

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:200
ANSWERED ON:26.07.2002
INTERNAL AID EXTERNAL DEBT
PRAKASH V. PATIL

Will the Minister of FINANCE be pleased to state:

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- (a) whether the internal debt -GDP ratio has increased from 27.8 per cent in 1990-91 to 36.5 per cent in 1999-2000;
- (b) if so, the reasons attributed for this dismal position; and
- (c) the action taken by the Government to check this trend?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

- (a) Internal debt -GDP ratio increased from 27.8 per cent in 1990-91 to 37 per cent in 1999-2000.
- (b) The increase in internal debt -GDP ratio is due to conversion of other liabilities (small savings and Public Provident Fund) into securities with effect from 1st April, 1999 which form a part of internal debt. Thus, an increase in internal debt is matched by a corresponding decline in other internal liabilities.

The total internal liabilities -GDP ratio has, however, shown only marginal increase from 49.8 in 1990-91 to 49.9 in 1999-2000.

- (c) The Central government has been making every effort to contain non-productive expenditure and to increase non-debt receipts.