

‘Make in India’ and Opportunities for SMEs

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14th India-Korea Dialogue

By

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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.

Steps 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