

These agencies have not taken a uniform view about the outlook on India's sovereign ratings. While S&P and FITCH Ratings changed their rating outlooks from stable to negative in their reports released in April 2012 and June 2012 respectively, Moody's has maintained its rating outlook at stable in its reports released in June 2012 and November 2012.

The change of outlook by S&P and Fitch ratings does not appear to have had any significant negative impact on the Indian stock markets or on the value of the Indian rupee. When compared to the market closing on 30 Dec. 2011 (the last working day for the stock markets in 2011), the Indian stock market, as measured by NIFTY 50, appreciated by 27.78% as on 10 Dec. 2012. During this period, value of the rupee, as measured by RBI's reference rate for the USD-INR pair, depreciated by only 1.97%.

Government has taken a number of steps with a view to enhancing the growth prospects of the economy and improving investor sentiments. These include measures for liberalization of FDI regime, liberalization of ECB regime, announcement of five-year fiscal consolidation path, improvement in targeting of subsidies, improvement in the functioning of capital markets etc.

Central subsidies under two per cent of GDP

2215. SHRI Y.S. CHOWDARY : Will the Minister of FINANCE be pleased to state:

- (a) whether Government is considering to keep the Central subsidies under two per cent of GDP in the financial years 2012-13;
- (b) if so, the details thereof;
- (c) whether Government has fixed any target for the year 2012-13; and
- (d) if so, the details of target fixed/achieved till date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) To improve the quality of public spending, the Government would endeavor to restrict the expenditure on Central subsidies to under 2% of GDP in 2012-13.

(c) and (d) As per the Budgetary Estimates, the total outlay for subsidies is 1.9% of the GDP (BE) of the current Financial Year.