

**IRDAI proposal on guidelines on trade credit insurance**

240. SHRI A. K. SELVARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the IRDAI has proposed changes in guidelines on trade credit insurance;

(b) if so, the details thereof;

(c) whether it is also a fact that in order to give fillip to the growth of credit insurance market, IRDAI felt it is necessary to revisit the guidelines which regulate the credit insurance business in India; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (d) Insurance Regulatory and Development Authority of India (IRDAI) has informed that after taking into account the changes in economy, especially in micro, small and medium enterprise sector has issued revised guidelines on trade credit insurance *vide* circular no. IRDAI/NL/CIR/CRE/044/03/2016 dated 10th March 2016.

**Requirement of growth in economy for sustaining the burden of wage increase**

241. SHRI A. K. SELVARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India needs to grow by an additional 1-1.5 percentage points so that it can sustain the burden of wage increases and pass on more benefits to workers;

(b) if so, the details thereof;

(c) whether it is also a fact that there would be a burden of ₹ 1.02 lakh crore on account of implementation of the Seventh Pay Commission; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) The Gross Value Added (GVA) at basic prices is the sum of compensation of employees including social contributions made by the employer (CE), Operating Surplus and Mixed Income of the self-employed (OS/MI), Consumption of Fixed Capital (CFC) and taxes net of subsidies on production. The share of compensation of employees stood at 33.6 per cent in the year 2014-15 (the latest year for which information is available), increasing from 32.9 per cent in 2012-13. Simultaneously, the growth rate of GVA at constant basic prices increased from 5.4 per cent in 2012-13 to 7.1 per cent in 2014-15.