

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 1703.
TO BE ANSWERED ON MONDAY, THE 21ST SEPTEMBER, 2020.**

DECLINE IN MANUFACTURING SECTOR

1703. SHRIMATI NUSRAT JAHAN RUHI:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether it is a fact that the country's manufacturing sector has been in trouble for the last three months specially post 23rd March, 2020 due to COVID-19 pandemic;
- (b) if so, whether it has become a challenge for the country's private as well as State owned firms; and
- (c) if so, the details of the steps taken by the Government to safeguard the interest of the country's Private and Public Sector firms and to enable them to sell their products in global markets at competitive prices?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a) & (b):** The sudden outbreak of COVID-19 has severely impacted more than 196 countries across the globe including some of the major players like USA, European Union, UK, and India. Both World Bank and IMF estimate contraction in global GDP for FY 2020-21 due to the spillover effects of the lockdown to curb the spread of COVID-19 pandemic. With the gradual opening up of the economy after the nation-wise lockdown, manufacturing activity has started to normalize.
- (c):** Government has implemented several measures to safeguard the interest of the country's Private and Public Sector firms and to enable them to sell their products in global markets at competitive prices which, inter-alia, include:
 - (i) Tariff and non-tariff measures have been taken to regulate non-essential import of goods and services. Appropriate use of trade remedies by way of safeguard, countervailing and anti-dumping duties have been used to protect domestic manufacturers. Common digital platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement

utilization by exporters. Government is promoting districts as export hubs by identifying products with export potential in the District, addressing bottlenecks for exporting these products, supporting local exporters/manufacturers to generate employment in the District.

- (ii) Relief measures have been given to 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.
- (iii) Several Regulatory and compliance measures have been taken, viz. 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.
- (iv) Structural reforms announced as part of the Atmanirbhar Package which, inter alia, include deregulation of the 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.
- (v) Government has launched National Infrastructure Pipeline, expanded Phase Manufacturing Programme, Production Linked Incentive Schemes and created Centralised Investment Clearance Cell for end to end support for investment. Further, reduction in EPF contributions, employment provision for migrant workers; insurance coverage for workers in the healthcare sector; and wage increase for MGNREGA workers and support for building and construction workers, collateral free loans to self-help groups are some other relief measures.
