

Government of India  
Ministry of Finance  
Department of Economic Affairs

**LOK SABHA**  
UNSTARRED QUESTION NO. 4014  
*To be answered on Friday, January 4, 2019/Pausha 14, 1940 (Saka)*

**FORMATION OF FISCAL COUNCIL**

**4014. SHRI PINAKI MISRA:**

Will the Minister of FINANCE be pleased to state:

- (a) whether top economists and experts have suggested to the Government that the credibility of the finance budget should be improved by sticking to the targets set and making more realistic projections, if so, the details thereof;
- (b) whether they have suggested the formation of a fiscal council to evaluate budget estimates and fiscal targets that it should be answerable not only to his Ministry but legislative body as well;
- (c) if so, whether his Ministry proposes to constitute the fiscal council based on these recommendations; and
- (d) if so, the details thereof and the time by which the suggestions/recommendations are likely to be implemented?

**A N S W E R**

**MINISTER OF STATE FOR FINANCE (SHRI PON. RADHAKRISHNAN)**

(a) & (b): Yes, Sir. The FRBM Review Committee constituted by the Government comprehensively reviewed and gave recommendations on the FRBM roadmap for future. It had recommended to constitute a Fiscal Council to provide an independent assessment of the Central Government's fiscal performance and compliance with targets set under the FRBM Act and to provide policy guidance to Central Government on any matter relating to fiscal policy where advice is sought.

(c) & (d): Recommendations of the Committee to constitute Fiscal Council has not been accepted. However, the Government, as reflected in the announcement made in para 142 of the Finance Minister's Budget Speech for 2018-19 on the 1<sup>st</sup> February, 2018, has accepted the key recommendations of the Committee relating to adoption of the Debt Rule and to use Fiscal Deficit target as the key operational target. The FRBM Act, 2003 has been amended with Finance Act, 2018 (Act 13 of 2018).

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