Summary Report for the State of Assam

1. Demography

As per 2023 Census population projections, Assam has a population of 35.7 million and represents 2.6 per cent of the country's total population.[1] The State's projected population growth at 0.95 per cent is slightly above the national average of 0.91 per cent, as of 2022-23. The State's population density, at 447 persons per sq. km., is marginally above the national average of 415 people per sq. km (2021). Its dependency ratio (53.7 per cent) is close to the national average. A majority of the State's population still lives in rural areas, with only 15.6 per cent of its population residing in urban areas. The sex ratio (964 female births per 1000 male births) in the State is higher than the national average, as per the National Family Health Survey (NFHS V, 2019-21).

As of 2022-23, both the State's annual unemployment rate, at 1.7 per cent and the Female Labour Force Participation Rate, at 20.3 per cent, are much lower than the respective national averages. The working population in the State is predominantly concentrated in the Agriculture, Forestry, and Fishing (48.8 per cent); Construction (27.7 per cent); Services (18.5 per cent); and, Manufacturing (4.7 per cent) sectors.[2]

2. Economic Structure (Growth and Sectoral Composition)

Assam's real GSDP grew at an average rate of 6.3 per cent during the period 2012-13 to 2021-22, which is higher than the national average growth of 5.6 per cent.[3] The State's share in India's nominal GDP has declined from 2.6 per cent in 1991 to 1.8 per cent in 2021-22. Its nominal per capita income is 32 per cent less than the national per capita income, as of 2021-22.

With a share of 45 per cent, the Services sector is the largest contributor to the State's GSVA, in 2021-22, followed by the Industry (30.9 per cent) and Agriculture (24.1 per cent) sectors, in that order. During the past decade (2013-14 to 2022-23), the Services and Industry sectors in the State have grown at an average rate of 5.6 per cent and 11.3 per cent per annum, respectively. The Agriculture sector has grown by 3.2 per cent during this period.[4]

3. Socio-economic Indicators

Assam's literacy rate, at 72.2 per cent, is slightly below the national average of 73 per cent, as of 2011.[5] As of 2016-17, the State has a higher school drop-out rate (27.6 per cent for Classes VIII to X) as compared to the national average of 21.1 per cent. The share of students passing Class X (70 per cent) (in 2016-17) is below the national average of 86.1 per cent. The State's Gross Enrolment Ratio at the Higher Secondary level (38.8 per cent in 2015-16) and at the Higher Education level (17.5 per cent in 2021) are both lower than the respective national

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[1] Projected data on population growth rate, dependency ratio, population density, and urban population is sourced from *"Population Projections for Indian States 2011-2036"* by the Technical Group on Population Projections, National Commission on Population, Ministry of Health and Family Welfare, Government of India.

[2] Data on unemployment, female labour force participation, and workforce distribution is from the Periodic Labour Force Survey, 2017-18 to 2023-24.

[3] Data used in Section 3 on Economic Growth is sourced from Ministry of Statistics and Programme Implementation (MoSPI), as of August 2023.

[4] Data used is sourced from MoSPI, as of March 2024.

[5] Literacy data is sourced from Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, 2011.

averages.[6] For the age group 18 to 23 years, the Gender Parity Index in Higher Education (the ratio of girls to boys enrolled in higher education institutions) is at par with the national average while the college density (number of colleges per 100,000 in the population age group 18-23 years) is below the national average, as of 2021.[7]

In terms of health indicators, the Infant Mortality Rate, at 36 deaths per 1000 live births (2020), is above the national average, while the Total Fertility Rate, at 1.9 children per woman (2019-21), is slightly below the national average.[8] Life expectancy at birth, at 67.9 years, in the State stands below the national average of 70 years, as of 2020. The share of fully immunised children (66.4 per cent) is lower than the national average, as of 2019-21. The State has shown improvement in the "quality of life" indicators across the decades. However, the households' access to drinking water (86.4 per cent), electricity (92.7 per cent), and sanitation facilities (67.3 per cent) are all still below the respective national benchmarks, as of 2019-21.

4. State of Public Finances and Tax Devolutions

Assam's debt-to-GSDP ratio, at 24.8 per cent in 2021-22, is lower than that of a median State.[9] Its contingent liabilities, at 0.1 per cent of GSDP, are much lower than those of a median State, as of 2021-22.[10] The fiscal deficit and primary deficit levels, at 4.4 per cent and 2.9 per cent, respectively, are higher than those of a median State, as of 2021-22. The State has a revenue deficit of 0.2 per cent of GSDP, which is close to a median State's deficit of 0.1 per cent in 2021-22.

The State's total revenue receipts (own tax, own non-tax, and shared by the Centre), at 19.8 per cent in 2021-22, were higher than what a median State collected. Likewise, the State's expenditure-to-GSDP ratio, at 24.9 per cent, is also higher than that of a median State.

A Debt Sustainability Analysis projection shows that under the baseline scenario (where the debt level, primary deficit, real GDP growth, and real effective interest rate remain constant at their decadal average from 2012-13 to 2021-22), Assam's debt-to-GSDP ratio is projected to increase by only a small amount in the next five years, starting from 2021-22. And, under all other possible scenarios, its debt-to-GSDP ratio is projected to assume a declining trajectory. Moreover, the State's outstanding contingent liabilities are nearly negligible.

The State's share in taxes from Centre, as per the recommendations of the Finance Commission (FC), has decreased marginally from 3.3 per cent under the 14th FC to 3.1 per cent under the 15th FC. And, its share in the total grants-in-aid has increased to 3.7 per cent by 1.5 percentage points under the 15th FC, compared to the 14th FC.

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[6] Data on dropout rates, pass percentage of students and Gross Enrolment Ratio at Higher Secondary Level is taken from Unified District Information System for Education, 2015-16.

[7] Data on Gross Enrolment Ratio at Higher Education Level, Gender Parity Index, and college density is taken from the All-India Survey on Higher Education, 2020-21.

[8] Data on health variables is sourced from National Family Health Survey and the Sample Registration System

[9] Data on fiscal variables is sourced from Reserve Bank of India, State Finances Report, as of December 2023.

[10] The median is calculated across 22 major States (excluding all Union Territories and the North-eastern States, except Assam). The Macro and Fiscal Landscape State brief includes this benchmark in the States' Median (Large States), Column 6, Table 4A.

5. Fiscal Rules

The Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005, enacted under the 12th FC recommendations, establishes fiscal targets to reduce revenue and fiscal deficits, cap guarantees, and present Medium-Term Fiscal Policy Statements with the annual budget.[11] Since 2005, the Act has been amended five times in 2011, 2017, 2020, 2021, and 2022.

The fiscal targets under these amendments have been modified as follows:

Revenue Deficit: The Act mandated the State to eliminate revenue deficit by the end of 2008-09. The 2011 amendment extended the deadline to 2011-12 with the mandate to maintain balance or surplus thereafter.

Fiscal Deficit: The original Act, 2005, mandated the State to reduce its fiscal deficit to 3.5 per cent of GSDP by 2009-10. An amendment in 2011 reduced the fiscal deficit limit to 3 per cent of the estimated GSDP by 2010-11 with the mandate to maintain the same level thereafter. This was reiterated in the 2017 amendment with the provision for additional borrowing of 0.25 per cent subject to the State maintaining its debt-to-GSDP ratio at less than 25 per cent in the preceding year. Another amendment in 2020 provided an additional borrowing of 2.5 per cent of GSDP above and beyond the previous 3 per cent limit. The 2021 amendment allowed a fiscal deficit ceiling of 4 per cent of GSDP subject to certain conditions. And, the 2022 amendment relaxed the fiscal deficit ceiling by 0.5 per cent of GSDP based on the performance of the power sector.

Outstanding Liabilities: The initial Act required the State to attain the total outstanding debt-to-GSDP ratio at 28.2 per cent in 2010-11, 28.3 per cent in 2011-12, 28.4 per cent in 2012-13 and 2013-14, and 28.5 per cent in 2014-15, and to maintain the same level thereafter. The 2022 amendment enhanced the outstanding debt target from 28.5 per cent to 32 per cent of GSDP for the next five years, starting from the financial year 2022-23.

Fiscal Discipline: As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period 2017-18 to 2021-22, the State was able to achieve the revenue deficit targets for only two out of five years (2018-19 and 2020-21) and fiscal deficit targets for three out of five years with the exception of 2019-20 and 2020-21. However, the State was able to meet the targeted achievements for the outstanding liabilities for all the five years.

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[11] Data is sourced from the State Audit Report of the CAG for the respective years and the State Government Gazette.