

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**STARRED QUESTION NO. 195**  
TO BE ANSWERED ON 08.03.2021

**CONSUMER CONFIDENCE**

**195. SHRI NAMA NAGESWARA RAO:**

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken by the Government to boost the consumer confidence;
- (b) whether the fiscal measures taken by the Government have led to rise in inflation and are having repercussions on plans of leaving more money in the hands of people; and
- (c) if so, the details thereof?

**ANSWER**

THE FINANCE MINISTER  
(SMT. NIRMALA SITHARAMAN)

(a) to (c): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 195  
BY SHRI NAMANAGESWARA RAO DUE FOR ANSWER ON MARCH 08, 2021**

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(a) Government imposed a strict 21-days nationwide lockdown from 25th March, 2020 to contain the spread of COVID-19 and ramp up the health infrastructure with a view to saving lives. Astute management of the lockdown and subsequent unlocking along with strengthened health infrastructure was accompanied by roll out of Pradhan Mantri Garib Kalyan Yojana (PMGKY) and Atmanirbhar Bharat (ANB) packages that besides saving lives also protected livelihoods and businesses. These measures, amounting to Rs. 29.87 lakh crores - equivalent to 15 per cent of India's GDP, have boosted consumer confidence as their implementation advanced through 2020-21.

The Consumer Confidence Survey, January 2021, of Reserve Bank of India shows that consumer confidence has been increasing since May, 2020 in respect of future expectations and since September, 2020 in respect of current expectations. The increase in consumer confidence has also led to private final consumption expenditure (PFCE) recovering from a contraction of 26.2 per cent in the first quarter of 2020-21 to a much smaller contraction of 2.4 per cent in the third quarter of the same year, as per the National Income Estimates released by Ministry of Statistics and Programme Implementation.

(b) & (c) The fiscal measures taken by Government during 2020-21 have been calibrated to sustain high spending in the economy and assist in its V-shaped recovery, resulting in a positive GDP growth of 0.4 per cent in third quarter of FY 2020-21. Simultaneously, the gradual unlocking of the economy has eased supply-side disruptions enabling inflation to decline from 7.6 per cent in October, 2020 to 4.1 per cent in January 2021, mainly on account of decline in food inflation. Lower inflation has increased the real purchasing power of the people leaving more money in their hands to spend. Money to spend has further increased under PMGKY and ANB packages through direct benefit and in-kind (food; cooking gas) transfers, emergency credit to small businesses and wage increase for MGNREGA workers, among others.

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