

**Rupee instability due to global oil prices**

201. SHRI D.P. TRIPATHI: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that there is slight instability of rupee because of Iraqi oil shocks and global fear of oil prices;
- (b) if so, the details thereof; and
- (c) the details of action Government is taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Since the escalation of the Iraq crisis in the second week of June 2014, the exchange rate of the rupee (RBI Reference Rate) has depreciated marginally from ₹ 59.33 on June 11, 2014 to ₹ 60.14 per US dollar on July 1, 2014. Hardening of international oil prices and market expectations on the same could be the main reason that led to the depreciation of the rupee. International oil prices (Indian basket) increased from US\$ 107.24 per barrel (bbl) on June 11 to US\$ 112.45 per bbl on June 19, 2014. It has however moderated subsequently and was US\$ 109.20/bbl as on July 1, 2014.

(c) The Government closely monitors the emerging global economic situation and calibrates appropriate policy responses to cope with it.

**Increasing trend in wholesale price inflation**

202. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the wholesale price inflation has started showing increasing trend since May, 2014 reaching at 6.01 per cent against 5.20 per cent in April 2014; and
- (b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) The average annual inflation in the country measured by the Wholesale Price Index (WPI) moderated gradually from 9.56 per cent in 2010-11 to 5.98 per cent in 2013-14. However, year-on-year WPI inflation tends to fluctuate for some months due to certain seasonal or commodity specific spikes. As such WPI inflation has inched upward to 6.01 per cent in May, 2014 (Table 1). Higher inflation in some food articles, manufactured products (chemicals, textiles, rubber etc.),

revision in electricity prices and higher inflation in non administered mineral oil due to increase in global crude oil prices has led to this rise in inflation in May, 2014.

Table 1: Year-on-year inflation based on WPI

	Jan.	Feb.	Mar.	Apr.	May.
2014	5.11	5.03	6.00	5.20	6.01

Note: Figures are provisional for April and May, 2014.

### Debt burden on the country

203. SHRI RAMDAS ATHAWALE: Will the Minister of FINANCE be pleased to state:

- the per capita debt burden on the country as on date;
- the amount of interest paid on the outstanding loan during the last three years and current financial year, so far; and
- the steps taken or proposed to be taken by Government to reduce it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN) : (a) The per capita debt burden on the country *inter-alia* including external debt, internal debt and other liabilities is ₹ 45,313 as on 31st March, 2014 (Revised Estimates 2013-14).

(b) The amount of interest paid on the outstanding loan during the last three years is given below:

	(₹ in crore)		
	2011-12	2012-13 (Provisional)	2013-14 (Revised Estimates)
Payment of Interest	2,73,150	3,13,169	3,80,066

(c) The Government has reverted to the path of fiscal consolidation with gradual exit from the expansionary measures in a calibrated manner. The reduction in Fiscal deficit from 4.8 per cent of GDP in 2012-13 to 4.6 per cent of GDP in RE 2013-14 is designed with a mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP. With reprioritization of expenditure towards developmental side and curtailing the growth in non-development expenditure, total expenditure is estimated to decline as percentage of GDP. Government has announced a fiscal roadmap to bring down the fiscal deficit to 3% by 2016-17 with a reduction of 0.5% - 0.6% every year.