

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6916

ANSWERED ON:07.05.2010

IMPETUS TO GROWTH

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Will the Minister of FINANCE be pleased to state:

- (a) the fiscal deficit for the last quarter of the Financial Year 2009-10 till date;
- (b) the details of measures announced by the Union Government for putting the economy back on track in the wake of economic recession alongwith the response received from each sector of the economy thereto;
- (c) whether any attempt to find out the actual impact of the measures and the hurdles on the way has been made;
- (d) if so, the details of the findings, thereof sector-wise alongwith the steps taken or proposed to be taken in this regard;
- (e) if not, the reasons therefor;
- (f) whether the Government has plans to revert to nine per cent growth; and
- (g) if so, the details thereof and steps proposed to be taken in this direction?

Answer

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

- (a): The figures are not available. However, fiscal deficit in 2009-10 up to February, 2010 is Rs.3,80,901 crore.
- (b) to (e): In order to stimulate the Indian economy, which was affected by the global economic crises, both monetary and fiscal policy measures were undertaken. While monetary policy measures were used to achieve financial stability and to stimulate growth, fiscal policy measures were employed to arrest the slowdown in domestic demand and to revive it. The fiscal stimulus measures announced by the Government in December 2008, January 2009 and February 2009 were both for the economy as well as sector specific. Some of the key sectors for which specific measures were put in place were: exports (especially textiles, leather and gems and jewellery), medium, small and micro enterprises, infrastructure and housing. The effect of the stimulus measures has got reflected in growth in real GDP at 7.2 per cent in 2009-10 (advance estimates) compared to growth of 6.7 per cent in 2008-09 (quick estimates). Similarly, the growth in manufacturing GDP increased from 3.2 per cent in 2008-09 (quick estimates) to 8.9 per cent in 2009-10 (advance estimates). Monitoring and assessment of the macroeconomic situation is an ongoing process and is used to calibrate the policies of the Government from time to time.
- (f) and (g): Given the current pace of economic recovery, the economy is poised to revert to the 9 per cent growth path. Policies and reform measures to facilitate higher growth are calibrated based on the emerging economic situation.