25|7|22

① with a depreaciting currency and rising inflation, prospects of sustaining investment & economic recovery are likely to get harder?

Introduction - The ongoing war b/w RUSSIA - UKRAINE & tightening of monetary policy by Federal Reserve of USA have led to depreaciation of currency & rising inflation across countries.

Past economic revival -

The Then PM Vajpayee during the Asian financial crisis - 1997s took initative to build public road projects [Golden quadilateral] & PMGSY policys led to upturn of economic recovery [8% - 12%] of GDP grew.

NAS report - ① As per data collected by NAS to calculate GCF by sectors, types of assets announced that 90% of GCF consists of fixed investments.

② The recently released report has showed the investment in various sectors

(3) From the report we could analyse that the investment in Agriculture & Industry came down from

Industry: 33% to 32%
(2014-15) (2019-2020)

Agriculture: 8% to 6.5%
(2014-15) (2019-2020)

(4) Both the Agri & Industrial Sector experienced a decline in Gross Capital Formation.

(5) In the sectors like Transportation (roads) & Services experienced a upturn in investment as both are important public goods.

(6) Though, it result in Lop-sided while emphasising more on this sectors. From experts view there should be a balance maintained b/w Directly productive investment & Infrastructure investment.

(7) In case of manufacturing sector, is a huge distress fell from [18% - 16%]
(2014-15) (2019-2020)

mainly due to failure of Make in India takeoffs, led to import dependence on CHN results

IND into deindustrialised phase.

(8) According to World Bank's Ease of doing business, India gone up from 142 to 63 – 2019. it let alone foreign investment rather than industrial investment.

(9) Even Industrial output fell from 4% to 2% in (2019-2020) as per NSS report.

Way Forward -

* Govt should give equal priority across all sectors in investment

* Make in India should be strengthened thereby could reduce dependence on CHN.

* Domestic capability to manufacture essential raw materials & Capital goods should be encouraged.

Conclusion - Govt should ~~takes steps to~~ encourage private sector to invest in [Agri, Industrial, Manufacture] Sectors, which could revive our economy back to the growth.