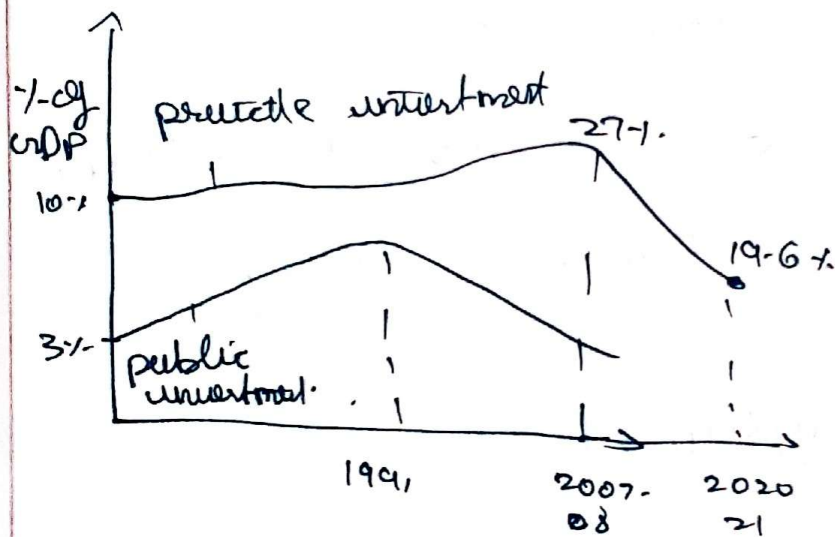


What is status of put investment in Indian economy? Economic consequence of low put invest. Suggest improvement

Post the 1991 economic reforms there has been a surge of private sector investments in the country.

### Stabily of private investments



The private investment saw a peak in 2007-08 and gradually

it is decreasing. Now it stands at 19.6% of GDP in 2020-21.

The low private investments can be attributed due to increased savings and investment among the public that could have dourmed the

demand for private fixed capital  
formation.

### Consequences of low investment

① Low economic growth and living standards - As private investment can result in new infrastructure and capital formation that has strong backward and forward linkages.

### ② Reduced employment

The share of manufacturing in new investments declined to 33% from 54% in 2022-23. This could result in reduced employment as manufacturing sector has the potential to employ more.

② Grounding out - Absence of private investments can welcome public investment which can potentially crowd out private investments.

### Improvements

Implementing projects such as the green hydrogen mission, semi conductor mission, etc ~~can~~ without any delay so that there is confidence of private to invest.

Regular appointments to vacancies in the Insolvency Bureau can speed up the recovery process and company re-organization.

Private sectors are future growth engines. Their investments are crucial for overall economic development.