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Government of India
Ministry of Finance
Department of Economic Affairs
(Economic Division)
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North Block, New Delhi
March 13, 2015

Subject: Corrigendum to Volume 1 of the Economic Survey 2014-15.

1. The modifications are indicated in the tables below.

Chapter No., Page No.	Additions
1. Preface	As the last sentence in Para 3 – *"Volume 2 will serve as a valuable reference guide and repository of data for researchers, students and policymakers".*
2. Chapter 1, Page 23	As footnote of Table 1.2: 'Electricity-"*Elite Capture: Residential Tariff Subsidies in India*" (2015), The World Bank Group [Kristy Mayer, Sudeshna Ghosh Banerjee and Chris Trimble].'
3. Chapter1, Page 43	Paragraphs inserted before the last paragraph as under: "*There will be another benefit. In the last few years the overall deficit of the states has been about half of that of the centre: in 2014-15 (budget estimates) for example, the combined fiscal deficit of the states was estimated at 2.4 percent of GDP compared to 4.1 percent for the centre. So, on average, states are more disciplined than the centre.* *Based on analysing recent state finances, we find that additional transfers toward the states as a result of the FFC will improve the overall fiscal deficit of the combined central and state governments by about 0.3-0.4 percent of GDP. Moreover, nearly all the state governments have enacted fiscal responsibility legislations (FRLs) which requires them to observe high standards of fiscal discipline such as keeping the deficit low. Thus, the public finances at the consolidated level (centre plus states) will improve by more than suggested by looking at the centre's finances alone."*
4. Chapter2, Page 45	Paragraphs inserted at the end of section 2.1 as under: "*Finally, an under-appreciated but very important implication of the FFC recommendations is perspective. In 2015-16, roughly 62 percent of total tax revenues collected by the country (centre plus states) will accrue to the states compared with about 55 percent in 2014-15. This is a radical development. It is now absolutely imperative that Indian public finances be assessed at the consolidated level rather than at the central level alone.* *And here the picture could well be different. If the extra revenue accruing to the states is spent in the manner of the most recent year, it is likely that the consolidated fiscal deficit would be reduced by between 0.2 and 0.6 percent of GDP and the revenue deficit would decline by about 0.4 percent of GDP. Further, consolidated capital expenditures would increase by between 0.3 and 0.6 percent of GDP. In other words, fiscal consolidation, expenditure control, and the quality of fiscal adjustment would all be: better than those at the level of the central government and close to market expectations of central government fiscal targets."*
5. Chapter 3, Page 54	As footnote of Table 3.1: 'Electricity-"*Elite Capture: Residential*

Chapter No., Page No.	Additions
	Tariff Subsidies in India" (2015), The World Bank Group [Kristy Mayer, Sudeshna Ghosh Banerjee and Chris Trimble].'
6. Chapter 10, Page 131	At the end of Box 10.2: '*The FFC has now abolished these categories*'.
7. Chapter 10, Page 137	Paragraphs inserted before the last paragraph as under: "*There will be another benefit. In the last few years the overall deficit of the states has been about half of that of the centre: in 2014-15 (budget estimates) for example, the combined fiscal deficit of the states was estimated at 2.4 percent of GDP compared to 4.1 percent for the centre. So, on average, states are more disciplined than the centre.* *Based on analysing recent state finances, we find that additional transfers toward the states as a result of the FFC will improve the overall fiscal deficit of the combined central and state governments by about 0.3-0.4 percent of GDP. Moreover, nearly all the state governments have enacted fiscal responsibility legislations (FRLs) which requires them to observe high standards of fiscal discipline such as keeping the deficit low. Thus, the public finances at the consolidated level (centre plus states) will improve by more than suggested by looking at the centre's finances alone."*

Chapter No., Page No., Original Text	Text to be Replaced with
1. Abbreviations *WPI Wholesale* *SARFESI*	 *WPIWholesale Price Index* *SARFAESI.*
2. Chapter1, Page 2 *'Much of the cross-country evidence of the post-war years suggests that Big Bang reforms occur during or in the aftermath of major crises'.* (fifth paragraph)	*'Much of the cross-country evidence of the post-war years suggests that Big Bang reforms occur during or in the immediate aftermath of major crises'.*
3. Chapter 1, Page 3 *'In a nearly 12-quarter phase of deceleration, economic growth averaged 6.7 percent but since 2013-14 has been growing at 7.2 percent on average, the later based on the new growth estimates..'* (first paragraph)	*'In a nearly 12-quarter phase of deceleration, economic growth averaged 6.7 percent but since 2013-14 it has been 7.2 percent on average, the latter based on the new growth estimates..'.*
4. Chapter 1, Page 7 '(*As detailed in section 1.12, the government's actions in this regard are also helping in form of a de-facto carbon tax).*' (second paragraph)	*'(As detailed in section 1.12, the government's actions in this regard are also helping the environment in the form of a de-facto carbon tax)*'.
5. Chapter1, Page 28 '*This is not a welcome development since rail transport is typically more cost and energy efficient.'*(first paragraph)	*'This is not a welcome development since rail transport is typically more cost and energy efficient and entails lower health costs'*.
6. Chapter 1, Page 32 '*One important lesson is that the clean-up is as important as the run-up.*'(second paragraph)	'*One important lesson is that effectiveness of the clean-up is as important as prudence in the run-up'*.
7. Chapter1, Page 33 (Table 1.3, column 1) *'2A: Unconditional domestic convergence'* *'2B: Unconditional international convergence'* *'3. Converging sector absorbs resources'.*	 *'2A: Dynamism in productivity within country'* *'2B: Dynamism in productivity across countries'* *'3: Dynamic sector absorbs resources'.*
8. Chapter 3, Page 52 *'..(discussed in section 13 in this Volume).'*(first paragraph)	*'..(discussed in section 1.13 in Chapter 1 of this Volume)*'.

Chapter No., Page No., Original Text	Text to be Replaced with
'.. ₹ *394,000 is roughly how much it would cost to raise the expenditure of every household to that of a household at the 35th percentile of the income distribution*[2]*..*' (last paragraph) '*Economic Survey of India 2014-15, Chapter 3*'.(footnote 2)	*".. ₹ 394,000 is roughly how much it would cost to raise the expenditure of every household to the level of a household at the 35th percentile of the income distribution*[2]*..*'. '*Ministry of Finance calculations'.*
9. Chapter 3, Page 55 '*Economic Survey of India 2015, Volume 1, Chapter 6 (on Railways)'(footnote 8)*	'*Economic Survey 2014-15, Volume 1, Chapter 6 (on Railways)'*
10. Chapter 5, Page 81 '*The implication of this evidence is that lending to agriculture may be excessive and going predominantly to large farmers. It is not being used for agricultural capital formation. Perhaps most significantly a large share of it may not be going to core agricultural activities at all.*' (Box 5.2, last paragraph)	'*The implication of this evidence is that lending to agriculture is grossly misallocated and going predominantly to large farmers. It is not being used for agricultural capital formation. Perhaps most significantly a large share of it may not be going to core agricultural activities at all. An appraisal of what constitutes agricultural credit is essential.*'
11. Chapter 5, Page 83 *'Bank of International Settlements'*	'*Bank for International Settlements*'.
12. Chapter 10, Page 129 '*finmin.nic.in'*(footnote 1)	*'www.finmin.nic.in'*
13. Chapter 10, Page 131 *'(See box-1)*' (Table 10.1) '*If the buoyancy value is greater than one then the growth in tax collection would be higher than the growth in GDP growth.'* (footnote 3)	*'(See box-10.1)*' '*If the buoyancy value is greater than one then the growth in tax collection would be higher than the growth in GDP*'.
14. Chapter 10, Page 132 '*The additional spending capacity can better be measure by scaling the benefits either by NSDP at current market price or by states' own tax revenue.*' (second paragraph)	*The additional spending capacity can be measured better by scaling the benefits either by NSDP at current market price or by states' own tax revenue'*.
15. Chapter 10, Page 135 (footnote 6) '*SSA*' '*MPLAD*' '*SPA to EAP'*	'*SarvaShikshaAbhiyan (SSA)'* *'Member of Parliament Local Area Development Scheme (MPLADS)'* '*Special Plan Assistance (SPA) to Externally Aided Projects (EAP)'*.
16. Chapter 10, Page 137 '*The surplus/shortfall as percent of NSDP at current market price are shown in column 5 of table 10.4, the states which add up maximum….'* (first paragraph)	'*The surplus/shortfall as percent of NSDP at current market price is shown in column 5 of table 10.4, the states which receive maximum….*'.

2. This issues with the approval of the Hon'ble Finance Minister.

(Rangeet Ghosh)
OSD to Chief Economic Adviser

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