

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1526
ANSWERED ON:27.11.2009
CURRENT ACCOUNT DEFICIT
Rathod Shri Ramesh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is facing continuous current accounts deficits;
- (b) if so, the details thereof and reasons therefor; and
- (c) the steps being taken to avoid such situation in future?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) to (c): The Current Account Deficit as percentage of the Gross Domestic Product (GDP) of the country has been in the range of 0.4 per cent to 2.6 per cent during 2004-05 to 2008-09. This was on account of higher trade deficit, which was partly offset by the surplus on invisibles. Steps are taken from time to time relating to trade and remittances from Indians residing abroad, which facilitate in containment of the Current Account Deficit within the sustainable limits.