



# Chief Minister's Rajasthan Economic Transformation Advisory Council

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15<sup>th</sup> October, 2020





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STORY SO FAR

National Scenario in  
Trends

02

STORY SO FAR..

Rajasthan Scenario in  
Trends

03

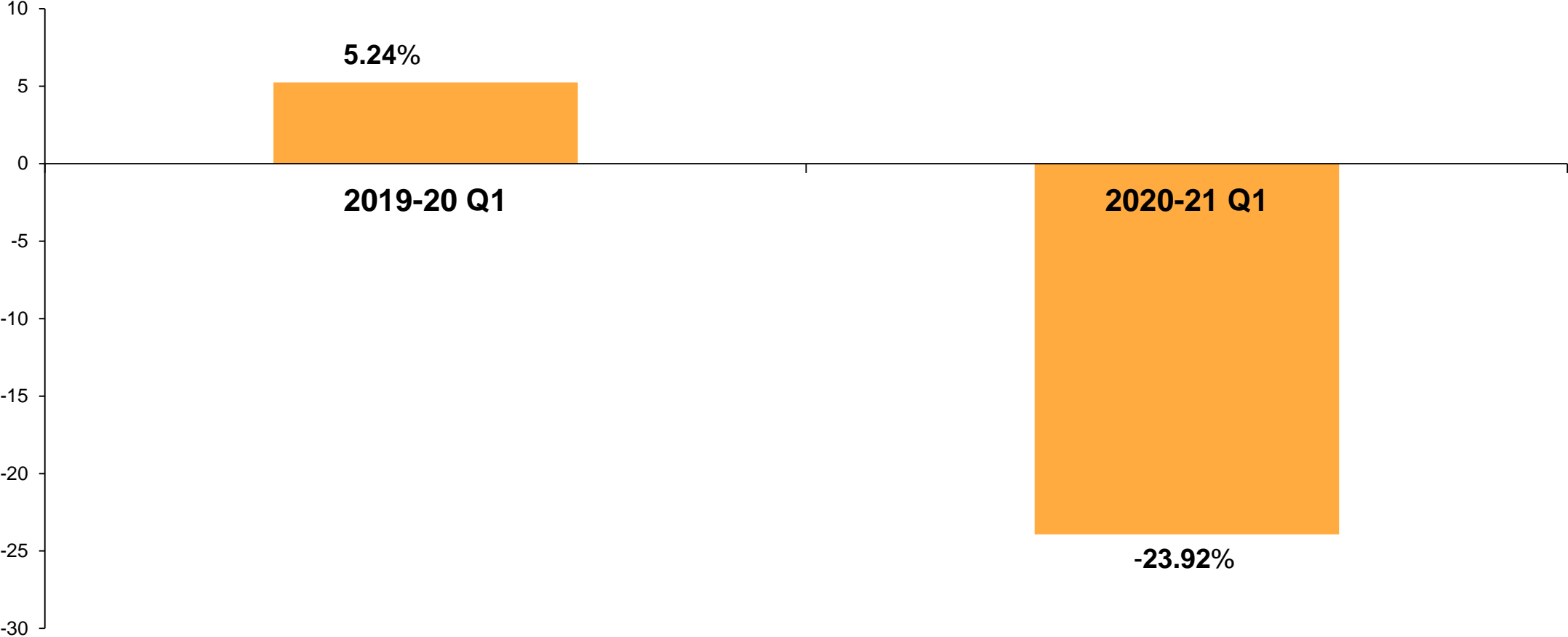
THE COVID STORY

Impact and Way Forward  
for the Economy

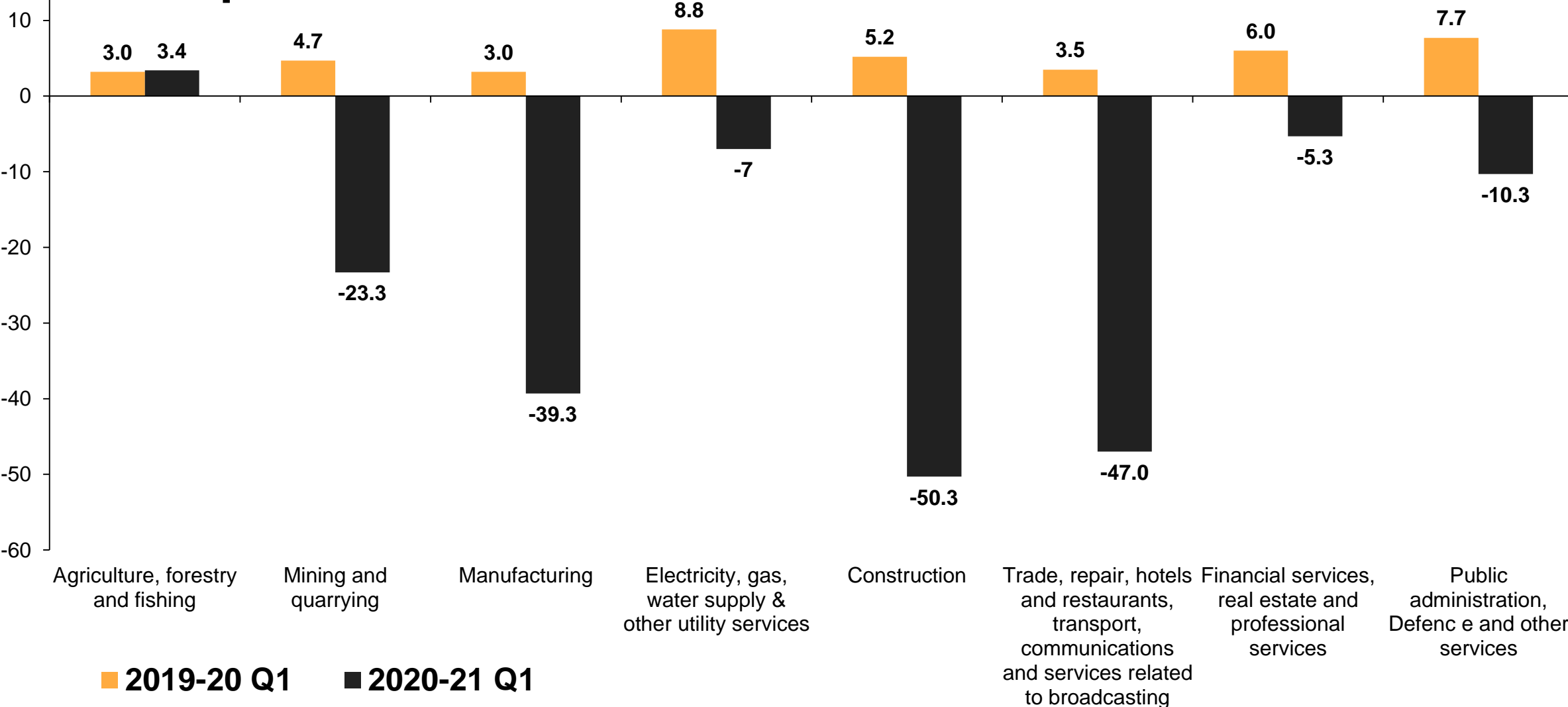
# National Scenario – Key Points

- Although, Gross Domestic Product (GDP) and per capita GDP have increased over the past decade, their growth rates have fallen continuously since 2017-18
- Owing to normal monsoon in the past few years, agriculture sector has fared well
- While Gross Value Added (GVA) of secondary sector increased in actual terms over the decade, the growth rates of all sub-sectors saw decline after 2018-19
- Tertiary sector activities have seen a downward trend since reaching peak in 2015-16, except public administration et al.

# Impact of Covid on GDP Growth Rate



# Impact of Covid on All India Sector wise Growth rate



Demonetization, Poor implementation of GST, COVID and subsequent lockdown have adversely impacted economic growth and resources of the Country & the States including Rajasthan

# Main Characteristics of Rajasthan...

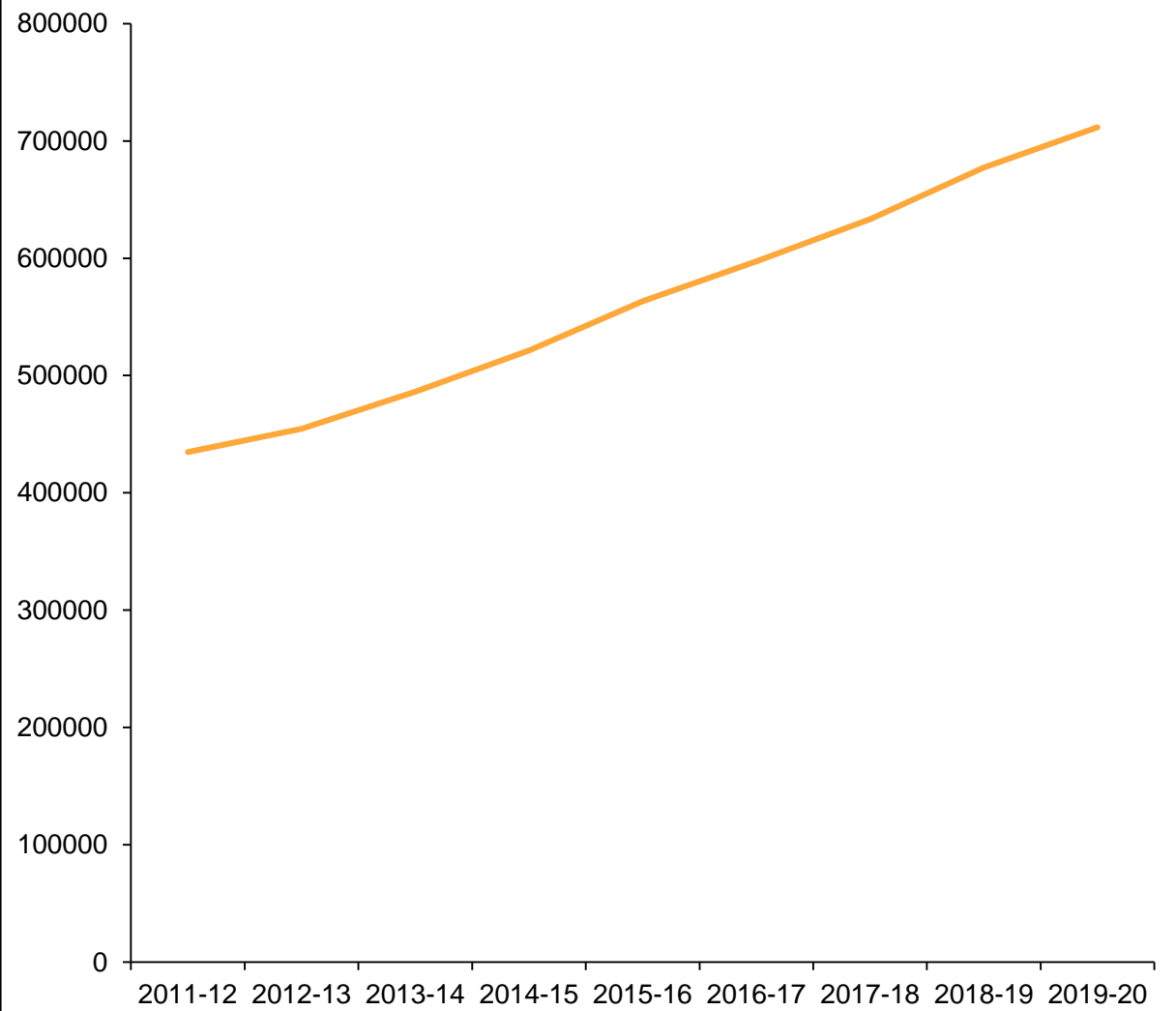
- 10.4% of country's land mass but around 56% of the state's area is desert
- 5.7% of country's total population
- 1.1% of country's surface water
- Large desert areas, hilly terrain and low & uncertain rainfall
- Rajasthan is the Seventh largest economy
- Size of Economy is Rs. 7.12 lakh crore in 2019-20 at constant prices
- Per capita income is Rs.81,355 in 2019-20 at constant prices

# Strengths

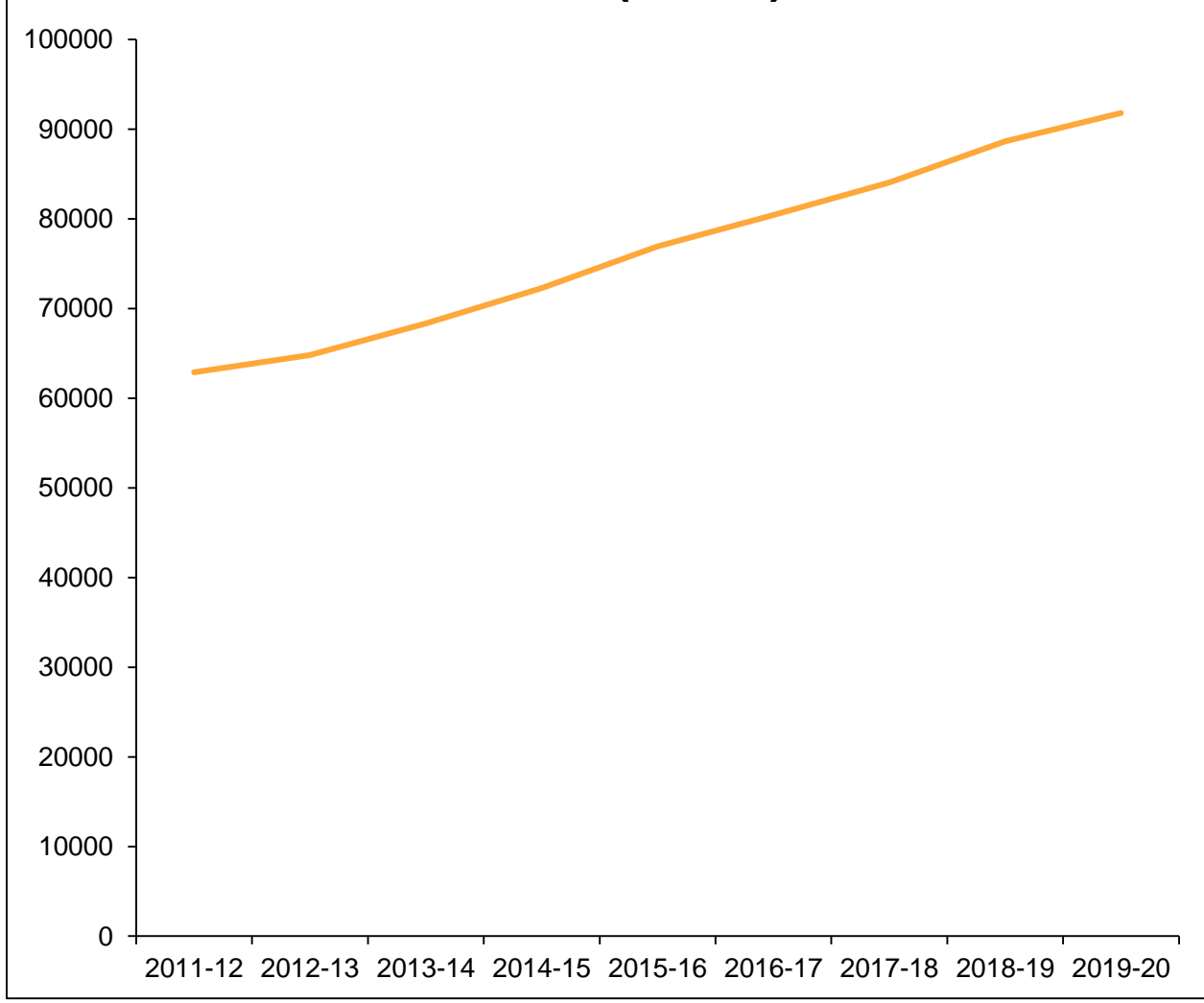
- Agriculture & Allied sector contribution to GDP is 25%, out of which livestock alone contributes around 40% to the sector.
- Tourism direct and indirect contribution is over 7% in state economy
- Mining sector contributes around 7% in state economy
- Highest Solar Insolation
- Huge solar and wind power potential
- Exports of Textiles and Gems & Jewellery

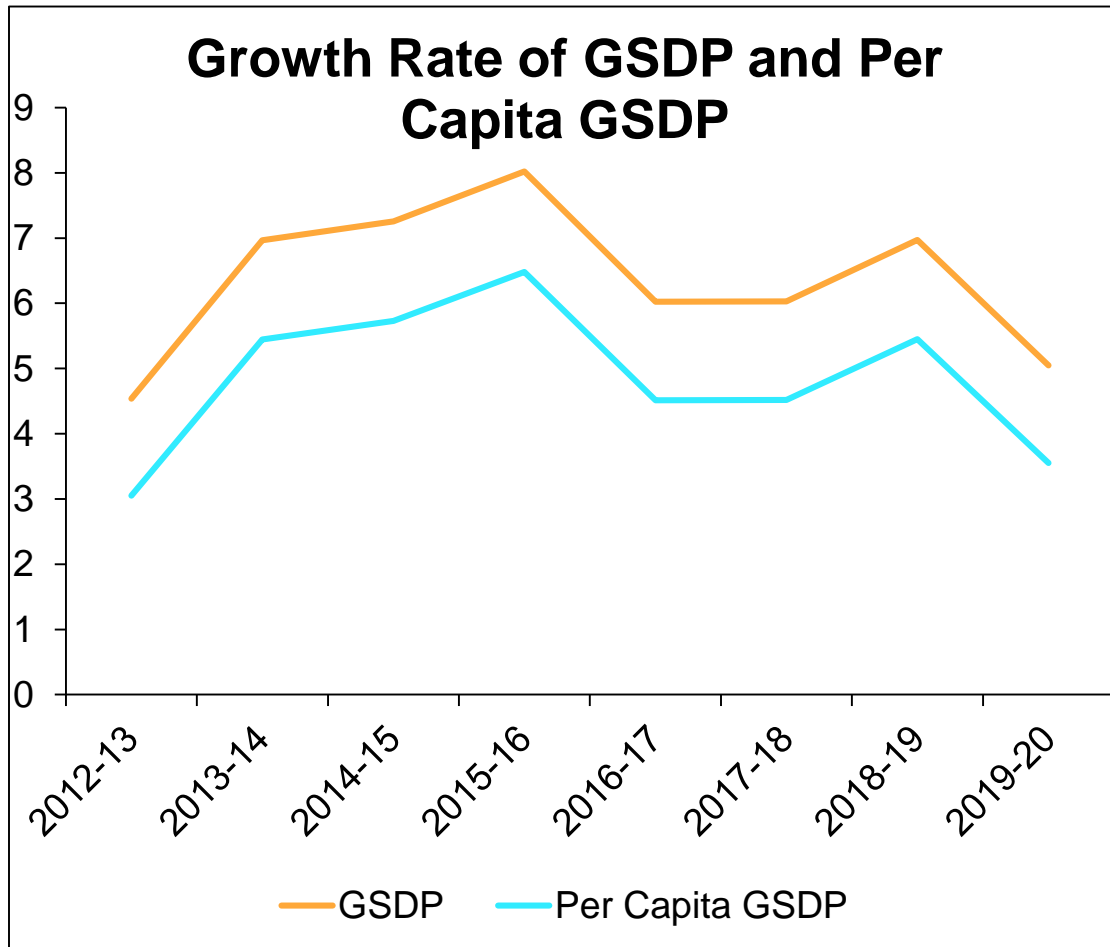


**GSDP At Constant (2011-12) Prices  
(in Rs Crore)**



**Per Capita GSDP at Constant (2011-12)  
Prices (In Rs.)**



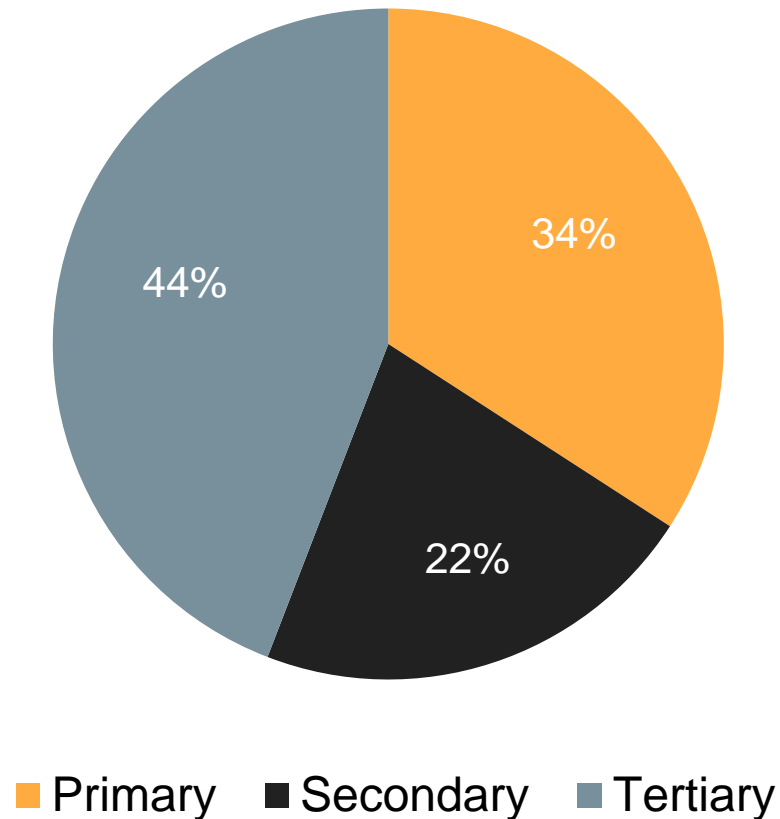


Although GSDP and Per Capita GSDP increased in actual terms, the growth rate has fallen after reaching 8% in 2015-16

Item	India		Rajasthan	
	2018-19	2019-20	2018-19	2019-20
GDP Growth Rate at Constant Prices	6.11	4.18	6.97	5.04
Per Capita GDP at Constant Prices	4.84	3.11	5.45	3.55

Growth rates of GDP and Per Capita GDP of Rajasthan have been higher than that of India in 2018-19 and 2019-20

## Sector-wise GSVA Break-up 2019-20 At Constant (2011-12) Prices



Primary sector which contributes 34% of GSVA is reported to engage 65% of the state's population according to research reports.

# COVID-19

## EXISTING STATUS\*

Indicator	Rajasthan	India
Total Test (In Lakh)	33.57	868.77
Total Positive (In Lakh)	1.59	70.52
Total Active Cases	21412	867211
Total Recovered (In Lakh)	1.36	60.75
Total Death	1650	108371
Recovery Rate	85.5%	86.15%
Case Fatality Rate	1.04%	1.54%

*\*As on 11<sup>th</sup> October, 2020*

# Key Welfare and Economic Measures to Mitigate Hardship During Covid




- Enhancement of testing capacity from 0 to 51,000 per day
- Distribution of 3500 ex-gratia relief to 33 lakh distressed families (roughly Rs 1200 crore)
- Rs 25 crore ex-gratia relief to street vendors
- Distribution of 4.4 crore (Rs 128 crore on dry ration) dry ration and cooked food packets during lockdown
- Distribution of wheat and chana to 54 lakh NFSA beneficiaries not supported by Gol (Rs 78 crore)
- Food distribution to 52 lakh people of 37 categories whose employment was adversely affected (Rs 24 crore)

# Key Welfare and Economic Measures to Mitigate Hardship During Covid



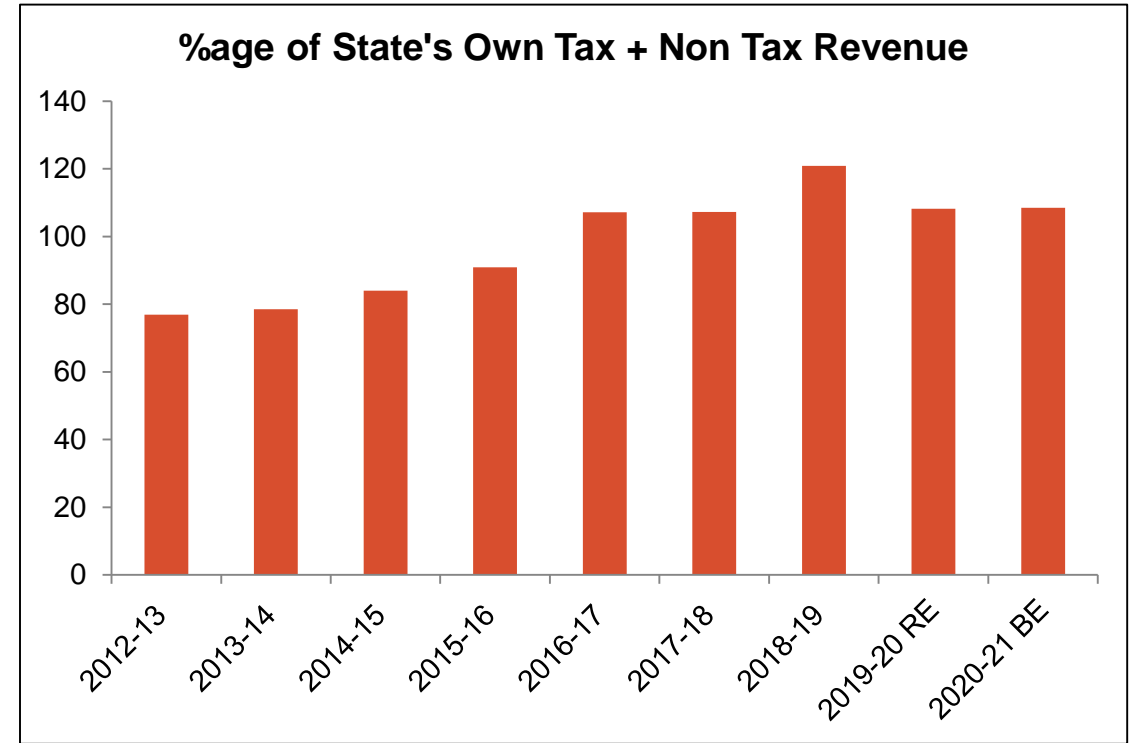
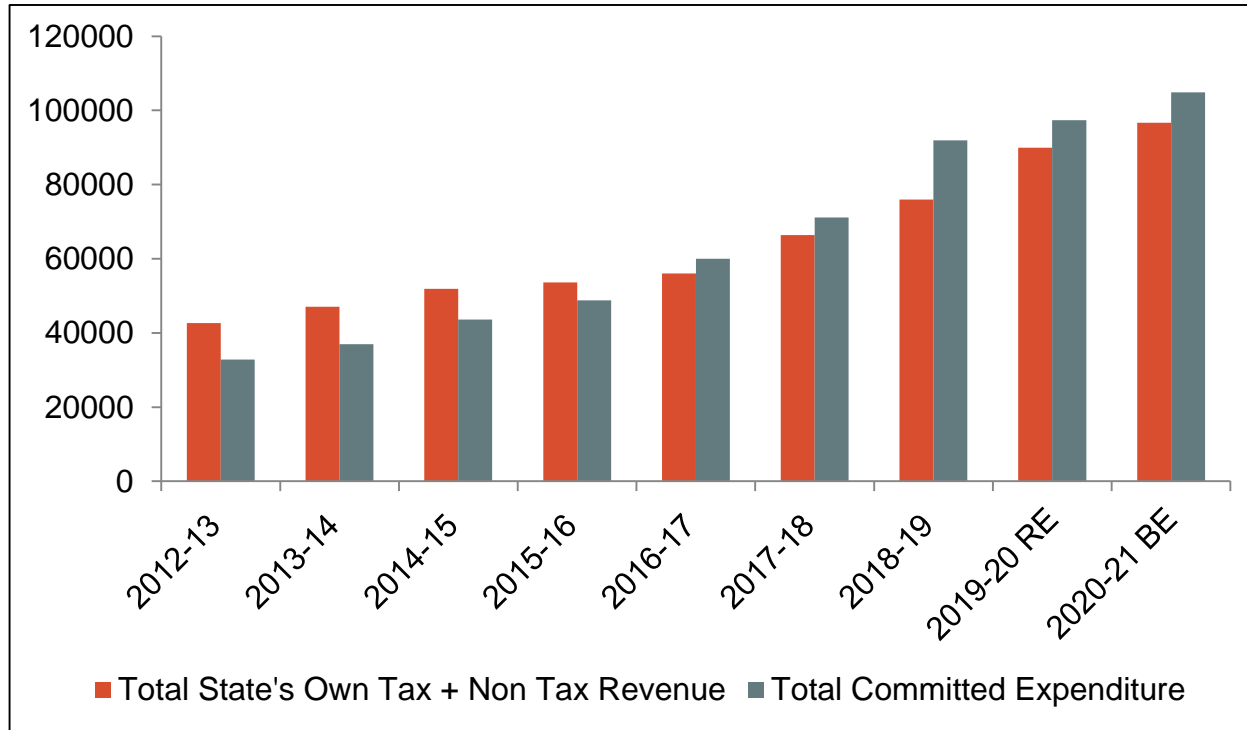
- Free distribution of wheat to NFSA beneficiaries (Rs 132 crore)
- Support to employees for insurance cover, salary without work for lockdown period, cash Incentive to Covid warriors, quarantine leave
- 600 crore support to districts and medical sector from SDRF
- Relaxations given for speedy and easy procurement including reduction in bid security under RTPP Act
- Extension of the work orders given for procurement for 6 months without any penalty

# Key Welfare and Economic Measures to Mitigate Hardship During Covid



- Relaxations in filing of various GST returns
- SGST reimbursement package for tourism and hotel sectors
- Various exemptions given by excise department
- Directions for austerity measures in Government
- Relaxation and deferment to the tune of Rs 2200 crore to energy consumers
- Exemptions on various motor vehicle tax to the tune of Rs 171 crore

# Fiscal Stress

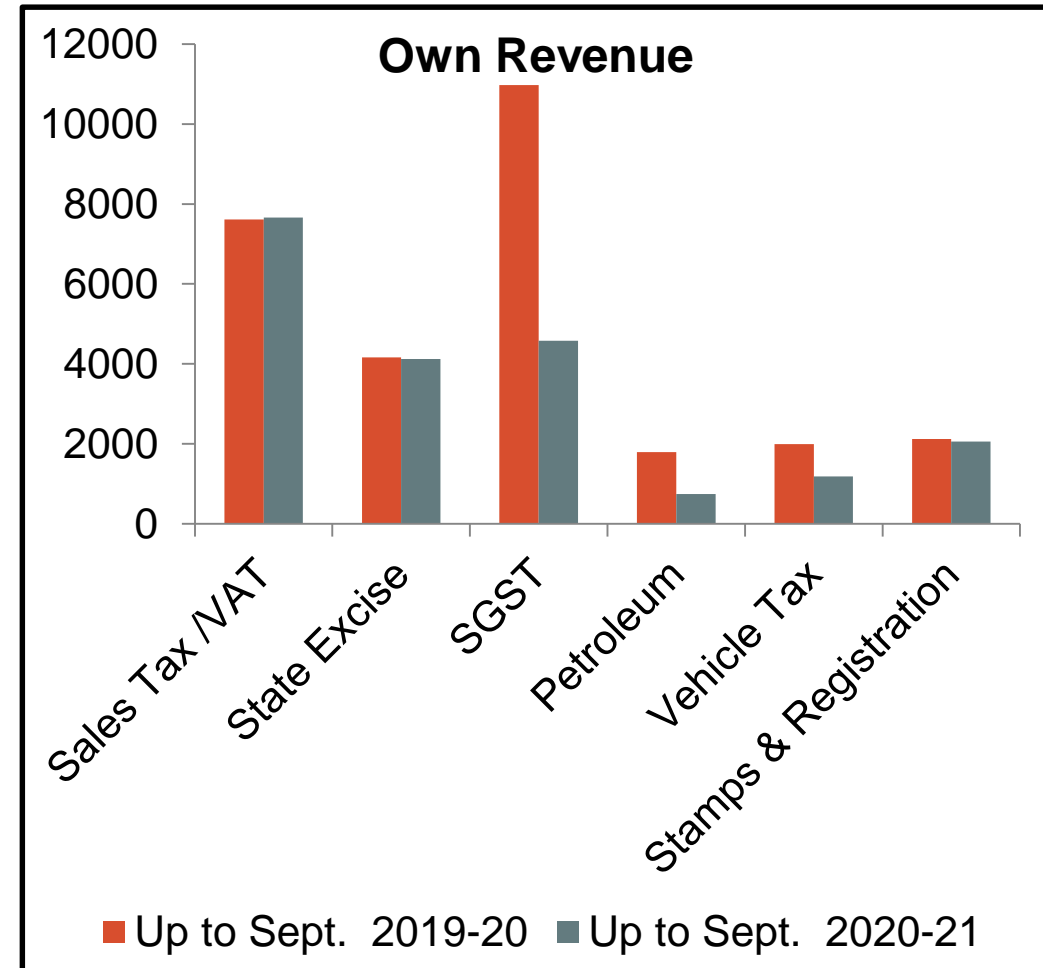
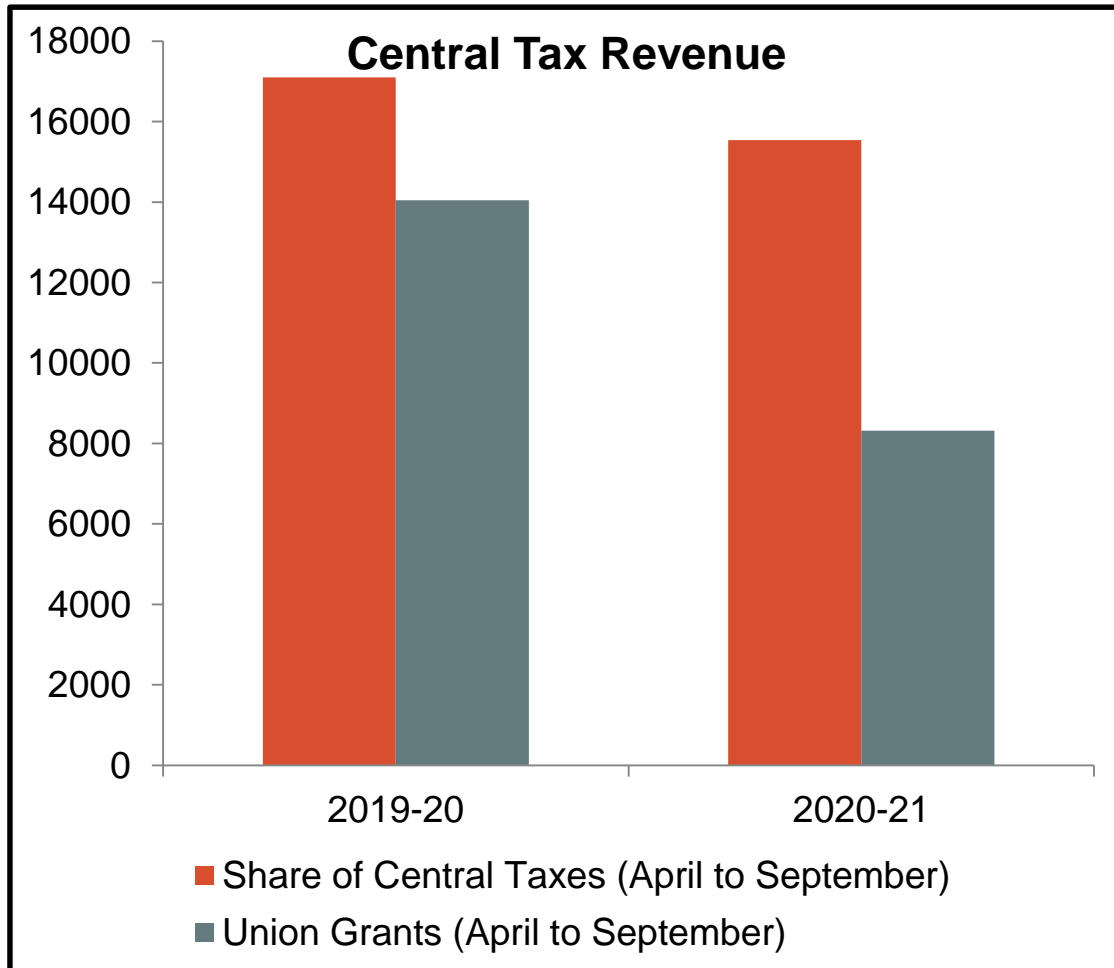


Committed liabilities of state in terms of salaries, pension and interest payments reached around 120% of state's own revenues in 2018-19 and currently stands at 108% as per 2020-21 BE.



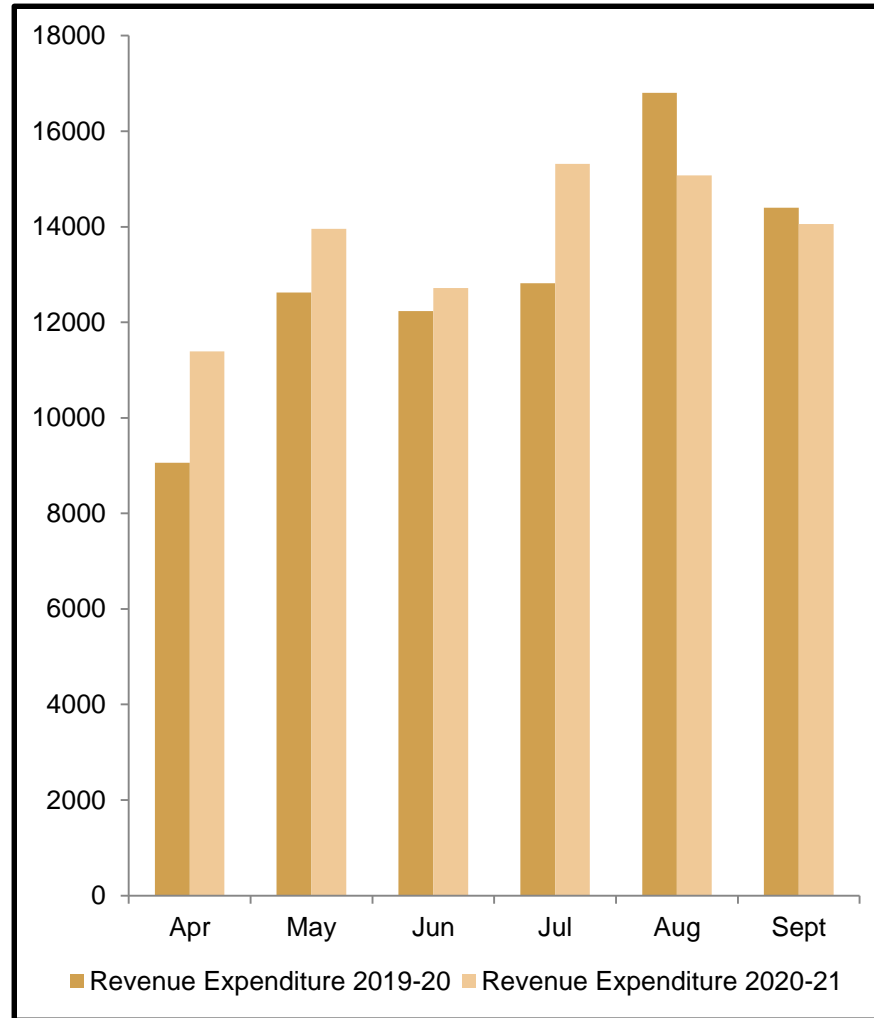
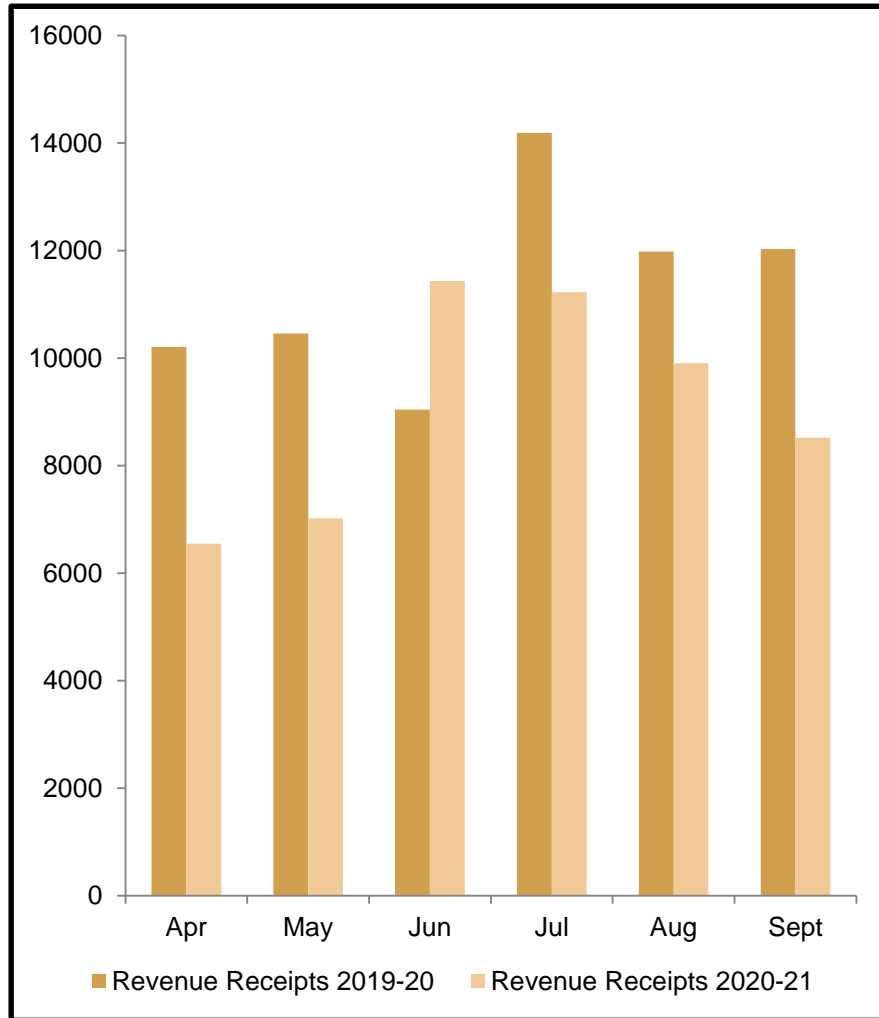
# COVID Impact

## Trends in State's Own Revenue and Central Tax Revenue



# COVID Impact

## State Revenue and Expenditures



Overall revenue receipts for April to September period down by 18.3%

Revenue expenditure for April to September period up by 4.3%

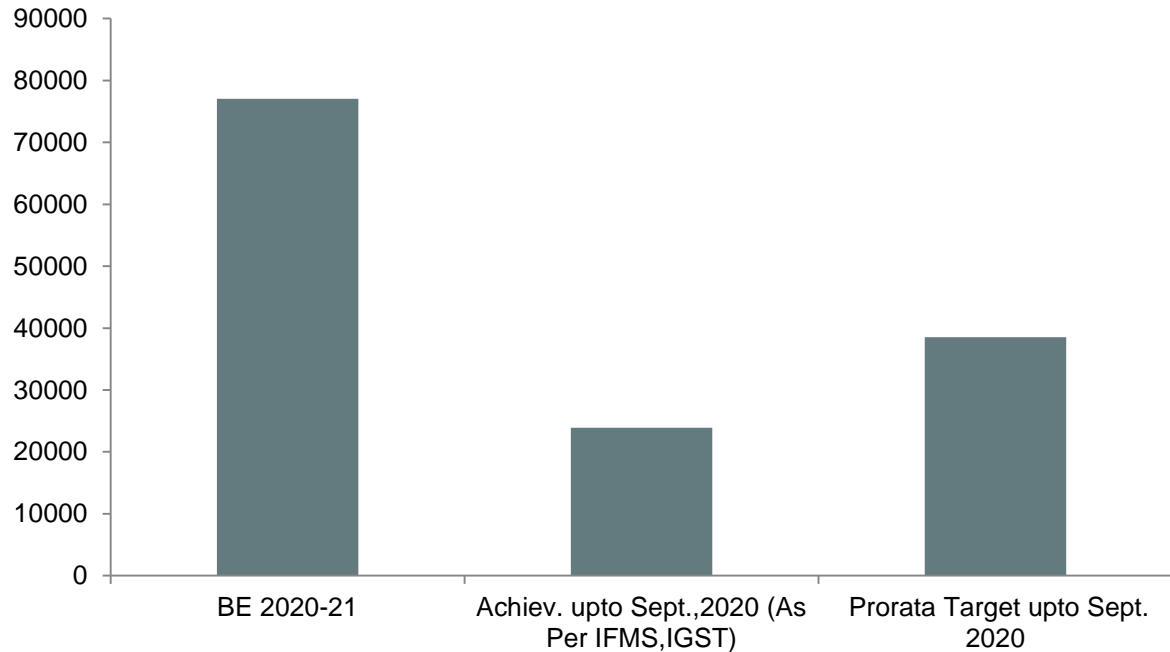
Fiscal deficit close to 3% mark in September as compared to 1.5% last year

# COVID Impact

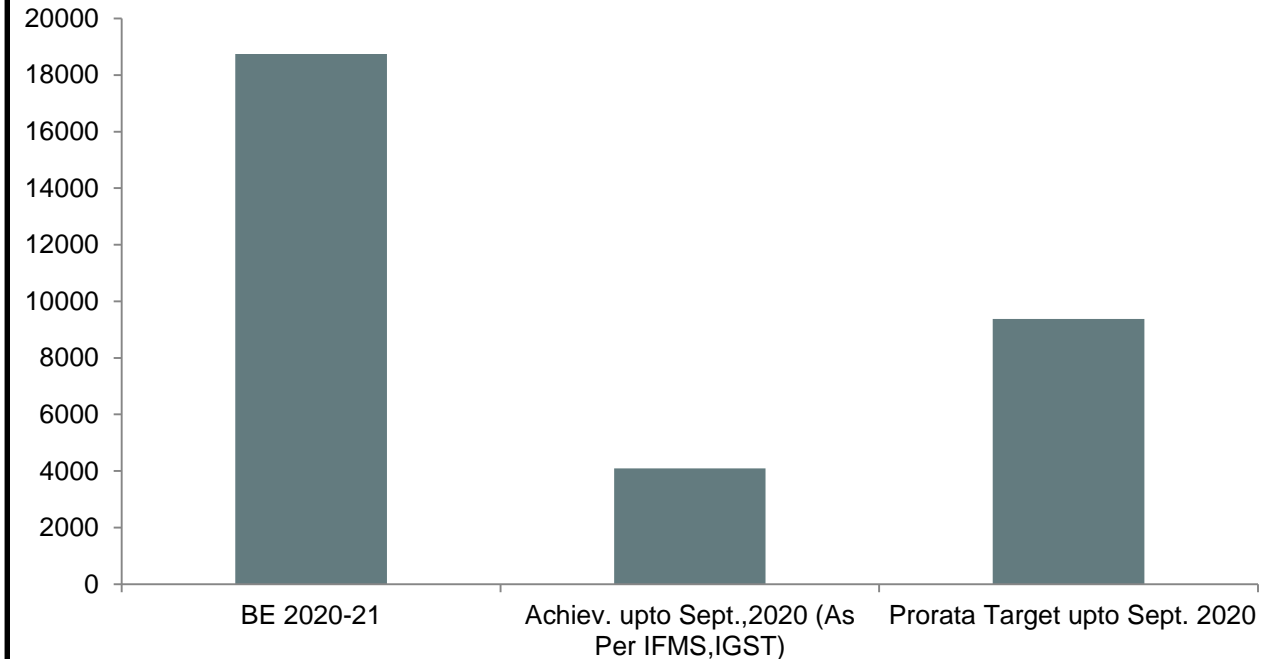
## Impact on State Revenue



**Tax revenue (in Rs Crore)**



**Non-tax Revenue (in Rs Crore)**

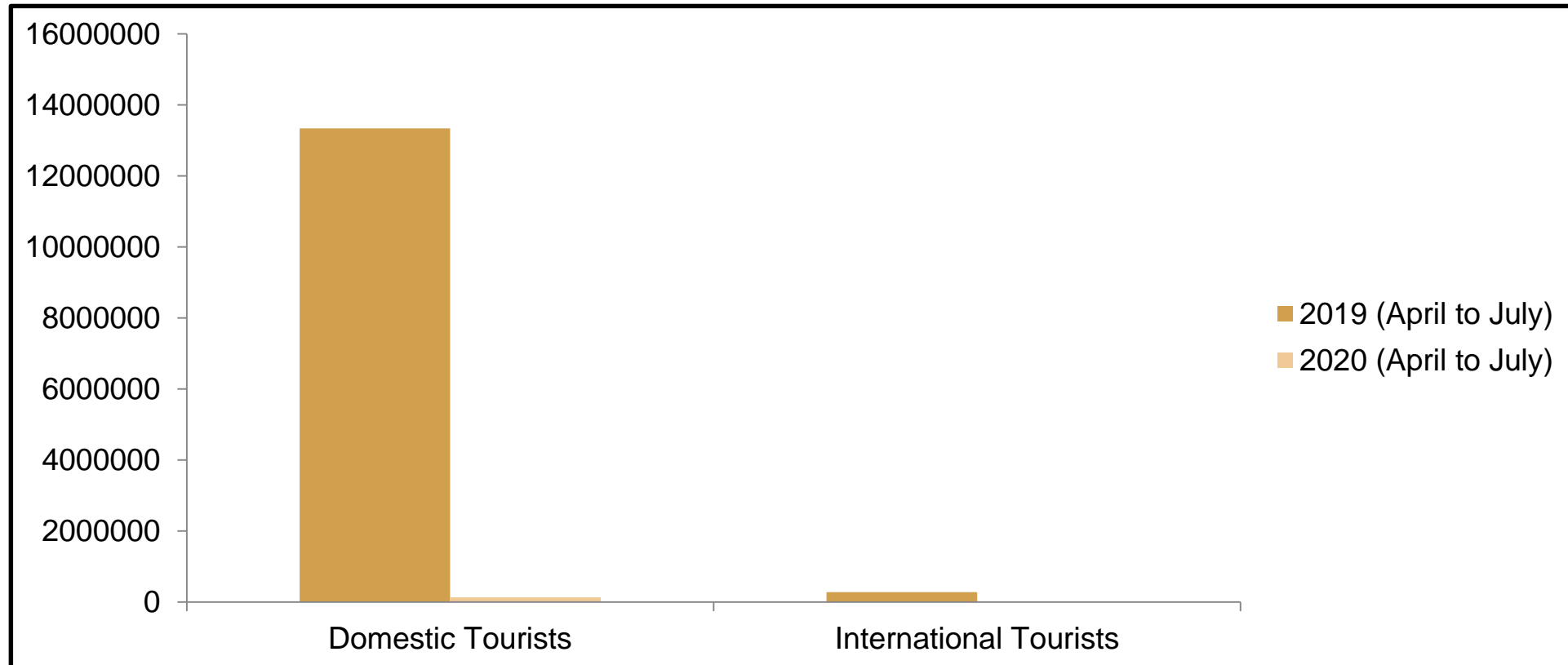


Revenue realisation till September 2020 fell short by total of 20,054 crores including both tax and non-tax sources, as against prorata estimates.

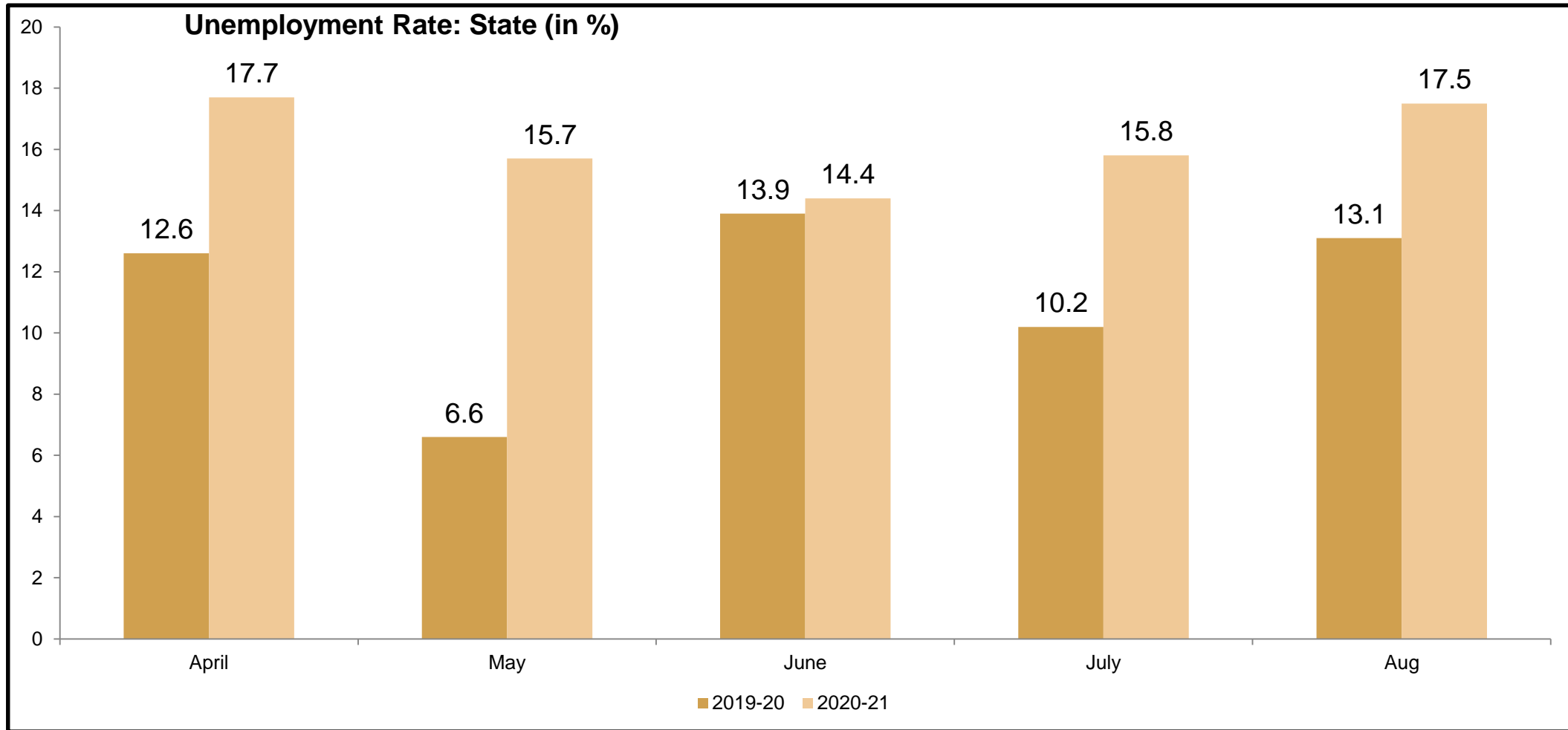
# COVID Impact TOURISM SECTOR

Sector contributes over 7% to the GDP of Rajasthan

For the period of April to July, number of tourists down by 99%

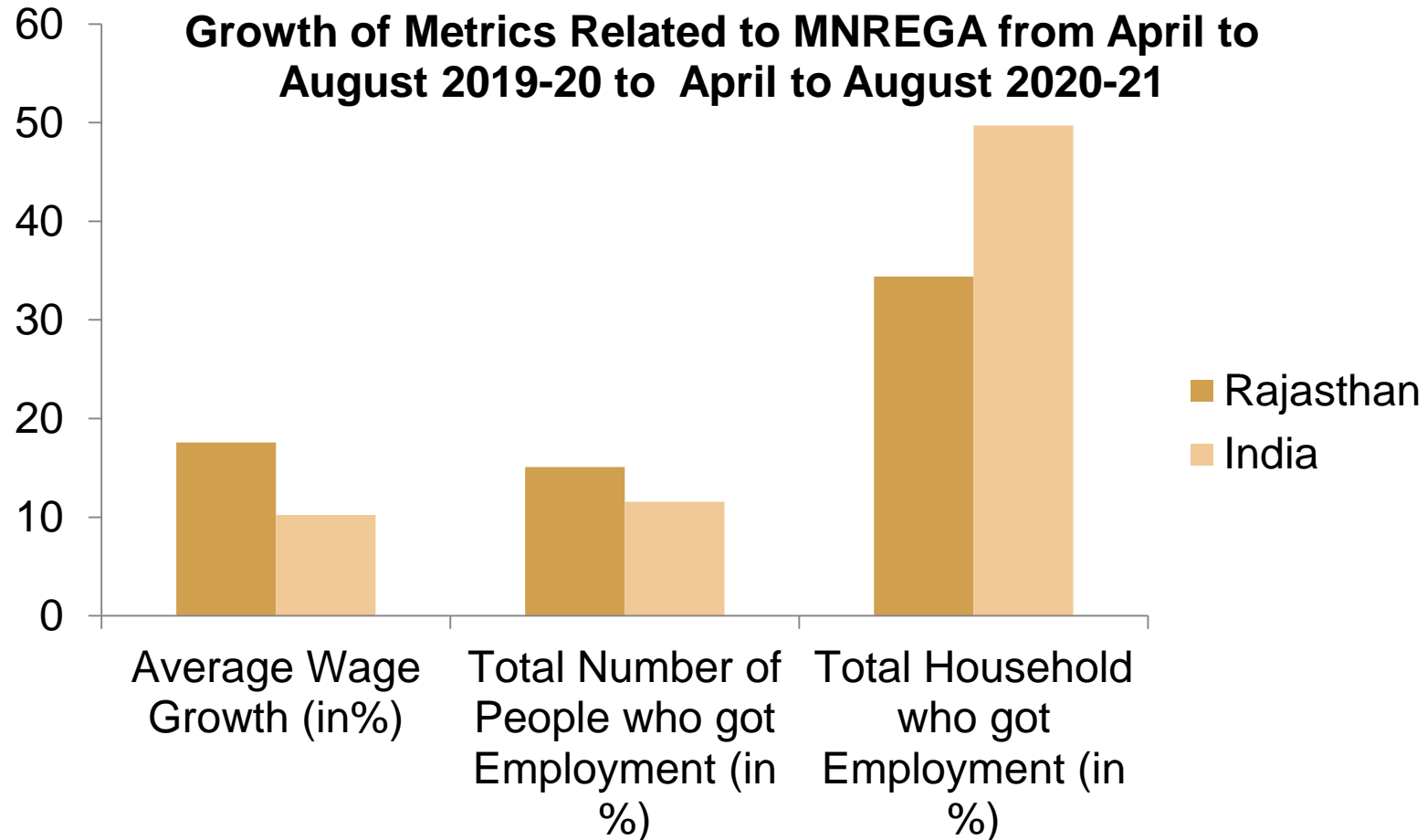


# Unemployment Rates During Covid-19



Source: Centre for Monitoring Indian Economy

# Wages and Employment



Rajasthan has fared well in growth rates of employment provided to households and individuals and also the cumulative and the average wage per household per day as compared to Indian growth in these metrics

# Policy Initiatives to Drive Investment & Growth

- Rajasthan Investment Promotion Scheme 2019
- Agro-Processing Policy 2019
- Tourism Policy 2020
- MSME (Facilitation of Establishment and Operation) Act 2019
- Rajasthan Industrial Development Policy 2019
- Establishment of Rajasthan State Mineral Exploration Trust 2020
- Rajasthan Export Promotion Council 2019
- Solar, Wind & Hybrid Policy

# Key Issues for Discussion

- Managing the Urban Informal Sector
- Sustainable agriculture and Integrated agro-business infrastructure in the rural areas
- Quantifying the contribution of intangible cultural assets to the economy
- Education and the new paradigm
- Medical Services
- Doing business
- Development of Infrastructure including Public private partnerships
- Fiscal management of the state



# Thanks