# MAYO BUSINESS REVIEW

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COMMERCE AND ECONOMICS SOCIETY

# 'LET THAT SINK IN'-LITERALLY!

## ELON MUSK AND HIS TWITTER

The bird is freed' was Elon's first tweet after acquiring Twitter for $44 Billion on the 27th of October making it one of the biggest deals to take a company private. After months of back and forth with Twitter and the court, the deal was finally complete and Twitter became a private company

'The Chief Twit' took some drastic actions as soon as he got ownership of the company, firing the Chief Executive Parag Agrawal, the CFO Ned Segal, Legal affairs and policy chief Vijaya Gadde along with half of Twitter's 7500 workforces. In a companywide email, he said it is crucial for the company's success. If you think about this for a moment, you might think that laying off these employees is a bad thing but after all, Elon is a passionate man and I believe that if someone can make Twitter a freedom of speech, it is him. He added a subscription for $8 that gets you the blue checkmark which earlier was only given to notable and authentic accounts. It is expected that this service would eventually account for about half the company's revenue.

Mr. Musk's main motivation for buying Twitter is his quest for 'Free Speech'. He loves humanity and says he bought twitter to help humanity, by making Twitter a platform for people to express themselves freely. I think he doesn't mean saving humanity literally but rather on the social side of it because I believe it would be quite

a challenge to save humanity through a social media platform if a nuke is on its way.

Elon is determined to make Twitter bot-free by suspending almost a million accounts per day and anticipates that Twitter will reach 931 million users by 2028 from 217 million today and quadruple its revenue from $5 billion to $26 billion. Mr. Musk is also set to launch a mysterious product 'X' which is suspected of making Twitter an ad-free experience for its subscribers.

Mr. Musk started his journey at the beginning of his year by buying Twitter shares. He became the largest shareholder of Twitter with a 9.2% stake and he was offered a seat by the board members which he took happily. But, frustrated by Parag's slow approach, Elon rejected his seat and on the 14th of April made an offer to buy out Twitter and make it private for $43 billion. He revealed his sources of finance and was all set to buy the company. Twitter agreed on the deal for $44 billion along with a clause. $44 billion is no joke, Elon started facing buyer's remorse and put the deal on hold. He issued 3 termination letters giving reasons for his actions.

Twitter filed a case against Elon for breaching the contract, but Elon was convinced that Twitter was not playing fair, and so he filed a case against them. His lawyers finally convinced him that Twitter was in a better position and he had to go through with the deal. And so he did and bought Twitter. Things won't be so easy for Mr. Musk though as he has a lot of work to do with Twitter- the $13 billion debt on Twitter along with it losing around $4 million a day. He recently sold $4 billion of Tesla stock to save Twitter.
Elon Musk thrives in chaos, which is the current Twitter situation. As of now, things look pretty well for Twitter as it hit its all-time high of active users but only time will tell if it remains on the same path.

By Aryaman Gupta

# The Sri Lankan Meltdown
## A Humanitarian Crisis

The Sri Lankan economy is in deep waters right now. The island nation has a foreign reserve of only $2.31 billion but faces an external debt repayment of around $4 billion in 2022. The country's prime minister has resigned, violent protests have overshadowed the economy, and severe power cuts are haunting over. The nation is suffering from its worst economic turmoil since its inception.

All of this is a product of various factors that have been thoroughly churned, resulting in a nightmare for the country.


### SOWING THE SEEDS OF THE CRISIS

It all begins with the dominance of the single-family that controlled Sri Lanka ' The Rajapaksa'. The clan had more than 9 members in the Sri Lankan cabinet and controlled 75% of the entire budget of the country.
According to some, the family is completely responsible for the state in which lies today. The former power minister of the country, Patali Champika Ranawaka agrees. He says "Rajapaksa family clan is responsible for the crisis," while elaborating that 78 percent of the total debt owed by Sri Lanka occurred during the rule of the Rajapaksa.
The former prime minister Mahinda Rajapaksa has had control of Sri Lanka for most of the past two decades. He reigned as the prime minister of the country from ( 2004-5) then as the president (2005-15) and then again as the prime minister from(2018-22).
President Gotabaya Rajapaksa has also had his share in the country's management first as a defense secretary, then playing a major role in ending the civil war ruthlessly by defeating the LTTE in 2009. Due to this, he has been viewed in two contrasting ways by the majority and minority communities of the nation. Sinhalese Buddhist majority consider him as a " War Hero", while he is heavily distrusted by the minority Tamil speakers.

Major contributors to the chaos
The policies adopted by the Rajapaksa government are said to be the basic foundation upon which the crisis was built.

**Tax cuts**
President Gotabaya Rajapaksa was elected as the president of the country in 2019 during the election campaigns he made various promises among which was one, that promised deep tax cuts. Wasn't this illogical? but the voters never asked and Gotabaya never bothered to think about it.
According to Ali Sabry the finance minister of the island nation, Sri Lanka lost around 1 million taxpayers in the past two years after the regime was put into practice in November of 2019. The cabinet slashed the value-added tax (Vat) from 15% to 8% and with it abolished 7 other taxes. This blocked a major source of income for the government which is hurting the country now.
These sweeping tax cuts led to a credit rating downgrade in the following year, prompting Sri Lanka to get alienated in international financial markets further exacerbating the problem.

**Fate**

As it is said "fate doesn't favour fool" Sri Lanka is a perfect example of the same. Going into the pandemic Sri Lanka was already in a poor condition, the pandemic further aggravated it by blocking a source that contributed 12% of the Sri Lankan GDP, the tourism sector.

The Easter Bombings in April 2019 had already scared the tourists but when the Wuhan virus took off, the revenue from tourism was completely blocked off.

The Wuhan virus also hit the remittances that Srilanka received, which took a toll on the foreign currency reserves of the country as these remittances are a major contributor to the foreign reserves of the country.

**The Agricultural fiasco**

Is organic farming good? Most would answer yes and that's the right answer too. But If I ask a country that depends on agriculture for 8% of its GDP to stop using fertilizer and other chemicals overnight to promote good health, would you call that a good decision?

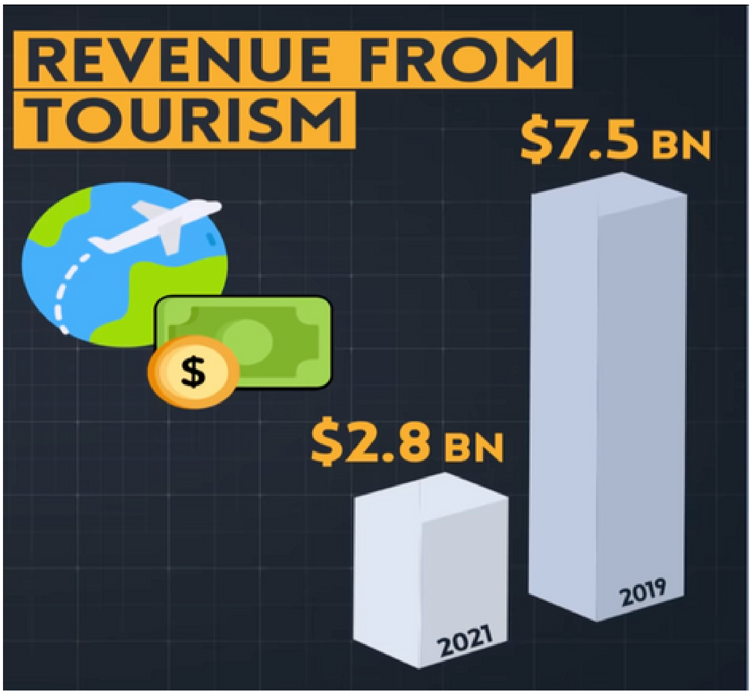
That was the 'masterstroke' that president Gotabaya played, that too not to promote good health as he projected it but to reduce the import bill as the nation was running on low foreign reserves.

The result of this decision was brutal and severe. Against the expectations of a similar yield, domestic rice production fell 20% in just the first 6 months of the experiment. Sri Lanka, which for long was self-sufficient in meeting its rice needs now had to import rice amounting to $450 million which further increased its import bill against the expectation of a decrease. This decision also took a toll on the country's tea production, which was a major foreign exchange earner.

**The Debt issues and the Chinese knockdown**

Debt is not a new issue for the island nation it has always run high on debt. Even in 2017, 95% of the country's revenue went toward debt repayment.

In April 2022, Sri Lanka said that it would stop paying its international debt to conserve dwindling foreign reserves, vital for importing key raw materials from abroad.





On May 19, 2022, after the deadline for making $78m (£62.8m) of payments to international creditors, Nandalal Weerasinghe, the central bank governor, said: "Our position is very clear: until there is a debt restructure, we cannot repay." So what can be inferred is that the overburden of debt has hurt Sri Lanka really badly.

China has had an image of exploiting smaller nations through its sheer power and dominance, for its selfish motive and leaving them in the rubble. Sri Lanka and Pakistan are a few examples of the same.

There are two ways to conquer and enslave a country: One is by the sword; the other is by debt" China has long been known to be a staunch supporter of the latter. Today, China is the world's largest creditor and it doesn't lend out without any selfish motive!

The Belt and Road initiative is one such motive of the world's 2nd largest economy. Under this initiative, China funds infrastructure projects in small developing countries like Sri Lanka, Pakistan, and Djibouti by lending out loans at a higher rate than the international lending institutes like the world bank, and that too for a shorter period.

Then it hands out those projects to Chinese companies and when these countries cannot pay them back due to the tough policy of the loan, these projects are handed to China itself.

Hence China gets twin benefits from such lending first, it establishes its dominance in a foreign country and second it hands out projects to Chinese companies, so the money returns to China. This is what happened with the $1.3 billion Hambantota port. The port-like other ambitious projects funded from Chinese loans turned out as a White elephant project. Hence now Sri Lanka has handed many of its strategic projects into the Chinese hands

**Aftermath**

No one knows what will be Sri Lanka's condition. Despite a state of emergency in place, eight people have been killed and more than 200 wounded as weeks of demonstrations have escalated into bloodied clashes between groups supporting and protesting against the government. For months Rajapaksa Government resisted calls by experts to take help from IMF but the condition is such that the nation has to take the step. It planned to approach IMF in April 2022, the IMF said that discussions about the possible settlements would be discussed in the coming months.


In the interim, Rajapaksa has also sought help from China and India, particularly assistance on fuel from the latter. A diesel shipment under a $500 million credit line signed with India in February is expected to come soon.

India has signed a $1 billion credit line for importing essentials, including food and medicine, and the Rajapaksa government has sought at least another $1 billion from New Delhi.

After providing the Central bank of Sri Lanka with a $1.5 billion swap and a $1.3 billion syndicated loan to the government, China is considering offering the island nation a $1.5 billion credit facility and a separate loan of up to $1 billion.

By Aditya Ohri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STOCKS COLLAPSE IN 16,410,030-SHARE DAY, BUT RALLY AT CLOSE CHEERS BROKERS; BANKERS OPTIMISTIC, TO CONTINUE AID

GRUNDY FOR CURBING 'BACKWARD STATES' ON THE TARIFF BILL

Veteran Republican Lobbyist Tells Senate Inquiry the West Needs "Silencing."

PENNSYLVANIA KNOWS BEST

"Unfortunate," He Holds, That the Constitution Gives Equal Voice to States in Senate.

BATTLES INVESTIGATORS

He Assails Borah—Would "Hate to Tell" His Opinion of Wisconsin.

Von Opel, Rocket Flier, Weds Woman Pilot Who Advised Him

COALITION FIGHTING MOVE TO KILL TARIFF

Will Try to Force Through Bill, While Reed Favors Ending Session Nov. 15.

WATSON QUITTING CAPITAL

KAHN REFUSES POST IN SENATE CAMPAIGN; CALLS CHOICE UNWISE

He Writes to Moses to Withhold His Name for Treasurer Due to 'Divided Reception.'

WAS RELUCTANT, HE SAYS

Recalls He Told Senator of His Stand, but Yielded as a Duty to His Party.

HOLDS VIEWS CONFIRMED

Declares He Is a Wall St. Man but a Liberal in Politics—Friends See Him Put in False Light.

Newark Man, 4 Feet 10, Says He Was Smallest in A. E. F.

MISSING AIRLINER BROUGHT IN SAFELY

Pilot Lands Western Express Ship at Albuquerque After Being Forced Down.

WOULD NOT RISK STORM

LEADERS SEE FEAR WANING

Point to 'Lifting Spells' in Trading as Sign of Buying Activity.

GROUP MEETS TWICE IN DAY

But Resources Are Unable to Stem Selling Tide—Lamont Reassures Investors.

HOPE SEEN IN MARGIN CUTS

Banks Reduce Requirements to 25 Per Cent—Sentiment in Wall St. More Cheerful.

240 Issues Lose $15,894,818,894 in Month; Slump in Full Exchange List Vastly Larger

CLOSING RALLY VIGOROUS

Leading Issues Regain From 4 to 14 Points in 15 Minutes.

INVESTMENT TRUSTS BUY

Large Blocks Thrown on Market at Opening Start Third Break of Week.

BIG TRADERS HARDEST HIT

Bankers Believe Liquidation Now Has Run Its Course and Advise Purchases.

# India flourishing amongst global recession

India has now surpassed the United Kingdom's GDP to become the world's fifth-largest economy. Although the International Monetary fund has cut India's GDP growth forecast by 0.8 percent to 7.4 percent for 2022-23 in its most recent report "The world Economic View: Gloomy and more uncertain", it has also said that in comparison with other major economies such as the US and China, India will grow faster. This means that India will become the fastest-growing economy among the major economies of the world. Due to rising inflation and slowdown, there has been a talk of declining growth in the US and Chinese economies. The general opinion is that the situation may be even worse.

The world reeling under the crisis of the pandemic is facing new challenges, including oil and food shortages and inflation due to the Russo-Ukraine war. Due to this, central banks around the world are raising interest rates, which will prove to be detrimental to growth. While the lockdown in China is affecting supply ch around the world, slowing growth in the US, in the first part of the year 2022, declining household incomes and a contractionary monetary policy have been causing slowing demand and growth globally. The world's growth is projected to be 3.2 percent in 2022 and 2.9 percent in 2023, which is 0.4 and 0.7 pe lower than the earlier estimates, respectively.

According to the latest report of the Central Statistical Organization (CSO), the Indian economy is poised to grow 13.5 percent in the first quarter of this fiscal year 2022-23, that is, between April and June 2022.

This growth looks impressive, as we see growth across sectors, where maximum growth is seen in public administration defense and other services; Trade, hotels, transport communications; construction; and electricity, Gas, Supply, and other utilities. Important to note that USA's GDP has been shrinking for the past few months, international agencies are warning of a global slowdown, and the Indian economy remains the world's fastest-growing economy.

Though, inflation and the depreciation of the rupee vis a vis the US dollar continue to
worry the government, it has to be understood that inflation in India is far less than in other big economies. Many countries in Europe and the US had not faced inflation in the past many decades, and are now facing the heavy brunt of inflation. The rate of Inflation in the US has reached 9.1 percent and in England, it has reached 9.4 percent, while in India it is only 7.0 percent.

Similarly, however, the rupee has depreciated by 5.41 percent against the dollar in the last five months, meanwhile, the Pound Sterling has depreciated by 4,87 percent against the rupee, the Japanese Yen by 6.10 percent, and the Euro by 4,97 percent. That is, the rupee has weakened against the dollar, but has strengthened against other currencies

The Pound Sterling, which was R$-99.46 on 30 March 2022 is now (as of 30 August
2022) is R$ 94.61; 100 Japanese yen were worth R$ 62.24 now it is only Rs 58.44 Similarly, Euro which was worth R$ 84.24 is now worth R$ 80.00 only. That is, whether we talk about inflation or depreciation of the currency, the Indian economy is performing better than other economies of the world. The Purchasing Managers' Index (PM) is a measure of growth in services and manufacturing, the two main sectors of the economy.

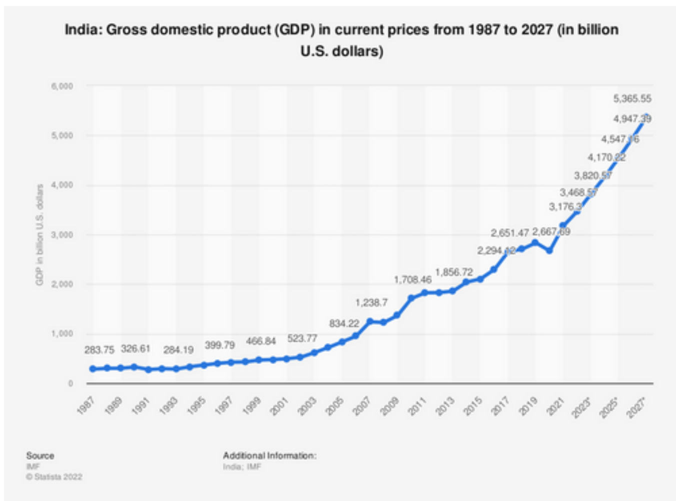
The PMI index for services
stood at 59.2 in June 2022, as estimated by Standard & Poor's, it can be assumed that India's services sector is performing extremely well. As far as the manufacturing sector is concerned, this PI index has increased from 53.9 in June to 56.4 in July and maintained at 56.2 in August 2022. The agency's survey says that despite all the adverse conditions like huge foreign investor exodus, rising interest rates, weakening rupee, and the slowdown in the global economy, the manufacturing sector has been performing consistently better, since November 2021.

Another indicator of growth in the economy, especially in non-farm activities, is GST receipts. It may be noted that GST receipts have remained at a consistently high level since October 2021, and are much higher than what they used to be in the past. Where GST receipts were Rs 1.17 lakh crore in September 2021, the average receipts since then have been above Rs 1.4 lakh crore. It can be understood that the manufacturing and services sector is now witnessing unprecedented growth

If we look at another indicator, namely the Index of Industrial Production (IP), we find IIP growth at 12.4 percent during June 2022. Though this is slightly lower than what it was in the same month a year ago (13.8 percent), it's still better, as last year's growth was from a lower base due to the effect of the pandemic. Growth in Mining IP is recorded at 7.5 percent in June 2022, Manufacturing IP growth was recorded at 12.5 percent, while for Electricity, it was recorded at 16.4 percent. Consistency in the growth of IIP across sectors indicates an uptick in economic growth.

By Aarav Jain





# THE LEGACY OF TATA

It might seem just like the gangs of Wassepur but the story of TATAs has much less bloodshed. It all began 200 years ago, in 1822, a son of a priest in a Parsi family was born named Nusserwanji Tata.

Ambitious Nusserwan goes to Bombay for work at the very young age of 20 with his wife and son. He organized a cotton export business and spent all the revenue on his son's education. Continuing the legacy, in about 1858, his son, Jamsetji Tata was exported to Hong Kong for the expansion of the textile business with his wife and son. And guess what, he was also 20 years old. Sharing the same ambitions as his father, he traveled to 3 different continents for the global expansion of business.

He became the father of Indian industries by opening several cotton mills in India with the first-ever Steel factory and launched the first ever 5-star hotel in India: THE TAJ. His main motive behind his work was to create a friendly and motivating environment for people to work in. He started giving employees pensions and organized events like sports day to influence the employees. But he died in 1904, having some unfulfilled dreams which were fulfilled by his son Dorabji Tata.

Dorabji Tata created the first-ever steel plant in 1910 which helped in WORLD WAR ONE as the Britishers commented "TATA steel saved us" because of its fine quality. He incorporated the company in 1938 and then Tata was given to JAHANGIR RATAN TATA. He was a French pilot who founded the first Indian airline, Tata Air Lines, which was eventually renamed AIR India. However, due to the nationalistic act that occurred after independence, he lost ownership but remained the leader of Air India. The first Tata motor product, locomotors that ran on certain types of rails, was produced in 1945.

He founded the first Tata Consultancy Service, the country's second-largest employer to this day. During his 52-year reign, he established various industries, including salt, electricity, and even cancer treatment centers. But to revive the ancient business of Empress mill set by Jamsetji Tata his grandson was invited to the company. But the main point is, that he was also 20 years old. The grandson is the well-known RATAN TATA. Ratan Tata revived various downfalling businesses like NELCO a radio-producing company under TATA companies.

By Lakshya Goel

## HYDROELECTRIC PLANT

The visionary Jamsetji Nusserwanji Tata, resolved to provide pollution-free, clean power to Mumbai, a city that was choking on fumes of the boilers of textile mills. He dreamed of, and inspired, the setting up of one of the first hydroelectric power plants in the Western Ghats, with a hydel dam that would harness the power of flowing water to create electricity. Formerly known as Tata Electric, Tata Power has pioneered technology adoption in the utility sector with many firsts to its credit including setting up one of India's first hydroelectric power stations in 1915. Sustainability being a core philosophy, Tata Power leads the industry in clean and sustainable solutions for customers and the community.

## EDUCATION INSTITUTE

The Tata Institute of Social Sciences (TISS) was established in 1936 as the Sir Dorabji Tata Graduate School of Social Work. In 1944, it was renamed the Tata Institute of Social Sciences. The year 1964 was an important landmark in the history of the Institute when it was declared Deemed to be a University under Section 3 of the University Grants Commission Act (UGC), 1956.

## 5-STAR HOTEL

The Taj Mahal Palace, a hotel in Mumbai (formerly called Bombay) overlooking the Arabian Sea, on 16 December 1903. It was the first Taj property and the first Taj hotel.

The management was impressed by his business sense, making him the chairman in 1991. AND THAT'S HOW THE KING GOT HIS KINGDOM AFTER PROVING ITS WORTH. NATARAJAN CHANDRASEKARAN is Chairman of the Board of Tata Sons, the holding company and promoter of more than 100 Tata operating companies with aggregate annual revenues of more than US $100 billion.

# Sustainability and Profitability

The year is 1712, Thomas Newcomen just invented the world's first fuel-based steam engine, probably kicking off the first Industrial Revolution.

What came next were inventions that laid the very foundations of modern-day industries but, in the decades of development we have ignored 'Long-Term Sustainability', for (what as people say) 'Short-Term Profitability'. Sustainability and Profitability have long been regarded as an oxymoron. In reality, Sustainability and Profitability can go hand in hand.

Firstly, why do we need sustainability in our businesses? Sustainability should be adopted in modern business practices for many reasons.

FLet's start with consumer demand, according to an American survey 73% of Generation Z consumers and 68% of Millennial consumers were willing to spend more for sustainable products. Therefore, the demand for sustainable products is set to rise and companies need to integrate sustainability into their products to stay relevant in today's markets. Now, moving on to investor demand, Gartner research shows that 85% of investors consider the Environmental, Social and Governance (ESG) proposition of the company before investing in a company. Hence, companies need to be more particular about their ESG criteria and foundation. Now, coming to regulatory requirements, India's report on its long-term low-carbon development strategy summited at the COP 27 Summit highlighted the government's commitment to identify and promote low-carbon and sustainable businesses. This implies that businesses that build on sustainability can benefit from many future governmental plans and schemes.

Now, sustainability is also a good tool to increase the productivity levels of a company, a McKinsey & Company study found that sustainability can reduce a company's operating expenses through resource efficiency, reducing the resource costs and hence improving the company's operating profits by up to 60%. Hence, a business strategy focused on sustainability contributes to consumer demand, investor demand, productivity and so on for the company.

Now at the core of any sustainable and profitable company lies its ESG Strategy. The ESG strategy consists of three important pillars, Environmental, Social and Governance.


Let's start with the Environmental criterion, which includes the company's consumption of energy and natural resources and takes into account the effect of the company's operation on the environment. While the Social criterion refers to the company's relationship and reputation with the people and the community in which the company functions and also with the people who work in the company which includes the aspects such as inclusion & diversity in the company and the environment of the workplace offered by the company.

Now the final criterion is Governance which joins the other two factors (Environmental and Social) together, it refers to the strategies and plans that the company adapts to run its functions. Every company has to deal with environmental, social and governance factors, in one way or another and hence the ESG strategy should be at the core of any modern-day business.

Finally, to sum up by what Ray Anderson (an American industrialist and founder of Interface, Inc.) said "I always make the business case for sustainability. It's so compelling. Our costs are down, not up. Our costs are down, not up. Our products are the best they have ever been. Our people are motivated by a shared higher purpose – esprit de corps to die for. And the goodwill in the marketplace – it's just been astonishing."

By Rachit Kedia

# MAKE IN INDIA

## BOOSTING THE INDUSTRIAL SECTOR

As a nation set to surpass The Chinese in terms of population next year, one has to wonder about the impact India holds in the world economy, and whether it has the resources and opportunities required for a wholesome and prosperous nation.
Known for leapfrogging countries in the economic charts
India has overtaken the British and become the 5th largest Economy in the world.
(India was 8th when Modi began his 1 term as the pm)

As impressive as these numbers may look on paper a majority of wealth is owned only by the richest classes in India who happen to be a minuscule minority and the living standards of an average Indian is not that great as suggested by the Rank that India holds.
The majority of the working population is still engaged
In the primary sector(152 million as of 2022) but only contributes to 20.19 % of the nation's GVA.

While only employing a mere 14%, the Services sector contributed to 53.89 % of India's 179.15 lakh Crore GVA in 2022 ( Source: Statistics times). A mere 15 percent of the working population contributing over half of India's GVA highlights just how insufficient the other sectors have been. Granted that Covid-19 has significantly impacted the Industry sector, it still managed to contribute 46.44 lakh crore to the GVA, making up about 25.92% of it


The leading countries in terms of economic power have lesser people and contributions involved from the agricultural sector.
In India, the opposition to this trend signifies a lack of job opportunities in the industrial and service sectors.
In particular Overall growth in the industrial sector had been stagnant since the 1950s and eventually started rising in 2014. This sector if managed efficiently in particular has lots of potential regarding job employment opportunities and to propel economic growth. This sector will also significantly reduce our dependence on imports and shift our working population masses from the informal to the formal sector

With the Ideals above in mind, The Modi-led Indian government formed the "Make in India" campaign.

The 'Make in India' campaign aims to promote India as a destination of foreign investments and a global pivot for manufacturing, design, and innovation. The 'Make in India' initiative does not only target the manufacturing Sector but also aims at promoting entrepreneurship in the country. The program was formally introduced on September 25, 2014, by The Prime Minister at Vigyan Bhawan, New Delhi.

The following guidelines were laid by the government as a starting point for the campaign:

1. To Reduce the paperwork required for establishing companies.

2. To Minimize the time required for government approvals. And to.....

3. Abolish the Corporate Social Responsibility (CSR) from the project cost.

Policies have been made the for convenient transfer of funds while switching jobs anywhere in the country as well.

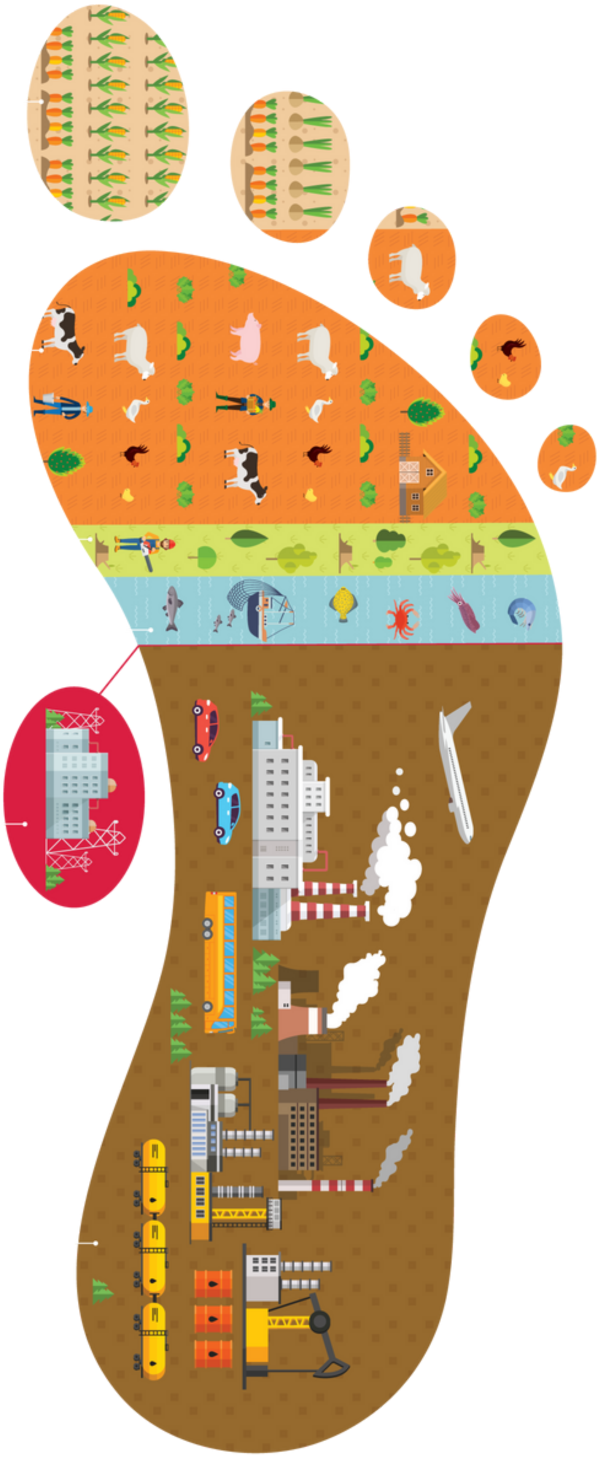
The government has identified 25 Make In India sectors that need to be adequately promoted. These 25 sectors of making in India are likely to have the highest Foreign Direct Investment (FDI) and the government is aiming to ease the investment procedure.

Economists have suggested that the government should introduce targeted policies aimed at encouraging domestic manufacturing as part of its goal to make the country self-reliant and measures such as the 'Atmnanirbhar Bharat' mission have been implemented
Prime Minister Modi, in his maiden Independence Day speech, talked about the idea of Make in India and during his speech, urged the people of the whole world to come and Make in India

He emphasized the skill, talent, discipline, and desire to work that the youth in India possess. The fact that labor in India is cheap and easily available comes as an essentially luring and lucrative factor for foreign investors.
The Recent initiatives have certainly led to significant growth, but it has not been the smoothest journey one could imagine. Demonetization, Covid-19, and international conflicts have all proved to be road bumps in the campaign.

By Vidarth Vyas Pradhan

# MAKE IN INDIA
## NATIONAL AND GLOBAL ECONOMIC FOOTPRINT



Make in India was an initiative taken up by the Indian government in 2014 to transform the country into a leading global manufacturer and an alluring investment destination for foreign investors.

It is a declaration to potential investors from across the globe to participate in the growth of the Indian Economy.
The Objectives set were to attract foreign investment for new industrialization, to increase the manufacturing sector growth by 12-14% per annum, and to increase the share of the manufacturing sector in the country's GDP from 16% to 25% by 2022.
Other targets were to create 100 Million additional jobs by 2022 and to promote export-led growth.

I will be giving you a brief overview of the Impact that Make In India has had on The Indian Economy.

To start, to attract foreign investments, The Government of India has put a liberal and transparent foreign policy in place where most sectors are open to FDI under the Automatic route.
As of 2014-2015, FDI inflows in India were placed at $45.15 billion.
Since then India has consecutively reached record FDI Inflows for 8 consecutive years.

As of the financial year 2021-22 India recorded their Highest ever FDI at $83.6 Billion.This FDI has been extracted from 101 countries and invested across 31 UTs and states and 57 sectors in The economy.

On the back of the latest economic reforms, India is set to attract $100 Billion in the current financial year.
To keep track of the GDP growth rate in these years let us take a look from 2014 onwards.

As of 2014, the GDP growth rate in India stood at 7.41%. Fast forward to 2016 and the growth rate inflated up to 8.26%. However, it was not possible to keep this immense growth rate up and India in 2017 saw a growth rate of 6.80% which then gradually declined.

The challenge that India and the entire globe faced next was the COVID-19 Pandemic.
In 2019 India’s GDP growth was just 3.74% which was then followed up by a dismal percentage of -6.60% in 2020 (during the lethal 2nd wave).
However, as of now, India is on a path to sustained economic recovery, thanks to a vigorous countrywide drive to have the citizens vaccinated and considerably repress the 3rd wave of the pandemic which has led to minimal disruption to the nation’s mobility, and economic activity.
The Government’s improvised policies to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers’ income are supporting the country’s recovery.

As of 2021 the GDP growth percentage was 8.95 % and is expected to grow up to 9.2 %, which happens to lead to a staggering ₹147.5 lakh crore rupees, in 2022.

Looking up at the Impact make India has had in the industrial sector will give us valuable insights as well.
In recent years there have been 2 significant factors that have influenced India's GDP growth rate.

The first one is the healthcare sector in which India cemented its position as a global leader in vaccine production for COVID-19.
The second one is the Boom in the Investment Business.

Let us explore others if the Increase In FDI is one facet of this development.
India's Industrial sector production has been on a rise in recent times.

India's industrial production rose by 3.1% from a year earlier in September 2022, reversing a revised 0.7% decline in the previous month and easily beating market expectations of 2.0% growth.
As far as entrepreneurs are concerned
India has emerged as the 3rd largest ecosystem for start-ups with over 77,000 DPIIT-recognised start-ups across 656 districts of the nation solving problems in 56 diverse industrial sectors.
The country has reached a landmark figure of 100 unicorns with a valuation of more than $300 Billion (Unicorn is a term used to describe a privately held start-up company with a value of over $1 billion) with 23 new entrants in 2022 itself. A couple of recognized unicorns are Lenskart and PharmEasy.

An issue in this sector is the Brain Drain Effect as between 2014-20 over 35,000 Indian entrepreneurs left India.

Another aspect that can be explored is the Toy Industry in India which has historically been import-dependent. Lack of raw-material, technology, design capability, etc. led to huge imports of Toys and their components which are majorly unsafe, substandard, counterfeit, and cheap.


In 2018-19, Toys worth USD 371 Million (Rs. 2960 cr.) were imported into our country. To address this issue some key initiatives such as an increase of Basic Customs Duty from 20% to 60%, implementation of a Quality Control Order, mandatory sample testing of imported toys, granting more than 850 BIS licenses to domestic toy manufacturers, development of toy cluster, rs, etc. were introduced.

Complimented by the sincere efforts of domestic toy manufacturers, the growth of the Indian Toy industry has been remarkable in less than 2 years despite it Covid-19 pandemic. The import of toys in FY21-22 has reduced by 70% to USD 110 Mn (Rs. 877.8 cr.). There has also been a distinct improvement in the quality of toys in the domestic market.

Simultaneously, the efforts of the industry have led to an export of 326 Mn USD (Rs. 2601.5 cr.) of toys in FY21-22, which is an increase of over 61% over 202 Mn USD (Rs. 1612 cr.) of FY18-19. India's export of toys registered tremendous growth of 636% in April-August 2022 over the same period in 2013.

The current targets for our economy are to take our manufacturing contribution to the GDP to 25% and Increase our global trade to 10 % the size of our economy.

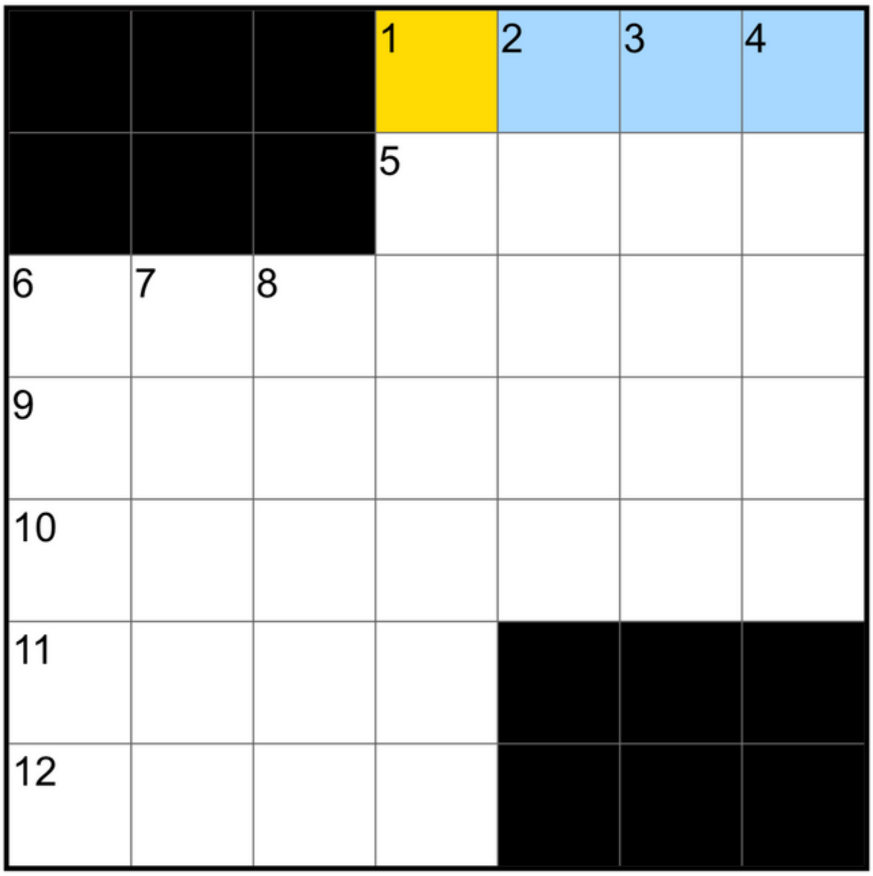
With, this we can recognize the Impact Make In India has had on the national and world economy.

By Vidarth Vyas Pradhan

# Crossword

DOWN
1 What the Brits call sausages
2 One-time running mate of Biden
3 Mountain lions
4 Period of work
6 "Nuthin' but a 'G' ___" (Dr. Dre hit)
7 Less risky
8 Open, as a toothpaste tube

ACROSS
1 Catchy song, in slang
5 Border on
6 Giant wave
9 _lassi_ _uessin_ _ame
10 N.F.L. division for the Dolphins & Patriots
11 In the vicinity
12 Orgs.




Solutions
1. Bops
2. Bangers
3. Pumas
4. Stint
5. Abut
6. Tsunami
7. Safer
8. Uncap
9. Hangman
10. AFC East
11. Near
12. Grps

# EDITORIAL TEAM


LET THERE BE LIGHT