

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2523
ANSWERED ON:07.12.2012
TACKLING EURO ZONE CRISIS
Sardinha Shri Francisco

Will the Minister of FINANCE be pleased to state:

- (a) whether the government has recently pledged to contribute \$ 10 billion to the International Monetary Fund's war chest to tackle the Euro Zone crisis and if so, the details thereof;
- (b) whether the country's economic situation is strong enough to contribute \$ 10 billion to the International Monetary Fund (IMF) to tackle the Euro Zone crisis and if so, the details thereof;
- (c) whether a White Paper on country's economic situation is likely to be laid on the Table of the House and if so, the details thereof and if not, the reasons therefor; and
- (d) the manner in which the Government proposes to mobilize \$ 10 billion for its contribution to the IMF?

Answer

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

(a) to (d): In line with commitments made by other G 20 member countries; India has announced a contribution of US \$ 10 billion to the IMF towards enhancement of International Monetary Fund (IMF) Resources for crisis prevention and resolution. Apart from India, China has also announced \$ 43 billion, Russia and Brazil \$ 10 billion each and South Africa \$ 2 billion. The commitment to IMF has been announced after considering various factors including the country's economic situation. The contribution will be through Note Purchase Agreement (NPA) that the IMF proposes to enter into with creditor countries. These promissory note agreements are under discussion at the IMF and the modalities have not yet been finalized. Under the Note Purchase Agreement, the support will not be in the form of upfront payments. Against the notes issued by the IMF, the funds would be released in a phased manner as and when IMF calls upon India to make the resources available, which in turn depends upon the financing need of IMF. India's contribution to IMF would remain as part of India's foreign exchange reserves as 4 Notes issued by IMF is part of India's investment..