

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

**RAJYA SABHA
UNSTARRED QUESTION No. 210
ANSWERED ON 5 DECEMBER 2023**

Per capita debt burden in the country

210. Shri Derek O' Brien:

Will the Minister of FINANCE be pleased to state:

- (a) the per capita income of Indians in 2022 compared to 2012, adjusted for inflation;
- (b) the per capita external and domestic debt burden on Indians in 2022 compared to 2012, adjusted for inflation; and
- (c) the steps taken by Government to reduce India's growing debt burden?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): As per the data released by the Ministry of Statistics and Programme Implementation, India's Per Capita Gross National Income (GNI) at 2011-12 prices increased from ₹ 70,980 in 2011-12 to ₹ 1,13,395 in 2022-23.

(b): India's per capita central government debt at 2011-12 prices, along with its internal and external components, are shown in Table 1.

Table 1: Per capita Central Government Debt at 2011-12 prices

	2011-12 (End March)	2022-23 (End March)
Per Capita Central Government Public Debt - ₹	29,127	58,709
Per Capita Central Government Internal Debt - ₹	26,481	55,528
Per Capita Central Government External Debt - ₹	2,647	3,181

Data Sources:

Population estimates and inflation adjustment factors have been taken from data releases of the Ministry of Statistics and Program Implementation.

Debt outstanding for March 2011-12 has been taken from the Status Paper on Government Debt 2016-17, Ministry of Finance.

Debt outstanding for March 2022-23 has been taken from Public Debt Management Quarterly Report April-June 2023, Ministry of Finance

However, central government debt to GDP ratio is a better measure to reflect debt burden in the country. The central government debt to GDP ratio stood at 53.5 per cent in 2011-12 and was brought down to 52.3 per cent in 2019-20, but increased to 61.5 per cent in 2020-21 on account of the measures taken by the government to provide relief to the vulnerable sections of the society and also due to decline in revenue generation during the time of COVID-19 pandemic. However, on account of proactive measures taken by the government the central government debt to GDP ratio declined and stood at 57.1 per cent in 2022-23 (provisional estimates) and is budgeted at 57.2 per cent in 2023-24.

(c): The risk profile of the Central Government's debt stands out as safe and prudent in terms of accepted parameters of an indicator-based approach for debt sustainability. The Government debt is held predominantly (about 95 per cent) in domestic currency. Outstanding external debt is financed by multilateral and bilateral agencies at concessional rates.

Despite global headwinds, the fiscal deficit of the Union Government was brought down from a high of 9.2 per cent of the GDP in 2020-21 to 6.4 per cent of the GDP in 2022-23 (Provisional Actuals) and is estimated to decline to 5.9 per cent of GDP in 2023-24.

The Government has taken various measures, including delicately balancing the need for broad-based and sustained economic revival and fiscal consolidation. The Government has announced its commitment to reduce fiscal deficit to a level below 4.5 per cent of the GDP by 2025-26. Increasing the buoyancy of tax revenue through improved compliance, improving efficiency and effectiveness of public expenditure, and augmenting productive efficiency of the economy, among others, are the important measures taken by the Government to bring down the debt and strengthen the economy.
