LOK SABHA

UNSTARRED QUESTION NO. 3431

TO BE ANSWERED ON MONDAY, THE 9TH AUGUST, 2021/SRAVANA 18, 1943 (SAKA)

AMENDMENT TO FRBM ACT

3431. SHRI PRADYUT BORDOLOI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has estimated the Debt to GDP ratio for financial years 2020-2021 and 2021-2022;
(b) if so, the details thereof and if not, the reasons therefor;
(c) whether the Government intends to amend the Fiscal Responsibility and Budget Management (FRBM) Act;
(d) if so, the details thereof and if not, the reasons therefor;
(e) whether the Government is considering revising Debt to GDP ratio targets, as stipulated in the FRBM Act, from a target figure to a target range; and
(f) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

(a) Yes Sir.
(b) The Central Government debt position as per the definition in the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 may be seen at Annexure.
(c)&(d) Government’s amendment of the FRBM Act will target a path of fiscal consolidation aimed towards reaching a level of fiscal deficit below 4.5 % of GDP by 2025-26.
(e)&(f) Amendment to the FRBM debt targets will be in consonance with the broad fiscal deficit path indicated above.

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## Annexure

(\% of GDP)

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<thead>
<tr>
<th></th>
<th>2020-21 (Prov.)</th>
<th>2021-22 (Prov.)</th>
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<tbody>
<tr>
<td>1. Public debt (2+3)</td>
<td>52.0</td>
<td>54.2</td>
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<tr>
<td>2. External debt</td>
<td>3.5</td>
<td>3.2</td>
</tr>
<tr>
<td>3. Internal debt</td>
<td>48.5</td>
<td>51.0</td>
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<tr>
<td>4. Other liabilities</td>
<td>8.5</td>
<td>7.6</td>
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<tr>
<td>5. TOTAL DEBT (1+4)</td>
<td>60.5</td>
<td>61.7</td>
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