

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 104
TO BE ANSWERED ON JULY 18, 2022

ECONOMIC RECESSION

104. SHRI ANTO ANTONY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has noticed that economic recession exists in the country and if so, the details thereof;
- (b) whether the economic recession has any impact on growth of GDP in the current financial year and the next financial year;
- (c) if so, the details thereof along with the steps taken by the Government to overcome the recession; and
- (d) whether Russia-Ukraine conflict has any impact on Indian economy and GDP and if so, the details thereof along with the steps taken by the Government in this regard?

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHURY)

(a) to (c) As per the Provisional Estimates of Annual National Income, 2021-22, growth of Real Gross Domestic Product (GDP) during 2021-22 is estimated at 8.7 per cent, which has more than recovered the pandemic induced loss of GDP in 2020-21. The growth momentum is expected to continue in 2022-23 as well as seen in several high frequency indicators. Though the geopolitical situation and the consequent elevated commodity prices have imparted considerable uncertainty to the global growth momentum, India's real GDP growth is expected to be still above 7 per cent in 2022-23. This is in contrast to many advanced and emerging market economies where considerable downward revision in GDP growth rate has been made by international agencies like IMF post Russia-Ukraine crisis. Government has taken various initiatives to drive economic growth while managing inflation and mitigating its impact on weaker sections of the society. Successful launch of the Production Linked Incentive Scheme (PLIS), Gatishakti Scheme, National Infrastructure Pipeline, development of renewable sources of energy while diversifying import dependence on crude oil, and strengthening of financial sector are key developments that will sustain economic growth in 2022-23.

(d) 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. Government has also taken various supply side measures like cut in excise duty on petrol and diesel, special excise duty/cess on the export of petrol, diesel and aviation turbine fuel that are likely to alleviate inflationary pressures. Further, to rein in inflation, RBI in its June Monetary Policy Committee meeting hiked the repo rate by another 50 basis points on top of the earlier hike of 40 basis points in May 2022.
