

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6822
ANSWERED ON:10.05.2002
INTERNAL DEBT
RAMCHANDRA PASWAN

Will the Minister of FINANCE be pleased to state:

- (a) whether the alarming fiscal deficit situation in the country has resulted in increased domestic debt; and
- (b) if so, the remedial measures taken by the Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) and (b) Fiscal Deficit situation in the country may not be termed as alarming since the said deficit has been contained within 5.19 per cent to 5.7 per cent of the Gross Domestic Product for the last four years i.e., up to 2001-2002 (RE). In the corresponding period the internal debt (net) has increased from Rs. 70699 crore in 1998-99 to Rs. 105355 crore in 2001- 2002 (RE) as the growth in Government expenditure has outpaced the growth in Government's revenues and other non-debt receipts.

It is the endeavour of the Government to contain the fiscal deficit at a reasonable level by maximizing non-debt receipts and controlling non-productive expenditure. A close watch is being kept on trends of expenditure with a view to taking corrective action. Instructions for containing the non-productive expenditure have been issued from time to time.