

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 21
TO BE ANSWERED ON 29.11.2021

FALL IN DEMAND OF PRODUCTS

21. SHRI DAYANIDHI MARAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry has held any consultations or reports to study fall in demand for various products since the onset of COVID-19 pandemic and if so, the details thereof;
- (b) whether the Ministry has received any representations from Industry bodies or groups of businesses/vendors regarding fall in demand for their products or lowered sales after the onset of the COVID-19 pandemic and requests for help and if so, the details thereof; and
- (c) whether the Ministry has plans to reduce GST rates on essential commodities and household goods and supplies to increase affordability and thereby demand for various products and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Government of India has been continuously monitoring India's economic situation and actively engaging with all relevant stakeholders for suggestions and feedback towards faster revival of demand and economic growth. As per latest estimates of National Statistical Office, Ministry of Statistics and Programme Implementation (MoSPI), private consumption rebounded sharply to register a positive year on year (YoY) growth of 2.7 per cent in Q4 of 2020-21 after three quarters of contraction and posted a robust YoY growth of 19.3 per cent in Q1 of 2021-22. Swift recovery in demand situation in the economy is also reflected in movement of high frequency indicators such as power consumption, railway freight traffic, port cargo traffic, vehicle registrations, auto sales, tractor sales, steel consumption, cement production, GST collections, highway toll collections, digital transactions, etc.

(b) & (c): The Ministry on regular basis receives representations from various stakeholders on the economy and business, which contribute to policy making. GST rates are fixed based on the recommendations of the GST Council. The GST Council in its 43rd and 44th meeting had recommended a reduction in GST rates on specified goods and medicines used in the treatment of COVID-19 till 30th September, 2021. The Council in its 45th meeting had also recommended concessional GST rates on 11 specified medicines used in the treatment of COVID-19, till 31st December, 2021.
