

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 3512
TO BE ANSWERED ON 17th MARCH, 2021

IMPACT OF CORONAVIRUS ON SUPPLY CHAIN

3512. SHRI HEMANT TUKARAM GODSE:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether there is disruption in the supply of raw materials from China due to corona virus and if so, the details thereof;
- (b) the steps taken by the Government to deal with its impact on several Indian industries, especially in Pharma Sector, wherein imbalance in demand and supply has resulted in price rise of items across the industries; and
- (c) if so, the details thereof along with the precautionary measures taken by the Government to bridge the demand and supply gap and contain the rise in prices of items across the country?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री हरदीप सिंह पुरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI HARDEEP SINGH PURI)

(a) to (c): The Corona Virus outbreak in China initially impacted the supply chains of Indian industries which are dependent on China for import of components, intermediaries and raw materials. Thereafter, the Chinese production resumed during the year. However due to the global supply chain shocks on account of the pandemic, countries are seeking to build resilience in their supply chains to reduce over-concentration of import sources.

The Government engaged with the Export Promotion Councils and Trade Bodies to address potential disruptions in their supply chains, secure and transport inventories available with various suppliers, and accordingly put them in touch with our Missions abroad. The Missions facilitated several Business-to-Business virtual meetings to broaden the supply base of the domestic industry.

The Government has also launched schemes such as Production Linked Incentive Schemes (PLIs) to promote domestic manufacturing capacities in critical sectors such as Key Starting Materials/Drug Intermediates, Active Pharmaceutical Ingredients apart from electronic components & mobiles etc. These would broaden the base of the supply chains and make products available at competitive prices.
