

DEPARTMENT OF ECONOMICS

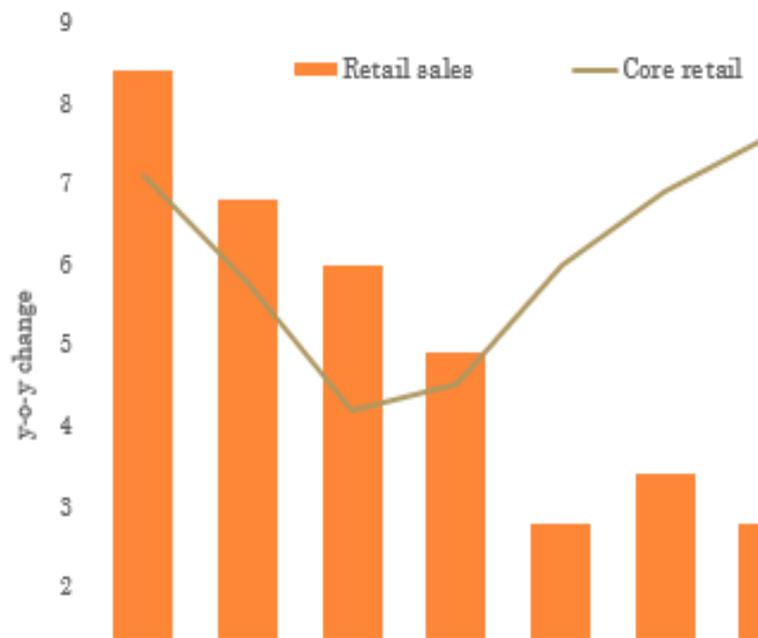
Economic 2018

NEWS LETTER PRAWAAH

OUTLAY OF BUDGET

Year-on-year % change	2016	2017	2018	2019	2020	2021
GDP	5.1	4.3	3.5	3.2	2.8	2.6
GNP	9.6	0.0	3.3	3.0	2.5	2.3
Nominal GDP	5.2	4.9	4.4	4.4	4.1	4.1
GN* (€bn)	189.2	190.2	198.8	207.7	216.0	224.5
Personal Consumption	3.3	2.3	2.3	2.2	2.1	1.9
Govt Consumption	5.3	2.0	2.0	2.0	1.9	1.7
Investment	61.2	-3.7	6.1	5.6	4.2	3.8
Exports	4.6	3.5	4.8	4.3	4.0	3.8
Imports	16.4	-1.0	5.5	4.9	4.4	4.2
HICP	-0.2	0.2	0.8	1.4	1.8	1.9
GDP Deflator	0.0	0.5	0.9	1.1	1.3	1.5
Employment	2.9	2.8	2.3	2.1	1.8	1.6
Unemployment (rate)	7.9	6.3	5.7	5.5	5.5	5.5
Contributions to growth (p.p)*						
Domestic Demand	14.1	-0.2	2.8	2.7	2.3	2.1
Change in Stocks	0.1	-0.6	0.1	0.0	0.0	0.0
Net Exports	-9.2	5.2	0.6	0.5	0.5	0.5
Underlying Domestic Demand (excl stocks)	2.9	2.0	2.1	2.0	1.6	1.5
Underlying Net Exports	1.9	3.0	1.3	1.2	1.2	1.1

Retail sales



Budget



* Budget Day Package of approximately €1.2 billion, net of €180 million allocation to Public Services Stability Agreement, distributed on a 70: 30 bases between expenditure and tax.

* Total revenue reductions of €335 million are offset by €830 million of revenue-raising measures. This gives a net revenue package in Budget 2018 yielding €495 million.

* On the spending side, there will be an expenditure increase of the order of €1.1 billion.

KEY POINTS

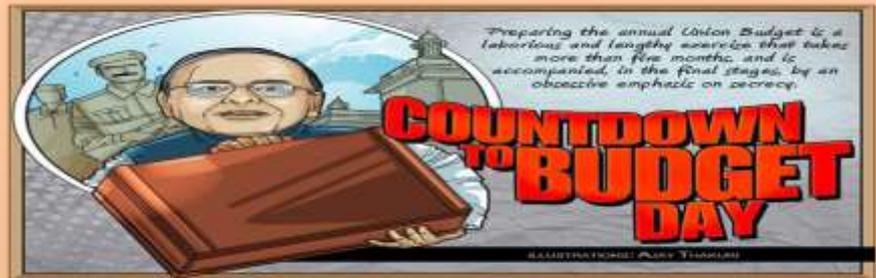


- Retail sales are up 3.3 per cent January – August y-o-y
- New private car licensing has been weak this year with consumers shifting towards used/imported a car which in part reflects the appreciation of the euro against sterling. This has acted as a drag on retail sales
- Core retail sales, which exclude car sales, are up 6.6 per cent January – August y-o-y

Introduction



- ❑ Union Budget: The union budget is the budget prepared by the central government for the country as a whole.
- ❑ State Budget: In countries like India, there is a federal system of government thus every state prepares its own budget.
- ❑ Plan Budget: It is a document showing the budgetary provisions for important projects, programs and schemes included in the central plan of the country. It also shows the central assistance to states and union territories.
- ❑ Performance Budget: The central ministries and departments dealing with development activities prepare performance budgets, which are circulated to members of parliament. These performance budgets present the main projects,



BHOPAL: The budget session of Madhya Pradesh assembly is likely to be delayed by almost a fortnight owing to bypolls in Mungaoli and Kolaras. Contrary to the earlier claims by the BJP government to prepone the date of state budget in view of the Union Budget on February 1, the state government is likely to present the budget in the second week of March. Being the last budget of the BJP government and 14th Assembly of Madhya Pradesh, the budget is likely to be populist with focus on promises in view of widespread agrarian distress.