**GOVERNMENT OF KERALA**

# MEDIUM TERM FISCAL POLICY & STRATEGY STATEMENT WITH MEDIUM TERM FISCAL PLAN FOR KERALA

2014-15 to 2016-17

**FINANCE DEPARTMENT**

2014

## STATEMENT OF COMPLIANCE

- **This 2014-15 Medium Term Fiscal Policy and Strategy Statement is placed before the Legislature in compliance with Section 3 of the Kerala Fiscal Responsibility Act, 2003.**

- **Sections 3 and 4 of the Act requires the Medium Term Fiscal Policy and Strategy Statement to include the following elements all of which have been incorporated in the document:**

1. **A statement of recent economic trends and prospects for growth and development.**
2. **An assessment of sustainability relating to the revenue deficit and the use of capital receipts for generating productive assets.**
3. **An evaluation of the performance against targets for 2012-13 and 2013-14.**
4. **The medium term fiscal objectives of the Government.**
5. **Three year rolling targets for fiscal indicators with specification of underlying assumptions.**
6. **The strategic priorities and key policies of the Government.**
7. **Policies of Government for the ensuing financial year relating to taxation, expenditure, borrowings, other liabilities etc.**

# FOREWORD

Kerala Fiscal Responsibility Act 2003 calls for the submission of a Medium Term Fiscal Policy and Strategy Statement in the State Legislature and accordingly the Statement for 2014-15 is presented herewith at a juncture when rejuvenating economic growth is yet to take off the world over throwing up challenges for fiscal management. While advanced economies are on the path of recovery to some extent, emerging economies like India face the dual challenges of slow growth and still tight global financial environs.

In order to stimulate growth, the Union budget 2013-14 has particularly focused on infrastructure investment even in the face of burgeoning deficits.

Taking a cue from the Centre, the State has improved its capital investment while at the same time treading the path of fiscal consolidation envisaged by the 13$^{th}$ Finance Commission. The debt position of the State in relation to GSDP is at a comfortable position, while Revenue and Fiscal deficits are not, as informed to the 14$^{th}$ Finance Commission, during its visit to the State on 18-12-2013. The targets set by the 13$^{th}$ Finance Commission in respect of Revenue deficit and total debt liabilities for 2014-15 are respectively zero (0) and 29.8 percent in relation to GSDP. The increase in Revenue deficit over the mandated level is attributable to the increase in salaries and pensions consequent on the Dearness Allowance and Dearness Relief hikes which are huge owing to inflation and also drop in State's revenues in the context of persisting economic slowdown. Only through prudent policy and austerity measures, augmentation of revenues while simultaneously boosting capital expenditure can we achieve sustained inclusive growth during 2014-15, the last fiscal when the 13$^{th}$ F.C. recommendations hold sway over central devolution to the State. Tax buoyancy experienced over the last few years will also need to be sustained.

I earnestly seek the whole hearted co-operation and support of every one to achieve the targets set forth in this Medium Term Fiscal Policy and Strategy Statement of Kerala for the period from 2014-15 to 2016-17.

24.01.2014

**K.M. MANI**
**FINANCE MINISTER**

# MEDIUM TERM FISCAL POLICY AND STRATEGY STATEMENT 2014

## 1 OVERVIEW

**1.1.** The slowdown which Indian economy is experiencing during 2013-14 has to be viewed against the background of slow global economic growth from 3.9% in 2011 to 3.2% in 2012. In 2013-14, among major economies, only China is projected to grow faster than India. The Union Government's fiscal policy for 2013-14 has been designed to meet the macro-economic challenges faced by the country in this uncertain global economic situation. Strengthening export growth and signs of revival in some services, along with expected pick-up in agriculture could support an increase in growth in the second half of 2013-14 relative to the first half, raising real GDP growth from 4.4% in first quarter to 5% for the year as a whole. Also, the revival of large stalled projects by the Cabinet Committee on Investment may buoy investment and overall economic activity by the end of this fiscal year.

**1.2.** The Union Budget for 2013-14 has set itself targets of 4.8%, 3.3% and 1.8% for Fiscal, Revenue and Effective Revenue deficits respectively as a percent of GDP. But, official data released in January 2014 reveals that the Central Government has reached 94% of the budgeted Gross Fiscal Deficit during the period up to November 2013 itself. The data also reveals that the Revenue Deficit target has been breached in the first eight months of 2013-14. While these are worrisome, the bigger worry is that the deficits so calculated may not have taken into account a higher than budgeted outgo on food and oil subsidies consequent on the depreciation of the Rupee against the Dollar. The fiscal targets set by the Union Government would appear to elude it this year also.

**1.3.** On an optimistic note, a modest improvement in growth is anticipated by the end of 2013-14 with inflation reaching manageable levels under both Wholesale and Consumer Price Indices. Food inflation pressures would hopefully ease with the monsoon back to normalcy and increase in food production. The 14,000 crore rupee capital infusion plan for public sector banks announced by the Central Government in October this year and interest subsidy hike allowed for exporters, from 2% to 3%, in the wake of falling exports and rising trade deficits would also boost economic growth. It is generally felt that while a sharp turn around from the current economic slump is unlikely, a slow turn to progress is probable when this winter elapses.

**1.4.** With the abundant monsoon received during 2013, Kerala's agriculture and power sectors should pick up this year and consequently income from these sectors should also get a fillip. There should be no problems for the State to achieve its aim of 14.5% growth in nominal GSDP this year, in tune with its Twelfth Plan target, considering its service sector contributions. With the impetus given through positive policy measures to boost private participation and capital expenditure, the State's GSDP growth rate this year is likely to be higher than the GDP growth rate of the country.

## 2. RECENT ECONOMIC TRENDS AND PROSPECTS FOR GROWTH AND DEVELOPMENT

### *2.1. GLOBAL SCENARIO*

**2.1.1.** In 2013, developing countries and economies in transition continue to register a more robust growth than their developed counterparts across the world. As a result of the slowdown in 2012, many of these countries in East and South Asia and Latin America adopted expansionary monetary policies to bolster their domestic demand. Along with slight increase in external demand, these economies have done well in 2013. The same is not the case with BRICS (Brazil, Russia, India, China and South Africa) countries where the pick-up in growth is slower. Among BRICS nations, China is likely to have a more sustainable and balanced growth.

**2.1.2.** The 17-country Euro zone economy grew just 0.1% in the third quarter of 2013 compared to the first quarter as output slowed in Germany, the largest Euro zone economy and declined in France, the second largest economy in the zone. This is contrary to expectations that the market stability seen in the zone over the last year would sustain a more aggressive growth in 2013. The weakling in the zone is Greece, the economy of which contracted 3% in the third quarter compared to the same period a year earlier.

Euro zone's performance compares poorly with the 2.8% growth rate recorded by the United States on an annualized basis.

**2.1.3.** In the first half of 2013, the Canadian economy grew at an annual rate of 1.75% riding a spurt in its export and energy sectors as well as increased private consumption. The growth is likely to come down to 1.5% in the second half of 2013 and escalate to 2.25% in 2014, as net exports and business investments could benefit from the U.S. recovery which would offset slower consumption growth. Asia would be affected by an unexpected slowdown in any of its larger economies, particularly China, India and Japan. The recent hostilities between China and Japan regarding territorial disputes in the East China Sea could affect the economies in the Asia zone, should the rivalry reach a conflagration point. Philippines economy has been affected badly by Typhoon Haiyan in addition to the lost lives. 'Abenomics' introduced by Japanese Prime Minister Shinzo Abe seems to be working for Japan as the stock market had subsequently risen by 55% and consumer spending has pushed first quarter economic growth during 2013-14 up by 3.5%. Clearly, the Prime Minister's measures have jolted Japan's economy from a state of suspended animation prevalent for a decade or two in that country. According to official data, China's economy posted year-over-year growth of 7.8% in the third quarter during 2013-14 after recording growths of 7.75% and 7.5% growth in the first and second quarters respectively. The G20 Summit concluded in September 2013 called for sound policies to address economic and financial stability. They committed themselves to ensure that policies implemented to support domestic growth also support global growth and financial stability. In the summit, the BRICS group agreed to set up a $100-billion Currency Reserve Fund by announcing individual contribution, of which India will chip in with $18-billion.

## *2.2. NATIONAL SCENARIO*

**2.2.1** The slowdown facing the Indian economy extended into 2013-14 with growth rate reaching 4.6% during the period up to September 2013. The slowdown was broad-based reflecting moderation in the services and agricultural sectors and contraction in the industrial sector, in terms of output, mainly in mining and manufacturing sectors. While the mining sector has been in the doldrums for a while, manufacturing sector was facing declining outputs from machinery and equipment industries during April-August 2013. The woes troubling the mining industry, particularly declining coal production, affected thermal power generation drastically which decelerated to 1.8% during April-August 2013 from 8.6% last year. However, the heavy monsoon this year has boosted hydro-power generation by 20.2% during April-August 2013. The index of industrial production (IIP) for April-August 2013 grew marginally by 0.1%. Moderate growth of 'construction' and 'trade, hotels, restaurant, transport and communication' sectors brought services sector growth down to 6.2% during 1st quarter of 2013-14 compared to the 7.6% growth rate during the same period last year.

**2.2.2.** The report of the International Food Policy Research Institute, 2013 and HUNGaMA (Hunger and Malnutrition) survey report 2011 where India fared poorly prompted the introduction of the National Food Security Act (NFSA) 2013, as a step towards nutritional security. The implementation of the Act would put pressure on public finances and push up the Fiscal Deficit to a level of 5% of GDP. There are other constraints like storage and transportation which along with leakage, pilferage, damage etc. would further add to the troubles.

**2.2.3.** In its report 'India Development Update', the World Bank has forecasted the real GDP of Indian economy to grow by 4.7% in 2013-14 and to accelerate to 6.2% in 2014-15. Earlier, the IMF and ADB had projected the growth rate at 4.25% and 4.7% respectively. Other agencies like Finance Ministry, RBI and PMEAC have the pegged the growth rate at 5.5%, 5.5% and 5.3% respectively. The reasons for weak growth rate according to the World Bank are high inflation, high twin deficits (current account balance and budget deficits) and weakened Rupee. Besides, the slowing growth momentum has added to investors' fear further adding to economic troubles. The annual rate of inflation based on monthly Wholesale Price Index (WPI) stood at 7% for October, 2013 as compared to 6.46% for the previous month. Build-up inflation rate in the financial year so far was 6% compared to a build-up rate of 4.66% in the corresponding period of the previous year.

**2.2.4.** During the 12th Plan period, the economy was expected to grow at 8%. Now, a mid term review of the 12th five year plan by the Planning Commission is likely during 2014-15 which will need to assess the economic growth rate at less than 8%. Last year, FDI limits were enhanced in aviation, insurance and retail sectors. In a bid to turn around declining investor sentiment, this year the Union Government hiked limits and relaxed rules for Foreign Direct Investment in other crucial sectors including defense, telecom, insurance and commodity exchanges and power exchanges. These measures aimed at boosting inflow of foreign funds have saved country's blushes from a likely overall rating downgrade.

**2.2.5.** During 2012-13, household financial savings grew by 15% to Rs.10.97 lakh crore which is 7.7% of GDP as against 7.5% of GDP in 2011-12. Quantitatively, this means an additional investment of Rs.34,400 crore in shares and debentures as against Rs.4500 crore invested in such manner in 2011-12. As a result, financial investment in share capital market has gone up to 3.1% from around 1%. Rupees 27,400 crore which is around 80% of the total investment by households is in the mutual fund schemes. While mutual funds gave a return of 8%, return from gold was just 4.8% during 2012-13. As per the statistics of Association of Mutual Funds, during 2013, Mutual funds registered a growth of 11% with total assets reaching Rs.8.78 lakh crore.

**2.2.6.** In August 2013 Rupee reached an all time low of 68.85 per Dollar. In India, importation of gold and crude oil account for the lion's share of dollar outflow creating Current Account Deficit. Consequent to the steps taken by the RBI and the Union Government to attract foreign capital to arrest a sliding Rupee, such as withdrawal of lending of dollars to oil marketing companies and restrictions on gold importation along with growth in merchandise exportation from India, the Current Account Deficit (CAD) has shrunk to $5.2 billion, i.e., 1.2% of the GDP, for the quarter ended September 2013. For the same quarter in 2012-13 CAD was $21 billion. Hopefully, the economy will attain 6% growth or even better in the second half of the current fiscal, owing to improved CAD and reviving exports.

**2.2.7.** The task of containing the Fiscal Deficit in 2013-14 within the budgeted boundaries will be an onerous one for the Union Government. However corrective steps such as austerity measures including a mandatory 10% cut in Non-Plan expenditure, improving tax compliance through a combination of administrative steps as well as incentives, such as the Service Tax Voluntary Compliance Encourage Scheme would have its intended effect in containing the Deficits to some extent. It is not all gloom in the Indian economic scene. During the second half of 2013-14, due to a munificent monsoon, a good *Kharif* crop is expected which will rejuvenate the Indian rural scene. The South-West monsoon in 2013 was 6% above the Long Period Average (LPA), the highest in 19 years and with the reservoirs replenished, the prospects of *Rabi* crops have also improved. The First Advance Estimates 2013-14 of production of food grains have placed *Kharif* food grains at 129.3 million tons, up by 0.9% over the previous year's Fourth Advance Estimates. A good crop would also ease supply-side constraints and therefore, food price pressure and rein in inflation. The Union Government has started taking policy initiatives on the infrastructure front which are expected to improve the overall investment climate. It is also considering the setting up of a mutual share purchase scheme for Public Sector Enterprises to boost share trading. These steps would take some time to materialize and therefore a surge in economic growth would take shape only towards the end of this fiscal year.

## *2.3. STATE SCENARIO*

**2.3.1.** In December 2013, INCLUSIX, the financial inclusion index formulated by CRISIL has, based on data provided by the Reserve Bank of India, rated Kerala as the foremost state in terms of number of bank branches and loan-deposit ratio and accorded a score of 80.4. Five of the districts in Kerala found a place in the top ten districts in India in terms of financial inclusion. The index measures financial inclusion up to the level of each of the 638 districts in India.

**2.3.2.** Real GSDP of Kerala is expected to grow at 8.58% while the GDP growth of the country is likely to be around an optimistic 6%. As per SLBC statistics, outstanding agricultural advances of commercial banks within the state which stood at Rs.36,209 crore in March 2012 and Rs.45,055 crore in March 2013 has shrunk to Rs.43,326 crore as on September 2013. The same shrinkage can be seen in the number of agriculture loan accounts also. Clearly, an impetus is required in the agriculture sector. Total industrial advances which stood at Rs.24,867 crore in March 2012 and Rs.29,863 crore in March 2013 have increased to Rs.31,668 crore as on September 2013. While this is not a major leap, it is a minor jump. Advances outstanding in Micro and Small Enterprises are Rs.20,593, Rs.23,563 and Rs.26,353 during March 2012, March 2013 and September 2013 respectively. There is some progress visible in the industrial sector. However, the strength of Kerala economy lies in the tertiary or its services sector which contributes in excess of 63% to the State's GSDP.

**2.3.3.** As per statistics available with the State Level Bankers' Committee, Non Resident Indian deposits within the State which had stood at Rs.48,454 crore in March 2012 and Rs.66,190 crore in March 2013 has jumped to Rs.80,910 crore as at September 2013, a leap of Rs.14,720 crore in just six months. The day when NRI deposits touch Rs.90,000 crore or surpass the magical figure of Rupees one lakh crore may not be too far. The phenomenon is not entirely surprising considering the 25 lakh strong Malayali diaspora spread across the globe and the recent fall in the value of the Rupee, vis-à-vis the Dollar. Total bank deposits within the State which had stood at Rs.1,97,557 crore in March 2012 and Rs.2,29,148 crore in March 2013 has increased to Rs.2,52,338 crore as at September 2013, an increase of Rs.23,190 crore in the first half of 2013-14. Kerala is at the apex in terms of Monthly Per Capita Consumption Expenditure (MPCE) within the country which gets reflected in commercial taxes, motor vehicles taxes collection etc.

**2.3.4.** Following the success of 'Emerging Kerala' and with a view to boost investment in the State, a seed support scheme for early stage investments to help entrepreneurs is being set up. The initiative will strengthen the new IT policy of the State, which aims to nurture one product startup a day, with a target of at least 3000 companies by the year 2020. Setting up of a state-of-the-art 'Kerala Technology Innovation Zone' at Kinfra Hi-Tech Park, Kalamassery, where India's first telecom business incubator, Startup Village is located, is also in the pipeline. Besides these, the initiatives suggested by Dr. Sam Pitroda are also being pursued in earnest. A number of PPP projects are in various stages of development. The Government's flagship Student Entrepreneurship Policy giving 20 percent attendance allowance and five percent grace marks for student entrepreneurs has taken effect in the CUSAT and Kerala University. It is proposed to introduce similar regulations in other Universities also. The Liquefied Natural Gas (LNG) terminal set up at Puthuvype in Ernakulam district would be a catalyst in economic growth of the State. It would also boost the shipping industry in the State, while generating employment, both direct and indirect. These measures should bolster existing infrastructure investments while ushering in new ones.

**2.3.5.** For a long time now, financial liquidity has been a persistent problem for Kerala. This is because of the various welfare measures and heavy expenditure incurred by the State in maintaining high standards in health and education sectors without taking the cash outflow into consideration. The State has never resorted to stingy measures compromising standards in these sectors. The quinquennial pay revision, biannual revision of dearness allowance and dearness relief as a result of persistent inflation, growing interest payments etc. leads the State away from achieving any consistent level of fiscal consolidation. Consequently, revenue surplus evades the State. The fact that the State devolves amount equal to 25% of its Annual Plan size to Local Governments and the reckoning of the devolution as revenue expenditure deteriorates the situation even further. Another factor is the borrowing ceiling fixed @3% of GSDP by the 13$^{th}$ Finance Commission which is insufficient for a state like Kerala which has always had a higher GSDP growth rate than the national GDP growth rate.

# 3. STATE FINANCES: SUSTAINABILITY, STRATEGIC PRIORITIES, KEY POLICIES AND MEDIUM TERM FISCAL OBJECTIVES

## *3.1. FISCAL PERFORMANCE IN 2012-13*

**3.1.1.** The fiscal targets for 2012-13 according to the Fiscal Responsibility (Amendment) Act, 2011 in respect of Revenue deficit, Fiscal Deficit and outstanding debt as percent of GSDP were 0.9%, 3.5% and 31.7% respectively. As per final figures, the first two were, disappointingly, 2.68% and 4.29% of GSDP. Debt as percentage of GSDP alone was well within the target at 29.64%. Plan expenditure on revenue account has increased substantially owing to increase in the Plan size for 2012-13 and Non Plan Revenue expenditure on interest, pension and salaries have led to the State's inability to stick to targeted revenue deficit. The targets as per the Fiscal Responsibility (Amendment) Act, 2011 needs to be reset realistically so that instead of insisting on elimination of Revenue deficit, a ceiling of 1.5% of GSDP needs to be stipulated for Revenue deficit subject to appropriate review once every five years. This matter has been taken up in the memorandum submitted by the State to the 14th Finance Commission. Borrowings and other liabilities constituted 26.07% of total receipts (out of the total receipts of Rs.59822.76 crore, Rs.15597.04 crore is through borrowings and other liabilities during 2012-13). Higher levels of Revenue Deficit and Capital spending were the reason for Fiscal deficit eluding the 13th F.C. target. During 2011-12, borrowings and other liabilities was only 24.28 percent of total receipts.

**3.1.2.** Revenue receipts of the State Government during 2012-13 was Rs.44137.30 crore which meant an increase of 16.12% compared with the previous year's receipts. Another heartening factor is the percentage growth of capital expenditure compared with the growth in revenue expenditure. Growth percentage of the former stood at 19.48% whereas the latter grew at 16.17% compared with 2011-12 figures.

### *3.2. REVIEW OF MTFP 2013*

**3.2.1.** Compared with 2012-13 figures, Revenue Deficit and Fiscal Deficit shows considerable improvement in the Revised estimates for 2013-14. Whereas these two deficits were 2.68% and 4.29% in 2012-13, revised estimates 2013-14 are 1.54% and 3.26% respectively which means an improvement of 1.14% and 1.03%. However, the revised estimate figures are still outside the targeted figures of 0.5% for Revenue deficit and 3% for Fiscal deficit as contemplated in the Fiscal Responsibility (Amendment) Act of 2011. The improvement in Revenue Deficit in Revised estimate 2013-14 is brought about by an anticipated growth of 24.53% in Revenue receipts and reduced growth in Non Plan Revenue Expenditure at 12.35 percent, compared to the growth of Non-plan revenue expenditure of 14.54 percent in 2012-13. Till the next pay/pension revision there would be moderate increase in revenue expenditure on salaries and pension. The non-salary-pension-interest expenditure constitutes 39.41% of total revenue expenditure in R.E.2013-14 as against 37.69% during 2012-13. Capital expenditure shows a growth of 23.52% which is substantial.

**Table 1**

**STATE FINANCES**

**Rs. in Crore**

| | 2011-12 Accounts | 2012-13 Accounts | 2013-14 BE | 2013-14 RE | 2014-15 BE |
|---|---|---|---|---|---|
| ***A. Revenue Receipts*** | **38010.36** | **44137.30** | **58057.88** | **54966.85** | **64842.35** |
| 1. State Tax Revenue | 25718.60 | 30076.61 | 38771.10 | 35542.96 | 42467.49 |
| 2. State Non-Tax Revenue | 2592.18 | 4198.52 | 4921.57 | 5613.44 | 6337.47 |
| 3. Central Government Transfers | 9699.58 | 9862.18 | 14365.21 | 13810.45 | 16037.38 |
| i. Share of Central Taxes | 5990.36 | 6840.65 | 8143.79 | 8143.79 | 9365.36 |
| ii. Grant in aid | 3709.22 | 3021.53 | 6221.42 | 5666.66 | 6672.02 |
| ***B. Capital Receipts*** | **12284.48** | **15685.46** | **12460.26** | **12865.38** | **14716.21** |
| 1. Recoveries of Loans | 54.90 | 73.61 | 123.80 | 133.61 | 148.16 |
| 2. Other Receipts | 16.05 | 14.81 | 22.03 | 23.03 | 25.03 |
| 3. Borrowings and other liabilities | **12213.53** | **15597.04** | **12314.42** | **12708.75** | **14543.02** |
| a. Public Debt (Net) | 6905.90 | 10457.10 | 11844.38 | 11844.38 | 13721.86 |
| b. Public Account (Net) | 5307.63 | 5139.94 | 470.04 | 864.36 | 821.16 |
| ***C. Total Receipts (A+B)*** | **50294.84** | **59822.76** | **70518.13** | **67832.24** | **79558.56** |
| ***D. Non Plan Expenditure*** | **41754.09** | **48380.14** | **55536.10** | **54338.44** | **62616.73** |
| 1. On Revenue Account | 40717.41 | 46639.42 | 50565.27 | 52401.33 | 60946.51 |
| a. of which interest payments | 6293.60 | 7204.81 | 7673.48 | 8171.52 | 9598.15 |
| 2. On Capital Account | 454.82 | 1137.63 | 4386.55 | 1264.59 | 1304.89 |
| 3. On Loan Disbursements | 581.86 | 603.09 | 584.28 | 672.52 | 365.34 |
| ***E. Plan Expenditure (including CSS)*** | **9141.99** | **10848.04** | **14540.25** | **13925.42** | **16797.27** |
| 1. On Revenue Account | 5327.21 | 6849.33 | 9762.58 | 8773.87 | 11027.53 |
| 2. On Capital Account | 3398.10 | 3465.66 | 4248.48 | 4636.03 | 5331.49 |
| 3. On Loan Disbursements | 416.68 | 533.05 | 529.19 | 515.52 | 438.25 |
| ***F. Total Expenditure (D+E)*** | **50896.08** | **59228.18** | **70076.34** | **68263.86** | **79414.01** |
| 1. Revenue Expenditure | 46044.62 | 53488.74 | 60327.84 | 61175.20 | 71974.04 |
| 2. Capital Expenditure | 3852.92 | 4603.29 | 8635.03 | 5900.62 | 6636.38 |
| 3. On Loan Disbursements | 998.54 | 1136.15 | 1113.47 | 1188.03 | 803.59 |
| ***G. Revenue Surplus/Deficit (A-F(1))*** | **-8034.26** | **-9351.44** | **-2269.97** | **-6208.35** | **-7131.69** |
| ***H. Fiscal Deficit (A+B(1)+B(2))-F)*** | **-12814.77** | **-15002.46** | **-11872.64** | **-13140.37** | **-14398.46** |
| ***I. Primary Deficit (H-D(1a))*** | **-6521.17** | **-7797.65** | **-4199.16** | **-4968.85** | **-4800.32** |

### 3.3. REVIEW OF MEDIUM TERM FISCAL POLICY TARGETS

**3.3.1.** The revenue receipts envisaged as per B.E.2013-14 has fallen short by 5.32% in R.E. for the year while revised estimate for NPRE has grown by 3.63% compared with B.E. The plan revenue expenditure would be down below budget estimates by 10.13%. Plan expenditure on capital account would grow by 9.12%. The growth in NPRE and deceleration in revenue receipt has brought about a situation where Revenue Deficit as per R.E. has steered way off course compared with B.E.2013-14. Owing to the fact that the percentage component of borrowings and liabilities in terms of total receipts is around 19% and the GSDP has been downsized, Fiscal Deficit as per R.E. is 3.26 percent of GSDP from 2.82 percent as per BE 2013-14. Fiscal consolidation target for 2013-14 and the projected achievement are as follows;

| Sl. No. | Budgeted Fiscal Targets for 2013-14 | Outcome as per RE 2013-14 |
|---|---|---|
| 1 | A. Revenue Deficit of 0.54% of GSDP | A. Revenue Deficit of 1.54% of GSDP |
| 2 | B. Fiscal Deficit of 2.82% of GSDP | B. Fiscal Deficit of 3.26% of GSDP |
| 3 | C. Debt of 27.14% of GSDP | C. Debt of 28.93% of GSDP |

### 3.4. PROJECTIONS FOR BE 2014-15

#### 3.4.1. Revenue Receipts

**3.4.1.1.** The revenue receipt is estimated to grow at 17.97 percent over RE 2013-14. The revenue receipts have been registering consistent growth for the last few years. The percentage growth of SOTR In total revenue receipts' growth has been impressive. This indicates well managed tax administration of the State. The growth in SOTR for 2014-15 is 19.48 percent which augurs well for tax buoyancy. Within the SOTR, the major item of sales tax/VAT is projected to grow at 19.69% over R.E.2013-14. The other major items are stamps and registration, excise and motor vehicle tax which are projected to grow at 17.68%, 17.98% and 23.29% respectively over R.E.2013-14. Since the Union Budget is yet be finalized, share of central taxes is nominally taken to grow at 15%.

**3.4.1.2.** The major non tax revenue of the State is collection from sale of lotteries. Since 2011-12 when daily lotteries were floated, collections have been improving. With the induction of new mechanical draw machine which increased the number of lottery prizes the prospect of lottery sales have enhanced. However, lotteries have a saturation point beyond which growth rate will stabilize. Overall, non tax revenue collection is expected to grow by 12.90% in B.E.2014-15 over R.E. 2013-14 within which the growth rate of Lotteries is anticipated at 12.42% which indicates stabilization in growth rate of lottery revenues. Receipt of grant from the Centre is anticipated to grow at 17.74 percent over R.E.2013-14.

**Table 2**

**STRUCTURE OF OWN TAX REVENUES**

*Rs. in Crore*

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 RE | 2014-15 BE |
|---|---|---|---|---|---|---|---|
| SOTR *of which* | 15990 | 17625 | 21722 | 25719 | 30077 | 35543 | 42467 |
| a. Sales Tax/VAT | 11377 | 12771 | 15833 | 18939 | 22511 | 26664 | 31913 |
| Growth Rate | 21.39 | 12.25 | 23.98 | 19.62 | 18.86 | 18.45 | 19.69 |
| b. Excise Duty | 1398 | 1515 | 1700 | 1883 | 2314 | 2719 | 3208 |
| Growth Rate | 19.59 | 8.37 | 12.21 | 10.76 | 22.89 | 17.50 | 17.98 |
| c. Motor Vehicle Tax | 937 | 1131 | 1331 | 1587 | 1925 | 2271 | 2800 |
| Growth Rate | 9.85 | 20.70 | 17.68 | 19.23 | 21.30 | 17.97 | 23.29 |
| d. Stamp Duty & Regn. | 2003 | 1896 | 2553 | 2987 | 2938 | 3173 | 3734 |
| Growth Rate | -1.23 | -5.34 | 34.65 | 17.00 | -1.64 | 7.99 | 17.68 |
| *Percentage to Total* | | | | | | | |
| a. Sales Tax | 71.15 | 72.46 | 72.89 | 73.64 | 74.84 | 75.02 | 75.15 |
| b. Excise Duty | 8.74 | 8.60 | 7.83 | 7.32 | 7.69 | 7.65 | 7.55 |
| c. Motor Vehicle Tax | 5.86 | 6.42 | 6.13 | 6.17 | 6.40 | 6.39 | 6.59 |
| d. Stamp Duty & Registration | 12.53 | 10.76 | 11.75 | 11.61 | 9.77 | 8.93 | 8.79 |

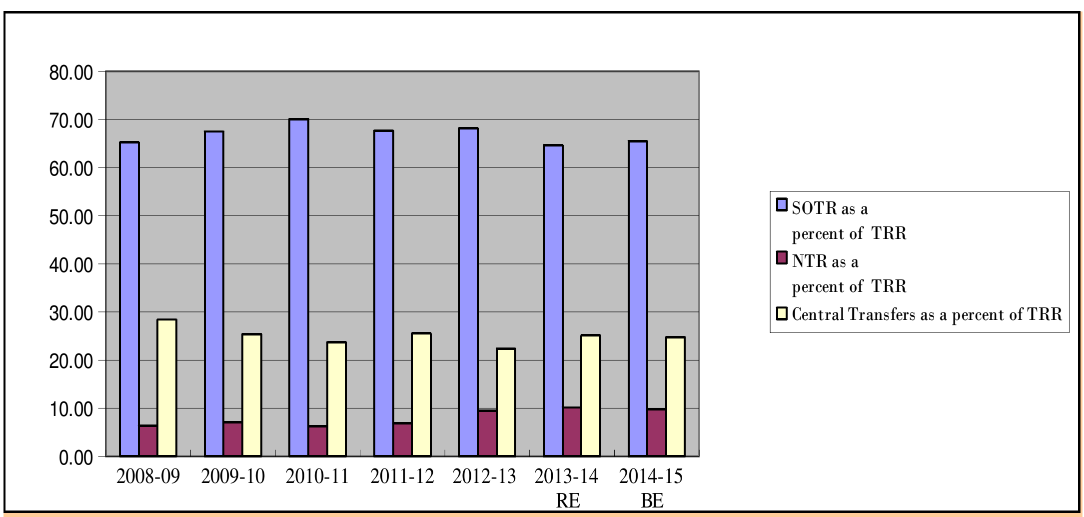
## Table 3

## COMPOSITION AND GROWTH OF REVENUE RECEIPTS

*Rs. in Crore*

| Year | SOTR | NTR | Central Transfers | Total Revenue Receipts | Growth rate of SOTR | Growth rate of NTR | Growth rate of Central Transfers | Growth rate of TRR |
|---|---|---|---|---|---|---|---|---|
| 2009-10 | 17625 | 1852 | 6632 | 26109 | 10.23 | 18.79 | -4.75 | 6.52 |
| 2010-11 | 21722 | 1931 | 7338 | 30991 | 23.24 | 4.25 | 10.65 | 18.70 |
| 2011-12 | 25719 | 2592 | 9700 | 38011 | 18.40 | 34.25 | 32.18 | 22.65 |
| 2012-13 | 30077 | 4199 | 9862 | 44137 | 16.94 | 62.00 | 1.67 | 16.12 |
| 2013-14 RE | 35543 | 5613 | 13810 | 54967 | 18.17 | 33.67 | 40.03 | 24.54 |
| 2014-15 BE | 42467 | 6337 | 16037 | 64842 | 19.48 | 12.90 | 16.13 | 17.97 |

## Composition and Growth of Revenue Receipts



## 3.5. EXPENDITURE

**3.5.1.** In 2014-15, the growth in revenue expenditure is projected at 19.30% and 17.65% compared to the previous year's B.E and R.E. respectively. This growth is mainly due to the increasing Annual Plan outlays and consequent increase in devolution to Local Self Government Institutions and welfare payments. As per the recommendations of 4th State Finance Commission, the State is bound to earmark 25% of its approved Plan outlay to the Local Governments and the ever increasing Plan size causes huge outflows to the Local Governments. Plan expenditure on Capital account is expected to grow at 25.49% which is in tune with the progress since the beginning of the 12th Plan period from 2012-13. Plan expenditure on Capital account is a thrust area of the Government considering its impact on increasing the productivity of the State.

### Growth Rates of Revenue and Capital Expenditure

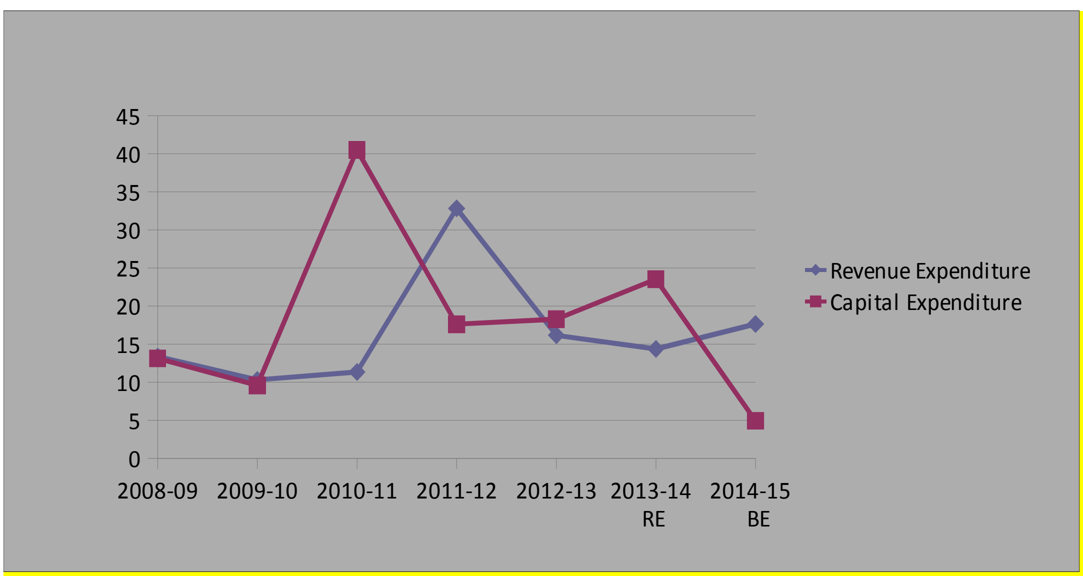


Table 4

## EXPENDITURE PATTERN

*Rs.in Crore*

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 RE | 2014-15 BE |
|---|---|---|---|---|---|---|---|
| **Revenue Expenditure** | **28224** | **31132** | **34665** | **46044** | **53489** | **61175** | **71974** |
| **Plan** | 3212 | 4179 | 4196 | 5327 | 6849 | 8774 | 11028 |
| **Non Plan** | 25012 | 26953 | 30469 | 40717 | 46640 | 52401 | 60946 |
| ***of which*** | | | | | | | |
| **i) Interest payments** | 4660 | 5292 | 5690 | 6294 | 7205 | 8172 | 9598 |
| **ii) Pensions** | 4686 | 4706 | 5767 | 8700 | 8867 | 9770 | 11370 |
| **iii) Salaries** | 8801 | 9799 | 11032 | 16029 | 17257 | 19124 | 23133 |
| **vi) Others** | 10077 | 11335 | 12176 | 15021 | 20160 | 24109 | 27873 |
| **Capital Expenditure** | **2679** | **2936** | **4125** | **4852** | **5739** | **7089** | **7440** |
| ***of which*** | | | | | | | |
| **i) Capital Outlay** | 1696 | 2059 | 3364 | 3853 | 4603 | 5901 | 6636 |
| **ii) Loans & Advances** | 984 | 877 | 762 | 999 | 1136 | 1188 | 804 |
| **Total Expenditure** | **30903** | **34068** | **38790** | **50896** | **59228** | **68264** | **79414** |

### *3.6. STRATEGIC PRIORITIES*

**3.6.1.** E-office under the National E-Governance Program (NeGP) as a core Mission Mode Project is being implemented to improve efficiency, consistency and transparency of Government decisions and responses and it would be extended to cover more State Government offices through the Kerala State IT Mission. Business process reengineering which has top priority has been initiated by the State Government with the introduction of e-filing, e-payment and online declaration of statutory forms in Taxes Department. E-payment facility has been introduced in the Motor Vehicles Department. In the Local Self Government Department 'Sanchaya', the application software for revenue and license systems and 'Sevana', the application software for civil registration has been introduced. E-tendering introduced in major departments is now being extended to other departments also. Implementation of SPARK (Integrated Personal Payroll and Accounts Information System for Government employees of Kerala) and EMLI (web based software for settlement of Letter of Credit proposal from cheque drawing departments) have also been effected. Under the Health sector, the State Government intends free distribution of 952 generic drugs needed for outpatient and inpatient care in all Government hospitals. However, since some drugs have to be purchased elsewhere, Government set up the Karunya Community Pharmacy where these could be purchased at rates reduced to 40 to 70 percent of the marked price. Under the Higher Education sector, the Additional Skill Acquisition program (ASAP) and the Additional Skill Enhancement Program (ASEP) are progressing well. The 'Virtual Trading Centre', a prestigious venture of the Industries Department has been set up. This is an online platform for trading/business activity mainly for products manufactured in Kerala. It helps entrepreneurs to identify and contact potential customers for registered products. Towards inclusive growth, the policy initiatives for the last two years have helped to create adequate infrastructure for facilitating investment and to provide maximum welfare to the weaker sections of the society. Fund allocation for social programmes, subsidies, pensions, scholarships and stipends and similar cash benefits are being routed through electronic benefit transfer to avoid delay and misappropriation.

### *3.7. DEBT MANAGEMENT AND SUSTAINABILITY*

**3.7.1.** The Debt/GSDP in 2013-14 is 28.93%. Despite high fiscal deficit in 2013-14, the debt/GSDP ratio has been manageable and from 2013-14, further consolidation needs to be achieved. As far as debt sustainability is concerned, the Debt/Revenue receipts ratio has come down from 234.63 percent in 2012-13 to 212.09 percent in 2013-14 (R.E.), which is well below the benchmark level of 300 percent. The weighted average interest rate on debt stock has fallen to 7.42 percent in 2013-14 from 7.47 percent in 2012-13. The Interest/Revenue receipt has been at 14.87 in 2013-14 (R.E.). It has been consistently coming down over the years from as high as 26.8 percent in 2004-05. Domar gap which represents the difference between the nominal GSDP growth rate and the average interest rate paid on debt and which is considered to be an indication of debt stability has widened from 5.99 in 2012-13 to 7.93 in 2013-14. It is evident that Kerala's debt position is sustainable as the gap is positive and widening.

**3.7.2.** The debt profile has undergone sea change since 2005-06. The growth rate of loans from Centre has slowed down and borrowings from NSSF have come down. The State is now heavily dependent on open market borrowings which depend on repo rate which has been going up steadily.

## 4. TARGETS AND POLICIES

### *4.1. FISCAL POLICY FRAMEWORK*

**4.1.1.** Inclusive growth encompassing all strata of the society, employment generation, achieving self sufficiency in agriculture, infrastructure development, improved housing, health and education facilities etc. are the targets of the State. To achieve this, strategies are being adopted to curtail futile and unproductive expenditure and augment revenue of the State without burdening the public through enhanced taxation. A proper balance needs to be struck between receipts and expenditure without cutting down welfare and capital expenditure. Available resources would need to be used prudently ensuring that used resources achieve their aim and reach the targeted group.

### 4.2. MEDIUM TERM FISCAL POLICY PLAN FROM 2014-15 TO 2016-17

- E-governance initiatives, development of human resources, interface between Government and Industry, bridging digital divide and transparency in governance have top priority.
- Programs targeting infrastructure will be fostered for attracting industrial investments.
- Benefits will be extended to Micro, Small and Medium Enterprises in tune with the Public Procurement Policy of Government of India.
- Innovative strategies to brand products from the traditional sector shall be introduced.
- Vegetable Development Programs shall be a thrust area. Open precision farming in banana and vegetable cultivation shall be encouraged.
- Housing sector shall be strengthened. Comprehensive housing scheme for traditional fishermen shall be implemented.
- New sewerage networks shall be started. Water supply and solid waste management projects sanction by the Ministry of Urban Development will be expedited in 22 Municipalities.
- Road connectivity to tribal colonies in the State shall be improved.
- For providing more employment opportunities, new trades will be introduced in Industrial Training Institutes based on job opportunities and requirement.
- A comprehensive Public Health Policy shall be rolled out.
- School education in the State shall be improved with emphasis on skill augmentation and teaching of children with special needs. Steps shall be taken for autonomy in Higher education to ensure quality education.
- To ensure water availability within forests, check dams shall be constructed.
- Power sector shall be another thrust area to satisfy increasing demand.
- Flood embankment Schemes for controlling flood and salt water intrusion in major rivers shall be taken up.
- The Zero Landless Kerala-2015, a flagship program of the State has taken off and will be nurtured until its aim is achieved.

- With the enactment of National Food Security Act of 2013, the Public Distribution System in the State will be strengthened and transparency ensured.
- Welfare programs for Non Residents Keralites will be bettered further.
- Kochi Metro Rail project and Vizhinjam International Seaport project implementation are on track and smooth progress of these projects shall be ensured.

### *4.3. TAX POLICY*

**4.3.1.** With the introduction of e-filing, e-payment and online declaration of statutory forms in Taxes Department, tax buoyancy is expected to increase along with the modernization of tax collecting departments, which is in progress. Buoyancy for the last three years has been steady. Voluntary tax compliance is on the increase. A lot depends on the tax devolution formula which will be formulated by the 14th Finance Commission.

### *4.4. CONTINGENT LIABILITIES*

**4.4.1.** The Ceiling on Government Guarantees Act, envisages a ceiling of Rs.14,000 crore on Government guarantees. As on 31-3-2013, Government has provided guarantee to the tune of Rs.9100 crore.

## 5. THREE YEAR ROLLING TARGETS AND UNDERLYING ASSUMPTIONS

**5.1.** The revised roadmap for fiscal consolidation drawn by the 13th Finance Commission led to the amendment to the KFR Act of 2003. As per the amended act, the State has to achieve the fiscal indicators of RD/GSDP at zero, maintain FD/GSDP at 3 percent and bring down Debt/GSDP to 29.80 percent in 2014-15. As mentioned in former paragraphs, barring Debt/GSDP all targets have been breached from 2011-12 consequent on the reworked GSDP figures furnished the Department of Economics and Statistics. In the forward estimates period, revenue deficit and fiscal deficit have been arrived at more or less on par with the Budget estimates for 2014-15. The underlying assumptions on which projections are made are given below.

### *5.2. Gross State Domestic Product*

**5.2.1.** The nominal GSDP is assumed to grow at 14.50 by the 13th Finance Commission the validity of which is till March 2015 only. For projections for 2015-16 and 2016-17, nominal GSDP growth rate is taken as 14.50% over the previous year's GSDP. Since there is likelihood of moderation of inflation and the State is achieving a high growth path, the assumption is realistic.

### *5.3. Revenue Receipts*

#### *5.3.1. State's Own Tax Revenue*

**5.3.1.1.** On account of better tax administration, modernization of the department and various measures for tax compliance there will be better tax buoyancy during the forward estimates period of 2015-16 and 2016-17. The State is likely to achieve a buoyancy of 1.18 in 2013-14. The projections imply a buoyancy of 1.17 which is reasonable given the tax potential of the State, taking into account the increasing remittances and its impact on the State economy.

### *5.4. Non-tax Revenues*

**5.4.1**. Lotteries department has shown its potential for the last two years and is currently on a high growth path. In respect of all other non-tax items, there is a permanent mechanism to review the rates of fees/user charges. This has been functioning effectively and non-tax rates are revised periodically. An optimistic growth rate of 15 percent is applied for projections.

### *5.5. Devolutions from the Centre*

**5.5.1.** Central devolutions are expected to grow at 15%.

### *5.6. BORROWINGS: PUBLIC DEBT AND OTHER LIABILITIES*

**5.6.1.** From 2013-14, the State is mandated to limit borrowings to 3 percent of GSDP. For the forward estimates period, 3% of GSDP is reckoned as the borrowing ceiling.

### *5.7. REVENUE EXPENDITURE*

#### *5.7.1. SALARIES*

**5.7.1.1.** The next quinquennial pay revision of state government employees and teachers falls due in July 2014 the additional commitment on account of which is likely to spread over 2015-16 and succeeding year. Assuming that revision will be implemented in 2015-16, an amount of Rs.2834 crore is worked out as pay revision commitment. The basic pay component is likely to grow by 3 percent. The allowances are projected to grow at the current level.

#### *5.7.2. PENSION*

**5.7.2.1.** Pension revision consequent on pay revision also falls due in July 2014 and commitment is likely spread over 2015-16 and 16-17. For 2015-16, an amount of Rs.1990 crore is worked out as pension revision commitment.

#### *5.7.3. INTEREST*

**5.7.3.1.** For the forward estimates period, effective interest rate is taken as 7.47 percent. Effective interest rate is applied on the midyear outstanding debt stock to arrive at the interest payable.

#### *5.7.4. MAJOR SUBSIDIES*

**5.7.4.1.** One of the terms of reference of the $14^{th}$ Finance Commission is the level of subsidies that are required and the equitable sharing of subsidies between the Central and State Governments. Since the report of the Commission is not yet due, projection applied for 2015-16 and 2016-17 on subsidy outgo is 10 percent above the previous year.

#### 5.7.5. *DEVOLUTION TO LOCAL GOVERNMENTS*

**5.7.5.1.** General purpose grant is worked out on the State's own tax revenue for the year t-2 at the rate of 3.5 percent, as awarded by the 4$^{th}$ State Finance Commission and maintenance grant at the rate of 5.5 percent. On the assumed plan size excluding contribution of KSEB, 25 percent is provided towards development expenditure.

#### 5.7.6. *NON SALARY PENSION INTEREST EXPENDITURE*

**5.7.6.1.** Maintenance expenditure, administrative expenditure and other revenue expenditure are each projected with 10 percent increase considering the expenditure compression required to achieve consolidation.

### 5.8. *CAPITAL EXPENDITURE*

**5.8.1.** During the forward estimate period, capital outlay is estimated to grow by 20% and 27% percent respectively. If the State resorts to more PPP schemes or avail Viable Gap Funding from the Centre to boost its commitment to infrastructure development it would stimulate more economic growth.

## 6. OUTCOMES IN MAJOR INDICATORS IN 2015-16 AND 2016-17

**6.1.** The 13$^{th}$ Finance commission target do not cover the forward estimate periods of 2015-16 and 2016-17. Therefore, the Revenue deficit and Fiscal deficit have been arrived at based on achievements in Budget estimate for 2014-15.

| Indicators | MTFP Targets | |
|---|---|---|
| | 2015-16 | 2016-17 |
| RD/GSDP | 1.42 | 1.22 |
| FD/GSDP | 3.05 | 3.00 |
| Debt/GSDP | 27.71 | 27.20 |

## Table 5
## MEDIUM TERM FISCAL PLAN 2014-15

Rs.in Crore

| Item | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|---|---|---|
| | Accounts | Accounts | Accounts | RE | BE | Forward Estimates | |
| **Revenue Receipts** | 30991 | 38010 | 44137 | 54966 | 64842 | 75418 | 87724 |
| State's own tax revenue | 21722 | 25719 | 30077 | 35543 | 42467 | 49687 | 58134 |
| Non Tax Revenue | 1931 | 2592 | 4198 | 5613 | 6337 | 7288 | 8381 |
| Resources from Centre | 7338 | 9700 | 9862 | 13810 | 16037 | 18443 | 21209 |
| **Revenue Expenditure** | 34665 | 46045 | 53489 | 61175 | 71974 | 82995 | 95165 |
| Non -Interest Revenue Expenditure | 28975 | 39751 | 46284 | 53004 | 62376 | 72569 | 83460 |
| Interest | 5690 | 6294 | 7205 | 8172 | 9598 | 10426 | 11705 |
| Salaries | 11032 | 16029 | 17257 | 19124 | 23133 | 27929 | 33454 |
| Pensions | 5767 | 8700 | 8867 | 9770 | 11370 | 13502 | 16003 |
| Non SPI Revenue Expenditure | 12176 | 15022 | 20160 | 24110 | 27873 | 31138 | 34003 |
| Subsidies | 624 | 1002 | 1265 | 1183 | 969 | 1065 | 1172 |
| Power subsidy | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintenance & repairs | 734 | 755 | 1118 | 955 | 837 | 920 | 1012 |
| Devolution to Local Governments | 2971 | 3897 | 4739 | 6264 | 7269 | 8474 | 9072 |
| Administrative Expenditure | 1315 | 1633 | 2036 | 2220 | 2828 | 3111 | 3422 |
| Other Revenue Expenditure | 6533 | 7736 | 11001 | 13488 | 15970 | 17567 | 19324 |
| **Revenue Surplus/Deficit** | -3674 | -8034 | -9352 | -6209 | -7132 | -7577 | -7441 |
| **Effective Revenue Surplus/Deficit** | -1326 | -5263 | -6246 | -1890 | -2053 | -2052 | -2051 |
| **Capital Expenditure** | 4126 | 4851 | 5739 | 7089 | 7440 | 8848 | 11086 |
| **Capital Outlay** | 3364 | 3853 | 4603 | 5901 | 6636 | 7964 | 10114 |
| Loan disbursements | 762 | 999 | 1136 | 1188 | 804 | 884 | 972 |
| Non Debt Capital Receipts | 69 | 71 | 88 | 157 | 173 | 191 | 210 |
| **Fiscal Deficit/Surplus** | -7731 | -12815 | -15003 | -13141 | -14398 | -16234 | -18317 |
| **Primary Fiscal Deficit/Surplus** | -2041 | -6521 | -7798 | -4970 | -4800 | -5808 | -6612 |
| End of the period Debt | 74821 | 84046 | 96490 | 110069 | 124078 | 139566 | 156700 |
| Debt Service | 5965 | 6304 | 7205 | 8172 | 9598 | 10426 | 11705 |
| Salary + Pension + Interest | 22489 | 31023 | 33329 | 37065 | 44101 | 51857 | 61162 |
| Explicit Power subsidy | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Stock | 78673 | 89418 | 103561 | 116577 | 131579 | 147554 | 165846 |
| Government Guarantees | 7426 | 8277 | 9100 | 9579 | | | |
| Interest/Revenue (%) | 18.36 | 16.56 | 16.32 | 14.87 | 14.80 | 13.82 | 13.34 |
| Debt/Revenue (%) | 253.86 | 235.25 | 234.63 | 212.09 | 202.92 | 195.65 | 189.05 |
| (Salary+Pen+Interest)/Revenue(%) | 72.57 | 81.62 | 75.51 | 67.43 | 68.01 | 68.76 | 69.72 |
| (Salary+Pen+Interest)/GSDP(%) | 8.35 | 10.08 | 9.54 | 9.20 | 9.48 | 9.74 | 10.03 |
| (Salary+Pen)/GSDP (%) | 6.23 | 8.03 | 7.48 | 7.17 | 7.42 | 7.78 | 8.11 |
| Rev Deficit/Rev Receipt (%) | 11.86 | 21.14 | 21.19 | 11.30 | 11.00 | 10.05 | 8.48 |
| **RD/GSDP (%)** | 1.36 | 2.61 | 2.68 | 1.54 | 1.53 | 1.42 | 1.22 |
| **FD/GSDP (%)** | 2.87 | 4.16 | 4.29 | 3.26 | 3.10 | 3.05 | 3.00 |
| Effective RD/ GSDP**(%)** | 0.49 | 1.71 | 1.79 | 0.47 | 0.44 | 0.39 | 0.34 |
| Debt Stock/GSDP (%) | 29.20 | 29.04 | 29.64 | 28.93 | 28.29 | 27.71 | 27.20 |
| **GSDP** | 269474 | 307906 | 349338 | 402972 | 465073 | 532508 | 609722 |
| **Nominal GSDP Growth Rate(%)** | 15.96 | 14.26 | 13.46 | 15.35 | 15.41 | 14.50 | 14.50 |
| Average Interest Rate (%) | 7.60 | 7.49 | 7.47 | 7.42 | 7.74 | 7.47 | 7.47 |
| Domar Gap | 8.36 | 6.77 | 5.99 | 7.93 | 7.68 | 7.03 | 7.03 |