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Pass-Through Effects on Indian Imports: Evaluating Scenarios of Rupee and Asian Monetary Unit

Ambili Jayachandran*

Abstract

Emerging market economies have been witnessing increased international associations of financial markets with global integration. This worldwide integration of markets has made economies susceptible to global economic shocks. Exchange rates being the main channel for international transmission of these shocks have been under scrutiny for its pass-through effects and subsequent influence on domestic prices causing inflation. Studies on exchange rate pass through to domestic prices are prolific when compared to those exploring the pass through effects on import prices. This study looks into the uncertainty faced by the Indian importers due to the effects of Rupee fluctuations on import prices. Two scenarios on pass-through effects of Rupee and alternative to Rupee in the form of a basket currency, Asian Monetary Unit (AMU), are explored. The study follows Producer Currency Pricing method and uses time series analysis models. Autoregressive Distributed Lag models were used to elicit the pass-through effects of Rupee and AMU on Indian imports. The findings point towards favorability of AMU as it records no pass-through effects.

Keywords: Asian Monetary Unit, Autoregressive Distributed Lag Models, Exchange Rate Pass-through, Indian Imports, Producer Currency Pricing

Introduction

Exchange rate movements have been regarded as one of the most popular medium for channeling in global economic shocks. In order to contain the inflationary pressure on the economy, monetary policy decisions are constantly dependent on the surveillance of exchange rate fluctuations and the extent to which they are reflected on the domestic prices. Therefore

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Factors Motivating Women Entrepreneurship in Nagaland: An Exploratory Study

Meyasangla Longkuma*

Abstract

The Indian economy is characterized by unemployment, poverty, etc. The optimum utilization of natural and human resources make a country to progress. The government put required effort in the utilization of natural resources. But the government finds difficult to offer everyone a stable job to utilize human resources. Hence, it encourages self-employment.

Women of Nagaland who have zeal of confident, innovative, creativity, willing to become economically independent engages in entrepreneurial activities. Though, they are still in nascent stage have great potential. Hence, these women need to be motivated to excel in business. Motivation drives women to act in a particular way, at a particular time, for some specific goal. As Nagaland's economy becomes more liberalized and globalized, female entrepreneurs are on the rise.

The present research explores factors accountable for women to take up entrepreneurship activities in Nagaland. The factors that influence women to become entrepreneurs were investigated. In this regard, primary data were gathered from 200 female business owners of Kohima and Dimapur Districts of Nagaland. Factor Analysis and Chi-square statistical tools were considered used to test hypotheses and get new insight.

It was observed that education, business opportunities, self-esteem, economic, social, family and Government motivated women to take up their own business. The primary objective of this investigation is to pinpoint the factors that encourage female entrepreneurship in Nagaland.

Keywords: Entrepreneurs, Entrepreneurship, Motivation, Women Entrepreneurs

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Foreign Portfolio Investment in Developing Countries: Determinants and Impact

Yusra Anees*

Abstract

This paper aims to study the determinants and macroeconomic effects of foreign portfolio investment in developing countries. Economic indicators like interest rate differential, stable exchange rate, foreign exchange reserves, economic growth, political stability, corruption, domestic policies, and some external factors are the main drivers of foreign portfolio capital. Foreign portfolio investment improves liquidity and economic growth in the short run. However, in the long run, it has negatively affected growth, exchange rates, Balance of Trade, stock market, industries, and small firms, and inequality in the developing world. Using the technique of OLS, the paper finds that increase in real interest rate, appreciation of Indian rupee, control on inflation, improvement in the performance of stock market, and greater efficiency of government is necessary to maintain net inflow of Foreign Portfolio Investment in case of India. The paper argues that the adverse impacts of volatile capital flows cannot be curbed by measures like devaluation, expansionary monetary policy or accumulating foreign reserves. There is a need to regulate the sudden inflow and outflow of foreign capital to keep developing economies stable.

Keywords: Capital Flows, Developing Countries, Economic Growth, Foreign Portfolio Investment, International Finance, International Trade

Introduction

Since the 1970s and 1980s, most developing countries have adopted neoliberal policies. These policies are based on the advocacy for a free market, no government intervention, and openness to international trade. These policies have contributed to higher growth and access to foreign products, thereby increasing the degree of competition in the developing world.

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India's Trade in Pharmaceuticals: Trends and Challenges

Prem Kumar*

Abstract

World's trade in pharmaceuticals is consistently growing in recent years, except minor variations. As an exporter of pharmaceuticals, India's performance has been quite impressive. Indian pharmaceuticals industry has huge potentiality and it can be realised by more funding for research and development, and innovation. As compared to leading pharmaceutical companies of top countries, patent application by Indian pharmaceutical company is low. Focus of Indian pharmaceutical industry needs to be shifted towards innovative medicines. State level analysis suggests that pharma industry is profitable and its contribution to gross value addition is quite high as compared to other industries. Small states like Sikkim, Goa and Himachal Pradesh have been benefited by pharma industry.

Keywords: Patents, Pharmaceutical Industry, Trade in Pharmaceuticals, Research and Development

Introduction

Since 2008, world trade in pharmaceuticals is consistently increasing, except 2015 (3.77% decline from previous year). Trade in pharmaceuticals didn't fall even in 2009, when total merchandise trade witnessed sharp decline. This simply implies that pharmaceutical industry has good growth prospect across countries which are leading exporters of pharmaceuticals. India is one of such countries. Germany is the largest exporter of pharmaceuticals, followed by Switzerland, Ireland, Belgium, United States of America and Netherlands. All top 12 countries experienced growth in pharmaceuticals export during the period of 2014 to 2020, except United Kingdom. During this period, 2014 to 2020, India's export of pharmaceuticals grew by 54.85%

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