

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:777

ANSWERED ON:12.11.2010

CURRENT ACCOUNT DEFICIT

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Will the Minister of FINANCE be pleased to state:

(a)whether current account deficit has increased;

(b)if so, the reasons therefor; and

(c)the steps being taken to reduce the deficit?

Answer

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

(a)to(c)The current account deficit widened from 1 per cent of GDP in 2006-07 to 2.9 per cent in 2009-10. The main reason for increase in current account deficit has been higher trade deficit. However, the capital account surplus has been largely financing the current account deficit.