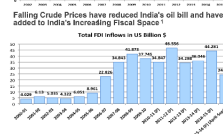
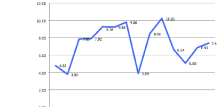
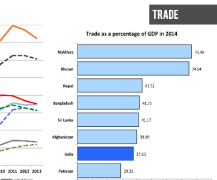
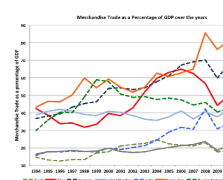


# INDIA COUNCIL ON COMPETITIVENESS CLARIONCALL INDIA'S COMPETITIVENESS IN PERSPECTIVE India's Recovery, Amidst Stumbling BRICS

## MACROECONOMY



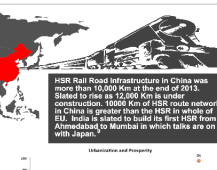
FDI increased post 2005-06, stabilized, and post 2011-12 had declined. Last year FDI increased considerably and this year the trend is likely to continue.<sup>1</sup>  
 FPI's are displaying an interesting trend. Post the initial rally FPI want to see more legislative reforms.<sup>2</sup>  
 1. The various indicators reflect that the economy is growing albeit sluggishly and a recovery is underway. Crucial legislations pending in the parliament like the one pertaining to Goods and Services Tax (GST) would help the economy strengthen further. There is an urgent need to arrest the slide in FPI investments.



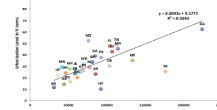
India's Trade integration with the World Economy has been low but is on the rise over the long term.<sup>3</sup>  
 2. India's Trade integration over the long term frame has been favourable. However, there is a recent slide in exports due to slowdown in Europe and America. Urgent need to look at markets and be in trade networks in Asia, Africa and Latin America for export growth.

## INFRASTRUCTURE

People's lacking access to electricity >400 Million  
 Power has been a critical sector especially considering the upstream and downstream linkages. The GOI is working hard and have increased the coal production output significantly. Also, transparent & auction. Energy efficiency (through LED's, etc.) and focus on renewables for generation and UDAY for the downstream sector are some welcome initiatives.

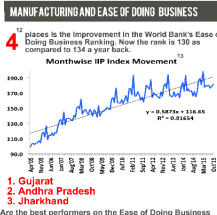


95% of Roads in India are Rural/Other roads. While only 2% are National and 3% are State Highways. Plan in the roads sector is to build 39,4% of Roads daily in the coming 2 years.<sup>4</sup>



A total of 599 highways projects have been sanctioned, covering around 12,903 km of national highways and incurring expenditure of ₹ 108,300 crore since May 2014.  
 3. There is an urgent need for infrastructure development as many citizens as well as organizations face bottlenecks. The pace of movement of goods/services in an economy depends on infrastructure. Speeding up infrastructural development at the same time focussing on quality of life is the way ahead.

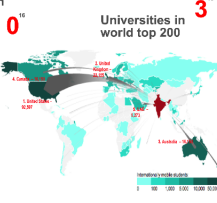
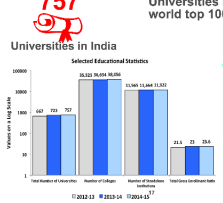
The need is to build not only new urban centers that not only provide jobs and employment and increase competitiveness but also focus on quality of life.



## EDUCATION

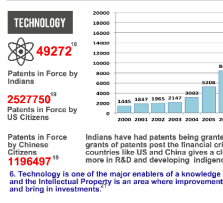
## MANUFACTURING AND EASE OF DOING BUSINESS

## Indians in pursuit for Quality Higher Education



## TECHNOLOGY

## Patents granted to non resident Indians and Indians abroad from year 1998 - 2012



Indians have had patents being granted to them, however, we see a spurt followed by a reduction in grants of patents post the financial crisis of 2008. The comparison with patents granted for other countries like US and China gives a clear indication that India needs to move ahead by investing more in R&D and developing indigenous capabilities for increased future competitiveness.  
 6. Technology is one of the major enablers of a knowledge driven economy. India has low levels of penetration of Internet and the Intellectual Property is an area where improvement both in policy and enforcement could help foster innovation and bring in investments.

## SIX MAIN POINTS OF THE CLARION CALL

- PASSING LEGISLATIVE REFORMS & ARRESTING FPI OUTFLOWS
- LOOK TO MARKETS IN ASIA, AMERICA AND LATIN AMERICA FOR TRADE LED GROWTH
- INCREASE IN INFRASTRUCTURAL DEVELOPMENT SPEED WITH FOCUS ON QUALITY OF LIFE
- MAKING TAX RATES COMPETITIVE & FOCUS ON IMPROVEMENTS IN MANUFACTURING ACTIVITY
- QUALITY & FOCUS ON LEARNING OUTCOMES- A MUST FOR HIGHER AND PRIMARY EDUCATION
- ACCESS TO TECHNOLOGY & BETTER IP POLICY REGIME FOR FOSTERING INNOVATION

Source:  
 1. IMF: <http://www.imf.org/external/press/pr/india/100811.pdf>  
 2. MHA: <http://www.mha.gov.in/press/india/2014/08/2014082001.pdf>  
 3. IMF: <http://www.imf.org/external/press/pr/india/100811.pdf>  
 4. MHA: <http://www.mha.gov.in/press/india/2014/08/2014082001.pdf>  
 5. IMF: <http://www.imf.org/external/press/pr/india/100811.pdf>  
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