

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3970
TO BE ANSWERED ON 28 MARCH 2022

IMPACT OF RUSSIA-UKRAINE WAR ON ECONOMY

3970. SHRI A. GANESHAMURTHI:
SHRI MUKESH RAJPUT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made any review of the economy consequent upon the break-out of war between Russia and Ukraine;
- (b) if so, the details thereof;
- (c) the extent to which it would be a setback for the economic recovery for the world and India in particular; and
- (d) the measures taken by the Government to bolster the economy?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHURY)

(a) to (c): The geopolitical tension between Russia and Ukraine has led to global supply disruptions resulting in steep increase in global commodity prices including prices of crude oil, gas, edible oils and fertilizers, among others. Government of India is closely monitoring the global price movements and their impact on India's economy through trade. As per second Advance Estimates released by National Statistical Office, India's GDP in 2021-22 is estimated to grow at 8.9 per cent, which will take the country's GDP past the most recent pre-pandemic output of 2019-20, to complete the recovery process.

(d): Budget 2022-23 has announced measures for taking India's GDP to a higher growth path. Some of the important budget measures announced include:

- Increased outlay for capital expenditure from Rs. 5.54 lakh crore in 2021-22 to Rs. 7.50 lakh crore in 2022-23.
- Greater focus on PM GatiShakti, ensuring inter-ministerial coordination in infrastructure building for economic transformation, seamless multimodal connectivity and logistics efficiency.
- Construction of 25,000 km highways, and village roads under PM Gram Sadak Yojana to further increase rural consumption by way of creating employment in small towns and cities.
- Replacement of Special Economic Zones Act with a new legislation to enable States to become partners in 'Development of Enterprise and Service Hubs Export'.
- Extension of Emergency Credit Line Guarantee Scheme (ECLGS) up to March 2023 and its guarantee cover to be expanded by Rs. 50,000 crore to help the micro and small enterprises in hospitality and related services regain their pre-pandemic level of business.
- Raising and Accelerating MSME Performance (RAMP) programme with outlay of Rs. 6,000 crore over 5 years to help the MSME sector become more resilient, competitive and efficient.
- Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme to facilitate additional credit of Rs. 2 lakh crore for Micro and Small Enterprises and expand employment opportunities.
- 'One Station-One Product' in Railways to be popularized to help local businesses and supply chains.
- Centre for Processing Accelerated Corporate Exit (C-PACE) to be established for speedy winding-up of companies.

Further, to ensure security of crude supplies and to mitigate the risk of dependence on crude oil from single region, Oil Public Sector Undertakings (PSUs) have diversified its petroleum basket and are procuring crude from countries located at various geographical locations viz. Middle East, Africa, North America, South America etc. In addition, Government is also committed to supporting initiatives for releases from Strategic Petroleum Reserves, for mitigating market volatility and calming the rise in crude oil prices.
