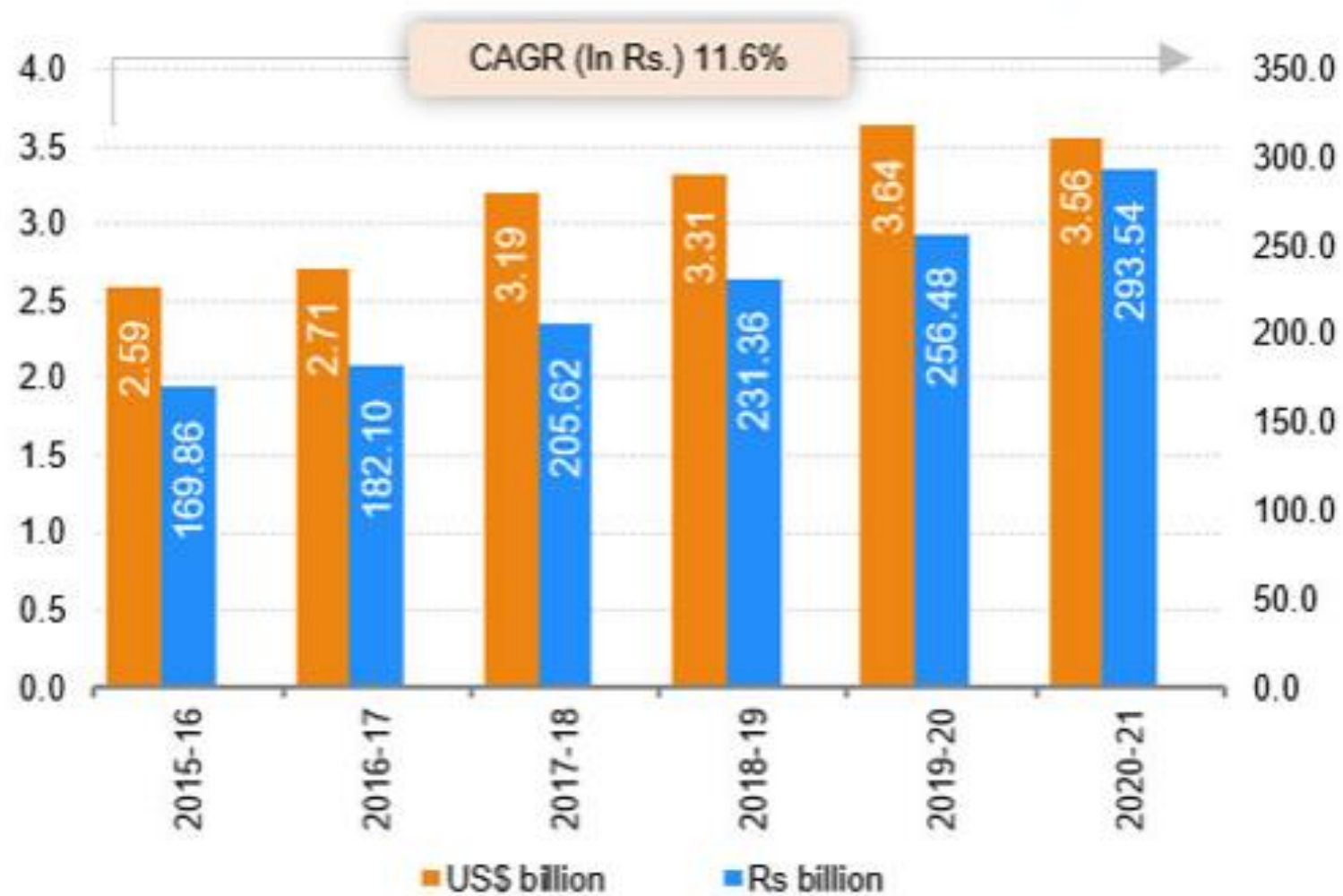
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- ❖ The Prime Minister, Shri Narendra Modi inaugurated **Donyi Polo Airport, Itanagar** and **dedicated 600 MW Kameng Hydro Power Station to the nation** in November, 2022.
  - ❖ The Prime Minister said that **Donyi Polo Airport** will be the fourth operational airport for Arunachal Pradesh, taking the **total airport count in the North-East region to 16**.
  - ❖ According to the **Telecom Regulatory Authority of India (TRAI)**, Arunachal Pradesh had **1.25 million wireless subscribers** and 0.02 million wireline subscribers as of March 2023.
  - ❖ The number of internet subscribers in Arunachal Pradesh stood **at 0.78 million, as of March 2023**. Arunachal Pradesh had a total tele-density of 81.16%, as of March 2023.
  - ❖ Arunachal Pradesh has allocated 11.4% of its total expenditure towards roads and bridges, which is higher than the average allocation by states (4.5%).

## GSDP of Arunachal Pradesh at current prices



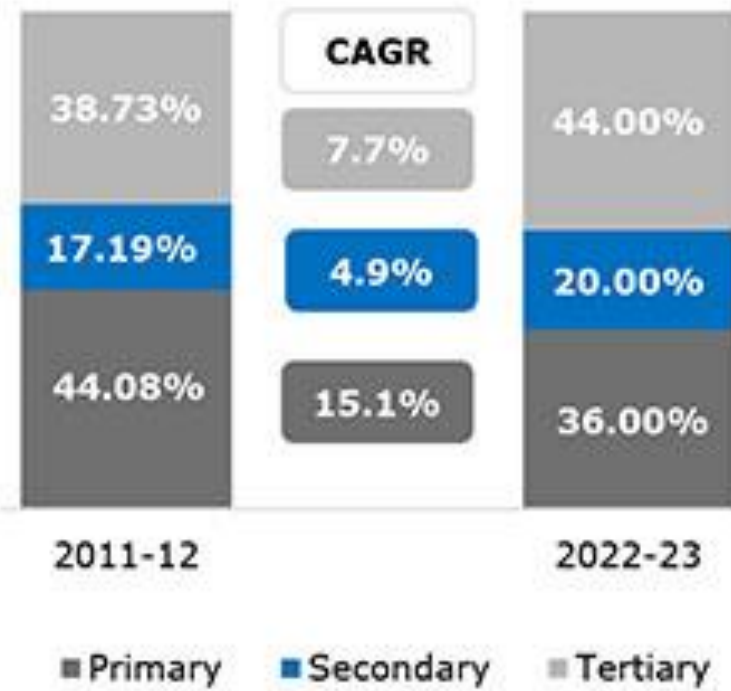
Source: Ministry of Statistics & Programme Implementation

## NSDP of Arunachal Pradesh at current prices

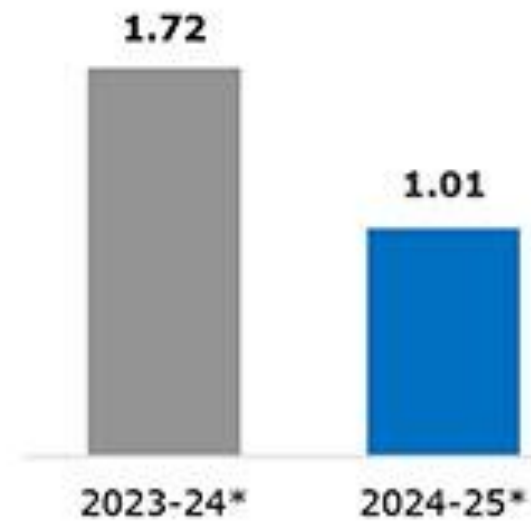


Source: Ministry of Statistics & Programme Implementation

### GSDP Composition by Sector at Current Prices



### Merchandise Export from Arunachal Pradesh (US\$ million) \*Until August





# Arunachal Pradesh Budget Analysis 2024-25

The **Deputy Chief Minister of Arunachal Pradesh, Mr. Chowna Mein**, presented the Budget for the state for the **financial year 2024-25 on July 24, 2024**.

## Budget Highlights

- **Expenditure (excluding debt repayment)** in 2024-25 is estimated to be **Rs 34,270 crore**, an increase of **3.6%** over the revised estimates of 2023-24. In addition, debt of Rs 1,195 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2024-25 are estimated to be **Rs 31,277 crore**, an increase of **6.7%** compared to the revised estimate of 2023-24.
- **Revenue surplus in 2024-25** is estimated to be **11.2% of GSDP (Rs 5,335 crore)**, lower than the revised estimates for **2023-24 (11.9% of GSDP)**.
- **Fiscal deficit for 2024-25** is targeted at **6.3% of GSDP (Rs 2,993 crore)**. In 2023-24, as per the revised estimates, fiscal deficit is expected to be **7.8% of GSDP**, higher than the budget estimate for 2023-24 (6.6%).

## Policy Highlights

- ❑ **Tourism:** Promotion of eco-tourism will be given priority. This will involve development of lakes and wildlife sanctuaries such as the **Daying Ering Wildlife Sanctuary**.
- ❑ **Dulari Kanya Scheme:** The scheme will be revamped to offer incentives up to **Rs 50,000 to women enrolling in graduation** or professional courses.
- ❑ **Agriculture:** A new **‘farm to fork’ Agricultural and Horticultural Policy** will be notified. It will focus on natural farming, enhanced market linkages and export of fruits, vegetables, and flowers.



### 2024-25: Year of Youth & Youth Aspiration



- ◆ Youth Parliaments
- ◆ Youth confluence events in Itanagar
- ◆ Youth Resource Centre
- ◆ Youth Desks in Arunachal Bhavans in Kolkata, Guwahati, and Delhi= ₹ 50 lakhs
- ◆ Revamping Arunachal Yuva Samanvay
- ◆ Establishment of the Arunachal Pradesh Society for Music and Arts
- ◆ Annual calendar events for State level quiz competitions & spelling bees
- ◆ Annual Rozgaar Mela (Kameng, Subansiri, Siang, Dibang & Lohit)
- ◆ Life Skill Sessions in Govt. colleges and schools



**Total allocation for the Department of Youth Affairs ₹ 30 Cr**

Department of Finance, Planning & Investment

## Arunachal Pradesh's Economy

- **GSDP:** In 2023-24, state's GSDP (at constant prices) grew at 9.5%, compared to 7% in 2022-23. In comparison, national GDP is estimated to grow at 8.2% in 2023-24.
- **Sectors:** At constant prices, the agriculture sector grew by 1.2% in 2023-24. In comparison, it had witnessed 2.6% growth in 2022-23. Manufacturing sector grew by 12% in 2023-24, compared to 13% in 2022-23. Services grew by 8% in 2023-24. In comparison, it had grown by 13% in 2022-23.
- In 2023-24, agriculture, manufacturing, and services sectors are estimated to contribute 36%, 24%, and 40% to the economy, respectively (at current prices).
- **Per capita GSDP:** The per capita GSDP of Arunachal Pradesh in 2023-24 (at current prices) is estimated at Rs 2,80,380, an increase of 10% over 2022-23.



The infographic features the Arunachal Pradesh state emblem and the text 'ARUNACHAL BUDGET 2024-25' with a briefcase icon. A large green arrow points upwards, accompanied by a line graph showing an upward trend and a large Indian Rupee symbol (₹). A photograph of an orange SUV driving through water is in the top right. A portrait of a man in a grey vest is in the bottom left. A list of initiatives is on the right, separated by dashed lines.

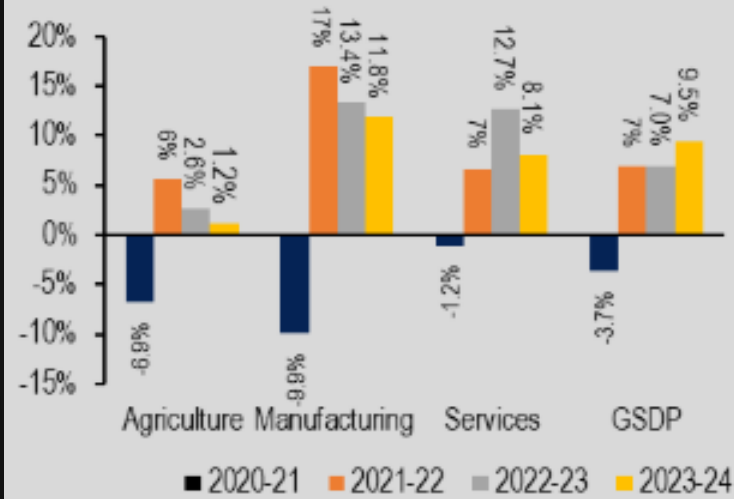
**ARUNACHAL BUDGET 2024-25**

**Youth and Tourism**

(1/2)

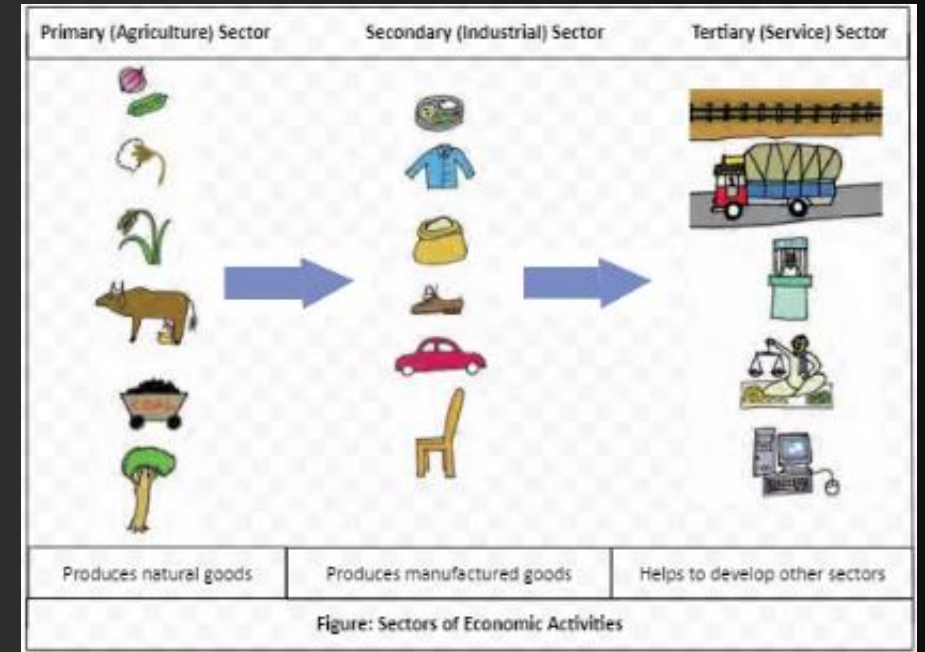
- Notification of **New Tourism Policy**
- Notification of **Film Tourism Policy**
- State-of-the-art infrastructure for **adventure sports**
- Development of **hill stations**
- Outreach events** throughout the country
- Partnerships with **hospitality aggregators** of national and global repute
- Certify and train **local guides**

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



Note: Agriculture also includes mining and quarrying; manufacturing also includes construction, and electricity, gas, water, and other utility services. These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

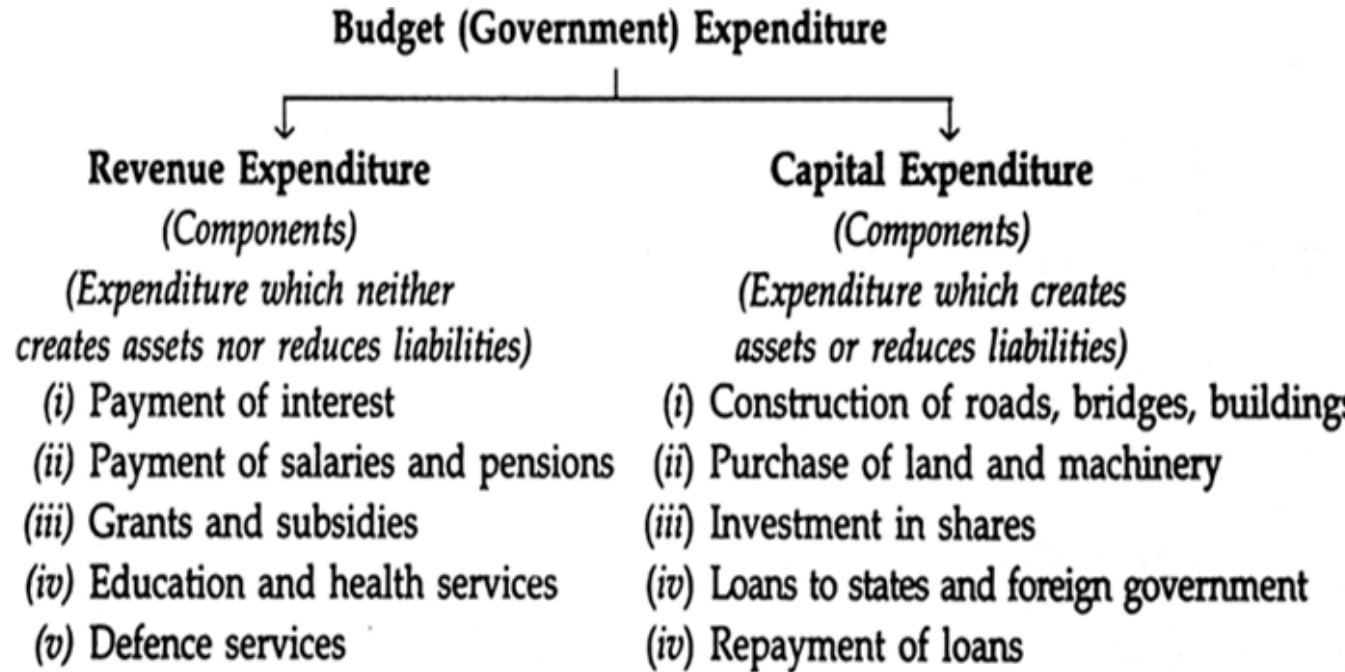
Sources: Arunachal Pradesh Budget Documents for 2024-25; PRS.





## Expenditure in 2024-25

- ❖ **Revenue expenditure** for 2024-25 is proposed to be Rs 25,932 crore, an increase of 10% over the revised estimate of 2023-24.
- ❖ This includes the expenditure on salaries, pension, interest, grants, and subsidies.
- ❖ **Capital outlay** for 2024-25 is proposed to be Rs 8,335 crore, a decrease of 12% over the revised estimate of 2023-24.
- ❖ Capital outlay includes the expenditure towards creation of assets. In 2023-24, revised estimate for capital outlay is 70% higher than budget estimate. This was driven by higher capital outlay on sectors such as police, education, agriculture, irrigation, and transport.





**Table 4 : Sector-wise expenditure under Arunachal Pradesh Budget 2024-25 (in Rs crore)**

Sector	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Roads and Bridges	4,654	3,272	6,045	4,210	-30%
Education, Sports, Arts, and Culture	3,034	2,838	3,594	4,087	14%
Energy	1,969	2,158	2,769	2,733	-1%
Agriculture and Allied Activities	1,700	2,179	2,399	2,657	11%
Health and Family Welfare	1,578	1,500	1,791	1,767	-1%
Police	1,346	1,319	1,474	1,689	15%
Rural Development	1,179	946	1,665	1,549	-7%
Water Supply and Sanitation	1,064	1,214	1,485	1,350	-9%
Social Welfare and Nutrition	720	951	1,002	1,148	15%
Irrigation and Flood Control	698	631	1,205	1,147	-5%
<b>% of total expenditure on all sectors</b>	<b>70%</b>	<b>59%</b>	<b>71%</b>	<b>65%</b>	

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

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023- 24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024- 25
State's Own Tax	2,237	2,565	2,568	0%	2,953	15%
State's Own Non-Tax	1,018	848	911	7%	1,054	16%
Share in Central Taxes	16,689	17,947	19,406	8%	21,432	10%
Grants-in-aid from Centre	3,844	4,798	6,428	34%	5,829	-9%
<b>Revenue Receipts</b>	<b>23,788</b>	<b>26,158</b>	<b>29,313</b>	<b>12%</b>	<b>31,267</b>	<b>7%</b>
Non-debt Capital Receipts	3	10	10	0%	10	0%
<b>Net Receipts</b>	<b>23,792</b>	<b>26,168</b>	<b>29,323</b>	<b>12.1%</b>	<b>31,277</b>	<b>7%</b>

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

<b>Head</b>	<b>2022-23 Actuals</b>	<b>2023-24 Budgeted</b>	<b>2023-24 Revised</b>	<b>% change from BE 23-24 to RE 23-24</b>	<b>2024-25 Budgeted</b>	<b>% change from RE 23-24 to BE 24-25</b>
State GST	1,607	1,959	1,912	-2%	2,199	15%
Sales Tax/ VAT	222	288	321	12%	369	15%
State Excise	281	242	256	6%	294	15%
Taxes on Vehicles	62	40	41	2%	47	15%
Land Revenue	48	22	24	7%	27	15%
Stamps Duty and Registration Fees	18	14	14	-1%	16	15%



## Deficits, Debt, and FRBM Targets for 2024-25

**The Arunachal Pradesh 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 surplus:** It is the difference of revenue expenditure and revenue receipts.

A revenue surplus implies that the government doesn't need borrow to finance its revenue expenditure. The budget estimates a revenue surplus of Rs 5,335 crore (or 11.2% of the GSDP) in 2024-25.

**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 2024-25, the fiscal deficit is estimated to be **6.3% of GSDP**.

For 2024-25, 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 2023-24, the **fiscal deficit of the state is expected to be 7.8% of GSDP**. This is higher than the budget estimate of 2023-24 (6.6%).

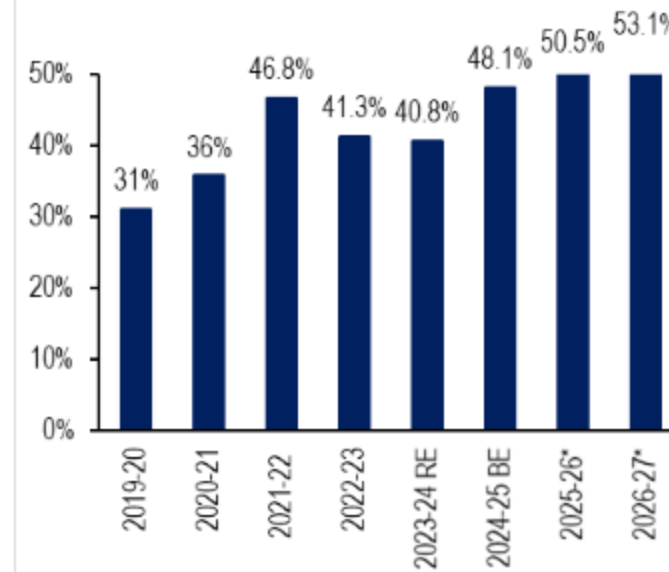
**Outstanding liabilities:** Outstanding liabilities is the accumulation of total borrowings at the end of a financial year.

It also includes any liabilities on public account.

At the end of 2024-25, the outstanding liabilities are estimated to be **48% of GSDP**, higher than the revised estimate for 2023-24 (41% of GSDP).


The outstanding liabilities significantly **increased in 2021-22 (47% of GSDP)**, and have stayed high thereafter.

**Figure 3 : Outstanding Liabilities (as % of GSDP)**



Note: \*Figures for 2025-26 and 2026-27 are projections; RE is Revised Estimates; BE is budget estimates.

Sources: Medium Term Fiscal Policy, Arunachal Pradesh Budget 2024-25; PRS.

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- ❖ **Education:** Arunachal Pradesh has allocated 11.9% of its expenditure on education in 2024-25. This is lower than the average allocation for education by states in 2023-24 (14.7%).
  - ❖ **Health:** Arunachal Pradesh has allocated 5.2% of its total expenditure towards health, which is lower than the average allocation for health by states (6.2%).
  - ❖ **Rural development:** Arunachal Pradesh has allocated 4.5% of its expenditure on rural development. This is lower than the average allocation for rural development by states (5%).
  - ❖ **Police:** Arunachal Pradesh has allocated 4.9% of its expenditure towards police. This is higher than the average allocation towards police by states (4.2%).
  - ❖ **Agriculture:** Arunachal Pradesh has allocated 7.8% of its total expenditure towards agriculture, which is higher than the average expenditure on agriculture by states (5.9%).
  - ❖ **Energy:** Arunachal Pradesh has allocated 8% of its total expenditure towards energy, which is significantly higher than the average allocation by states (4.7%).



# Thank you

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