

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

STARRED QUESTION NO:197
ANSWERED ON:16.03.2005
RESOURCES IN TENTH FIVE YEAR PLAN
Singh Shri Mohan

Will the Minister of PLANNING be pleased to state:

- (a) whether the Planning Commission has made any suggestions to the Government to meet the shortage of resources while making estimates for the Tenth Five Year Plan;
- (b) whether the Government has made efforts to mobilize domestic and foreign capital to meet the expenditure to be incurred on various heads under the Tenth Five Year Plan;
- (c) if so, the percentage of expenditure to be met with the domestic and foreign capital during the Tenth Five Year plan separately;
- (d) whether any annual review is conducted at the Government level to offset the estimates made during the Tenth Five Year Plan; and
- (e) if so, the percentage of work completed during the preceding years of the Tenth Five Year Plan alongwith the estimates made for the remaining years of the Tenth Five Year Plan?

Answer

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

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 197 REGARDING RESOURCES IN TENTH FIVE YEAR PLAN FOR ANSWER ON 16-3-2005 BY SHRI MOHAN SINGH

(a): At the commencement of each Five Year Plan, the Planning Commission examines trends in resources and makes projections of available resources for financing an estimated Plan size. Such an exercise was carried out for the Tenth Five Year Plan also. The Tenth Plan Document outlined various measures for improving resource mobilization. The document, which has been placed in the Parliament, inter alia, stressed the need for improved tax enforcement, removal of exemptions, increase in the coverage of service tax, introduction of VAT, controlling subsidies and raising user charges.

(b): The efforts made by government to raise resources from domestic and external sources are detailed in the Annual Budgets approved by Parliament. These resources cover both non-Plan expenditure as well as Gross Budgetary Support to the Plan

(c): Gross Budgetary Support by the Centre for the Plan comprises budgetary support from domestic sources and net inflow from abroad covering external aid (i.e loans and grants). Gross Budgetary Support by the Centre for the Tenth Plan was projected at Rs. 706000 crores at 2001- 02 prices. Of this, Rs. 27200 crores (3.9%) were expected to come from external aid. During the first three years of the Tenth Plan net external aid from abroad (at comparable prices) has been Rs. (-) 9678 crores which is (-) 2.8% of the Gross Budgetary Support by the Centre for the Plan. Sharp decline in net external aid has been mainly on account of the decision of the Government to effect premature repayment of high cost external loan(s) during 2002-03 and 2003-04.

(d) & (e): Resources raised to fund Annual Plans are assessed while preparing the Central budget and indicated along with outlays accordingly. Gross budgetary support provided during the first three years of the Tenth Plan and support envisaged for 2005-06 in relation to the Tenth Plan projections are given in the table. A special purpose vehicle has also been announced with a borrowing limit of Rs. 10,000 crores for 2005-06 to mobilize domestic and foreign exchange resources to finance infrastructure projects.

Table

Gross budgetary support by the Centre during Tenth Plan

(Projected, BE and realized)
(Figures in Rs. crores at current prices)

Year	Projected	BE	Actual	RE	% BE to Projected	% Actual/RE to Projected
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1	2002-03	113500	113500	111470	100.0	98.2
2	2003-04	134985	120974	122280	89.6	90.6
3	2004-05	159993	145590	137387 (RE)	91.0	85.9
4	2005-06	189892	172500#		90.8	
5	2006-07	231073				

= Includes loans to the extent of Rs. 29003.22 crores to be raised directly by States/UTs for financing their Annual Plan