

Difference Between Economic Survey and Union Budget

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Every year, the Finance Ministry of India releases Economic Survey and Union Budget to analyse the economic condition in the previous year and frame the budget according to that in the next fiscal year. In the Indian Constitution, Article 112 discusses the Union Budget which is the annual financial statement including the expected receipts and expenditures for each year. Though both are presented around the same time and deal with the economy, they serve very different purposes.

Economic Survey

The Economic Survey is an annual report card of the Indian economy. It reviews the performance of key sectors such as agriculture, industry, services, inflation, trade, infrastructure, and employment during the previous financial year. The Economic Survey tells us what has happened in the economy. It is prepared by the Department of Economic Affairs, Ministry of Finance, under the guidance of the Chief Economic Adviser (CEA) and presented in Parliament a day before the Union Budget i.e. 31st January each year.

Key Features

- Economic Survey provides a factual and analytical summary of economic trends

- It highlights the key challenges from the previous year and policy recommendations for the next year.
- Serves as a guide to economic planning and decision-making
- Covers macroeconomic indicators, growth projections, and reform ideas

Union Budget

The Union Budget is the government’s official annual financial statement. It outlines the government’s estimated revenue and expenditure for the upcoming financial year (April 1 to March 31). The Union Budget tells us what the government plans to do with its money.

The Budget is prepared by the Ministry of Finance and presented by the Finance Minister of India in the Lok Sabha, usually on February 1st. It is the binding document, which is once passed by the parliament, it becomes the law.

Key Features

- The Union Budget is divided into Revenue Budget and Capital Budget
- Lists government expected spending on sectors like education, defence, health, etc.
- Proposes changes in taxation policies, subsidies, and schemes
- Union Budget shows the fiscal deficit, borrowing requirements, and receipts

Difference Between Economic Survey and Union Budget

The table below includes the side-by-side Difference Between Economic Survey and Union Budget:

Difference Between Economic Survey and Union Budget		
Feature	Economic Survey	Union Budget
Purpose	Reviews the past year’s economic performance	Plans revenue and expenditure for the next year
Prepared by	Chief Economic Adviser & Dept. of Economic Affairs	Ministry of Finance
Presented by	Finance Minister	Finance Minister
Timing	One day before the Union Budget	On or around 1st February
Nature	Advisory, analytical	Legal and financial
Focus Area	Analysis of sectors, trends, and policies	Resource allocation, schemes, taxation

Binding	No, it's not binding	Yes, once passed by Parliament
Legal Status	Not required under Constitution	Mandatory under Article 112 of the Constitution
Contains Policy Suggestions	Yes	Yes, but also includes concrete allocations
Document Type	Review and research report	Financial statement and legislative proposal

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