

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. 212
TO BE ANSWERED ON 01 AUGUST 2022

INDIAN ECONOMY

212. SHRI MARGANI BHARAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the first detailed analysis of pandemic by the Reserve Bank of India (RBI) indicates that there is Rs.52 lakh crores output losses during the last three years;
- (b) if so, the details thereof;
- (c) whether the Indian economy would be able to overcome these losses only by 2034-35;
- (d) if so, the details of short, medium and long-term strategies which are going to be adopted by the Government to deal with this; and
- (e) the efforts being made by the Government to push capital expenditure and attract more and more private investment, capacity addition, etc.?

ANSWER

MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA
STARRED QUESTION NO. 212 ON "INDIAN ECONOMY"
RAISED BY SHRI MARGANI BHARAT DUE FOR ANSWER ON 01.08.2022**

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(a) to (c): The Reserve Bank of India (RBI) has not done any such analysis. The analysis of the staff from the Department of Economic and Policy Research (DEPR) of the RBI, which is published in the Report of Currency and Finance, 2021-22, and which, as clarified by the RBI, does not represent the views of the RBI, states that the loss of potential output induced by the pandemic will be recovered by 2034-35. The National Statistical Office (NSO) of Ministry of Statistics and Programme Implementation (MoSPI), has released in May, 2022, the Provisional Estimates (PE) of National Income for 2021-22. The PE show that the output in 2021-22 has recovered the output level of 2019-20 thereby completing the recovery process and overcoming the loss of output induced by the pandemic in 2020-21.

(d) & (e): To limit the damage inflicted by the pandemic on the economy and initiate quick recovery of economic growth, Government had announced a comprehensive package under AtmaNirbhar Bharat (ANB) Mission. It initiated a slew of supply-side structural reforms to lend flexibility and resilience to supply chains. Union Budget 2021-22 also announced a number of measures to support broad-based and inclusive economic development including a 34.5 per cent increase in capital expenditure and 137 per cent increase in health expenditure. The earlier announced National Infrastructure Pipeline (NIP) and subsequently the Production linked Incentive (PLI) scheme, further gave impetus to investment and growth. Union Budget 2022-23 next announced various measures including PM GatiShakti to ensure inter-ministerial coordination in infrastructure building for economic transformation; issuance of sovereign green bonds for mobilizing resources for green infrastructure; and further increase in outlay for capital expenditure. The outlay for capital expenditure increased from Rs. 5.54 lakh crore in 2021-22 to Rs. 7.50 lakh crore in 2022-23. It increases further to Rs.10.68 lakh crore, or 4.1 per cent of GDP, after including Grants-in-Aid to State Governments for capital works. The structural reforms and the policy push under the AtmaNirbhar Bharat Mission along with the measures announced in the Union Budget 2021-22 and 2022-23 towards achieving broad-based inclusive growth will strengthen the fundamentals of the economy elevating it to a strong and sustainable growth path.
