

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1360**  
TO BE ANSWERED ON 19.09.2020

**ECONOMIC CRISIS**

1360. SHRI T.N. PRATHAPAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware about the warning given by some politicians on the economic crisis coming ahead since and before the COVID-19 crisis;
- (b) if so, whether the Government had taken them into consideration and if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government had believed that COVID-19 crisis won't affect the economy of the country and if so, the reasons therefor; and
- (d) the current scenes of the economy of the country?

**ANSWER**

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

(a) & (b) Government has an effective system in place to monitor various developments in the economy and project the likely turn the economy would take in future. Active engagement with all stakeholders and suggestions on the economy is an important component of the monitoring system. Before the onset of COVID-19, government was aware that the global slowdown is impacting the Indian economy. Yet the economy, having been strengthened since 2014 grew at 7.4 percent in 2014-19 as compared to 6.4 percent in 2009-14.

(c) & (d) Owing to policies implemented by Government in 2019, the Indian economy had rebounded in the months of January and February of 2020 to register high growth rates in Index of Industrial Production, Eight-core Industries Index and Exports. In March, data was available to show in advance countries, economic contraction along with high case fatality rate from COVID-19 since the beginning of 2020. Giving more importance to saving lives Government of India decided to enforce one of the strictest lockdowns beginning 25 March as reflected in the Government Response Stringency Index measured by Oxford University. Consequently, the economy contracted by 23.9 percent in April-June quarter of 2020. Since then the lockdowns have been considerably eased resulting in much higher level of activity in the months of July, August and September. This is evident in growth of high frequency indicators like PMI Manufacturing, index of eight core industries, E-way bills, Kharif sowing, power consumption, railway freight, cargo traffic and passenger vehicle sales.

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