

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 202
ANSWERED ON 30.11.2021

ECONOMIC RECOVERY OUT OF THE COVID-19 PANDEMIC SLUMP

202. Shri K.J. Alphons:

Will the Minister of FINANCE be pleased to state:

- (a) whether the economy has come out of the COVID-19 pandemic slump;
- (b) the positive indicators of growth in this financial year;
- (c) the constraints in this regard; and
- (d) the steps proposed to give a boost to the economy?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): As per the latest 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 7.3 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 contraction was controlled by India's economy staging a resilient recovery in the second half of FY 2020-21 with two consecutive quarters of positive growth on the back of the nation's strong economic fundamentals combined with gradual scaling down of lockdowns and astute support of AtmaNirbhar Bharat Mission. While the devastating second wave of COVID-19 in the first quarter (Q1) of FY 2021-22 moderated the economic recovery momentum, Q1 output of FY 2021-22 has been large enough to post a YoY growth of 20.1 per cent recovering more than 90 per cent of the pre-pandemic Q1 output of 2019-20. Since Q1, signs of sustained economic revival are also reflected in movement of several high frequency indicators like E-way bills, GST collections, power consumption, rail freight, Purchasing Manager's Index (PMI) Manufacturing and Services, eight core industries output, digital transactions, vehicle registrations, among others.

(c): Rise in global crude oil prices, rising global commodity prices and possibility of resurgent waves of COVID-19 pandemic pose risks to economic recovery.

(d) Government has been undertaking continuous measures for improving the investment climate and boosting economic growth. In FY 2020-21, Government announced a special economic and comprehensive package of Rs. 29.87 lakh crore under AtmaNirbhar Bharat to combat the impact of the COVID-19 pandemic, to revive economic growth and to bolster employment. Union Budget 2021-22 has announced number of measures to support broad-based and inclusive economic development including a 34.5 percent increase in capital expenditure and 137 percent increase in health expenditure. Government announced a relief package of Rs. 6.29 lakh crore in June 2021 to strengthen public health and provide impetus for growth and employment measures.
