GSIII #Economy 15/6/21

To ensure better economic recovery, the govt needs to extend fiscal support measures & quicken the pace of vaccination

Pandemic induced lockdown affected economic activities & forced Indian economy into recession.

→ "State of Indian economy"

* GDP growth rate recorded nearly 4% in last 3 quarters of FY 2020-2
* NSO Index of Industrial production (IIP) estimate showed 0.08% growth contraction in manufacturing (12.6%), mining electricity
* Wholesale price index reached double digit (11.6%), high unemployment rate (6.5%)

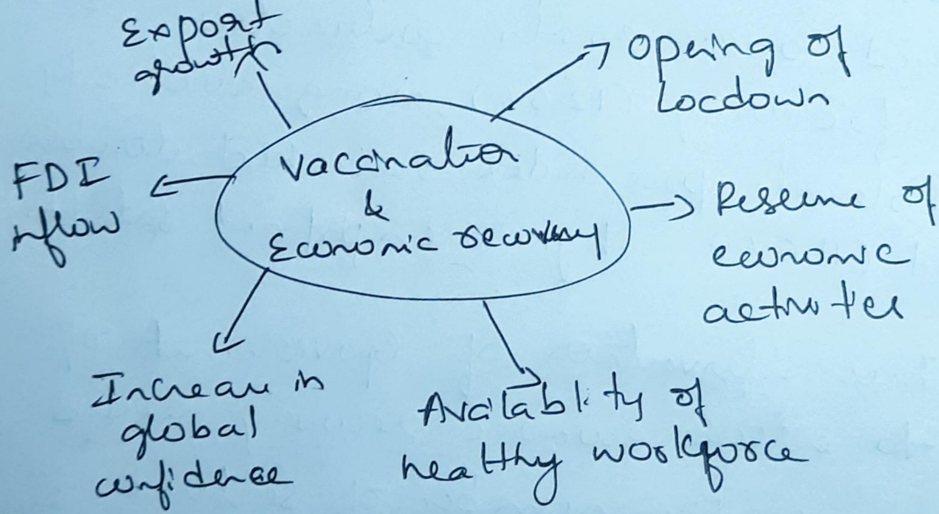
Thus intervention of Government of India to ensure economic recovery needed

* Increase the number of sectors in Emergency credit line guarantee of GoI which now covers 9 sectors
* Support domestic manufacturers through production linked incentive scheme (PLI)
* Increase credit availability to the MSME through economic package which includes interest subvention loan schemes

* Increase consumption expenditure through lowering tax slabs,

Along with fiscal support government must also focus on increase vaccination drive as less than 4% of India population are fully vaccinated

Expanding domestic vaccine production, allowing various foreign manufacturers to collaborate with India pharmaceuticals, centralized vaccine production & rational distribution to state are some measures needed



International Monetary Fund (IMF) forecasted India's GDP growth 2021-22 to 12.5% which is a positive thing. In order to achieve India's ambition of $5 trillion economy by 2024 following measures necessary