

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1232
ANSWERED ON:30.11.2005
LOAN LIABILITY OF FAMILIES
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Will the Minister of PLANNING be pleased to state:

- (a) whether loan liability per family has increased in the country and its monetary savings have gone down during the past three years;
- (b) if so, the reasons therefor;
- (c) the percentage of monetary savings vis-à-vis Gross Domestic Product (GDP) achieved by families during the years 2002-03, 2003-04 and 2004-05; and
- (d) the percentage of loan liability increased per family during each of the above years?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) : As per the information available in the National Accounts Statistics 2005, the loan liability incurred by the household sector is estimated to be Rs.405.8, Rs.681.1 and Rs.824.2 per person for the years 2001-02, 2002-03 and 2003-04 respectively. The monetary savings measured as the gross financial savings of the household sector were estimated to be Rs.2954.8, Rs.3092.8 and Rs.3753.0 per person respectively for these years. It may be mentioned that the financial savings and loan liabilities here are on per capita and not family basis as the comparable estimates for number of families in the county are not available for these years. It may further be mentioned that these estimates are at current prices.

(b) : The net change in financial assets of the household sector measured by the difference between gross financial savings and loan liabilities was Rs.2549.0, Rs.2411.7 and Rs.2928.8 per person in 2001-02, 2002-03 and 2003-04 respectively. It may be seen that the net position in 2003-04 is higher than in 2001-02, although it did go down in 2002-03. It may be mentioned that the household sector, as defined in the National Accounts includes not only families but unincorporated enterprises as well, and data on each of these categories is not separately available. It is, therefore, not possible to identify the reasons for changes in the financial position of the household sector since the behaviour of these two categories may be quite different.

(c) : The information for monetary savings of the households is available only till 2003- 04. As per the National Accounts Statistics, brought out by the Central Statistical Organisation, the ratio of gross financial savings to GDP at market prices was 13.25 per cent and 14.59 per cent respectively for the year 2002-03 and 2003-04.

(d) : Based on the information in part (a) of the reply, the increase in per person loan liabilities during the years 2002-03 and 2003-04 works out to 67.8 per cent and 21.0 per cent respectively over the previous year.