

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:399
ANSWERED ON:11.07.2014
AUSTERITY MEASURES
Sreeramulu Shri B.

Will the Minister of FINANCE be pleased to state:

- (a) the details of the austerity measures taken by the Government and the results achieved therefrom during each of the last three years and the current year;
- (b) whether the gap between Government's revenue and expenditure is widening gradually; and
- (c) if so, the details thereof and the reactions of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a) The Government has issued orders on expenditure management -economy measures and rationalization of expenditure. Such measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government. The instructions were issued in July, 2011, May 2012 and September 2013. These include 10% cut in non-plan expenditure, restrictions on holding seminar and conferences, ban on purchase of vehicles except condemned vehicles, restrictions on domestic and foreign travel, ban on creation of posts, consultancy assignment, balanced pace of expenditure, observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level.

Government has introduced Medium-term Expenditure Framework Statement, setting forth a three-year rolling target for expenditure indicators with a view to undertaking a de-novo exercise for allocating resources for prioritized schemes and weeding out others that have outlived their utility. It would also encourage efficiencies in expenditure management. Government also endeavors to restrict the expenditure on Central subsidies.

The responsibility for implementing the instructions rests with the respective Ministries /Departments and the relevant data is not maintained centrally.

(b) & (c) The details of the fiscal deficit of the Government during last three years are as follows:

Year	Fiscal Deficit (in Rs. Crore)	Fiscal Deficit (% of GDP)
2011-12	5,16,269	5.8
2012-13#	4,90,190	4.9
2013-14@	5,08,149	4.5

actuals @ provisional