

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3598
ANSWERED ON:16.12.2005
DOMESTIC SAVINGS
Kathiria Dr. Vallabhbai

Will the Minister of FINANCE be pleased to state:

- (a) whether only Rs.3,14,261 crores of domestic savings last year accounting for only 46.8% has come to financial sector;
- (b) whether the large sums of domestic savings are still invested in Gold, Real Estate and other uneconomic and unproductive sectors like Art and Paintings;
- (c) whether only 25.24% of domestic savings are deposited in commercial Banks and only 0.84% comes to Equity and Debt market; and
- (d) if so, the steps being taken to attract domestic savings in financial sector, by RBI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) As per the Annual Report 2004-05 of the Reserve Bank of India, the household saving in financial assets at Rs.3,14,261 crore in 2003-04 constituted 46.8 percent of household saving.
- (b) No separate information in this regard is available.
- (c) According to National Accounts Statistics, 2005, published by the Central Statistical Organisation, the share of commercial bank deposits accounted for 25.24 percent of household saving in 2003-04. The share of `investment in shares and debentures` accounted for 0.84 percent of household saving in 2003-04.
- (d) The fiscal and monetary policies endeavour to maintain overall macroeconomic stability, which is conducive to higher growth and saving in the economy. RBI plays a critical role in ensuring financial stability through implementing appropriate financial regulation and supervision policies, which facilitate building of confidence of the saving community in the financial system leading, in turn, to promotion of financial savings.