

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:4307
ANSWERED ON:16.12.2009
RESOURCE GAP IN ELEVENTH PLAN
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Will the Minister of PLANNING be pleased to state:

- (a) whether Rs. 1,60,000 crore is expected to be the resource gap for the Eleventh Five Year Plan;
- (b) if so, the reasons therefor; and
- (c) the steps being taken to bridge the gap?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI V. NARAYANASAMY)

(a) to (c): A discussion paper on "State of the Economy" was considered by the Full Planning Commission in the meeting held on September 1, 2009. The paper presented an assessment of the current economic situation including fiscal resources and a tentative projection of prospects based on some key assumptions for the last two years of the 11th Plan. The slowdown of the economy in 2008-09 and 2009-10 to be followed by gradual return to higher growth in the last two years of the 11th Plan has important implications for the likely resources available for plan financing. While in 2008-09 and 2009-10 (BE) resources made available through Gross Budgetary Support (GBS) were higher in real terms than originally envisaged in the 11th Plan, there was likely to be a substantial shortfall in the GBS availability in the last two years of the plan. The actual GBS in the first 3 years of the 11th Plan, taken together, have exceeded the plan projection mainly because of fiscal stimulus in 2008-09 and 2009-10, but this has left the fiscal deficit at an unsustainable level which now has to be reduced. The assessment mentions that if more fiscal space is not generated to increase plan resources in the balance part of the 11th plan, the total central GBS in the 11th Plan period may fall short of what was envisaged for the 11th Five year Plan as a whole by about Rs. 1,60,000 crore.

The Government is seized of the matter.