

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2967**  
TO BE ANSWERED ON MARCH 21, 2022

**IMPACT OF COVID-19 ON ECONOMY**

2967. SHRI SHYAM SINGH YADAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether any assessment has been made regarding the overall impact of Covid-19 crisis on Indian economy in terms of closure of industrial units, loss of jobs, etc;
- (b) if so, the details thereof; and
- (c) the result of various measures taken by the Government to reduce the impact of the said Covid-19 crisis?

**ANSWER**

MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHURY)

(a) & (b) As per the 1<sup>st</sup> Revised Estimates released by National Statistical Office (NSO), Ministry of Statistics and Program Implementation (MoSPI), India's real Gross Domestic Product (GDP) is estimated to have contracted by 6.6 per cent during FY 2020-21. This contraction reflects the unparalleled effect of the COVID-19 pandemic and the containment measures that were taken to control the pandemic.

The fundamentals of the economy remain strong as gradual scaling back of Covid-19 restrictions, along with the astute support of various government interventions has placed the economy firmly on the path of recovery. As per 2<sup>nd</sup> Advance Estimates released by NSO, GDP is estimated to grow at 8.9 percent in 2021-22 with the level of real GDP surpassing the pre-COVID level of 2019-20.

With regard to the manufacturing sector, manufacturing sector Gross Value Added (GVA) is estimated to have contracted by 0.6 percent in 2020-21, but estimated to grow by 10.5 percent in 2021-22 as per the second advance estimates

Similar trend is witnessed in case of Index of Industrial Production (IIP). The cumulative growth of IIP for the period April-January 2021-22 is 13.7 per cent as compared to (-)12.0 per cent in April-January 2020-21, indicating significant improvement of industrial production in the current financial year.

Restrictions imposed on account of Covid-19 has had an impact on labour market as well in 2020-21. With the recovery in 2021-22, the labour market has been buoyant. Net payroll data of Employees' Provident Fund Organisation (EPFO) as on 20th February, 2022, shows new subscribers increasing from 77.1 lakhs in 2020-21 to 92.4 lakhs during April-December period of 2021-22.

(c) The economic recovery in 2021-22 is a result of measures taken by Government. In FY 2020-21, Government had announced a special economic and comprehensive package under AtmaNirbhar

Bharat (ANB) Abhiyaan to combat the impact of the Covid-19 pandemic, to revive economic growth and to bolster employment. The package included, among others, in-kind and cash transfer relief measures for households, employment provision measures under Pradhan Mantri Garib Kalyan Rojgar Abhiyaan and increased allocation under MGNREGS, credit guarantee and equity infusion-based relief measures for MSMEs and NBFCs and regulatory and compliance measures. Structural reforms were also announced as part of the AtmaNirbhar Bharat Package which, inter alia, included change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake reforms.

The implementation of the package is reviewed and monitored regularly. Some of the salient achievements include:

- Under Pradhan Mantri Garib Kalyan Package, free food grain for 80 crore people, ex-gratia of Rs. 500 per month for three months to Women Jan Dhan account holders, free cooking gas for 8 crore families was provided along with increasing the limit of collateral free lending to Self-Help groups.
- Pradhan Mantri Garib Kalyan Rojgar Abhiyaan was launched on 20th June, 2020, for a period of 125 days. A total of 50.78 crore person-days of employment was generated incurring an expenditure of Rs. 39,293 crore.
- Rs.3 lakh crores Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, including MSMEs, which has subsequently been increased to Rs. 5 lakh crore, in Budget 2022-23.
- Rs. 50,000 crore equity infusion through MSME Self-Reliant India Fund.
- Under Aatmanirbhar Bharat Rojgar Yojana (ABRY), benefit of Rs. 4055.9 crore has been given to 51.9 lakh beneficiaries of 1,34,568 establishments till 12.03.2022.

Union Budget 2022-23 announced a number of measures to support broad-based and inclusive economic development including, among others, rise in public investment with enhanced capital expenditure outlay, push to PM GatiShakti, enhanced outlay for 'Scheme for Financial Assistance to States for Capital Investment', extension of Emergency Credit Line Guarantee Scheme (ECLGS) to enterprises in hospitality and related services, Raising and Accelerating MSME Performance (RAMP) programme with outlay of Rs 6,000 crore over 5 years to be rolled out to make the MSME sector more resilient, competitive and efficient.

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