

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3233  
ANSWERED ON:13.08.2010  
WIDENING GAP BETWEEN BORROWING AND GDP  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the gap between the Centre and the States public borrowings and the Gross Domestic Product (GDP) widening;
- (b) if so, the details thereof for the last three years; and
- (c) the scheme being formulated by the Government to reduce the gap between the public borrowings and the GDP?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) and (b): The debt to GDP ratio of the (Centre and State) combined for the last three years is as follows:-

2007-08 2008-09 2009-10#

70.5% 70.3% 71.8%

Note: Combined Debt is net of investment from NSSF in State Securities, loans from Centre to States and investment by States in 14 day Treasury Bills.

# Debt of Centre is as per Revised Estimates and that of States is as per Budget Estimates.

(c): Government has laid the Medium Term Fiscal Policy (MTFP) statement in the Parliament in February, 2010 as part of the Budget documents delineating the strategy of the Central government regarding fiscal consolidation wherein Fiscal Deficit targets for 2010-11, 2011-12 and 2012-13 have been kept at 5.5%, 4.8% and 4.1% of GDP respectively and Centre's debt targets have been kept at 51.1%, 50% and 48.2% of GDP for 2010-11, 2011-12 and 2012-13 respectively.