

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT COMMITTED TO BRING DOWN THE CURRENT ACCOUNT
DEFICIT (CAD) OVER TIME AND TO ENSURE THAT IT IS FINANCED SAFELY; IT
HOPES TO BE ABLE TO FINANCE THE CAD THROUGH SUFFICIENT FOREIGN
INFLOWS**

New Delhi, 28th March, 2013
7 Chaitra, 1935 (SAKA)

The Current Account Deficit (CAD) for the third quarter (October-December) of 2012-13 has just been released at 6.7 per cent of GDP. It stood at 5.4 per cent of GDP during April-December 2012. The Finance Ministry states in a statement here today though this number is large yet not surprising. At the same time, the merchandise exports have recorded positive growth for the second successive month in February, the Ministry states.

The Finance Ministry further states although the CAD is large, yet it is a matter of satisfaction that it has been fully financed without drawing upon the foreign exchange reserves. Going forward too, we hope to be able to finance the CAD through sufficient foreign inflows, it adds.

The Finance Ministry further states if the current trend of improvement in exports and steadiness in imports persists, the CAD is likely to moderate from here. The CAD for the fourth quarter is expected to be smaller. The Government is committed to bring down the Current Account Deficit over time, as well as to ensure that it is financed safely. In this regard, it has taken steps to increase government and household savings, as well as facilitated FDI and FII investments. Both the RBI and the Government will continue to monitor the CAD and will take additional steps whenever warranted, the Statement concludes.
