

Gross State Domestic Product

214. SHRI PRABHAKAR REDDY VEMIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India is going into recession for the first time in four decades due to COVID-19;

(b) whether it is a fact that as per one estimate by SBI, Andhra Pradesh is going to lose 14.9% in 2020-21;

(c) whether ₹ 30.3 lakh crores which is 13.5% of total GSDP are going to be lost by all States put together in 2020-21; and

(d) the remedial measures proposed to be taken to help States, particularly Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per the Estimates of Gross Domestic Product for the First Quarter (Q1) of 2020-21 released by the National Statistical Office on 31st August 2020, the real GDP in India contracted by 23.9 per cent during the first quarter of 2020-21 (as against a 5.2 per cent growth in Q1 of 2019-20). State-wise data is, however, not available for Q1 of 2020-21. The April-June quarter experienced a significant world-wide year-on-year contraction of output resulting from the COVID-19 pandemic.

The Government imposed a strict 21 days nationwide lockdown from 25th March, 2020, with subsequent extensions and relaxations, under the Disaster Management Act, 2005 to contain the spread of the virus. India enforced one of the most stringent lockdowns as reflected in the Government Response Stringency Index measured by Oxford University. The contraction in GDP in April to June quarter is consistent with the effect of the stringent lockdown.

With the phased unlocking of the Indian economy since June 1, 2020, high frequency economic indicators like PMI Manufacturing, index of eight core industries, E-way bills, Kharif sowing, power consumption, railway freight, cargo traffic and passenger vehicle sales have recovered in July and August and indicate growing convergence with previous year's activity levels.

(d) Government of India has taken several measures to support the State governments, including Andhra Pradesh. As a part of the COVID-19 Emergency

Response and Health System Preparedness Package of ₹ 15,000 crore, Government of India released ₹ 3000 crore as the first installment in April 2020 and ₹ 890.32 crore as the second instalment in August, 2020 to all States and UTs to aid and enable them to ramp up testing facilities, augment hospital infrastructure, conduct surveillance activities along with procurement of essential equipment, drugs and other supplies. Further, State Governments are utilising the funds available under District Mineral Fund (DMF) for supplementing and augmenting facilities of medical testing, screening and other requirements in connection with preventing the spread of COVID-19 pandemic as well as treating the patients affected with this pandemic.

As part of the Atmanirbhar package, borrowing limit of States has been increased from 3 per cent to 5 per cent, for 2020-21 in view of the pandemic, which will give States extra resources of ₹ 4.28 lakh crore. Additional borrowing of 2 per cent of projected GSDP will be given to the States in 2020-21 subject to implementation of specific State Level Reforms. The Reserve Bank of India has increased Ways and Means Advance limits of States by 60 per cent.

Prior to announcement of Atmanirbhar package, Centre had already given ₹ 46,038 crore to States through devolution of taxes in April, Revenue Deficit Grants of ₹ 12,390 crore in April and May and State Disaster Response Fund (SDRF) funds to the tune of ₹ 1,000 crore in first week of April. As on September 10, 2020, ₹ 6,195.08 crore have been released to 14 states, including Andhra Pradesh, as the sixth equated monthly instalment of the Post Devolution Revenue Deficit Grant as recommended by the 15th Finance Commission to provide additional resources to States. The amount of post devolution revenue deficit grant released to Andhra Pradesh is ₹ 49141.66 lakh.

In May 2020, Government announced a special economic and comprehensive package of ₹ 20 lakh crores - equivalent to 10 per cent of India's GDP- to combat the impact of the COVID-19 pandemic in India. The package includes, among others, relief measures under the Pradhan Mantri Garib Kalyan Yojana, Pradhan Mantri Garib Kalyan Rojgar Abhiyaan, relief measures for MSMEs and NBFCs, increased allocation under MGNREGS, interest subvention for MUDRA loans and revamp of Viability Gap Funding scheme for social infrastructure. The implementation of the package is reviewed and monitored regularly.