



**GOVERNMENT OF ARUNACHAL PRADESH  
FINANCE, PLANNING AND INVESTMENT DEPARTMENT**

**STATEMENTS LAID BEFORE  
ARUNACHAL PRADESH LEGISLATIVE ASSEMBLY  
ALONG WITH THE  
ANNUAL BUDGET 2026-27  
AS REQUIRED UNDER SECTION 3 OF THE  
ARUNACHAL PRADESH FISCAL RESPONSIBILITY AND  
BUDGET MANAGEMENT ACT, 2006**

A handwritten signature in black ink, appearing to be 'Chowna Mein', is centered above the name.

**CHOWNA MEIN  
HON'BLE DEPUTY CHIEF MINISTER  
AND  
MINISTER-IN-CHARGE  
(FINANCE, PLANNING AND INVESTMENT)**

**MARCH 10, 2026**



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## FOREWORD

As per the statute of The Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 as amended and the rules thereto, I present before this August House the Macro-Economic Framework Statement; Medium Term Fiscal Plan Statement; and Fiscal Plan Strategy Statement for the year 2026-27.

Dated 10<sup>th</sup> March, 2026



**CHOWNA MEIN**

Hon'ble Deputy Chief Minister  
and Minister-In-Charge  
(Finance, Planning and Investment)  
Government of Arunachal Pradesh

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## PREFACE

Fiscal health of State economy in the long term is determined by the level of fiscal discipline being observed and fiscal prudence being followed. Governments focus on crucial fiscal indicators, aiming to eliminate / reduce revenue deficit and fiscal deficit, and to ensure prudent debt management. Greater transparency in fiscal operations of Governments and presence of medium-term framework for fiscal policy is incidental to this. The Government of Arunachal Pradesh as per the recommendation of the 12<sup>th</sup> Finance Commission, had enacted The Arunachal Pradesh Fiscal Responsibility Act 2006 (Act 4 of 2006) and amended from time to time as below :

- 1) The Arunachal Pradesh Fiscal Responsibility (Amendment) Act, 2006 (Act 14 of 2006);
- 2) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2011 (Act 8 of 2011);
- 3) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2012 (Act 4 of 2012);
- 4) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2018 (Act 8 of 2018);
- 5) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2020 (Act 5 of 2020);
- 6) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2021 (Act 3 of 2021);
- 7) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2022 (Act 4 of 2022); and
- 8) The Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2024 (Act 6 of 2024)

The Government of Arunachal Pradesh in compliance to the Section 7 of The Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 had framed The Arunachal Pradesh Fiscal Responsibility and Budget Management Rules, 2007 vide Notification No.FIN/FC-1/2006 Dated 12.02.2007.

The Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 came into force from April 1, 2005 to ensure fiscal stability, sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources, remove the impediments for effective conduct of fiscal policy and prudent debt management for improving social and physical infrastructure and human development in the State. Under Section 3 of the Act, the Government of Arunachal Pradesh is required to submit in the State Legislative Assembly a five Year Rolling Fiscal Plan with objectives of the State Government along with relevant fiscal indicators, a statement on recent economic trends and future prospects for growth and development affecting the fiscal position of the State.



The 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> Finance Commission also recommended continuing enacting of FRBM Act in their awards periods.

As per Twelfth Finance Commission recommendation, The Fiscal Responsibility and Budget Management (FRBM) Act, 2006 came into force with effect from 30<sup>th</sup> March, 2006 and the Fiscal Responsibility and Budget Management (FRBM) Rules, 2007 came into force with effect from 12<sup>th</sup> February, 2007. The 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> Finance Commission also recommended continuing enacting of FRBM Act in their awards periods.

The Period of intense fiscal reforms and consolidation under the Twelfth Finance Commission (FC-XII) regime has been replaced by the mandate of the Thirteenth, Fourteenth, Fifteenth and Sixteenth Finance Commissions which recommended the roadmaps to further consolidate the processes of fiscal balance.

A set of recommendations has also been provided by the Sixteenth Central Finance Commission to meet the fiscal targets of Union and State Governments. One of the recommendations is that the State Governments may amend their FRBM Acts to provide for the statutory flexible limits on fiscal deficit. Again, the concerned FRBM Act may also be suitably amended to provide a statutory ceiling on the sanction of new capital initiatives to an appropriate multiple of the annual budget provision.

Some flexibility in the fiscal discipline front of the State enunciated certain provisions by the 16<sup>th</sup> Finance Commission. The normal limit for net borrowing may be fixed at 3.00% of GSDP from 2026-27 to 2030-31, and the on-lending by the Union Government under SASCI will be over and above this limit, as is currently the practice.

As per the FRBM Act, milestones have been set on a yearly basis to evaluate progress of achievement on fiscal discipline front. This yearly Statement reflecting upon the fiscal policy and fiscal strategy of the state is prepared as per the Act.

In the portions of the text that follows, discussions on overview in terms of growth of national and state economy have been placed in respect of GDP / GSDP and GVA / GSVVA estimated at base year 2011-12, and fiscal indicators have been arrived at accordingly.

In compliance with the relevant provisions of the said Act and Rules, the State Government is required to lay before the House of Legislature :

- 1) Macro-Economic Framework Statement,
- 2) Medium Term Fiscal Plan Statement and
- 3) Fiscal Plan Strategy Statement, along with the Annual Budget.



This document, containing the three aforementioned Statements, is therefore, laid before the House of Legislature along with Annual Budget 2026-27 in compliance with the above statutory requirements and to reflect upon the intent of the Government and initiatives adopted on its behalf to fulfil the objectives mentioned in the FRBM Act.

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## **MACRO ECONOMIC FRAMEWORK STATEMENT**

**[See Rule 5(d) of APFRBM Rules, 2007]**

As required under The Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006, the Macro Economic Framework Statement is presented every year before the House of the Arunachal Pradesh State Legislative Assembly. The Statement contains an overview of the economy with information on key macro-economic indicators, analysis of trends in overall GSDP growth and its sectoral composition, trends in revenue collections and expenditure of the Government as well as trends in important fiscal deficit and debt indicators, and growth prospects etc.

The Central Statistical Organization, Government of India shifted the base year from 2004-05 to 2011-12 and issued guidelines to the states to revise the Estimates with new base year basis.

### **Overview of Global Economy**

The global economy continued to be resilient and is projected to grow at a rate of 3.3 per cent in calendar year 2026 and at 3.2 per cent in 2027, according to the International Monetary Fund's World Economic Outlook of January 2026. This forecast is at par with the 3.3 per cent outturn in 2025 and remains below the long-term average of 3.7 per cent. Global headline inflation is expected to moderate, though the pace of decline varies across economies.

While the current economic stability reflects a balance between surging sectoral investment and shifting trade policies, this equilibrium remains precarious. Growth prospects continue to be vulnerable to geopolitical escalation and renewed trade tensions, both of which threaten to disrupt global flows. Aligning fiscal discipline with growth-friendly investments is seen as necessary to insulate the economy against adverse global shocks.

### **Overview of National Economy**

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India released a Press Note on 7th January 2026, presenting the absolute GDP and GV A figures for All India, along with their sectoral contributions etc., at both constant and current prices with base year 2011-12. The note includes the 1st Advanced Estimates for the year 2025-26, along with estimates for the preceding years. In this context, the GOP growth rates of All India corresponding to the 1st Advanced Estimate for 2025-26, Provisional Estimate for 2024-25 and Revised Estimate for 2023-24 are presented in the table below.

### Annual Growth of Gross Domestic Product (GDP) of All India at Base, 2011-12

Year	GDP Growth (%)	
	Current Price	Constant Price
2023-24 (RE)	12.02	9.19
2024-25 (PE)	9.78	6.49
2025-26 (1 <sup>st</sup> AE)	8.00	7.41

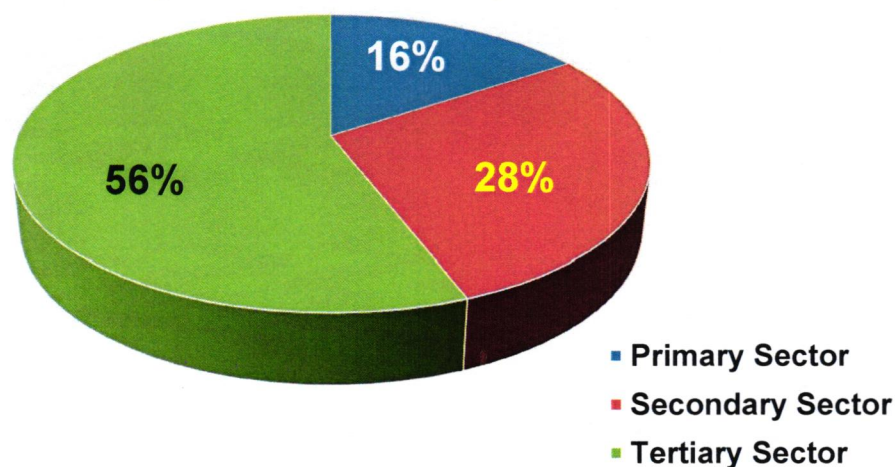
Source : Press note on 7 Jan, 2026, NSO, Government. Of India, AE: Advance Estimate, PE: Provisional Estimate, RE: Revised Estimate

Except for the agricultural sector, all other sectors recorded higher growth than in the previous year. However, agricultural growth prospects remain supportive due to favourable farming conditions and robust farm output. Foodgrain production reached a record 3,577.32 LMT in 2024–25, with significant increases in rice, wheat, maize, and oilseeds. Procurement and buffer stocks remain adequate, supporting food security.

### GVA at Basic Prices by Economic Activity (at 2011- 12 Prices)

Industry	2023-24 (FRE) (Rs. in Crore)	2024-25 (PE) (Rs. in Crore)	2025-26 (FAE) (Rs. in Crore)	Percentage Change Over Previous Year	
				2024-25	2025-26
Primary Sector	26,97,294	28,15,689	28,90,621	4.4	2.7
Secondary Sector	46,46,499	49,31,228	52,57,858	6.1	6.6
Tertiary Sector	88,07,683	94,40,529	1,03,01,349	7.2	9.1
GVA at Basic Prices	1,61,51,477	1,71,87,446	1,84,49,828	6.4	7.3

### GVA at Basic Prices by Economic Activity 2025-26 (at Constant Prices)



Source : Press note on 7 Jan, 2026, NSO, Government. of India, AE: Advance Estimate, PE: Provisional Estimate, RE: Revised Estimate