

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1819
ANSWERED ON:01.08.2003
REDUCTION IN SUBSIDIES
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

- (a) whether there has been negligible growth in the public savings during the last three years;
- (b) if so, whether the Government propose to reduce the subsidies on public utilities like power, railways and urban water supply through the imposition of rational user charges;
- (c) if so, whether the investment on infrastructure has come down as a result thereof;
- (d) if so, whether the Government have taken any decision with regard to the reduction in subsidies in the aforesaid sectors; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) As per the latest available information released by the Central Statistical Organisation, Gross Domestic Saving (GDS) for the last three years are as follows:

(Rs. Crore)	(as percent of GDP at current market prices)	
1999-2000	466640	24.1
2000-2001	491761	23.4
2001-2002	549963	24.0

(b) Review and rationalisation of subsidies is a continuous and ongoing process and the Government has been taking corrective steps, whenever necessary.

(c) As per the latest available information, Gross Capital Formation in major infrastructure sectors during the last three years are as follows:

	1999-2000	2000-01	2001-02
	(Rs. Crore)		
Electricity, gas & water supply	34255	37292	38623
Transport, storage & communication	40865	55119	46254
Financing, insurance, real estate & business services	49273	51372	53810
Community, social & personal services	44075	46030	58227

(as per cent of GDP at current market prices)

Electricity, gas & water supply	1.8	1.8	1.7
Transport, storage & communication	2.1	2.6	2.0
Financing, insurance, real estate & business services	2.5	2.4	2.3
Community, social &			

(d) & (e) The Tenth Five Year Plan (2002-07) aims at improving the fiscal health of the Government, both at the Centre and at the State levels by making necessary corrections in the subsidy and the pricing regime for public provisioning of services.