

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 105**  
TO BE ANSWERED ON SEPTEMBER 14, 2020

**IMPACT OF COVID-19 ON TRADE**

105. SHRI MANOJ KOTAK:

Will the Minister of FINANCE be pleased to state:

- (a) whether the global COVID 19 has become a serious threat to the economy of India;
- (b) if so, the details thereof;
- (c) whether imports and exports have been badly affected due to COVID-19 and global lockdown
- (d) if so, the details thereof; and
- (e) the detail of various measures announced by the government to tackle the situation and its impact in country?

**ANSWER**

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

(a) & (b): India, like other nations in the world, imposed a strict lockdown from 25<sup>th</sup> March, 2020 to combat the spread of COVID-19 and strengthen the country's health infrastructure. From May onwards, the country has been unlocking itself and its positive impact on the economy is seen in high frequency indicators of July and August, 2020.

(c) & (d): In July 2020, merchandise exports of India were estimated at USD 23.6 billion, as against USD 26.3 billion in July 2019, while the merchandise imports were at USD 28.5 billion in July 2020, compared to USD 39.8 billion a year ago. This is in line with the contraction witnessed in world trade in the first four months of 2020-21, due to which exports contracted by (-)30.2% and imports by (-) 46.7%, over the corresponding period of the previous year.

(e) Along with imposition of strict lockdown to contain the spread of COVID-19, Government of India implemented several measures to mitigate the impact of COVID-19 on the economy which, *inter-alia*, include:

- Relief measures for households such as in-kind (food; cooking gas) and cash transfers to senior citizens, widows, disabled, women Jan Dhan Account holders, farmers; insurance coverage for workers in the healthcare sector; wage increase for MGNREGA

workers and support for building and construction workers; collateral free loans to self-help groups and reduction in EPF contributions under Pradhan Mantri Garib Kalyan Yojana and employment provision for migrant workers under Pradhan Mantri Garib Kalyan Rojgar Abhiyaan, amongst others.

- Relief measures for MSMEs such as collateral-free lending program with 100 percent credit guarantee, subordinate debt for stressed MSMEs with partial guarantee, partial credit guarantee scheme for public sector banks on borrowings of non-bank financial companies, housing finance companies (HFCs), and micro finance institutions, Fund of Funds for equity infusion in MSMEs, additional support to farmers via concessional credit, as well as a credit facility for street vendors (PM SVANidhi), amongst others.
- Regulatory and compliance measures such as postponing tax-filing and other compliance deadlines, reduction in penalty interest rate for overdue GST filings, change in government procurement rules, faster clearing of MSME dues, IBC related relaxations for MSMEs, amongst others.
- Structural reforms announced as part of the Atmanirbhar Package which, *inter alia*, include deregulation of 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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