

**MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
ECONOMIC DIVISION**

**LOK SABHA UNSTARRED QUESTION No. 1937**

**DUE FOR ANSWER ON 19 DECEMBER 2022**

**Global Recession**

**1937. SHRI LALLU SINGH:**

Will the Minister of FINANCE:  
be pleased to state:

- (a) whether some countries are likely to be hit by global recession and if so, the details thereof;
- (b) whether the global recession is likely to impact India also;
- (c) if so, the details thereof; and
- (d) the efforts made/being made by the Government to protect the country from the global recession?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

**(a)-(c):** As per the World Economic Outlook (WEO) October 2022 report of the International Monetary Fund (IMF), the global economy is experiencing several challenges, including the Russia-Ukraine conflict, the slowdown in China, persistently high inflation, and tightening financial conditions, among others. These are weighing heavily on global growth, especially in advanced economies. Owing to these unfavourable developments, the IMF has projected global growth to slow from 6 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. For advanced economies, the growth is projected to decline from 5.2 per cent in 2021 to 2.4 per cent in 2022 and 1.1 per cent in 2023. The corresponding growth for emerging market and developing economies have been projected at 3.7 percent in 2022 and 2023, down from 6.6 percent in 2021.

The slowdown of global output has also made IMF lower the growth forecast for India's economy. India's economy is projected to grow 6.8 percent in 2022 and 6.1 percent in 2023. At these growth rates, India's economy continues to be one of the fastest-growing major economies in the world.

**(d):** Government has implemented several measures to limit the impact of external factors on India's inflation and growth. Inflation has been addressed by increasing the domestic availability of food by restricting wheat flour exports and related products. Export duty has been levied on rice and related products. Import of tur and urad under free category has been extended till March 31, 2023. Customs duty and Agriculture Infrastructure and Development Cess (AIDC) on annual import of 20 lakh

metric tonnes each of crude soya bean and sunflower oil for the year 2022-23 and 2023-24 have been exempted. Stock limits imposed on all edible oils and oilseeds vide order dated 3rd February 2022 have been extended up to December 31, 2022. To further counter inflationary pressures from a rise in crude oil prices, the government cut the excise duty on petrol and diesel in May 2022 by Rs.8/litre and Rs.6/litre respectively. The government has also provided a subsidy of Rs 200 per cylinder to Ujjwala Yojana beneficiaries, for 12 cylinders in a year, to further reduce hardship from the price rise.

To give a boost to growth, various efforts have been made by the government that will help the economy grow faster once the current global uncertainties fade. A series of measures were announced in the Union Budget 2021-22, including an increase in Capex budget by 34.5 percent over 2020-21, expansion of the Production Linked Incentive (PLI) scheme to 14 sectors, and the introduction of Mega Investment Textile Parks (MITRA), among others. Other major reforms were also introduced to promote domestic manufacturing including National Monetization Pipeline of public sector assets, privatization of public sector banks and insurance companies, reforms-based result-linked power distribution sector scheme, increasing of FDI in insurance sector from 49 per cent to 74 per cent, and rationalization of custom duties.

Further, in the Union Budget 2022-23, the Capex budget was again increased by 35.4 per cent over the previous year, PM Gatishakti was launched for integrated planning of infrastructure and synchronized project implementation across all concerned Central Ministries, Departments and State Governments, and Emergency Credit Line Guarantee Scheme (ECLGS) was extended to provide continued support to MSMEs, among others. As part of the Atmanirbhar Bharat Mission, the government has also commenced implementation of the National Infrastructure Pipeline of projects to drive economic growth in the years ahead. Further, National Logistics Policy has been launched in September 2022 to lower the cost of logistics at par with other developed countries. Financial inclusion and banking services are being deepened to reach the last mile with the launch of 75 Digital Banking Units across 75 districts.

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