

Foreign Exchange Reserve in the Country

3751." SHRI RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state :

(a) the details of total foreign exchange reserve in the country as on 1st January, 1994 and the same as on 1st January, 1993, 1st January, 1992, 1st January, 1991 and 1st January, 1990;

(b) the details of Principal sources contributing to foreign exchange reserve ; and

(c) whether it is a borrowed reserve to be paid back with interest; if so, the details ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) Total foreign exchange reserves (including monetary gold and SDRs) of the country as on 1-1-1994 and corresponding levels for corresponding dates in the previous four years are set out in the following table :

(US \$ million)

1-1-1994	13851
1-1-1993	8885
1-1-1992	3675
1-1-1991	2053
1-1-1990	3699

(b) and (c) Principal sources contributing to increase in foreign exchange reserves have been sharp improvement in foreign exchange earnings through export of goods and services, high level of inflows from foreign investments including portfolio investments, external assistance net of repayments, foreign commercial borrowings net of repayments, and net flows in non-resident deposits. While some of these sources, such as external assistance, commercial borrowings and some schemes of NRI deposits represent borrowings, during fiscal 1993-94, tentative estimates of different inflows indicate an unusually high contribution on non-debt creating sources like foreign investments including portfolio investments towards the increase in foreign exchange reserves.

Fiscal deficit in ladle

3752. SHRI RAMACHANDRAN PILLAI : Will the Minister of FINANCE be pleased to state:

(a) the principal constituents of fiscal deficit in India with percentage and amount as in 1990-91, 1991-92, 1992-93;

(b) whether fiscal deficit always has an adverse effect on the rate of development and the health of developing economy, giving details of fiscal deficit with rate of development for the last three year; and

(c) whether there is a sudden upward trend this year; if so, the factor* contributing to that?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) Fiscal deficit indicates the total borrowing requirements of Government of India from all sources and it constitutes the difference between the revenue receipts plus certain non-debt capital receipts and the total expenditure including loans, set off repayments. The details are as under:

Year	Fiscal deficit (Rs. crores)	% to GDP
1990-91	44632	8.4
1991-92	36325	5.9
1992-93	40173	5.7

(b) An increase in fiscal deficit beyond safe limits may increase inflationary pressure on the economy. High fiscal deficit may also contribute to large current account deficit in the balance of payment aggravating external indebtedness.

(c) The Revised Estimates for 1993-94 envisage a fiscal deficit of 7.4% of GDP. The factors contributing to the increase have been explained in the speech of the Minister of Finance while presenting the Budget for 1994-95. Budget for 1994-95 estimates a lower deficit of about 6%.

Developmental and Non-developmental Expenditure on the Central Government Staff

3753. SHRI BHUPINDER SINGH MANN: Will the Minister of FINANCE be pleased to state that the proportion of