

OPPORTUNITIES FOR LOCAL/DOMESTIC BUSINESSES

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ABSTRACT:

‘Atmanirbhar Bharat Abhiyan’ is a process to be self-reliant and self-denial. It means giving an opportunity to promote their own country’s local /domestic products or services. After independence, Mahatma Gandhi started cottage industry named ‘Khadi Gram Udyog’ to make India self-reliant. Now from 2014, PM Narendra Modi Government started a vision of growth and development. The new concept Make in India introduced upgrading the manufacturing sector to grow the GDP ratio of the Indian economy worldwide. India had a closed economy till 1990, but after 1990, we embraced the new import market in India to save the economy but those decisions impacted our domestic/local market. Now from the last decade, India has viewed by the fastest nation among developing countries and it is considered as an economic powerhouse. It gave strength to domestic budding talent to innovate its own Start-ups in digital India. Now in 2020, when all-world is going through economic crises, our PM Narendra Modi urged for ‘Atmanirbhar Bharat’ to support local /domestic Market. During Pandemic like COVID -19, local/domestic businesses have given immunity to the Indian Economy to protect our GDP value. China is no longer a prominent part of the supply chain, so India has golden opportunities to transform the different business sectors. The future analysis says India has silver line businesses. It hypothesized that in 2021, the Indian GDP will cross 6.4%.

Keywords: Local /Domestic Businesses Opportunity, GDP,MSME, Make in India

1: INTRODUCTION

1.1 Background of Research:

During or post Pandemic likes COVID -19, India has a golden opportunity in local and domestic businesses. ‘Atmanirbhay Bharat Abhiyan’ mission will bring new business opportunities in b2b and b2c businesses. This research paper put light on the opportunity for local/domestic business.

1.2 Research Objective and Scope:

The object and scope of this legal research paper is to determine the opportunities and analyzes for local/domestic businesses during pandemic and post-pandemic.

1.3 Research Problem:

Local/ domestic businesses give a positive impact on the Indian economy but they have their own limitation too. To what extent local/ domestic businesses get opportunities during a pandemic and where those have limitations are researched in this research paper.

1.4 Hypothesis:

Project paper proceeds with the hypothesis that local domestic businesses have business opportunities. During pandemic or post-pandemic period are strengthening businesses and making them self-denial.

1.7 Research Methodology:

In this research paper author used descriptive and analytical types of research. The research paper author used the doctrinal research method in this project paper. Research paper authors have gone through books related to business, economics, and business law. Research paper author is also gone through different journals, articles, which are available on the web sources.

1.6 Limitation:

Project paper does not cover all aspects of business opportunities. Although for understand the basics of the local Indian business system, I dealt fundamentals of local/domestic businesses and types of various local /domestic businesses.

2: CONCEPT OF INDIAN BUSINESS SYSTEM RELATED TO DOMESTIC MARKET AND ITS SIGNIFICANCE AND ROLE OF LOCAL BUSINESS IN BUSINESS ECONOMY

2.1 Introduction:

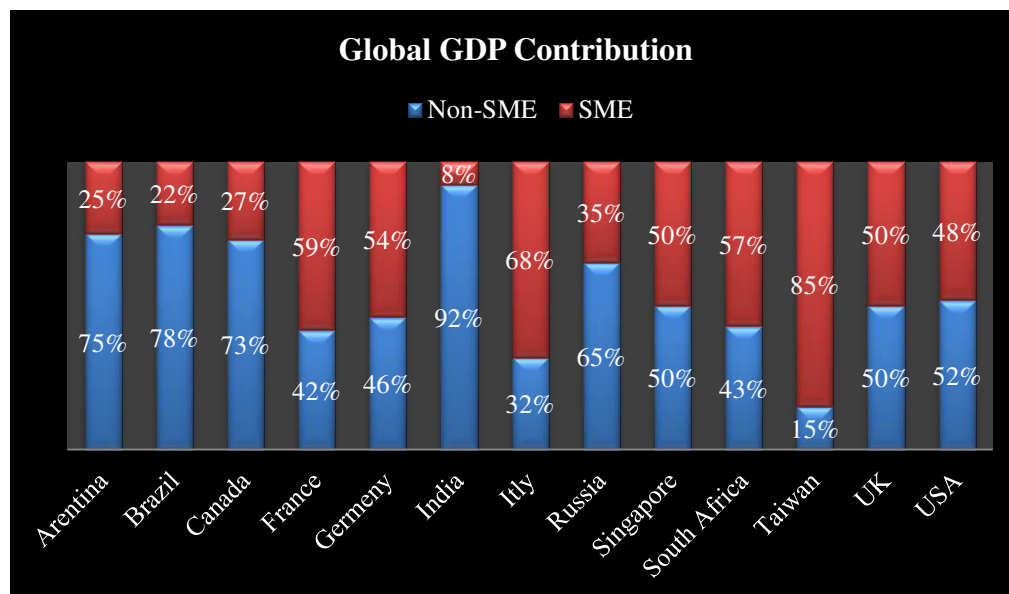
India acquired 77th position among 190 countries as per World Bank's Ease of Doing Business 2019 survey¹. As per Survey report, the hike of 23 places is reformed by PM NarendraModi's Make in India concept. After digitalization in 2014, various start-ups started in India and our GDP increased by 3-4%. The whole world affected economy brought new dimension to Indian local/domestic businesses like IT, finance, FMCG, human resource,

¹<https://www.worldbank.org/en/news/press-release/2019/10/24/doing-business-india-top-10-improver-business-climate-ranking>

manufacturing, food, pharmaceuticals and healthcare sector. NITI Aayog, MSME, Make in India brought new opportunities to first generation business persons.

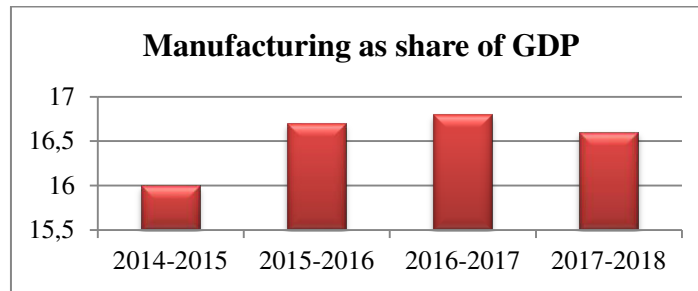
2.2 Concept and Types of Local /Domestic Businesses²:

India has huge culture, tradition, skills and talent, who require proper training and guidance. From 2014, such budding talents nurtured with different self-reliant program like start-up India, make in India, electronic India and India became fastest growing country. We have economy booster like MSME which shared approx. 46 million micro, small, medium enterprises across the various industries, which employed 106 million people. MSME sector accounts for 45 % of Indian industrial output and 40% of export³. The contribution of MSME sector to Indian GDP currently starts at approx. 8% for 2011-2012. Local and Domestic businesses and MSME sector contributes GDP from 8% to 15% by the year 2020. MSME sectors preserved local/domestic business market for sustainable growth.

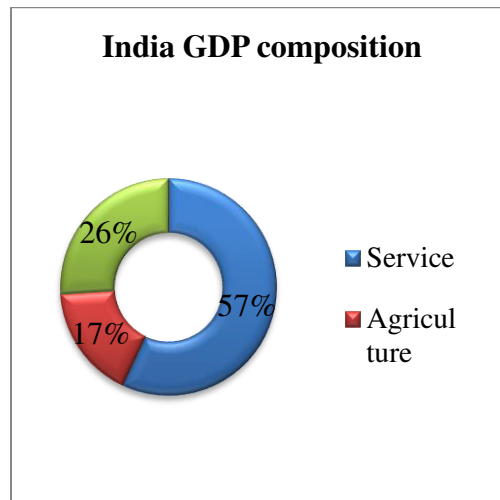


- **Manufacturing as share GRP:**

²<https://assets.kpmg/content/dam/kpmg/pdf/2016/03/The-new-wave-Indian-MSME.pdf>



▪ **MSME Sector - India GDP Composition :**



- **Local and Domestic Business Sectors in India⁴:**

Agriculture	Automobile	Aviation	Banaking	Cement
Ecommerce	Education	Engineering	Financial Services	FMCG
Gems and Jewellery	Healthcare	Infrastructure	Insurance	IT & ITES
Manufacturing	Media and Entertainment	Metal and Mining	Oil and Gas	Pharmaceuticals
Power	Real Estate	Renewable Energy	Retail	Schience and Technology
Services	Still	Telecommuncat ions	Textiles	Tourism

⁴<https://www.ibef.org/industry.aspx>

Local/domestic Businesses have a maximum contribution to the Indian economy. There are certain reasons, which attract whole worlds to invest in India. India has a golden future as per govt. winning leap up to the year 2034. As Per IBEF report there are certain opportunities and growth for India local and domestic businesses.

- Fast-paced growth in the economy
- Profitable ventures like Make in India
- The large pool of scientific and engineering Talent
- Global manufacture hub for small cars
- The largest producer of spices and herbs
- The largest market for Two-wheelers
- Second largest exporter in Ayurveda and alternate medicine
- A world pioneer in R&D and Engineering design outsourcing
- One of the top global an exporter of formulation in Pharma industries
- The second-largest telecom market
- One of the largest financial inclusion programs like Jan DhanYojana
- One of the largest vaccine producer and generic drugs
- Largest manufacture of Tractors.
- The second-largest producer as well as the fourth-largest exporter of Tea
- Third largest technology-driven Startups and youngest start-up nation with 4200+ start-ups
- Second largest internet market
- The second-largest manufacturer of mobile phones
- The largest exporter of leather garments.
- The second-largest producer of horticulture crops
- The seventh-largest tourism industry
- The fourth most attractive country in renewable energy
- The second-largest smartphone market
- The largest producer of milk
- One of the largest an exporter of Gems and Jewellery

2.3 Business Legal System in India: Development, Advantages and Scope

a. Advantages of local/ domestic businesses⁵:

- Lower transportation cost:**

⁵[https://rua.ua.es/dspace/bitstream/10045/21968/4/JIBR_3_3%20%20\(21968\).pdf](https://rua.ua.es/dspace/bitstream/10045/21968/4/JIBR_3_3%20%20(21968).pdf)

Local and Domestic businesses have facilitated economical transport services with Railway, Indian Postal service, or State transport so transportation cost is less as compared to imported products.

-Encouragement for MSME/ Startup the sector for local/domestic businesses:

MSME launched special schemes for Indian Micro, Small, Medium size business sector to grow business and get boosting for promotion and marketing. Under Digital India, Govt. started to Start up India programs to bring budding talent and projects to help each other for trading.

- Low execution cost:

Local/ domestic business is nurture with certain/traditional approaches in Indian Business atmospheres so it's eased to execute during pandemic or post-pandemic

- Less time between product and sale of good:

The time of the product manufacturing cycle is shortened as compared to imported products for distribution or sales of final goods. It will be beneficial to Indian Local/ Domestic brands to implement.

- Easy communication:

Local / Domestic businesses are well-known with Indian people's nerves and sentience. It will be beneficial to them to know people's needs as per their demand. Equilibrium between demand and supply will be balanced by local dialects and languages with easy communication.

b. Scope and Opportunities of Local / domestic businesses in India

i.Scope for Local / Domestic Businesses in India⁶:

-Scope for Healthcare:

India is one of the most populated countries so, during pandemic and post-pandemic, demand for healthcare services is on priority bases.

-Scope for the Pharmaceutical Industry:

During pandemic Pharma industries are boosted and having tremendous scope in India for medicine or medical equipment. Our country is the topmost exporter of medicines and medical equipment. Pharmaceutical Industries have the scope of export for medicine and medical equipment to other developed or developing countries that suffered during Covid-19.

⁶<https://economictimes.indiatimes.com/markets/stocks/news/coronavirus-its-impact-on-various-sectors/chemicals/slideshow/74490807.cms>

-Scope for Packaging Industries:

Sanitization and zero touched packaging is the basic rule after COVID-19; so Zero-touched, homemade, organic products will get tremendous demand during or post-pandemic. Industries related to packaging, sanitization will be in the light.

-Scope for software and IT businesses:

India is no.1 in software and IT exports. Many companies from the USA, UK, and Germany, etc. outsource projects to Indian technology companies. After lockdown or post-pandemic Indian companies have scope to get technology-based projects from American or European based companies. It best chance for Indian local /domestic companies to earn in dollar or euro.

-Scope for traditional food business:

In the health-conscious world, people are looking for healthy, fresh, homemade food rather than packed junk food. So traditional food industries have scope can create an impact on food lovers and promote their brands.

ii. Opportunities for Local / Domestic Businesses⁷:

-Open market for Swadeshi products and Services:

The economy forecast noted that India's GDP growth rate will be increased by up to 6.1 % in April 2021. Now maybe current GDP rate is not satisfied, but the market is open for swadeshi products and services to launch or grow.

-Branding and promotion own country Products:

People are replacing foreign brands to Indian brands it is one kind of scope for Indian Brands to target customers and develop businesses.

-Demand for Local products:

In the employment situation and lockdown maximum people stopped using expensive imported brands and products, so it has given the opportunity to small scale local brands to fulfill the gap of current market need with economical quality based products with cheaper rates.

-Online /Ecommerce businesses:

Budding start-ups have the opportunity to analyze gaps in the market for a local brand like digital marketing, Delivery services, money wallets, and niche e-commerce websites to launch products. Technology businesses can be web partners after COVID-19 in the

⁷<https://www.pivotint.com/blog/pros-and-cons-international-vs-domestic-manufacturing/>

development of apps or web applications to make easy implementation and services for domestic brands.

-Work from home:

The new sector started in India as named work from home for self-employment. Local businesses can get experts on hourly or daily bases for work with minimum wages or payout. These kinds of opportunities will create an impact on HR industries.

-E-Customer care for local/ domestic businesses:

Local/ domestic businesses have a chance to give training or start e-learning online centers for clients/customers to build rapport. It will give opportunities to domestic BPO industries.

-E-commerce Business:

India is leading with e-commerce and after digitalization almost everything on the web. So India has future opportunities in IT and E-commerce Industries.

-Digital Learning:

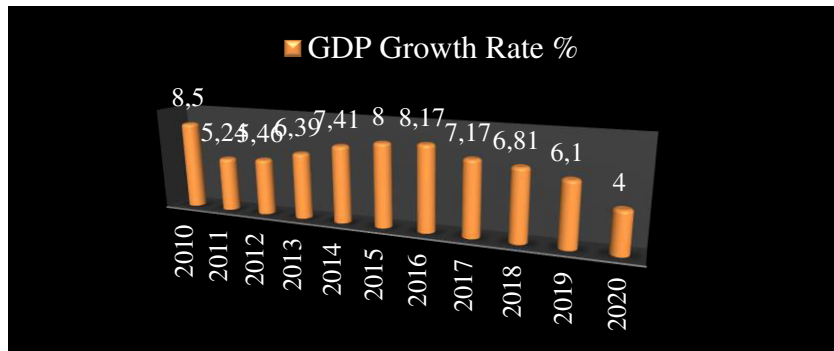
Business sector Education, have opportunities in digital learning. Local/domestic businesses related to the education sector will get a chance to start online education for all kinds of students and professionals.

3: GROUND REALITIES: LIMITATION AND BARRIERS

3.1 Current scenario of Local and Domestic business in Indian Market

COVID-19 outbreak broke Indian local and domestic Business Market due to lockdown. As per the lockdown 4.0 guideline, the government allowed some MSME sectors and manufacturing sectors to restart work to create employment and revenue. Tourism, aviation, shipping, export-import industries are completely shut down during pandemic. As per an estimate, the GDP has fallen to 4.1% for 2019-2020 as compared to 6.1% in 2018-2019. Travel and Aviation industries are shut down completed during a pandemic. After the announcement of Atmanirbhay Bharat Mission, forecast report says, it will be increased up to 6.4% in April 2021⁸.

⁸<https://www.macrotrends.net/countries/IND/india/gdp-growth-rate>



3.2 Limitation and Barriers of Local Business⁹

With the number of COVID-19 cases leaning dangerously more than 93, 00,000 infected people and the worldwide death toll crossing more than 4, 00,000, nearby 160 countries going through lockdown. Those lockdown affected all worlds' economy, especially with import and export, so indirectly local and domestic business market is roasted during pandemic. Make in India 2.0 and Atmanirbhay Bharat mission gave new drawn to business sector but those concepts have faced certain limitation and barriers.

•Raw Materials and Quality Labors:

Nearly 55% of electronics are imported from China. These imports are slid down to 40%. China is India's third-largest export partner for export raw materials like oil, cotton, and organic chemical, etc. but this lockdown affected trading so raw material for Indian business are been expensive. It gives hike to manufactured cost. During this pandemic situation, 'n' no. of labors migrant from Maharashtra, Andhra Pradesh or Telangana to their native places as well as work from the home concept are not that much success for other industries. It affects Indian businesses in Quality human resources and cheap labor.

•Market place:

Market Place requires buying or selling products. During the lockdown, local and domestic businesses have no proper market place. Traditional market place and marketing have vanished and new ways of direct selling, Online or affiliated marketing have arisen as a new market place for Indian. Local /Domestic Industries have the main challenge to convince people for a new market place for buying or selling.

•Dependency on Online technology:

New market places like e-commerce websites or mobile apps required the secured and fastest technology but India is a developing country, so 80% population lives in a rural area, where

⁹<https://www.drishtiiias.com/daily-updates/daily-news-editorials/atma-nirbhar-bharat-abhiyan-challenges>

the latest and fastest technology is out of reach. Implementation and securing transactions is the biggest challenge for local and domestic businesses during pandemic or post.

•Legal Support:

Online market place or online money transaction gave a hike to cybercrime and online fraud. In b2b or b2c businesses, our local and domestic business providers suffered from cybercrime or beaches of contracts. Our Indian legal system has helped to control those online frauds but it's challenging for all businesses to improve their basic legal structure.

4: CONCLUSION AND SUGGESTION

As the fastest economy all over the world, India started Atmanirbhay Bharat during lockdown to boost and motivate Indian local and domestic businesses. Indian govt. brought exclusive packages and schemes to enhance GDP to our diff. business sectors. As per the research paper, some suggestions are lightened to grow opportunities for local and domestic businesses.

-Government Online Marketplace and the availability of raw materials:

The government should start an online marketplace for domestic businesses to buy and sell products as well as the Promotion of Own country products. Indian businesses needed quality based but economical cost raw materials. So the government should make it available for business

-Legal remedies for businesses &online transaction:

After lockdown, most transactions will be online so online payment or transaction security should be mandatory about payment and taxation. Some local businesses which are under proprietary base needed more security and stability in taxation as well as legal remedies from other companies or LLP firms.

-ODR services provision for dispute resolution:

No cases are pending in litigation so ODR is one of the best options to resolve disputes amicably. The government should grant ODR services to reduce the workload of the Indian legal system. The domestic business will get security about their businesses.

-Loan Provision for Business with less interest rate and Subsidies:

Today's market is down for all businessmen, especially from the MSME sector collapsed due to a lack of rolling money in businesses. In this downfall situation all local and domestic knowledge

-Implementation of AIM and Industrial corridor under Make in India

The different sectors of businesses are inter-dependent on each other. Industrial corridors need to implement as soon as possible to integration between industries and infrastructure.¹⁰

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