

Day - 2

GIS - 3 - Economy

1. Rising current account deficit is best bridged through higher exports, rather than foreign direct investment flows.  
Explain (150 words)

A current account deficit occurs when the total value of goods and services in a country imports exceeds the total value of goods

and service it exports. After

the covid-19 pandemic, in India

will be less in exports goods

and high in imports goods,

the high imports is not good

for the Indian economy, but

After the Russian - Ukraine war

the imports goods price was very  
 high, the crude oil and petroleum  
 prices very high, but Russia  
 will import the crude oil  
 to India in very low cost  
 In some time CAD occurs means  
 Foreign direct investment is most  
 favourable because the foreigners  
 will invest the economy means  
 the export value will be very  
 in future, so the foreign direct  
 investment is also very important  
 for the economy, to stabilize  
 the exports and imports value  
 of the economy.