

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:312  
ANSWERED ON:03.07.2009  
STIMULUS PACKAGE  
Khair Shri Chandrakant Bhaurao

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

- (a) whether the desired effect has been seen in the economy as a result of announcement of stimulus packages by the Government in the recent past;
- (b) if so, the details thereof, sector-wise;
- (c) whether the Government is planning to come out with another stimulus package to boost the economy;
- (d) if so, the details thereof;
- (e) the time by which the package is likely to be announced; and
- (f) the expenditure, sector-wise, so far incurred by the Government in the stimulus packages?

**Answer**

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

(a) to (f) The Indian economy in 2008-09 was seriously impacted by the twin global shocks - of unprecedented increase in the global commodity prices in the first half of the year and the ripple effects of the deepening of the global financial crisis in the second half. As an appropriate and immediate short-term policy response, fiscal stimulus was announced by the Government, while the RBI initiated measures to assure liquidity in the system. The stimulus packages of the Government composed of both tax cuts and expenditure hikes. As these go beyond sector-wise additional expenditures and have macro-economy wide focus, it difficult to gauge the sector-wise precise effect. Nevertheless, the economy appears to have responded positively by posting a real GDP growth of 6.7 per cent for the year 2008-09. Initiating appropriate policy response to the emerging situation is a continuous process.