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With a depreciating currency and rising inflation prospects of sustaining investments and economic recovery are likely to get harder. Comment.

Post Covid pandemic all nations are facing the issue of inflation including ~~the~~ India, it is also paired up with depreciating currency - Rupee depreciated to ₹80 = \$1. These conditions make investment inflow harder for India.

Why recovery is likely to get harder?

(1) Skewed share of gross capital formation towards service sector in the past years.

Eg: Service sector enjoys increasing gross capital formation in past decade while agriculture ~~and~~ and industry sees decrease in capital formation

(2) Import dependence grew further after pandemic in critical materials like bulk drugs, fertilizers etc.

(3) The ~~the~~ Make in India scheme did not become as successful as expected because they failed to boost investments.

What has Government done to sustain investment ?

- (1) Public investment is being the pivot of economic development
- (2) Gross capital formation has increased in Transport sector due to schemes like Bharatmala, Sagarmala and Gram Sadak Yojana (from 6% to 12%)
- (3) Prime Minister's Atma Nirbhar Bharat Campaign came in to counter the import dependency on critical material

This infrastructure led growth has helped us in our previous crisis during 1997 when there was a post led boom due to schemes like Golden Quadrilateral and other public road building projects. In these ways India will strongly progress in sustaining ~~res~~ investment.