‘Make in India’
and
Opportunities for SMEs

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By
ICRIER and SFIA
Infrastructure Development

• Allocated USD $11 billions for road, ports and airports in July 2014
• USD $79 billion infrastructure investment in 2015-16 Budget vs $57 billion in 2014–15.
• 100 per cent FDI is allowed under the automatic route in important sectors such as power, roads and ports
• Banks are now allowed to issue long-term infrastructure bonds
• Five industrial corridor projects have been launched and also a National Industrial Corridor Development Authority (NICDA).
• 100 smart cities proposed and funds allocated
• Establishment of National Investment and Infrastructure Fund, policy for computerization of ports, tax-free bonds for infrastructure, emphasis on PPP model etc
Environment Policy

• Around 44% of the 285 mega projects in the field of energy—power, coal and petroleum—were stalled in the previous government.

• Priority for fast environmental clearance given to PPP projects in highways, roads, power, etc.

• Made online processing for environment clearance.

• Energy sources like power, coal and renewable have been clubbed together as one single apex ministry.

• Delink environmental and forest clearances for roads

• Many small and tiny industries are off the list from environmental clearance
Labour rules and regulations

• ‘Unified labour and industrial portal’ and ‘labour inspection scheme’ for transparency

• Cabinet clearance to amendments to Factories Act (1948), Labour Laws Act (1988) and the Apprenticeship Act (1961)

• Reforms at State level like Rajasthan: No Need of Prior permission upto 300 workers; increase in number of workers to attract factories act; 30% requirement to form labour union.
Ease of Doing Business

• Establishing a 24*7 e-business portal, which houses fourteen regulatory permissions in one place.
• Reducing corporate tax rates from 30% to 25% over the next four years
• Deferred the General Anti-Avoidance Rule by two more years and Retrospective tax is almost over.
• All efforts are on to implement a unified goods and services tax by April 2016.
• Proposed a new bankruptcy law to allow an easier exit for investors
• Proposed to set up an expert committee to eliminate multiple prior permissions
• Removing the regulatory distinction between FDI and FPI and merging the FMC with the SEBI

• Proposed establishment of new legal mechanisms for the early resolution of commercial disputes.

Opening up sectors to Foreign Investors

• Some of major sectors such as civil aviation, defense, railways, insurance, banking, pension etc. have been opened.

• 100% FDI in railway infrastructure, hike in FDI equity from 26% to 49% in insurance, defense, and civil aviation. E-commerce, broadcasting etc

• National workshop to stimulate investment for Make in India
Steps for better IPR ecosystem

• Better IPR ecosystem for Innovation-led growth. Another issue for inviting sustained inflows is improving the technology ladder of Indian firms, which is possible if we create a better intellectual property rights (IPR) eco-system that incentivises innovators or gives protection to innovation.

• An additional 1033 plan posts have been created, including 666 posts for Patents & Designs and 367 posts for Trademarks.

• Comprehensive online e-filing facilities for patent and trademark application.
Stes for SMEs

• SMEs play a vital role for the growth of Indian economy by contributing 45% of the industrial output, 40% of exports, 42 million in employment

• Rs 1,000 crore Self Employment and Talent Utilisation (SETU) for Tech Start ups.

• The MUDRA Bank with $3.24 billion (Rs 20,000 Crore) to finance small entrepreneurs

• Giving greater protection to the lending NBFCs to small and medium enterprises

• Allocation of Rs 12,000 for SIDBI

• Rs 150 Crore for Atal Innovation Mission.

• 50% Fee reduction to SMEs for innovation and protection of their Innovation
Still Miles to go

- Land Acquisition
- Coordination between the Centre and the States
- Making SEZs more effective and Further FDI and Institutional Reforms
- A better environment for infrastructure sector: Dispute resolution mechanism, independent regulatory authority and special investment law.
- Uniform Labour Code after an independent review and proper consultation with stakeholders
- Revisiting outdated laws, controls, regulatory systems and government monopolies affecting the investment environment.
- Much better IPR ecosystem for Innovation-led growth.
Thank You