

## DATA UNAVAILABILITY MAIN REASON BEHIND GOVT'S INABILITY TO ANNOUNCE STIMULUS FOR BUSINESSES: SUBHASH CHANDRA GARG

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

Former Finance Secretary [Subhash Chandra Garg](#) has said the unavailability of data is the main reason why the [government](#) has not been able to announce a [stimulus](#) package for coronavirus-stricken businesses, including MSMEs.

Garg, in a blog post, said there is an urgent need to assign a unique ID to each business as it would help in collecting vital economic performance data and facilitate linking of all bank accounts of a business to that ID. "Principal reason for inability of the government to announce any survival and revival package, even for MSMEs, is the unavailability of business, value-added, number of labours employed, loss of output and profit data. There is an urgent need to establish the system of unique business ID and link significant business data with this," he said.

The government on March 26 had announced a Rs 1.7 lakh crore stimulus that included free foodgrain and cooking gas to poor for three months. It also had cash doles to vulnerable class including women and poor.

The finance ministry is working on a second relief [package](#) for the Indian economy hit hard by the COVID-19 outbreak and the 40-day nationwide [lockdown](#) imposed to curb the contagion.

The former finance secretary further said the economic lockdown ordered by the government to save lives has jolted the business loans portfolio of banks. "Many businesses in travel, tourism, hospitality, construction, transportation, retail, entertainment, sports will fail.

This can double their non-performing loans as a number of shuttered businesses and disrupted businesses will fail and suffer profitability shocks," he noted. Garg suggested that it is time for the RBI to think of providing credit to investment grade businesses directly. "RBI can start buying investment grade corporate bonds and mortgage backed securities," he said adding that much of the Targeted Long-Term Repo Operations (TLTRO) can be much better done directly by RBI, instead of doing it in a roundabout way of going through the banks.

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