

## Impact of Liberalization, Privatization and Globalization.

- L P G process started in India in july 1991 that has changed the face of the industry.
- it has attracted new areas in development, foreign direct investments and new business areas which were unheard before 80,s. this made Indian economy to grow to new heights.
- New entrepreneurs have started many SSI's which otherwise was not possible due to non availability of certain raw materials and resources, liberalization helped in getting them from abroad and use them.

# Impact of Liberalization, Privatization and Globalization.

- Privatization also helped the growth of SSI's in a big way. Earlier, certain product/services were produced only by government organizations and no competition existed. Now it is open to private organization. For ex: manufacture of telephone and insurance.
- Globalization has helped in setting up of many small scale industries. It made possible the exports of goods produced by SSI's.
- Indian entrepreneurs in pharma sector, I.T sector have gone to many countries to start many new ventures. Investments and quality of goods and services have increased. Spectacular growth is observed in BPO, transport, repair services, entertainment and hospitality sector.



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- There has been a big growth of entrepreneurial activities in rural India in the areas like food processing, ready –to-eat foods, exports of food products like fish, meat, prawns etc., due to LPG.



# Role of SSIs in Economic development

- In India, Micro and small enterprises account for almost 40% of total industrial production and 34% of exports. They manufacture over 6000 products ranging from handloom sarees, carpets, and soaps to pickles, papads, and machine parts for large industries.
- The small-sector is the second largest employer in India after agriculture. The total employment from SSI sector in the country is around 249 Lakhs.
- It contributes about 5 to 6% of the GDP.
- This sector is ideally suited to build on the strengths of our traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices.