

22/10/2021

UPSC

GIS - Infrastructure - III

Q2. In spite of spending on Infrastructure Policies need to minimize the Income loss from the Impact recent Pandemic discuss?

The recent CMIE - Centre for monitoring Indian Economy point out the Unemployment rate is 12.8% in June 2021 last year World bank report titled "South Asia Economic focus report" said India's growth is likely to remain at 1.5 - 2.8% in 2020 - 2021 fiscal year.

Covid-19 Crisis and its Impact

Due to Pandemic lockdown measure taken by Government to contain the Coronavirus outbreak has forced many Industries to shutdown thus increasing Unemployment rate.

The Economic loss is unlikely to be distributed Uniformly. Here certain Company profits have retained and remained very strong, but loss of household, MSME is likely to large.

The Problem at present is not inadequate Public revenue, but imbalance in Public Spending.

fiscal and monetary Policy is key tool to fix the Economy run in right path and help to recover over the

Period of time.

Way forward

Investments in Infrastructure Project is good one.

today will increase the productivity and open up many business and job opportunities. ~~or~~ But on the other hand Government need to have strong balance sheet across Corporates, MSME's and households to reap these benefits.

Government and Central bank extend their support through fiscal stimulus packages which comprises financial support to the Banks, NBFC, moratorium period to repaying loans, tax holiday. Implementing PM- Garib kalyan yojana (Food Security Scheme) implementing during Pandemic. It help minimize the impact not all the time.

Increasing Crude oil price in global market, MSME's still struggle to get credit guarantee to invest, we know that MSME sector is remain India's largest employer.

Conclusion

More frequent monitoring and timely need based adoption Policy is important, Example finding new way at revenue generated through the privatisation and

Modernisation of its assets.

Main focus towards Both Infrastructure and welfare Policy to strengthen balance sheet across Corporate, MSME's and household. towards Economic recovery is crucial one.

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