

What are the Effects of Liberalisation on the Indian Economy?

It has opened up the Indian economy to foreign investors. India's private sector can engage in core industries, which were previously limited to the public sector.

Export and import have become simpler through reforms in foreign direct investment. It removes the restrictions on the movement of goods and services across the country, freedom in fixing the prices of goods and services, reduction in tax rates, simplification of procedures for imports and exports and easier paths to attract foreign capital and technology in India

In India, in July 1991, a new industrial policy was announced. It abolished the requirement of licensing except for the following five industries: (a) liquor, (b) cigarette, (c) defence equipment, (d) industrial explosives, and (e) dangerous chemicals