

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2239

ANSWERED ON:05.12.2014

FISCAL DEFICIT

Karunakaran Shri P.;Kumar Shri Shanta;Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

- (a) the details of fiscal deficit of the country, State/UT-wise;
- (b) whether the Government proposes to bring down the fiscal deficit to 4.1 percent;
- (c) if so, the measures adopted by the Government in this regard in coming budget along with the complete details thereof;
- (d) whether the Government has made announcements regarding some measures to reduce the gap between expenditure and income which has turned into fiscal deficit and if so, the details thereof; and
- (e) whether the Government proposes to cut non-plan expenditure by upto 10 percent and if so, the details in this regard?

Answer

MINISTER OF FINANCE (SHRI ARUN JAITLEY)

(a) As per Revised Estimates for the year 2013-14, fiscal deficit of Central Government was 4.6 per cent of GDP.

State Governments monitor their fiscal deficit targets as provided in their respective Fiscal Responsibility and Budget Management Acts. State wise details of fiscal deficit are provided in Annexure-I.

(b)&(c) Yes Sir.

In General Budget 2014-15, fiscal deficit of the Central Government has been budgeted to 4.1 per cent of GDP.

(d) & (c) Government has taken measures for fiscal prudence and economy to rationalise expenditure and optimize available resources. This include 10% mandatory cut in current financial year on non-plan expenditure excluding interest payments, repayment of debt, Defence capital, salaries, pension and Finance Commission grants to States. Austerity measures including restrictions on holding of meetings and conferences at five star hotels, ban on creation of Plan and Non Plan posts, restriction on purchase of new vehicles, restrictions on foreign travel, observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level have also been imposed. As a measure to promote balanced pace of Expenditure, the Government has imposed expenditure ceilings such as up to (i) 33% of the Budget Estimates in the last quarter of the financial year and (ii) 15% of the Budget Estimates in the month of March. Government also endeavour's to contain the expenditure on Central subsidies.

Government has constituted Expenditure Management Commission (EMC) which mandated to review the major areas of Central Government expenditure and suggest ways for creating fiscal space to meet developmental expenditure needs, without compromising the commitment to fiscal discipline.