

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1813
ANSWERED ON:19.11.2010
DEBT MANAGEMENT OFFICE
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government intends to create an independent debt management office (DMO) to manage Centre's borrowing programme;
- (b) if so, the details thereof;
- (c) the suggested timeframe for the implementation of DMO; and
- (d) the intended benefits from the above initiative ?

Answer

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

(a) Yes, Madam.

(b) The creation of a Debt Management Office was announced in the Budget speech (2007-08) which, inter alia, stated that-

‘World over debt management is distinct from monetary management. The establishment of a Debt Management Office (DMO) in the Government has been advocated for quite some time. The fiscal consolidation achieved so far has encouraged us to take the first step. Accordingly, I propose to set up an autonomous DMO and, in the first phase, a Middle Office will be set up to facilitate the transition to a full-fledged DMO’

(c) Government has decided to strengthen the Middle Office in the Ministry of Finance at first. To implement the process of migration to a Debt Management Office, Government has constituted a Ministry of Finance-Reserve Bank of India Joint Implementation Committee.

(d) The intended benefits from the above initiative, inter alia, include the following: -

A separate debt management office would centralize under a single organization, all the debt management functions currently spread across Reserve Bank of India and Ministry of Finance.

Separation of debt management from Reserve Bank of India, addresses the issue of independence of monetary policy and debt management.