

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4166**  
DUE FOR ANSWERED ON MARCH 21, 2023

**Impact of COVID-19**

4166. SHRIMATI VANGA GEETHA VISWANATH:  
SHRI ADALA PRABHAKARA REDDY:  
SHRI C.N. ANNADURAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted any comprehensive study of the impact of the COVID-19 pandemic on the economy;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the details of the corrective steps taken by the Government to address the adverse economic impact of the COVID-19 pandemic;
- (d) whether the Government has received any global aid to tackle the economic fallout of the COVID-19 pandemic;
- (e) if so, the details thereof and the reasons for the same; and
- (f) the details of the steps taken to enhance economic preparedness in case of future pandemics?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHHARY)

(a)-(c): The Government has been assessing the impact of the pandemic on the Indian economy from time to time. Based on such assessment, the government has taken various measures to increase growth and inclusivity in the economy.

For increasing growth, early measures included a ramp-up in medical and health infrastructure followed by the launch of a massive vaccination programme which strengthened domestic demand. Domestic demand was further strengthened through a calibrated fiscal stimulus at various points of time during 2020-21. In the next three budgets of 2021-22, 2022-23 and 2023-24, capital expenditure of the central government was enhanced by 30-35 per cent each year to inject a substantial fiscal stimulus in the economy. The central government also provided a substantial increase in assistance to the states for expanding their capital budget.

The government has placed investment in infrastructure as the central driver for increasing economic growth.

The government also enhanced inclusivity of growth both at the level of small enterprises and poor individuals. Relief measures were announced for Micro, Small and Medium Enterprises (MSMEs), such as the launch of the Emergency Credit link Guarantee Scheme (ECLGS) to support eligible MSMEs and business enterprises in meeting their operational liabilities and re-starting the business after the disruption caused by the pandemic. Stressed MSME were also assisted through subordinate debt with partial guarantee, equity infusion through Fund of Funds, and faster clearing of payment dues to them. The definition of MSMEs was also changed to encourage them to expand.

Inclusivity at the individual level was enhanced through Pradhan Mantri Garib Kalyan Yojana (PMGKY), which among other measures provided subsidised foodgrains to poor; ex-gratia for poor senior citizens, disabled and widows; front-loading of PM-KISAN subsidy to farmers; insurance coverage for healthcare workers; wage increase for MGNREGA workers; and cash transfers for PMJDY Women account holders. To boost low wage earners in the organised sector, 24 per cent of the monthly wages were transferred in Provident Fund (PF) account of workers for three months. Employees' Provident Fund Regulations were amended to permit early withdrawal of funds by workers from EPFO account. Atma Nirbhar Bharat Rozgar Yojana was also launched to incentivize job creation during COVID-19 recovery.

(d)-(e): As per Controller of Aid, Audit and Accounts, DEA, the details of global aid received by the Government as on 21.3.2023, to tackle the economic fallout of the COVID-19 pandemic is presented in **Annexure-I**.

(f): The pandemic led to global supply chain disruptions as nationwide lockdowns temporarily restricted the flow of raw materials and finished goods across national borders. To guard against such occurrences in the future, the government decided to make India's economy self-reliant through the introduction of Production Linked Incentive (PLI) Scheme for boosting domestic production capabilities. The PLI scheme, now extended to 14 sectors, is also key to generating jobs in the manufacturing sector.

To further minimize economic disruptions caused by lockdown, the government invested in digital infrastructure such as the Unified Payment interface (UPI). There has been a rapid adoption of UPI payments due to its ability to allow easy contactless transactions. UPI payments played a major role in ensuring the effective, efficient and timely transfer of subsidies and government benefits to the bank accounts of the beneficiaries during the pandemic. Initiatives such as the creation of digital identities like Aadhaar, the launch of e-shram portal for registration of unorganised workers, registration of MSMEs on the Udyam portal have effected a

digital easing of business. The private sector of India has also upscaled the delivery of both IT and non-IT based services within the country and abroad. Strengthening of digital capacities is critical to enhancing economic preparedness against future pandemics.

### **Annexure-I**

<b>List of Covid loans along-with disbursements as on 21st March 2023</b>						
<b>Funding Agency</b>	<b>Loan/ Grant Title</b>	<b>Implementing Agency</b>	<b>Agreement date</b>	<b>Loan</b>	<b>Disbursements</b>	
				<b>Loan Amount (in USD Millions)</b>	<b>LC in Millions</b>	<b>INR in Crores</b>
ADB	Asia Pacific Disaster Response Fund (Covid-19 Emergency Response Project)	MH&FW	22-01-2021	3	3	21.8
ADB	COVID-19 Active Response and Expenditure Support Program	MOF	28-04-2020	500	500	3,817.1
ADB	COVID-19 Active Response and Expenditure Support Program	MOF	28-04-2020	1,000	1,000	7,634.1
ADB	Responsive COVID-19 Vaccines for Recovery Project	MH&FW-BCS	31-12-2021	500	499.3	3,938.7
ADB	Responsive COVID-19 Vaccines for Recovery Project	MH&FW-BCS	31-12-2021	1,000	578.6	4,442.9
AIIB	India COVID-19 Emergency Response and Health Systems Preparedness Project	MOH&FW_NHM	08-05-2020	500	500	3,785.6
AIIB	COVID-19 Active Response and Expenditure Support Program	DEA_OMI	19-06-2020	750	750	5,624.9
AIIB	Coordinated & Responsive Indian Social Protection Sys Pgm (Post-Covid)	DEA_OMI	03-09-2021	500	500	3,736.6
AIIB	Responsive COVID-19 Vaccines for Recovery Project	MOH&FW_UIP	21-01-2022	500	398.2	3,092.7
GODE	Covid-19 Social Protection Crisis Response Programme Phase II	BC_DEA	16-12-2020	210	210	1,813.3
GODE	Covid-19 Social Protection crisis Response Programme	BC_DEA	21-08-2020	250	250	2,234.3
GOFR	AFD COVID -19 Loan	BC_DEA	18-06-2020	200	200	1,755.3
GOJP	COVID-19 Crisis Response Emergency Support Loan	MOH&FW_NHM	31-08-2020	50,000	50,000	3,231.8
GOJP	The COVID-19 Crisis Response Support Loans for Social Protection	DEA	08-02-2021	30,000	30,000	2,019.5
IBRD	COVID-19 Emergency Response and Health Systems Preparedness Project	MOH&FW_NHM	03-04-2020	1,000	1,000	7,534.8
IBRD	Accelerating India's COVID-19 Social Protection Response Program	DEA_FB	15-05-2020	200	200	1,508.3

IBRD	Coordinated &Responsive Indian Social Protection Sys Prog (Post-Covid)	DEA_FB	15-07-2021	387.5	387.5	2,858.6
IDA	Accelerating India's COVID-19 Social Protection Response Program	DEA_FB	15-05-2020	226.8	226.8	2,323.1
IDA	Accelerating India's COVID-19 Social Protection Response Program	DEA_FB	15-05-2020	240.4	240.4	1,813.2
IDA	Second Accelerating India's COVID-19 Social Protection Response Program	DEA_FB	16-12-2020	291.4	291.4	2,119.9
IDA	Second Accelerating India's COVID-19 Social Protection Response Program	DEA_FB	16-12-2020	77	77	809
IDA	Coordinated &Responsive Indian Social Protection Sys Prog (Post-Covid)	DEA_FB	15-07-2021	94.5	94.5	697.1
IDA	Coordinated &Responsive Indian Social Protection Sys Prog (Post-Covid)	DEA_FB	15-07-2021	12.6	12.6	131.9
NDB	Emergency Assistance Program in Combating COVID-19	DEA_OMI	05-05-2020	1,000	1,000	7,566
NDB	Emergency Program Loan Supporting India's Economic Recovery from COVID-19	DEA_OMI	16-12-2020	1,000	1,000	7,307.8
	<b>Total</b>			<b>90,443.2</b>	<b>89,919.4</b>	<b>81,818.3</b>

Source: Controller of Aid, Audit and Accounts, DEA