

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA

UNSTARRED QUESTION NO: 117

ANSWERED ON: 22.02.2013

LOAN FROM DOMESTIC AND FOREIGN SOURCES LL

ARJUN ROY

ANANT KUMAR HEGDE

Will the Minister of

FINANCE

be pleased to state:-

(a) The amount of loans raised from domestic and foreign sources during each of the last three years and the current year till the end of December 2012 and its proportion to the Gross Domestic Product (GDP) of the country; and

(b) The reasons for increase in the amount of loan during the current year and reaction of the Government thereto?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Amount of loans raised from domestic (through dated securities) and foreign sources during each of the last three years and current year till December, 2012 and its proportion to the GDP is as under:

Source of Loans	2009-10	2010-11	2011-12	2012-13	(till Dec, 2012)
Domestic (Gross borrowing)	4,51,000		437,000	5,10,000	5,10,000
% to GDP	7.0		6.0	5.8	5.0
Foreign (Gross Borrowing)	22,170	35,330		26,034	13,045

% to GDP

0.3

0.5

0.3

0.1

(b): The increase in internal and external borrowings is on account of financing the fiscal deficit which is mainly due to the higher developmental expenditure. The Government has reverted to the path of fiscal consolidation with gradual exit from the expansionary measures in a calibrated manner. The reduction in Fiscal deficit from 5.9 per cent of GDP in RE 2011-12 to 5.1 per cent of GDP in BE 2012-13 is designed with a mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP. With reprioritization of expenditure towards developmental side and curtailing the growth in non-development expenditure, total expenditure is estimated to decline as percentage of GDP. The Finance Minister has recently announced a fiscal roadmap to bring down the fiscal deficit to 3% by 2016-17 with a reduction of 0.5% - 0.6% every year.