

# Business Standard

## ADB pledges \$2.2 bn to bolster India's health infrastructure, MSMEs

The ADB president on Friday called Finance Minister Nirmala Sitharaman to discuss the issue and assured support to India in its fight against the coronavirus disease

Indivjal Dhasmana | New Delhi April 10, 2020 Last Updated at 23:10 IST

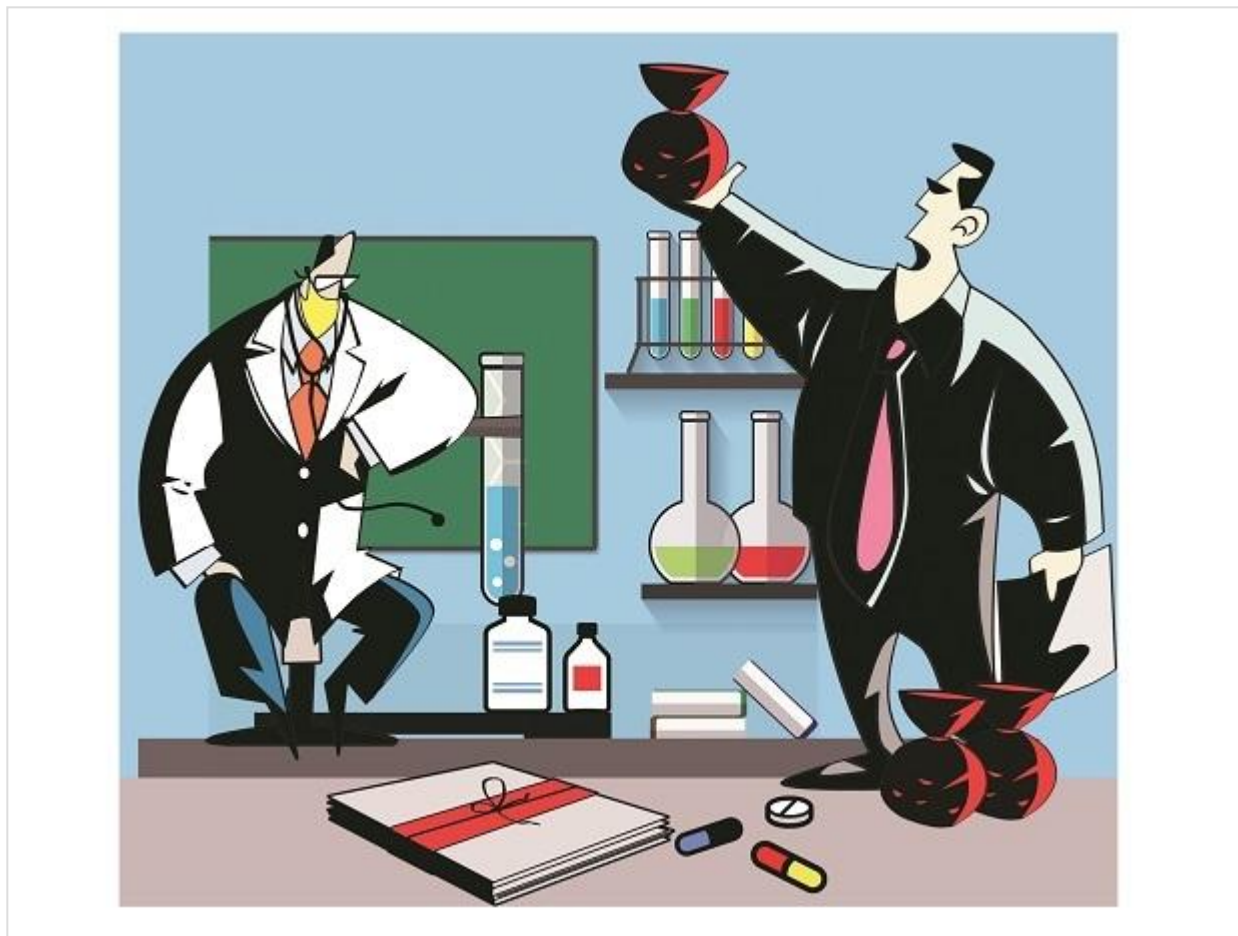


Illustration: Binay Sinha

The Asian Development Bank (ADB) will provide India \$2.2 billion (around Rs 16,000 crore) to help the country ramp up health infrastructure and bolster micro, small and medium-sized enterprises (MSMEs) facing hardships because of the coronavirus-related lockdown.

“The ADB is committed to supporting

India’s emergency needs. We are now preparing \$2.2 billion in immediate assistance to the health sector and to help alleviate the economic impact of the pandemic on the poor, informal workers, MSMEs and the financial sector,” its president Masatsugu Asakawa said.

He said the ADB assistance will be increased, if needed. “We will consider all financing options available with us to meet India’s needs, including emergency assistance, policy-based loans, and budget support to facilitate swift disbursement of ADB funds,” Asakawa said.

The ADB is also engaged with the private sector to meet its financing needs during this period.

The ADB president on Friday called Finance Minister Nirmala Sitharaman to discuss the issue and assured support to India in its fight against the coronavirus disease pandemic. Sitharaman is also governor of the ADB. Asakawa commended India's decisive response to the pandemic, which included a national health emergency programme, tax and other relief measures provided to businesses, and a \$23-billion economic relief package announced on March 26 to provide immediate income and consumption support to the poor, women, and workers affected by the three-week nationwide lockdown.

Weakening global economic growth is causing disruptions in India's trade and manufacturing supply chains, along with the slowdown in tourism and other economic activities. This is straining a large number of MSMEs, and the livelihood of formal and informal labourers across the country.

Asakawa said the policy measures announced by the government will provide the much-needed relief and stimulus to the most vulnerable people as well as businesses and become a basis for faster recovery.

On March 18, the ADB had announced an initial package of approximately \$6.5 billion to address the immediate needs of its developing member countries, including India, as they respond to the pandemic. The ADB said in a statement that it stands ready to provide further financial assistance and policy advice whenever the situation warrants. Earlier, the World Bank committed \$1 billion in emergency funding to India.