Impact of COVID-19 on GDP

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Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the Government has assessed the impact of monetisation and COVID-19 on GDP growth;
(b) if so, the details thereof;
(c) the measures taken by the Government to tackle the decline in GDP growth in the present economic slowdown; and
(d) the details of major factors that affected GDP during the last one year?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING (RAO INDERJIT SINGH)

(a) & (b): Gross Domestic Product (GDP) at constant prices (2011-12) contracted by 23.9 per cent during first quarter (Q1) of 2020-21, against 5.2 per cent growth in Q1 of 2019-20 due to various factors, including COVID-19.

(c): The Government has implemented several measures to mitigate the negative impact of COVID-19 on the economy which, inter-alia, include: relief measures for households in kind and cash
transfers; wage increase for Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers and support for building and construction workers, collateral free loans to self-help groups, reduction in EPF contributions, employment provision for migrant workers; credit facility for street vendors under PM SVANidhi, relief measures for Micro, Small, and Medium Enterprises (MSMEs); postponing tax-filing and other compliance deadlines; and structural reforms announced as part of the Atmanirbhar Package etc.

(d): Overall GDP at constant prices (2011-12) did not register decline during any of the four quarters of 2019-20. Decline in first quarter of 2020-21 was owing to fall in the growth rates in almost all the broad sectors, except Agriculture, forestry and fishing sector. The sectors namely, Mining & Quarrying; Manufacturing; Constructions; and Trade, Hotels Transports, Communications and Services related to Broadcasting witnessed sharp decline during the first quarter of 2020-21.

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