

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3563
TO BE ANSWERED ON 16.03.2020

IMPACT OF CORONAVIRUS ON ECONOMY

†3563. DR. BHARATIBEN DHIRUBHAI SHIYAL:
SHRI SHANKAR LALWANI:

Will the Minister of FINANCE be pleased to state:

- (a) whether coronavirus has become a serious threat to human health as well as the economy and if so, the details thereof;
- (b) whether imports and exports have been affected due to it and if so, the details thereof;
- (c) whether all those industries which depend upon China for raw material or which send their products to China will suffer due to it and if so, the details thereof; and
- (d) the steps likely to be taken by the Government to lessen the impact of coronavirus on the economy?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d): The outbreak of Novel Coronavirus (COVID-19), first in China and now having being confirmed in more than 100 countries, has emerged as a key risk to human health as well as global growth outlook through numerous channels like trade, production and supply chain disruptions; decline in demand; lower tourism and business travel; loss of investor confidence; and productivity losses from the health impact on morbidity & mortality of work force. Ministry of Health and Family Welfare has been coordinating the efforts of the Central Government in terms of preparedness, control and containment measures and has also been working with State Governments in order to mitigate the impact of the virus outbreak in India.

As is true for the world at large, India's near-term macroeconomic outlook is also vulnerable to disruption of trade with China and second-round effects arising from expected slowdown in global growth. However, latest available data on trade and indicators of domestic output do not suggest any adverse impact on the economy. Additionally, a positive impact on India's economy may arise from decline in global oil prices triggered by the outbreak of COVID-19.

In order to address the possibility of trade-induced adverse impact on the economy, Government is constantly engaging with Export Promotion Councils and trade bodies, particularly in pharmaceutical, electronics and automobile sectors where the supply chains are sourcing imports from China. These agencies have been put in touch with Indian Missions abroad to secure and transport inventories available with the existing suppliers. Indian Missions abroad have also been asked to explore alternate sources of supply of raw materials in their respective countries for supporting India's domestic production.
