

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:290

ANSWERED ON:24.02.2010

DOMESTIC SAVINGS

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**Will the Minister of PLANNING be pleased to state:**

- (a) whether the domestic savings play an important role in the country's investment and development;
- (b) if so, the details thereof;
- (c) whether the growth in domestic savings also registered a slow pace during the period from 2004-05 to 2007-08;
- (d) if so, the estimated annual growth rate in the above period;
- (e) whether the domestic savings have registered a decline from 36.4% to 32.5% in proportion to G.D.P. in the year 2008-09 as compared to that of 2007-08; and
- (f) if so, the details thereof along with the reasons therefore ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIV. NARAYANASAMY)

(a) & (b): Yes, Sir. The rise in investment projected in the Eleventh Five Year Plan and the development process is expected to be supported by a substantial increase in domestic savings. The Eleventh Five Year Plan sets the target of investment and savings rate in proportion to GDP at 36.7% and 34.8% respectively. During 2007-08, the domestic savings rate was 36.4% as compared to an investment rate of 37.7%.

(c) & (d): Savings as percentage of GDP increased from 31.1% in 2004-05 to 36.4% in 2007-08. The details and composition of savings rate as a percentage of GDP from 2004-05 to 2008-09 are as under.

Composition of Savings (As % of GDP)

Year	Household Sector	Private Corporate Sector	Public Domestic Savings (GDS)	Gross Domestic
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2004-05	23.3	6.6	2.3	32.2
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2005-06	23.2	7.5	2.4	33.1
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2006-07	22.9	8.0	3.6	34.4
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2007-08	22.6	8.7	5.0	36.4
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2008-09 (QE)	22.6	8.4	1.4	32.5
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QE: Quick Estimates

(e) & (f): As per the Quick Estimates of 2008-09 released by Central Statistical Organisation (CSO), the domestic saving rate has declined from 36.4% in 2007-08 to 32.5% in 2008-09 mainly due to the fall in the rate of public sector savings.