

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1068
ANSWERED ON:28.07.2000
RATE OF DOMESTIC SAVINGS
JAIBHAN SINGH PAWAYA

Will the Minister of FINANCE be pleased to state:

- (a) the rate of domestic savings in terms of percentage of gross domestic product in 1999 in the country; and
- (b) the steps contemplated to be taken to raise the savings rate in the remaining months of the current financial year?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and (b) As per the latest available data with the Central Statistical Organisation, the gross domestic savings as a proportion of gross domestic product at current prices was 22.3 per cent in 1998-99 (quick estimates). For promoting savings, it is imperative to improve the parameters which have a bearing on savings behaviour which include rate of growth in the economy, level of fiscal deficit, tax policies, inflation, efficiency of the banking system and capital market and confidence in the economy. The various economic reform measures undertaken so far are expected to have a favourable impact on the aggregate level of domestic savings.