

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2539
ANSWERED ON:18.03.2005
EFFECT OF TSUNAMI ON ECONOMY
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Will the Minister of FINANCE be pleased to state:

- (a) Whether the deadly tsunami of 26 December, 2004 had done little damage to the economy in terms of affecting output or prices;
- (b) If so, the details thereof; and
- (c) the steps taken by the Government to improve the health of the economy?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a to c): The total damage due to Tsunami covering Andhra Pradesh, Kerala, Pondicherry and Tamil Nadu is estimated as Rs. 11,934.74 crore. In the recent Joint Assessment Mission Report (The World Bank, Asian Development Bank and UN), it is noted that the Tsunami has had no impact on India's GDP or that of the affected States/UT's. The States/UT's GDP are unaffected because economic activity along the coastline contributes very little to their income. The annual point-to-point inflation in terms of the Wholesale Price Index in the post-Tsunami period had in general shown a downward trend for primary articles, and also for manufactured products and overall inflation. There was no adverse impact of Tsunami on the general inflation in the country.