

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 924
TO BE ANSWERED ON 08.02.2021**

IMPACT OF COVID-19 ON INDUSTRIES

924. SHRI D.K.SURESH:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the COVID-19 pandemic caused great hardship to all the sectors of the economy and led to unemployment and if so, the details thereof;**
- (b) the number of industries closed down in the country during the lockdown due to COVID-19 pandemic and if so, the details thereof;**
- (c) whether the Government has any estimate of job loss during the said period and if so, the details thereof;**
- (d) whether the Government is taking any steps to encourage the industries to start their business again; and**
- (e) if so, the details thereof?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (c): Industrial growth depends on a number of factors including structural, external, fiscal and infrastructural factors. The moderation in India's industrial growth coincides with deceleration in growth of global output. The sudden outbreak of COVID-19 pandemic has severely impacted the major economies of the world. It has affected 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. The economy has been affected due to the nation-wide lockdown. However, after the lockdown was relaxed, improvement has been witnessed in several sectors of the economy.

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(d) & (e): Government has implemented several measures to encourage the growth of industries for instance; relief measures have been taken for MSMEs such as collateral-free lending program with 100 percent credit guarantee; 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.

Besides, 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.

The Government has also recently announced structural reforms as part of the Aatmanirbhar 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 Bank, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms.
