

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3015  
ANSWERED ON:19.08.2011  
FISCAL DEFICIT  
Nagar Shri Surendra Singh

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

- (a) the details of fiscal deficit of India during the last three years and the current year till date;
- (b) the reasons for constant increase in fiscal deficit;
- (c) the steps taken or proposed to be taken by the Union Government to reduce fiscal deficit;
- (d) whether the Union Government have received requests from International Monetary Fund (IMF) and other international financial institutions to reduce fiscal deficit and fiscal crisis during the above period;
- (e) if so, the details thereof till date; and
- (f) the action taken by the Government in this regard?

**Answer**

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

(a): Fiscal deficit of India during the last three years and the current year till date (upto June 2011) is as under:

Year	Fiscal deficit (as % of GDP)
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2008-2009	6.0%
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2009-2010	6.4%
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2010-2011 (provisional)	4.7%
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2011-2012 (upto June 2011)	1.8%
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(b): The increase in fiscal deficit in the year 2008-09 and 2009-10 is mainly on account of counter cyclical measures taken by the government to overcome the effects of the global slowdown which resulted in short fall in revenue and substantial increases in government expenditure. This was a part of government's policy initiative based on the principle of insulating the vulnerable sections of the society and sectors of the economy from the adverse impact of the economic downturn and at the same time ensure revival of the economy with higher growth.

(c): The medium term objective of the Government is to revert to the path of fiscal consolidation with emphasis on fiscal reforms encompassing all aspects of budget making. With improvement in prevailing economic conditions, the process of fiscal consolidation has been resumed from the year 2010-11 with partial roll back of reduction in Union Excise Duty and reduction in the rate of growth in expenditure.

(d): No, Sir.

(e) and (f): Do not arise.