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To ensure better economic recovery the govt. needs to create fiscal support measures and quicken the pace of vaccination. Explain (200 words).

Factory Output Data released by National Statistical Office shows reverse in Index of Industrial Production in the month of April. This is due to irregular and unexpected lockdown in different states.

Reasons for the reversal

- Increasing intensity of covid spread and renewed lockdown decreased the movement of goods and services.
- Shrink in manufacturing sector around 12.6% from March till April
- Increase in spending towards medical services reduced purchasing power of people further reduced the demand. [demand on consumer non durables decreased around 11%.]

Measures to be taken to ensure better economic recovery

- Government should ensure its measures are expansionary in nature

Eg: Accomodative stands (or) reduction in interest of loans.

- Measures to counter the unemployment and job losses which are increasing. Eg: can bring employment guarantee schemes like MGNREGA in urban
- Ensure that the benefits like reduction in interest trickle down to lower level of population
- Increase the rate of vaccination to boost psychological confidence on people and to find the way out of lockdown strategy similar to countries like UK and European nations.

Government's Move

- Government stood accommodative in repo rates to ensure better borrowing and money circulation.
- To reduce fiscal burden in medical area for citizens Government's PMA Swasth Bharat Yojana will address it.
- Ensured collateral free loans to MSMEs which are back bone of Manufacturing sector. Eg: Mudra Yojana
- Apart for Indian manufactured Covishield and Covaxin, Russian vaccine sputnik and pfizer from US are imported to speed up vaccine drive.

Thus these positive fiscal measures and the swift vaccine drive will ensure better recovery of economy.