

Project O2

The Government of India has launched Project O2 in June 2021 in order to step up oxygen production for medical purposes. The oxygen produced will help in preparing for subsequent waves of Covid-19 yet to come.

Why was Project O2 launched?

The second wave of Covid-19 started around March 2021, deadlier and larger in scope than the first wave. With infections skyrocketing at an alarming pace, it had a considerable strain on the medical resources of India.

There was a severe shortage of oxygen and ventilators across the nation and this led to fatal casualties. To make up for the shortage, Project O2 was launched by the Government of India

Details about Project O2

Project O2 has been initiated to enhance India's ability to meet India's demand for oxygen as well as hospital beds following the devastating second wave of Covid-19.

- Under Project O2, a National Consortium of Oxygen will secure the oxygen supply level needed on a national level by securing raw materials such as zeolites and setting up oxygen plants along with making ventilators
- The consortium is also aiming at securing materials for short-term relief and working to strengthen the manufacturing ecosystem
- The second wave of Covid-19 saw an increase in demand for medical oxygen in different parts of the country. While meeting the current demand, manufacturing medical oxygen also became important to ensure India has adequate supply in the future.

Key Features of Project O2

- Under the Project, a National Consortium of Oxygen has been set up. It has been raising funds from private sector organisations, individuals among others.
- These funds are being used by the consortium to supply critical raw materials. Such as zeolites, setting up of small oxygen plants, manufacturing compressors, ventilators among others.
- Moreover, the consortium is also working to strengthen the manufacturing ecosystem of medical oxygen for long-term preparedness.

- Further, a committee of experts has also been set up to evaluate critical equipment. Such as oxygen plants, concentrators, and ventilators from a pool of India-based manufacturers, start-ups, and MSMEs.

Impact of Covid-19 Second Wave

Covid-19's second wave had a profound impact on the economy of India:

- As per a survey by the Federation of Indian Chambers of Commerce and Industry (FICCI), there has been a sharp deterioration of India's overall business performance
- The participating companies "unanimously felt that the government must, first and foremost, focus on controlling COVID-19 cases", and only a massive vaccination drive can decouple India's economy from another pandemic induced shock.
- Additionally, they stressed on the need for another fiscal package, focussing on addressing the demand side, along with employment-based incentives to employers to avert any job losses.
- The 'Overall Business Confidence Index' nosedived to 51.5 after reporting a decadal high value of 74.2 in the previous round of the survey released in March 2021, according to FICCI.
- It added that since a much larger proportion of the population has been impacted in the current wave, there has been permanent impairment to income for many households who have faced job losses or have lost bread earners to COVID-19.