



A CRITICAL ANALYSIS OF COMPETITIVE INDUSTRIAL PERFORMANCE INDEX OF INDIA

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ABSTRACT

The Competitive Industrial Performance Index (CIPI) serves as a crucial tool for assessing and comparing the competitiveness of different industrial sectors within a country or across nations. This research paper aims to analyse and evaluate the significance of CIPI in understanding the relative strengths and weaknesses of industrial sectors and its implications for economic growth and development. The paper explores the various dimensions of competitiveness captured by CIPI, including technological advancements, innovation, human capital development, infrastructure, market access, and institutional frameworks. This research paper contributes to the understanding of the Competitive Industrial Performance Index and its implications for shaping industrial policies, fostering economic competitiveness, and driving sustainable development in a rapidly evolving global landscape.

KEYWORDS: Industrial Sector, industrial performance, Manufacturing, Competitive Performance Index, Competitive Industrial Performance Index

INTRODUCTION:

In today's increasingly interconnected and competitive global economy, the assessment and comparison of industrial performance have become vital for policymakers, industry stakeholders, and investors. The Competitive Industrial Performance Index (CIPI) emerges as a powerful tool in this context, providing valuable insights into the relative competitiveness of different industrial sectors within and across countries. By capturing various dimensions of competitiveness, CIPI offers a comprehensive framework to analyze the strengths, weaknesses, and potential growth opportunities of industrial sectors.

The objective of this research paper is to delve into the significance of CIPI in understanding and evaluating industrial performance, as well as its implications for economic growth and development. By examining the underlying key indicators, and factors considered in the CIPI framework.

The CIPI framework encompasses a wide range of dimensions, including technological advancements, innovation, human capital development, infrastructure, market access, and institutional frameworks. These dimensions collectively contribute to the overall competitiveness of industrial sectors, shaping their ability to thrive in the global marketplace. Therefore, analyzing the interplay between these factors and their impact on industrial performance is essential for formulating effective policies and strategies.

In conclusion, this research paper will contribute to a deeper understanding of the Competitive Industrial Performance Index and its role in shaping industrial policies, fostering economic competitiveness, and driving sustainable development. By analyzing the dimensions of competitiveness, we aim to provide valuable insights and recommendations for leveraging CIPI as a powerful instrument for enhancing industrial performance and promoting economic prosperity.

OBJECTIVE:

The main objective of the study is to examine the importance of CIPI and its contribution and investigate the key factors that have influenced India's competitive performance, including indicators.

METHODOLOGY:

The proposed study mainly is descriptive in nature. It solemnly based on secondary data and information which is collected from the concerned sources as per need of the research. The relevant Websites, Documents of various ministries/departments and organizations, articles, papers are used in this study.

IMPORTANCE AND NEED OF CIPI:

In an increasingly interconnected world, understanding a country's competitiveness is vital for sustainable economic development and growth. The Competitive Performance Index (CPI) provides valuable insights into a nation's ability to compete effectively on a global scale. Analyzing India's CPI trends allows us to gauge its progress, identify strengths, weaknesses, and potential opportunities for growth. Policymakers, researchers, and businesses can utilize this information to make informed decisions and design effective strategies.

India's economic growth relies heavily on its ability to be competitive in various sectors. Research on India's CPI trends can uncover areas where the country has excelled, highlighting potential growth opportunities. By focusing on these strong points, India can enhance its global market presence and attract foreign investments, leading to job creation and improved living standards.

Academic Contribution: Research papers contribute to the existing body of knowledge and academic literature on a specific subject. By analyzing and presenting trends in India's Competitive Performance Index, research can provide valuable insights and information to scholars, policymakers, and analysts interested in understanding the country's competitiveness.

Policy Implications: The findings of research can have practical implications for policymakers and government officials. By identifying the strengths and weaknesses of India's competitiveness, your research can help in formulating more effective policies and strategies to enhance the country's economic growth and competitiveness on the global stage.

Informed Decision Making: Businesses and investors often rely on research papers to make informed decisions about investments, market entry, and expansion. An analysis of India's competitive performance can provide valuable information to businesses seeking to enter or expand operations in the country.

Global Perspective: The research paper can offer a global perspective by comparing India's competitiveness with other countries. This can help stakeholders understand India's relative strengths and weaknesses in the international market and identify areas for improvement.

Awareness and Understanding: A well-written research paper can raise awareness and understanding among the general public about India's competitive performance and the factors influencing it. This can foster informed discussions and debates on policy matters related to economic development and competitiveness.

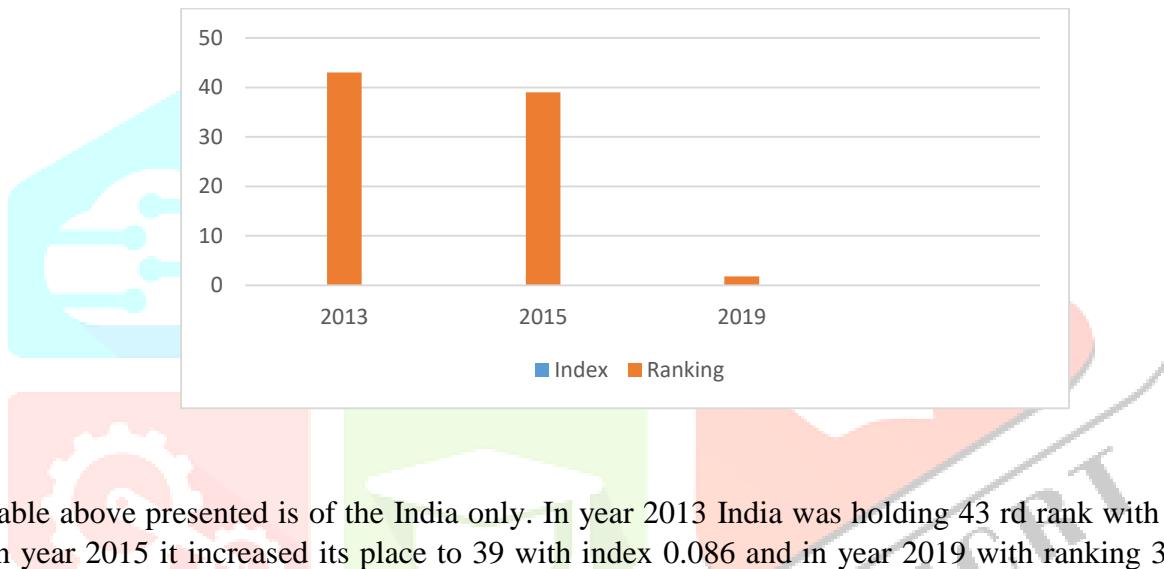
Contributing to Policy Discourse: The research paper can contribute to the ongoing discourse on India's economic development and competitiveness. It can become a reference point for discussions and debates among policymakers, economists, and experts in the field.

Table 1. Year wise ranking of the CIP Index

Year	Index	Ranking	quartile
2013	0.083	43	Upper middle
2015	0.086	39	Upper middle
2019	0.0844	39	Upper middle

(Source: Industrial Development Report 2022)

Figure 1. Year wise ranking of the CIP Index



The table above presented is of the India only. In year 2013 India was holding 43 rd rank with 0.083 index and in year 2015 it increased its place to 39 with index 0.086 and in year 2019 with ranking 39 having an index of 0.0844 and throughout these years India remained in upper middle quartile.

CIP Index and Drivers

CIP index is frequently used by international institutions and its applications focus on international comparison of manufacturing industry. The index is derived by transforming four data items into performance indicators and then by taking their average. The four indicators mentioned before are as follows:

Performance indicator 1:

MVA per capita: This indicator is composed of manufacturing industry value added per capita statistics. This indicator helps to observe the contribution of the manufacturing sector to the development, rather than growth, of a country by focusing on a limited measure of individuals' gains from manufacturing industry.

Performance indicator 2:

Manufactured exports per capita: This indicator consists of manufacturing industry exports per capita statistics. This indicator is related to the competitiveness of the industry in international markets.

Performance indicator 3:

Impact of country on world MVA: The ratio of medium and high technology industries' value added to the aggregate manufacturing industry value added is the basis of this indicator. The higher rates of medium and high - tech industries' value added in whole manufacturing value added mean that the country's technological development level and industrial competitiveness are high. Technological intensity of an industry is very important in terms of creation and dissemination of innovations and future competitiveness, for it carries the potential for feedbacks that may trigger further technical improvements.

Performance indicator 4:

Impact of a Country on World manufacturers trade (ImWMT):

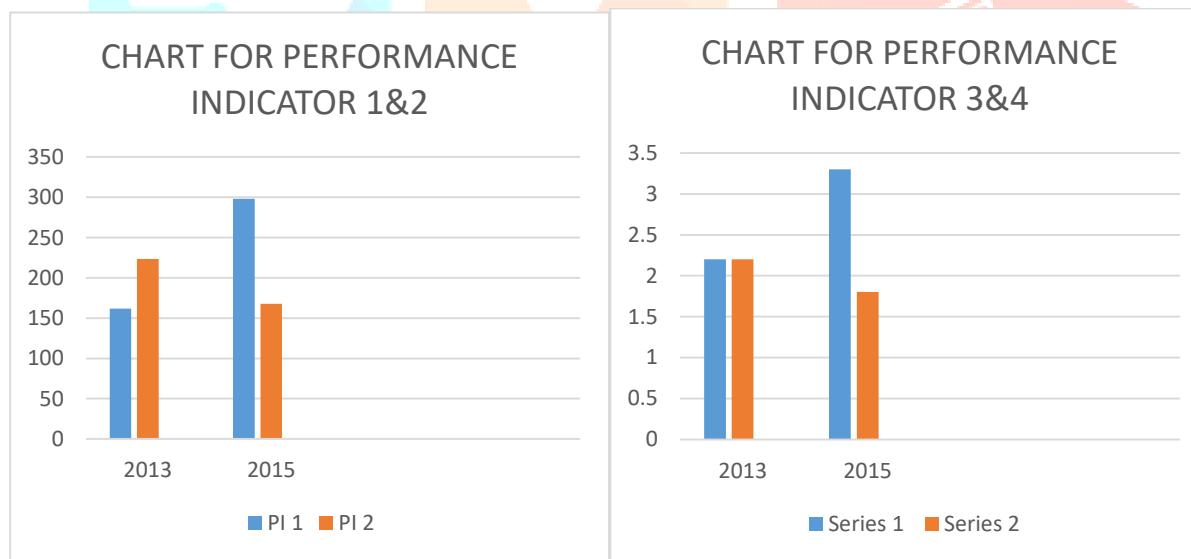
The last indicator is based on the ratio of medium and high – tech industries' exports to the total manufacturing industry exports. This indicator provides information about the competitive power of technologically complex goods produced by a country's manufacturing industry in international markets.

Table 2. Performance Indicators One and Two

YEAR	PI 1(\$)	PI 2(\$)	PI 3 (%)	PI 4(%)
2013	161.7	223.3	2.2	2.2
2015	298.0	167.9	3.3	1.8
2017	330	NA	NA	NA

(Sources : Industrial Development Report 2022)

Figure 2. Performance Indicators One and Two



DATA INTREPRETATION:

The above table is of India only. In year 2013 the performance indicator 1 stands at 161.7 while in year 2015 it jumps to 298.0 and the performance indicator 2 was at 223.3 while in year 2015 it comes down to 167.9. if we consider performance indicator 3 it was at 2.2 in year 2013 and jumps to 3.3 in year 2015.while in performance indicator 4 it was at 2.2 in year 2013 but dragged down to 1.8 in year 2015.

FINDING AND CONCLUSION

The data provided in the report shows that India has improved its ranking in terms of index and global ranking but has dropped down itself on performance indicator 2 and 4 respectively, which indicates the manufactured per capita and impact of country on world manufacture trade respectively.

"In conclusion, the analysis of the reports from 2013 and 2015 reveals significant insights into the competitive industrial performance within the studied period. The research findings demonstrate important trends and developments in the industrial sectors, providing a comprehensive understanding of the dynamics shaping competitiveness.

the reports shed light on the factors influencing industrial performance. Understanding the factors is crucial for policymakers, industry leaders, and stakeholders to make informed decisions and implement strategies that foster industrial competitiveness.

It is important to note that certain countries exhibited consistent growth and improvements in their industrial performance, while others faced challenges and experienced declines. These divergent outcomes underline the varying circumstances and approaches adopted by countries in their pursuit of competitiveness.

However, it is essential to recognize the limitations of the analysis. The reports might be influenced by inherent biases, data gaps, or methodological constraints that could impact the accuracy and reliability of the findings. Further research and data collection are necessary to refine and strengthen the insights presented.

The findings from this study contribute to the body of knowledge on industrial competitiveness and provide a basis for future research and policy discussions. They can assist policymakers, businesses, and other stakeholders in identifying best practices, formulating effective policies, and implementing targeted interventions to enhance industrial performance and stimulate economic growth.

In summary, the reports from 2016, 2018, and 2022 provide valuable information on the competitive industrial performance within the examined period. They offer insights into the trends, developments, and factors influencing competitiveness, serving as a foundation for evidence-based decision-making and future research endeavours."

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