

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2580

ANSWERED ON:04.12.2009

SUBSIDIES

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has considered the issue of subsidy with the stake-holders;
- (b) if so, the decision taken thereon;
- (c) whether the Central Government has decided to eliminate subsidies on food;
- (d) if so, the reasons therefor;
- (e) whether any consensus on the issue of subsidies have been reached;
- (f) whether the National Common Minimum Programme mandates targeting all subsidies at the poor and truly needy persons; (
- g) if so, the details of achievement made in this direction; and
- (h) the time by when subsidies will fully benefit the poor and truly needy?

Answer

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

(a) to (h): The National Common Minimum Programme (NCMP) of the UPA Government in 2004 mandated the targeting of all subsidies to the poor and truly needy sections of the society. In pursuance of this mandate, Government had submitted a report on subsidies to the Parliament on December 23, 2004. Discussions were held with stakeholders in May 2005 and comments of public were invited in June 2005. There was never any proposal for elimination of subsidies. Having regard to the needs of poorer sections, the levels of prices and the subsidy outgo, some specific announcements relating to major budgetary subsidies were indicated in the Budget for 2009-10, which included: National Food Security Act with the objective of providing every family living below the poverty line in rural or urban areas, an entitlement of 25 kilos of rice or wheat per month at Rs.3 a kilo; the intention to move towards a nutrient based fertilizer subsidy regime and the intention of the Government to set up an expert group to advise on a viable and sustainable system of pricing petroleum products. No specific time schedule has been indicated for the operationalisation of the above.