

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION No. 2488
TO BE ANSWERED ON 17 DECEMBER 2024**

NET HOUSEHOLD SAVINGS IN THE COUNTRY

2488. Shri Saket Gokhale

Will the Minister of FINANCE be pleased to state:

- a) whether it is a fact that, as of October 2024, net household savings as a percentage of GDP are at their lowest level in nearly 50 years, if so, the reasons therefor;
- b) the impact of low net household savings and greater spending/consumption by households on inflation in the country; and
- c) whether the Ministry is taking any steps to boost net household savings in the country, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): As per the latest data available from the National Statistical Office, the household saving as a share of gross domestic product (GDP) stood at 18.4 per cent in 2022-23, which is higher than the corresponding value for many years during the last fifty year-span. Net household financial savings depend on their gross savings, savings in physical assets, gold and silver ornaments as well as change in their financial liabilities.

(b): The balance between consumption and savings can have a bearing on inflation. However, inflation in the recent months has been determined largely by weather-affected supply disruptions in a few vegetables and lower output of major pulses in the previous year.

(c): The government's focus on ease of doing business, skilling, employment generation, resilience in agriculture, inclusive human resource development and as well as creation of infrastructure creates a congenial environment for growth of household income and savings.
