Gradual Resumption - A DPIIT Suggestion

Why in News?

Department for Promotion of Industry & Internal Trade (DPIIT) has suggested opening a list of industries during nationwide lockdown.

What did the DPIIT suggest?

- DPIIT has suggested that large manufacturing units in sectors such as automobile, electronics, and textile can be allowed to function.
- It suggested that these units could function at a 20-25% employee capacity in a single shift.
- It has also suggested that the units should,
    1. Have a single entry point for workers,
    2. Have a space for social distancing and
    3. Sanitise their premises regularly.
- It recommended free movement of workers and vehicles in some sectors.
- Additionally, DPIIT is in favour of reopening certain repair units and restarting construction activity with adequate safeguards.

What is the need for selectively resuming economic activity?

- During lockdown, the government has **restricted movement**.
- This, in turn, has affected the production and supplies.
- The nationwide lockdown have induced a great deal of **hardship** for a large number of households and businesses.
- Indian companies may end up **losing export** opportunities due to the lack of clarity on production.

What could the government do?

- **Easing restrictions on movement** will help rebuild supply chains and avoid potential shortages.
- It is sensible to start **opening up the manufacturing sector** to the extent possible to contain the overall economic damage.
- This will also help bring back at least part of the labour force to work and address the issue of unemployment to some extent.
- **Restarting activity** will help address the cash-flow problem of firms to some extent.

- It is significant to avoid coordination problems between different organs of the government.
- The firms might need to make changes in manufacturing processes.

How could economic recovery achieved?

- India needs to scale up testing in a big way.
- This will help identify hotspots and limit the spread of Covid-19.
- Increased testing will give reliable data for policy decisions and help ease the lockdown in the coming weeks.
- Greater clarity in terms of Covid-19 containment will aid economic recovery.

Source: Business Standard

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