

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:68

ANSWERED ON:11.07.2014

FISCAL DEFICIT

Suresh Shri Doddaalahalli Kempegowda

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has achieved the target of narrowing down the fiscal deficit over the years;
- (b) if so, the details thereof indicating the details of fiscal deficit of the Government in terms of amount and as percentage of GDP during each of the last three years;
- (c) the targets fixed by the Government to maintain fiscal deficit for the current financial year; and
- (d) the steps taken/being taken by the Government to achieve the target?

Answer

FINANCE MINISTER (SHRI ARUN JAITLEY)

(a) , (b), (c) and (d): A statement is placed on the Table of the House.

POSITION NO.8

Statement referred to in reply to part (a) to (d) of Lok Sabha Starred Question NO. 68 tabled by SHRI D.K.SURESH for answer on Friday, July 11, 2014 regarding 'Fiscal Deficit'.

Question Reply

(a) & (b) Government successfully brought down its fiscal deficit from 4.5 % of GDP in 2003-04 to 2.7 % of GDP in 2007-08. However, to insulate Indian economy from adverse impacts of global financial crisis of 2008, a growth stimulus packages were provided through fiscal expansionary measures which resulted into suspension of fiscal consolidation for temporary period. To bring back economy on the path of fiscal consolidation, the Government adopted a revised roadmap for fiscal consolidation following amendment to the FRBM Act in 2012. Despite several challenges; the Government has been steadfast in policy of fiscal rectitude.

The details of the fiscal deficit of the Government during last three years are as below:

Year	Fiscal Deficit (in ` crore)	Fiscal Deficit (% of GDP)
2011-12	5,16,269	5.8
2012-13#	4,90,190	4.9
2013-14 @	5,08,149	4.5
# provisional	actuals	@ provisional

Source: Accounts at a Glance available on website <http://cga.nic.in>

(c) In the Interim Budget 2014-15, target fixed by the Government in respect of fiscal deficit is ` 5, 28,631 crore which is 4.1 per cent of GDP.

(d) To achieve the target of fiscal deficit of 4.1 per cent of GDP set in the Interim Budget, the Government has taken various measures for rationalization of expenditure and optimization of available resources. Reduction in fiscal deficit has been designed with a judicious mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP.