GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 870
TO BE ANSWERED ON FEBRUARY 9, 2021

ECONOMIC DEPRECIATION

870. SHRI MALLIKARJUN KHARGE

Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that the rupee has been the worst performing among all Asian currencies in the year 2020;
(b) if so the reasons therefor;
(c) the reasons why India's economy is suffering the worst among all neighbouring countries with similar COVID death patterns also given that the pandemic had hit all countries;
(d) whether among all Asian countries, India has the worst COVID impact both in terms of deaths per million population and economic depreciation; and
(e) if so, the reasons why Government did not avoid this crisis?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) & (b) Indian rupee was one of the better performing Asian currency in 2020. In the financial year 2020-21, the INR has appreciated by 3.53 per cent till 2nd February, 2021, as per the information provided by Reserve Bank of India.

(c) India enforced one of the most stringent lockdowns during April-June, 2020, compared to other key Asian countries. The contraction in GDP is consistent with the effect of the stringent lockdown.

(d) & (e) Owing to stringent lockdown measures, India was able to significantly contain the death rate from COVID-19. With gradual unlocking of the country, the economy made a significant V-shaped recovery.

In FY 2020-21, Government announced a special economic and comprehensive package under AatmaNirbhar Bharat including measures taken by RBI amounting to about Rs. 27.1 lakh crores – more than 13 per cent of India's GDP – to combat the impact of the COVID-19 pandemic and to revive economic growth. The package included, among others, in-kind and cash transfer relief measures for households, employment provision measures under Pradhan Mantri Garib Kalyan Rojgar Abhiyaan and increased allocation under MGNREGS, credit guarantee and equity infusion-based relief measures for MSMEs and NBFCs and regulatory and compliance measures.

Structural reforms were also announced as part of the AatmaNirbhar Bharat Package which, inter alia, included deregulation of the agricultural sector, change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms.

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