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Wasteful Expenses to Cut by 20%

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Why in News

The Union Government has decided to reduce wasteful expenditure on items such as travel, food and conferences by 20%.

- The decision was taken in a recent meeting of the **Cabinet Committee on Investment and Growth (CCIG)**.
- CCIG is a newly formed cabinet committee, constituted in June 2019.
- It is **chaired by the Prime Minister**.

Key Points

- The decision is to avoid fiscal slippage by containing **non-development expenditure** and controlling **fiscal deficit** well within the limit of budgeted target of 3.3% during the FY 2019-20.
- This is **not** the **first** time that the government has resorted to austerity measures for rationalisation of expenditure. In October 2014, the Government had asked to cut **non-Plan expenditure** by 10%.
- Such austerity measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government.
- In the context of the current fiscal situation, there is a need to **rationalise expenditure** and **optimise available resources**.

Source: IE