

India needs to break out of the import substitution trap before it can become an export powerhouse. Do you agree with this view? Comment (200 Words)

India during the revival period after lock down is performing well in Export sector. Exports have always contributed to constant GDP in the past years. Now its time for India to break the import substitution trap to enjoy the full benefits of its exports.

Indian government in the past years have focused more on export oriented policies like Merchandise Exports from India Scheme, Service Exports from India and E-Commerce export etc. This has resulted in less focus towards import substitution.

Getting aware of about being self reliant and substituting the imports Government has started taking many measures in recent years like (i) Atma Nirbhar Bharat (ii) Make in India initiative (iii) Digital India initiative

These measures will help to reduce the current account deficit of 2.2% of GDP of last decade.

Further to substitute imports government can ensure more beneficiaries the schemes like Mudra yojana, project REHAB, which will develop the domestic production in MSME and handicraft sector. Most recent one is projects under National Bamboo mission for production of bamboo from different areas to reduce imports from China. India has also ~~some~~ made some bold moves like exiting from RCEP to protect domestic producers

Thus following self reliant projects and widening the scope of exports India can get out of import substitution trap.