

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1434  
ANSWERED ON:03.03.2000  
DECLINE IN DOMESTIC SAVINGS  
ARUN KUMAR;NAWAL KISHORE RAI

**Will the Minister of FINANCE be pleased to state:**

- (a) Whether there has been continuous decline in the domestic savings in the country during last some years;
- (b) if so, the percentage of domestic savings to the Gross Domestic Product during 1996-97, 1997-98 and 1998-99 and
- (c) the reasons for continuous decline in it and the special efforts made by the Government to augment the domestic savings in the current year?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c): As per the latest available data with the Central Statistical Organisation, saving rate measured in terms of gross domestic savings as a proportion of gross domestic product at current price was 23.3 per cent in 1996-97, 24.7 per cent in 1997-98 and 22.3 per cent in 1998-99 (quick estimates). The decline in the saving rate in 1998-99 is attributed to a decline in the saving rate of both the public sector and the private sector. For promoting savings it is imperative to improve the parameters which have a bearing on savings behaviour. These include rate of growth in the economy, level of fiscal deficit, tax policies, inflation, efficiency of the banking system and the capital market and confidence in the economy. The various economic reform measures undertaken so far are expected to have a favourable impact on the aggregate level of domestic savings.