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SPECIAL ECONOMIC ZONES- PERCEPTIONS - PERFORMANCES- PROBLEMS- AN ASSESSMENT

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ABSTRACT

Over 25 years before, India had moved away from its former controlled economic model and has become a market based economy. State intervention and control over economic activity has been reduced significantly and the role of private section entrepreneurship increased. To varying degrees liberalization has touched on most aspects of economic policy including industrial policy, fiscal policy, financial market regulation, trade and foreign direct investment, and foreign portfolio investment. These reforms had a major beneficial impact on the economy. With massive increase on output, the growth rate in economy was expected to be more than 8 percent, GDP per capita rising by over 7 percent annually, the rate that leads to its doubling in a decade. With these measures foreign trade had increased and FDI also increased phenomenally. At the beginning of the opening up of the economy, Indian forex reserves stood at 2 billion USD, which is sufficient to meet two weeks of imports. Now, we have forex reserves of 330 billion USD. The faster growth resulted in India becoming third largest economy in the world, after china and USA, measured at purchasing power parity, accounting for nearly 7 percent of world GDP.

KEYWORDS: Foreign Portfolio Investment, Indian Economy, Forex