

112 With most of the Western world in a difficult economic  
3 space, India has a tremendous opportunity to surge ahead.  
Explain.

The forex reserve dipped this year and rebounded quickly to \$531 Billion due to the proactive measures by the Reserve Bank. With exchange rates still high a robust monetary and fiscal regime can ~~be~~ be beneficial.

### Western mayhem

The developed nations such as the USA and UK distributed Covid growth to the citizens as a result they are facing high inflation rates UK - 8% USA - 7.5%. The Russian sanctions weakened natural gas supply cut to Germany.

meanwhile Russia became our largest oil supplier 24% overtaking Iraq. India had fared well though there were some scars such as inflation of 7% and dollar appreciating more than ₹82.

## Tremendous opportunity

① cut non dollar imports - The rupee -  
crisis deals have preserved our forex  
and talks were in place to restart oil purchase  
from Iran. That deal can be done in  
rupee route.

② schemes such as Design linked incentive  
scheme has be launched to cut electronics import  
Electronics imports were \$56 Billion.

③ Building robust bond market to prevent  
the reverse capital flight by the investors.  
The innovative idea such as Build India  
Bonds with dispersed support is a better  
way forward.

Though rupee depreciated against  
dollar, we became the fifth largest economy  
in terms of dollar. A reduced exchange rate,  
say ₹60/dollar can be of utmost significance  
to the citizens as it has multiplier effects.