

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

**UNSTARRED QUESTION NO. 476.
TO BE ANSWERED ON WEDNESDAY, THE 16TH SEPTEMBER, 2020.**

SLOWDOWN IN GROWTH

**476. SHRI Y.S. AVINASH REDDY:
SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether any measures have been taken by the Government to instil confidence in the industries considering the slow pace of economic growth in the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has studied the impact of recent economic slowdown that has been reported and prevalent in other parts of the world; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

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

(a) & (b): Promotion of industries is a continuous and ongoing effort of the Government. Government has taken a number of steps, in addition to the ongoing schemes, to boost the growth of industries. The measures taken in a few important areas are highlighted below:

- 1) **Atmanirbhar Package** to boost Industrial growth has been announced by the Government for Rs. 20.97 lakh crore with bold reforms in a number of sectors. The Emergency Credit Line Guarantee Scheme (ECLGS), having provision of Rs 3 lakh crores, is 100% credit guarantee and Collateral Free Automatic Loans for MSMEs. Financial support has been given to the stressed MSMEs with infusion of Rs.20,000 crore equity support through Subordinate Debt. Fund of Funds created to infuse equity worth Rs.50,000 crore in the MSME Sector by setting up Rs.10,000 crore Corpus Fund. Also, Government is ensuring timely payment to the

MSMEs by instructing all Government of India and CPSEs to clear all receivables of MSMEs within 45 days. Procurement from domestic companies is being encouraged by disallowing global tender in government procurement tenders upto Rs 200 crores.

- 2) **Higher FDI** has been allowed through automatic route in a number of sectors by streamlining and liberalising several sectors. Empowered Group of Secretaries (EGoS) & Project Development Cells (PDCs) have been set up in order to provide support and facilitation to investors for investing in India and to boost growth in key sectors of the economy.
- 3) A **centralized Investment Clearance Cell** is being created, which would provide end-to-end facilitation support, including pre-investment advisory, information related to land banks and facilitating clearances at Central and State level.
- 4) The **Insolvency and Bankruptcy Code** has been enacted in December 2016 to address India's chronic problem of non-performing assets (NPA).
- 5) **Corporate Taxes** have been reduced to encourage domestic manufacturing. With effect from FY 2019-20, corporate tax for domestic companies has been reduced to 22 per cent and for new manufacturing companies, incorporated on or after 01.10.2019, to 15 per cent.
- 6) In order to realize the economies of scale, incentives are extended to units as per annual increases in their production/sale under **Production Linked Incentive (PLI) scheme**. PLI scheme has been announced for large scale electronics manufacturing (Rs.40,955 crore), medical devices (Rs.3,420 crore) and KSMs/ Drug Intermediates and APIs (Rs. 6,940 crore).
- 7) In order to promote domestic manufacturing of sectors facing high imports or cheaper imports, incentives are provided through rationalization of Basic Customs Duty on identified products under **Phased Manufacturing Programme (PMP)**. Presently, PMP is in operation for Cellular Mobile Handsets and e-vehicles.
- 8) The Government has launched the **National Infrastructure Pipeline (NIP)** in December, 2019 to provide world-class infrastructure across the country and improve the quality of life for all citizens. As per Final Report submitted by the NIP Task Force, the projected total expenditure on infrastructure would be of Rs. 111 lakh crore during the period FY 2020-25.

India has responded proactively to the Covid-19 challenge. Indian manufacturers have enhanced production of PPE, N-95/N-99 masks, HCQ medicine and oxygen cylinders to meet the domestic/external

requirements. The Indian economy is known for its resilience and is expected to gradually return to its high growth performance in the coming months.

(c) & (d): As per **IMF's World Economic Outlook (WEO)** (June 2020), in the year 2020, global economic growth is projected to contract by 4.9 percent. The COVID-19 pandemic has had a bigger negative impact on activity in the first half of 2020. Most economies in the group are forecasted to contract this year, including the United States (– 8.0 percent), Japan (–5.8 percent), the United Kingdom (–10.2 percent), Germany (–7.8 percent), France (–12.5 percent), Italy (–12.8 percent), and Spain (–12.8 percent).

As per the **Global Economic Prospects Report (June 2020) of the World Bank**, global GDP is expected to contract by 5.2 percent in 2020, the deepest global recession in eight decades, despite unprecedented policy support.
