

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION No. 895  
TO BE ANSWERED ON 30 JULY 2024**

**DECLINE IN HOUSEHOLD SAVINGS**

**895. Shri Raghav Chadha**

Will the Minister of FINANCE be pleased to state:

- (a) the data on household savings as percentage of GDP for the past five years, noting the decline in 2022-23, year-wise;
- (b) the statistical breakdown of the increase in home, auto, and personal loans over the same period, their impact on household savings;
- (c) the projected trends for household savings and debt levels over the next five years based on current and proposed economic policies;
- (d) the economic impact of the decline in household savings on investment rates and consumer spending; and
- (e) the measures Government is taking to reduce household debt and promote savings, including outcomes and timelines?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

- (a) As per the National Statistical Office, household savings as percentage of GDP for 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 (first revised estimates) is 20.3 per cent, 19.1 per cent, 22.7 per cent, 20.1 per cent and 18.4 per cent, respectively.
- (b) As per the Reserve Bank of India, the year-on-year growth of personal loans, housing and vehicle loans is given below:

<b>Personal loans and its major sub-components (Year-on-Year growth in per cent)</b>			
Months	Personal loans	of personal loans,	
		Housing (Including Priority Sector Housing)	Vehicle loans
Mar-20	18.4	15.8	19.0
Mar-21	11.8	11.0	8.8
Mar-22	13.7	15.0	9.5
Mar-23	20.7	14.5	24.0
Mar-24	16.0	13.7	17.4
May-24	17.8	16.9	17.9

**Notes:** (1) Data are provisional and based on sector-wise and industry-wise bank credit (SIBC) return of RBI, which covers select banks, accounting for about 95 per cent of total non-food credit extended by all scheduled commercial banks.

(2) Data pertain to the last reporting on Friday of the month. The growth rates are calculated after excluding the impact of the merger of a non-bank with a bank.

Household savings increased by a compound annual growth rate (CAGR) of 8.9 per cent from 2019-20 to 2022-23, the latest year for which data is available from Central Statistics Office.

- (c) The government does not publish data on projections of household savings and debt.
- (d) As per the provisional estimates of gross domestic product for 2023-24 released by the National Statistical Office, gross fixed capital formation as a percentage of GDP at current prices in 2021-22, 2022-23, and 2023-24 increased from 29.6 per cent to 30.7 per cent and to 30.8 per cent, respectively. Private final consumption expenditure (PFCE) at constant prices has emerged from the Covid-19 pandemic by registering a CAGR of 7.4 per cent from 2020-21 to 2023-24. PFCE at current prices registered a CAGR of 13.7 per cent from 2020-21 to 2023-24.
- (e) As per the data available from the Reserve Bank of India, the stock of financial liabilities of the households declined from 39.1 per cent of GDP in March 2021 to 38.0 per cent of GDP in March 2023. The government's focus on ease of doing business, skilling and employment generation and as well as creation of infrastructure creates a congenial environment for growth of household income and saving.

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