

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 114

TO BE ANSWERED ON THE 2ND February 2018/ Magha 13, 1939 (SAKA)

Decline in Growth of Bank Credit

114. SHRI M.B. RAJESH:

Will the Minister of FINANCE be pleased to state:

- (a) whether there has been a multi-decadal decline in the growth of bank credit in the current economic year;
- (b) if so, details thereof and the reasons for such decline;
- (c) whether this decline has impacted the private investment in the economy;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to step up bank credit growth apart from the recapitalisation bonds?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) to (d): As per the Financial Stability Report, published by the Reserve Bank of India (RBI) in December 2017, credit growth of Scheduled Commercial Banks increased from 4.4 per cent to 6.2 per cent between March 2017 and September 2017 on year-on-year basis, and credit growth of Public Sector Banks (PSBs) increased from 0.7 per cent to 2.2 per cent during the same period reversing the declining trend observed during the past two years.

(e): Along with the recapitalisation plan, Government has announced a strong push on enabling growth of MSMEs through enhanced access to financing and markets. Further, the infrastructure push on rural roads, housing, railways, power and highways will also drive credit growth.
