

- (b) if so, the reaction of the Government thereto;
- (c) whether it is also a fact that debt liability of the country has increased during September to December, 2011; and
- (d) if so, the quantum of the increase in debt liability and the reasons for the increase in this debt during the period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The current account deficit (CAD) is financed by capital account surplus and drawdown of foreign exchange reserves in case CAD exceeds capital account balance. Capital flows include both equity and debt. Equity comprises foreign direct investment and portfolio investment while debt flows include external commercial borrowing, external assistance, banking capital and short-term trade credit etc. In recent times, CAD was financed by the capital account surplus except in 2011-12 (upto December, 2011), when higher CAD led by trade deficit and moderation in capital inflows, resulted in drawdown of foreign exchange reserves.

(c) and (d) India's total external debt stock at end-December, 2011 was US\$ 334.9 billion, reflecting an increase of US\$ 11.0 billion (3.4 per cent) over end-September, 2011 level of US\$ 323.9 billion. The rise in debt stock was mainly due to higher external commercial borrowings and short-term debt.

Overall Inflation *vis-a-vis* Food Inflation

†3456. SHRI RAM JETHMALANI :

SHRI SHIVANAND TIWARI :

Will the Minister of FINANCE be pleased to state :

- (a) whether it is a fact that the overall rate of inflation in the country has come down to 6.89 per cent in March, 2012 as compared to 6.95 per cent in the last month;
- (b) if so, the details thereof and whether it is a fact that in the same period food inflation has gone up from 6.07 per cent to 9.94 per cent;
- (c) if so, the details thereof and whether Government has taken note of the factors due to which food inflation could not be controlled; and
- (d) if so, the details of those factors and whether they are beyond the control of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) Yes, Sir. Headline inflation and sector-wise details of food inflation and their contribution to overall inflation for February and March, 2012 is given in table below :

† Original notice of the question was received in Hindi.

	All commodities	Primary food articles	Food grains	Fruits & vegetables	Protein food
Percentage weight in WPI	100.00	14.34	4.09	3.84	6.37
WPI Inflation % (Year-on-Year)					
Feb-12	6.95	6.07	2.92	0.30	14.50
Mar-12	6.89	9.94	5.52	9.16	15.65
Percentage contribution to overall WPI inflation					
Feb-12	100.00	15.31	2.06	0.19	16.70
Mar-12	100.00	24.78	3.85	5.67	17.84

(c) and (d) Apart from the seasonal factors, increase in inflation of primary food articles has been due to persistence of price pressures for protein rich products covering 'egg, fish and meat', milk and pulses.

The Government monitors the price situation regularly as price stability remains high on its agenda. Fiscal and administrative measures have been taken to contain price rise of essential commodities. As a result of these measures adopted by the Government and Reserve Bank of India (RBI), inflation has started moderating. Since the high inflation in the protein rich items was one of the important factors for keeping the inflation at elevated levels, Government has proposed some special measures in Union Budget 2012-13 to increase the domestic availability of protein supplements and to remove the structural imbalances in demand and supply of these products.

Interest subvention scheme for farmers

3457. SHRI M.P. ACHUTHAN :

SHRI K. E. ISMAIL :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that at present interest subvention is only for short term loans and the benefit is not extended to farmers availing loans from scheduled banks and private sector banks;

(b) if so, whether in view of the Kerala having wide network coverage of certain scheduled banks, Government would consider the demand to provide the benefit of interest subvention to eligible farmers taking loans from private and scheduled banks and also to extend the benefits for medium and long term loans as well; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) The Interest Subvention Scheme is being implemented