Chp-10 Indian Economy

- 1962 - Indo-china war
- 1965 - Indo-Pak war
- 1995 - Agreement between India & China
- 1951-56 = Agriculture
- 1966-69 = No plan = Annual plan
- 1956-61 = Industry

- India is believed to have largest economy of ancient and medieval world between first and seventh century.
- Controlled between 1/3 and 1/4 of world's health and self-reliant
- Cities presented more opportunities for diverse occupations, trades and gainful economic activities.
- Agriculture - main source of livelihood for majority of people.
- Arthashastra - kautilya
- Europeans and British - mark shift in economic history of India.
- British rule → 1757 - 1858 - East India Co.
  → 1858 - 1947 - British Government
- Tariff by British → Export - High, costlier
  → Import - low, cheaper
- Factory based production doesn't exist in India before 1850.

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PUBLIC FINANCE 7

The resource allocation role of government's policy focuses
government to improve economic performance through its expen
allocative function in budgeting determines:

(a) who and what will be taxed

(b) how much

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- Cotton milling business
  - -> grew steadily throughout second half of 19th Century
  - -> Achived high international Competitiveness
  - -> 9 million spindles in 1930
  - -> India placed 5th position globally.
- Jute mills
  - -> expanded rapidly in and around Calcutta
  - -> occupied a large share of international market by late 19th century.
  - -> production is largest in world.
- Brewing, Papermilling, leather making, ~~matc~~ matches and rice-milling develop in country.
- Iron industry -> Heavy industry
  - -> 1814 - British capital formed.
  - -> 8th rank - output - 1930
- Before - Great Depression, India was ranked twelfth largest industralised country measured by value of manufactured products.
- Producer goods industries didnt show expansion.
- Share in NDP of manufacturing sector had barely reached 7% in 1946.
- Share of factory employment was small
  - 1900 - 0.4%
  - 1941 - 1.4%

PUBLIC FINANCE 7.7

...role of government's policy focuses on the potential for the ...nomic performance through its expenditure and tax policies. The ...g determines:

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* Indian Economy: Post independence (47-91)

- 1951 - 18% literacy rate and barely 32 year of life expectancy.
- Planning Commission of India was established to meticulously plan for economic development of nation with Socialistic Startergy.
- Carried through the five-year plans which were developed, implemented and monitored by Planning Commission.
- Rapid industrialization of economy was the cornerstone of Nehru development Strategy
- Planned modernaization - Systematic Planning to support industrialization
- Bureaucrats and techocrats envisioned a Substantially Significant role of industrializatn
- Indastrial policy Resolution (1948) - expanded role for public sector and liscensing to Private Sector.
- Monopoly → Atomic energy
  → Arms and ammunition
  → Railways.
- 1950 → Nehru - Socialistic Society with a emphasis on heavy industry.
  → Gandhi - Small scale
  - Cottage industry
  - Village republics.

The resource allocation role of government's policy focuses on government to improve economic performance through its expendit allocative function in budgeting determines:

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(c) the process by which the total resources of the eco

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- India followed an open foreign investment policy and a relatively open trade policy till late 1950s
- Comprehensive import controls were maintained till 1966
- 1958 - Balance of payment crisis
- 1950-80 - India's annual growt rate of growth of GDP reffered to as Hindu Growth rate - 3.5%.
- Agriculture was not neglected - Second plan.
- First decade and half
  - Capital goods, Capital intensive projects and heavy industrialization
  - No Consumer goods.
- 1960 - First major shift in Indian economic Strategy
- 1966-67 - Agricultural Sector record Substantial negative growth and faced serious food problem
- India depend on US for food aid - PL 480
- Thorough restructuring of agricultural policy referred as to green revolution was initiated.
- Green revolution
  - → innovative farm technologies, high yeilding Seed varities and intensive use of water, fertilizer and pesticides.
  - → increasing agricultural Productivity through technical progress and significantly

increased food production.

- 1969 - Govt Nationalized 14 banks
- 1980 - 6 banks nationalized
- liscense raj, autarchic polices - 1960 & 70
- External shocks - 1962, 65 & 71
- Major Droughts - 1966 & 67
- oil shocks - 1973 & 79
- Govt policies aimed at equitable distribution of income and wealth effectively killed the incentives for creating wealth.
- Equity driven policies were largely antigrowth
- Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 aimed at regulation of large firms which had relatively large market power.
- 1967 - policy of reservation of many products for exclusive manufacture by the small Scale Sector was initiated with objective of promotion of Small Scale industries.
- Stringent labour laws which were in place also discourage Starting of labour ~~insentive~~ intensive industries in organized Sector.

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* ERa of Reforms

- Liberalization is often referred to as reform by Stealth to denot its ad hoc and not widely publicized nature.
- Average Annual growth rate of GDP during Sixth Plan Period (1980-85) and the Seventh Plan period (1985-90) were 5.7 % and 5.8 % respectively.
- 1980's reforms covered industry, trade & taxation
- 1985 - delicensing of 25 broad categories of industries
- Facility of broad-banding ~~acc~~ accorded for industry groups to allow flexibility and rapid changes in their product mix without going for fresh licensing.
- 1985-86 - assets limited above which firms were subject to MRTP were raised from 20-100 crore.
- Multipoint excise duties were converted into modified value added tax (MODVAT)
- 12th April, 1988 - SEBI through resolution of Govt of India.
- Open general liscense of capital goods items expanded steadily reaching 1329 in April, 1990
- Export incentives were introduced and expanded
- Exchange rate - Export ↑
  - Reduced Pressure for imports.

- Price and distribution of cement and aluminium were abolished.
- Real effective exchange rate (REER), I was depreciated by 30% from 1985-86 to 1989-90
- 1986 - budget, polices of cutting taxe further, liberalising imports and reduce tariffs.
- Growth performance of economy was thwarted due to structural inadequacies and distortions.
- MRTP restrictive conditions
  - -> Barriers for entry
  - -> Diversification
  - -> expansion for large industrial houses
- Import controls in form of tariff, quotas and quantitative restrictions to save domestic industries.
- Rules & Regulations aimed at promoting and regulating economic activities became major hindrance to growth and development
- 1990 - New economic policy
- liberalization in 1980s served as necessary foundation for more universal and organized reforms in 1990.

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* Economic Reforms 1991

- 1991 - Narsimha Rao Goverment
- Large fiscal deficits and adverse balance of payment
- Persistent huge deficits and large proportion of government revenues had earmarked for interest payment
- 1990 - Surge oil prices triggered by gulf
- Foreign Exchange reserves touched the lowest point with reserve of only $1.2 billion - Sufficient two weeks of import
- Tightening of import restrictions to muster forex for essential imports resulted in reduction in industrial output.
- India had depend on external borrowing from International Monetary fund
- Fragile political situation along with the crises in economic front balloned into what may be called 'Crisis of confidence'
- 1991 - Paradigm Shift of Indian policy reforms
- Collapse of sovient ~~uniour~~ Union and Spectacular sucess of china based on outward oriented policy were lesson for India Policy maker.
- LPG
- Reforms aimed to move economy toward greater market orientation and external openness.

- Reorientation of economy from centrally directed and highly controlled one to a market friendly or market oriented economy.
- Macro economic stabilization by substantial reduction in fiscal deficit
- Momentum of reforms originated in the critical economic, fiscal and balance of payment crises.
- Stabilization measures – short term
  - inflation and adverse balance of payment
- Structural reform measures – long term
  - Productivity and competitiveness.

* Fiscal Reforms

- Introduction of stable and transparent tax structure
- Better tax compliance
- Thrust on curbing govt. expenditure
- Reduction in subsidies and abolition of ~~unneces~~ unnecessary subsidies
- Disinvestment of part of govt's equity holding in select public sector undertaking
- Encouraging private sector participation

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- Fiscal discipline - essential to do away with temptation to finance deficit thorough easy path of money creation
- Govt entered historic ~~govt~~ agreement with RBI in September 1994 to bring down the ~~phys~~ fiscal deficit in phased manner to nil by 1997-98

* Monetary and financial Sector reforms

- Drastic monetary and financial sector reforms were introduced with objective of making financial system more efficient & transperent.
- Focus
  -> Burden of nonperforming assets on govt bank.
  -> introducing and sustaining competition
  -> deregulating interest rates.
- Important Measures
  -> Interest rate liberalization
  -> Reduction in controls on banks by RBI in respect of interest rates - loans & payable on deposit
  -> Opening new private sector banks
  -> Facilitating competition among public, private and foreign banks
  -> Removal of administrative constraints
  -> liberalisation of bank branch liscensing policy
  -> Granting freedom to banks - opening, relocating or closure of branches.

-> Narasimham Committee
i) Reduction in reserve requirements
- SLR and CRR (1991)
ii) Prudential Norms of accounting
- Classification of assets
- Disclosure of income
- Provision for bad debt
iii) Books of Commercial banks ~~to~~ reflect the accurate and truthful picture of their financial position

* Reforms in Capital Market
· SEBI => Set up in 1988
-> Statutory recognition - 1992
-> Independent regulator of capital market

* New industrial Policy
· Annouced by govt - 24 July, 1991
· Promote growth of a more efficient and Competitive industrial economy
· Ended of liscense Raj, except 18 related
->Security and strategic concerns, ~~Social reasons~~
-> Social reasons, problems related to safety and overriding enviornmental issues.
-> 80% of industries was taken out of liscensing framework
-> reduced to 5 - arms and ammunition, atomic Substances, narcotic drugs and

rce allocation role of government's policy focuses on the potential
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unction in budgeting determines:
and what will be taxed

Such as automobile at 100%.
· Rupee was devalued by 18% against do
· 1994 - all

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hazardous chemicals, distillation and brewing of alcoholic drinks & cigrattes & cigars.

- Public sector was limited to eight sectors based on Security and strategic grounds
- Only two items remained - atomic & railway.
- MRTP Act was restructured and provisions relating to merger, amalgamation and takeover repealed.
- Many goods produced by small scale industries have been de-reserved enabling entry of large scale industries
- Ended public sector monopoly in many sectors
- Foreign investment were liberalised
- FDI upto 51%, later extended to nearly all industries except reserved ones.
- FDI prohibited - retail trade, atomic energy, lottery business, betting, gambling.
- External trade was liberalised by positive list approach of licence-free items on OGL
- Consumer goods ~~rest~~ remained under liscensing was made free for 10 years later
- Imported goods - edible oil, fertilizer and petroleum product
- Highest tariff rate - 355% - 1990-91
- Top tariff rate was brought down - 85% in 1993-94 and to 50% in 1995-96
- By 2007-8, down to 10% with some exceptions

Such as automobile at 100%.

- Rupee was devalued by 18% against dollar
- 1994 - all current a/c transactions were permitted at market exchange rate and rupee became officially convertible on current a/c
- Disinvestment of govt. holdings of equity Share capital of public sector enterprises was a very bold step.
- Budgetary support to public sector was progressively reduced.

* Trading Policy reforms

- Aim → Removal of liscensing procedures for import
  → dismantling of quantitative restrictions on imports and exports
  → Outward oriented regime with phased reduction and simplification of tariffs.
- Old export incentives - continue
  new export incentives - boost
- Removal of export duties to increase competitive position of Indian goods in International market
- 1991 - India had fixed exchange rate system.
- 1991 - Indian govt. devalued Rupee 18-19%.
- 1992 - Govt decided to establish a dual exchange rate regime.
- 1993 - Govt. unified exchange rate and allowed, first time rupee to float
- 1993 onwards - India followed managed floating exch. rate sys

The resource allocation role of government's policy focuses on the potential fo government to improve economic performance through its expenditure and tax polici allocative function in budgeting determines:

(a) who and what will be taxed

(b) how much and on what the government revenue will be spent

(c) the process by which the total resources of the economy are divided uses

(d) th

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- India has witnessed vast changeds over years of economic reforms.
- India -> increasingly integrated its economy with global economy
  - -> Unprecendented growth of private sector investment and ~~int~~ initiatives
  - -> Progressively moved towards market oriented economy and reduction in govt's market interventon and controls.
  - -> Sector have achieved very high level of international competitiveness
  - -> Stable FDI inflows and sustainable Foreign Portfolio investments
  - -> Easing of trade controls had enabled easier access to foreign technology
  - -> largest ~~reser~~ holdings of international reserves in world
  - -> enjoys Solid cushion of Foreign exchange reserves close to eight months of import cover.
  - -> Robust demand for information technology and financial Services has kept Services trade surplus high at around 8.7% of GDP.
  - -> Pressure of Indian rupee is lower compared to other emerging market economies.
  - -> Poverty has reduced substaintially.
  - -> Increased incomes, large domestic market, & high level of aggregate demand sustains the economy.
  - -> Increased Competition leads to greater Customer

choice and increased efficiency
-> Increased ~~inv~~ investment and growth of private players
-> Value added share of agriculture and allied activities has declined steadily over past four decades.
-> Financial sector ~~deepen~~ deepened & considerably due to increased financial sector liberalisation.

- Country is constrained by high levels of fiscal deficit, inflation and a high level of debt as share of GDP at 86% of GDP of FY 21/22
- Emerging market and developing economies
  - India's debt is higher than their average of 64.5% of 2022 (IMF)

- Lowest GDP - 2020
- Highest GDP - 1999

...of government's policy focuses on the potenti... improve economic performance through its expenditure and tax r...

...ocative function in budgeting determines:

(a) who and what will be taxed

(b) how much and on what the government revenue will be spent

(c) the process by which the total resources of the economy are divid... uses

(d) the optimum mix...

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* NITI Aayog (National Institute for transforming)

- 1st Jan, 2015 - Plannin Commission was replaced
- Major objective → Spur innovative thinking - experts
  → promote cooperative federalism
  → influence the states.
- Serves as Think tank of govt.
- Directional and policy dynamo.
- Objectives:
  - → Evolve shared vision of national development priorities, sectors and strategies with ~~in~~ active involvement of states
  - → Foster Cooperative Federalism through structured support initiatives and mechanisms. ~~Strong~~ Strong States = strong Nation.
  - → Develop mechanisms to formulate credible plans at village level and aggregate these progressively at higher levels of govt.
  - → Interest of National security are incorporated in economic strategy and policy
  - → Special attentions to sections of society - may be at risk ~~of~~ not benefitting adequatly from economic progress.
  - → Design strategic and long term policy and programme frameworks and initiatives, monitor progress and efficacy.
  - → Offer platform for resolution of inter-sectoral and departmental issues.

-> Provide advice and encourage partnership between key stakeholders and national and international like minded think-tanks, as well as educational and policy research institutions.

-> Create knowledge, innovation and entrepreneurial support system.

-> maintain State-of-art resource center

-> actively monitor and evaluate the implementation of programmers and initiatives, identification of needed resources, stregnthen probability of Sucess, Scope of delivery

-> Focus on technology up gradation and capacity building for implementation of programmes and initiatives

-> Undertake other activities in order to further execution of national development agenda.

• keys -> life -> replacing use-and-dispose economy

-> National Data and analytical Platform (NDAP) - facilitates and ~~improve~~ improve access to Indian Govt data.

-> Shoonya ~~Cam~~ Campaign - improve air quality by E-vehicles

-> E-amrit - all info. of electric vehicles.

-> India Policy insights (IPI)

• Methanol Economy Programme - reducing India's oil import bill, greenhouse gas (GhG) emissions, Converting coal reserves and municipal solid waste into

...llocation role of government's policy focuses on th...
...ent to improve economic performance through its expenditure
...llocative function in budgeting determines:

(a) who and what will be taxed
(b) how much and on what the government revenue will be spent
(c) the process by which the total resources of the economy are uses
(d) the optimum mix of various soci...
(e) the level of invol...
(f) th...

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methanol

- Transforming India's Gold market - tapping into the potential of sector and provide a Stimulus to export and economic growth.
- Major Shortcoming of NITI is its exclusion from budgeting process.
- lacks autonomy and balance of power within the policy making apparatus of central govt.
- Termination of Planning commission has stregthened hand of Ministry of finance with its fixation on near-term macro-economic Stability and the natural instinct to limit expenditure.
- NITI lacks the independence and power to perform as a counterweight to act as voice of development concerned with inequities.

* Primary Sector of India

- Agriculture with its allied ~~activities~~ Sectors is largest source of livelihood in
- 1960 - Food deficient nation and depended on imports
- largest Producer - milk, pulses, jute & spices.
- largest area Planted - wheat, rice and cotton
- Second largest producer of fruits, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, & sugar and cotton.
- Sixth largest grocery market (world) - retail & contributing to 70% of sales.

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- World largest cattle herd
- livestock Sector attained a record growth of 6.6% during last decade.
- In Agriculture - 47% of Indian is directly dependent.
  - contributes Significant figure to GDP
  - GVA was 18.8% in 2021-22
- Index numbers for agriculture in 2021-22
  Category
  all crops, food grains, cereals, wheat & Coarse Cereals - 140
  Rice - 138.7, Pulses - 196.2,
  Non-foodgrains - 142.9
- Foodgrain production - 315.7 million ~~tonn~~ tonnes in 21-22
- 2020-21 - Private investment of agriculture has increased to 9.8%.
- Measures by govt.
  -> augment crop and livestock productivity.
  -> Returns to farmers through price Support.
  -> Minimum Supported Price (MSP) - 23 mandated crops fixed at 1.5 times of all India weighted average cost of production.
  -> Promote crop diversification
  -> Improve market infrastructure - Setting up of farmer - producer organisation
  -> Promotion of investment in infrastructure facilities through Agriculture Infrastructure fund.

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esource allocation role of government's policy focuses on the potential for
nment to improve economic performance through its expenditure and tax policie
tive function in budgeting determines:

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- India is among top-ten exporters in world
  - → Agriculture and allied products - 374611 crores during last one year
  - → Agriculture and processed food products - 25% within six months of ~~cr~~ current financial year 2022-23
- Agricultural and processed Food Export Development Authority (APEDA) - responsibility of export promotion on agri-products.
- Govt of India allowed 100% FDI in marketing for food products and product E-commerce under automatic route.
- Measures
  - → PM kisan - Income support to farmers
  - → MSP - fixing at one & half times cost of production.
  - → Institutional credit for agricultural sector at concessional rates
  - → launch of National Mission for Edible oil.
  - → Pradhan Mantri Fasal Bima Yojana (PMFBY) - Support to farmers suffering crop loss/damage.
  - → Mission for Integrated Development Development of Horticulture (MIDH) - Holistic growth of horticulture sector
  - → Provision for Soil Health cards
  - → Paramparagat krishi vikas Yojana (PKVY) - organic farming & improvement of soil health.
  - → Agri infrastructure fund - medium /long term debt financing facility for investment in viable projects

for posthar
and

for post harvest management infrastructure and community farming assets.

-> Farmer Producer Organisation (FPOs) - better ~~income~~ income for producer through organization of their own.

-> Per Drop More Crop (PDMC) - increase water use efficiency at farm level.

-> Setting up of Micro Irrigation fund

-> Initiatives towards agricultural Mechanization.

-> E-Nam - pan-India electronic trading portal which networks existing APMC mandis to create a unified national market for agricultural commodities.

-> Kisan Rail - Improvement in farm produce logistics.

-> Start-up Eco system in agriculture and allied sectors.

Issues

-> dominated by small & medium farmers.

-> Small & fragmented landholdings, low farm productivity and subsistence farming result in very little marketable surplus and consequent lower income levels of agriculturists.

-> Reduction in ability to participate in domestic as well as export markets.

-> Increasing stress on water resources and soil fertility. Unscientific and wasteful agricultural practices lead to desertification and land degradation in many parts of country.

-> Sluggish agricultural diversification to higher-value of commodities.

source allocation role of government's policy focuses on the potential f
ment to improve economic performance through its expenditure and tax polic
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Secondary

→ Inadequate agro-processing infrastructure - failure to build competitive value chains from producers to urban centers and export market
→ Inadequate adoption of environmentally sustainable and climate resistant new farm technology.
→ Poor adoption of new agricultural technologies.
→ lopsided marketing practices and ineffective credit delivery
→ Complexities associated with adaption to climate change disturbances
→ High food price volatility
→ Heavy dependence on monsoons and loss of crops and livelihood due to vagaries of nature.
→ Marketing and warehousing of agricultural products.
→ In-ability to tap full export potential of primary as well as ~~va~~ value added products
→ Inability to effectively channelize huge surpluses in some commodities to alternative profitable destinations
→ Inadequate post-harvest infrastructure and management practices.
→ Incidence of poverty and malnutrition.

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★ Secondary Sector of India

- Indian industry holds a significant position in Indian economy contributing about 30% of total gross value added in country and employing over 12.1 Crores of Peoples.
- Share of informal sector in economy is more than 50% GVA.
- Sustainable economic growth
  - -> Rapid Industrial growth of domestic Industries
  - -> Diversification of industrial structure.
- Industrial Production of measures output of business integrated in industrial sector of economy
- Manufacturing is most important sector and accounts for 78% of total production
- Manufacturing GVA at current prices was estimated US$ 77.47 billion in third quarter of financial year 2021-22 & contributed around 16.3% to nominal GVA during past ten years.
- 2022-23 - Combined index of eight core industries - 142.8
- 31st Jan, 23. - Manufacturing Purchasing Manager Index (PMI) - 55.4
- India's rank in Global Innovation Index (GII) improved to 40th - 2022 from 81st in 2015
- Eight core Industries 40.27% of weight items included in Index of Industrial Production (IIP)

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- Department for promotion of Industry and Internal Trade (DPIIT) - role in formulation and implementation of industrial policy and strategies for industrial development in conformity with development needs and national objectives.
- 1st July 2017 - GST - indirect tax law in entire country
- Reduction for corporate tax to domestic companies giving an option to pay income-tax at rate of 22%. Subject to condition that they will not avail any exemption / incentive.
- Make in India is vocal for local initiative launched in 2014.
- Make in India 2.0 is now ~~founding~~ focusing on 27 sectors, include - 15 manufacturing
  - 12 service ~~sect~~
- Ease of doing Business.
- India ranks 63rd in World Banks ~~Do~~ annual Doing Business report (DBR) - 2022 as against 77th rank in 2019 registering a jump of 14 ranks.
- National Single Window System is one-stop-shop for investor related approvals and services in Cont Country and aims to provide continous facilitation and support to investors.
- PM Gati Shakti National Master Plan - facilitate databased desicions related to integrated planning of multimodal infrastructure.
- National logistics Policy (NLP) - launched in Sept 2022, lower cost of logistics, make it at par with other

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developed countries.

- Aatmanirbhar - Production linked Incentive (PLI) Scheme was initiated in March 2020 for 14 key sectors to enhance India's manufacturing capabilities and export competitiveness; now extended white goods (Ac & led light)
- Industrial Corridor Development Programme - Greenfield Industrial regions/areas/nodes with sustainable infrastructure and to make available plug and play infrastructure at plot level.
- FAME - India Scheme (Faster Adoption and Manufacturing of Hybrid and Electric vehicles) - Promote manufacturing of electric and hybrid vehicle technology.
- Udyami Bharat - Empowerment of MSMEs.
- PM Mega Integrated Textile region and Apparel (PM MITRA) - world-class industrial infrastructure attract cutting age technology and boost FDI and local investment in textile sector
- Opening up for Global investments - make india a more attractive investment destination.
- 100% FDI under automatic route is permitted for sale of coal, coal mining activities, associated processing infrastructure and for insurance inter
- Foreign Investment Promotion Board [FIPB] abolished in May 2017 and new regime namely Foreign Investment Facilitation Portal (FIF) has been put

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→ Global slowdown and related negative sentiments affecting investments.
→ Aggresive tightening of monetary policy and increases in cost of credit
→ High and increasing fuel prices
→ Mounting presence of informal sector.

* Tertiary Sector:
· National Industrial classification, 2008
→ Wholesal and retail trade and repair of vehicles
→ Transportation and storage
→ Accomodation and food service activitie
→ Information and communication
→ Financial and insurance activities.
→ Real estate activities
→ Professional, scientific and technical activities
→ Administrative and support services
→ Public administration, defence and compulsory social security
→ Education
→ Human health and social work activities
→ Arts, entertainment and recreation
→ Other service activities
→ Activities of households, as employers, undifferentiated goods and services producing activities of houshold for own use.

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→ Service Sector

-> Intangible goods
-> largest Sector of India
-> account for 53.89% of total India's GVA
-> GVA at current prices for Services is estimated as 96.54 lakh crore in 20-21
-> Fastest growing sector in India
-> Highesht labour Productivity
-> Growth of domestic and global factors
-> Rapid expansion of knowledge-based Services such as professional and technical responsible for faster growth.
-> Growth ~~com~~ complement in manufacturing Sector

- India is among top 10 WTO member in Service exports and imports
- India's Service exports US$ 27 billion recorded robust growth - Nov, 2022
- Indian Service Sectors is largest receipt of FDI inflows
- FDI -> Equity inflow into service Sector accounted for more than 60% of total FDI
  -> World Investment report ~~of~~ of 2022 of ~~UN~~ UNCTAD Places India as seventh largest receipient in top 20 host countries in 2021.
  -> 2021-22 - India received highest ever FDI inflows of US$ 84.8 billion including

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US $ 7.1 billion FDI equity inflows in service sector.

- FDI ceilings in insurance companies was also raised from 49 - 74%.
- Measures - National Single-window System and enhancement in FDI Ceiling through automatic route, have played a significant role in facilitating investment.

- India Development update (IDU) of world Bank published in Nov-22.
- Despite of inflationary pressures, GDP of India grew by 6.8% in July-Sept 2022-23 driven by strong private consumption and investment.