

FY13 fiscal deficit seen at 4.9%, down from budget target of 5.2%

In a sign of cheer for the economy, the country's fiscal deficit for FY13 is likely to be reported at 4.9%, lower than the budget estimate of 5.2%. According to ET Now sources in the Finance Ministry, the fiscal deficit is seen down due to higher non-tax revenue.

The deficit has been contained due to savings of non-planned expenditure, the sources added. The sources further told ET Now that the government's cash position is 'very good and comfortable'.

Meanwhile, pulled down by poor performance of farm, manufacturing and mining sectors, economic growth slowed to 4.8 per cent in the January-March quarter and fell to a decade's low of 5 per cent for the entire 2012-13 fiscal.

The economic growth or gross domestic product (GDP) had expanded by 5.1 per cent in January-March quarter of last fiscal. Economy had grown at 4 per cent in 2002-03.

India's economic growth was at 6.2 per cent for the 2011-12 fiscal. It had grown by 5.4 per cent, 5.2 per cent and 4.7 per cent in the first, second and third quarters, respectively, of 2012-13, according to data released by the Central Statistical Organisation (CSO) on Friday.

In January-March quarter of 2012-13, manufacturing sector grew marginally by 2.6 per cent, against 0.1 per cent growth in the same period of the earlier fiscal.

During 2012-13, the sector under review grew by a meagre one per cent compared to 2.7 per cent in the previous fiscal.

Mining and quarrying sector contracted by 3.1 per cent during the fourth quarter of last fiscal, as against growth of 5.2 per cent in output in the same period of 2011-12. The contraction in mining sector remained unchanged at 0.6 per cent in 2012-13 over the previous fiscal.

Farm sector output expanded by just 1.4 per cent in January-March this year, as against 2 per cent in the same quarter of 2011-12.

The agriculture sector also grew at a slower rate of just 1.9 per cent in 2012-13 compared to 3.6 per cent in 2011-12

(Economic Times)