

A STUDY ON AWARENESS ON IMPACT OF NEW ECONOMIC POLICY (NEP) - 1991 ON INTERNATIONAL TRADE IN PANVEL REGION

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Abstract:

Based on a number of factors, it is determined that the majority of population in Panvel region are aware of the impact of New Economic Policy, 1991. The unit is sampled using a simple random sampling technique. The data is collected from 193 respondents in the Panvel region. A descriptive Research Design is used to understand the variables. Average mean descriptive statistics method using excel is used to analyze the data.

Key words: *New Economic Policy, 1991, NEP, LPG, Awareness.*

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Introduction:

An important turning point in India's economic history was the New Economic Policy (NEP) of 1991, which marked a significant departure from a heavily regulated economy and a move towards one dominated by market forces. In order to promote global trade and liberalize the Indian economy, the program implemented extensive reforms. The NEP's main tenets were tariff reduction, economic deregulation, trade liberalization, and the encouragement of foreign investment. The goal of these policies was to increase India's competitiveness internationally and integrate it into the global economy.

The NEP had a significant effect on international trade since it gave Indian companies new prospects and changed their place in international marketplaces. In addition to promoting Indian exports, the strategy drastically lowered import taxes, making it simpler to obtain goods and services from other countries. These changes led to significant growth in important areas

like information technology (IT), pharmaceuticals, textiles, and the automotive sector. India gained appeal as a location for foreign direct investment (FDI), which made trade and economic integration even easier. Although many businesses have benefited, diverse sectors and geographical areas have not been equally aware of the NEP's effects on global trade. Big businesses quickly recognised and seized the opportunities provided by the program, particularly those involved in export-oriented operations. These businesses experienced an instant boost in access to international markets and were in a better position to handle the intricacies of international trade laws. Smaller companies and other industries, however, continued to lack knowledge and found it difficult to adjust to the shifting economic landscape. It was difficult for many small and medium-sized businesses (SMEs) to compete with imported items, increase production, and upgrade their technology. Consequently, certain industries prospered. India

became more accessible to international competition as a result of the NEP's emphasis on economic liberalization. This had two sides: domestic sectors faced increased rivalry from international firms, while consumers benefited from a greater selection of reasonably priced items. In addition to posing a challenge to established industries that were unprepared for the flood of foreign goods, this put pressure on Indian companies to innovate and modernise in order to remain competitive. The change to a more open and globalised approach to international trade agreements was another important component of the NEP. India started taking an active part in international trade organisations like the World Trade Organisation (WTO), which brought with it new difficulties with regard to tariffs, intellectual property rights, and trade talks. Smaller businesses and the general public were less aware of these global developments, whereas policymakers and multinational enterprises were typically more sensitive to their effects. In order to improve the caliber and competitiveness of Indian goods and services, the program also promoted international partnerships and joint ventures. These collaborations improved India's position in the international market, as did the increased flow of cash and technology. But not everyone was aware of the possible advantages and difficulties of these kinds of partnerships, especially in less developed areas or sectors.

The effects of the NEP on commerce had important socio-political ramifications in addition to economic prosperity. The public's perception of globalization and international trade changed as a result of the economy's openness. Others voiced worries over the loss of domestic industry as a result of international competition, while many saw the changes as an essential step towards economic modernization find out how companies, decision-makers, and the public saw these changes, research on awareness of the NEP's

effect on global commerce is necessary. It sheds light on the effectiveness of the reforms' communication and whether or not all economic sectors were able to equitably benefit from globalization. It also highlights the difficulties India faces in meeting the demands of a world trade environment that is changing quickly and the necessity of focused governmental actions to alleviate any inequalities.

Literature Review:

Thillainathan, R., & Cheong, K. C. (2016). Since its inception, Malaysia's New Economic Policy (NEP) has been the focus of considerable controversy. While detractors have called it names like cancer, supporters have hailed it as unleashing growth that benefits the poor. Both sides have good points. Growth and distribution have been addressed by the NEP's implementation, although inequality has increased and the growth rate is slowing. Making snap decisions about a policy that has altered and grown over almost 50 years is challenging. It is stated that evaluations of the NEP should consider how the NEP has been implemented and how context has changed. Summary judgements are useless, but it is possible to argue that when affirmative action is converted into ethnic discrimination, there is a trade-off between growth and distribution, similar to what is seen in many emerging nations.

Osman-Rani, H. (2019). Formulated in 1970 and publicly published the following year in the Second Malaysia Plan, 1971–75, Malaysia's New Economic Policy (NEP) had two immediate goals that it hoped would eventually lead to national unity. In order to reduce and eventually eradicate the association of race with economic function, the first goal is "eradicating poverty by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race." The second goal is to expedite the process of restructuring Malaysian society to correct economic imbalance. Every neighborhood in the

nation, as might be expected, has concerns and optimism regarding the direction of the economy. According to the government, the NEP aims to highlight the connection between stability and economic success, arguing that stability in economic growth fosters national cohesion, which in turn fosters progress.

Bashar, O. K., & Khan, H. (2013). They aim to investigate the relationship between changes in economic policy and Malaysia's socioeconomic development, which has grown significantly over the years. Since gaining independence in 1957, the nation has seen substantial policy changes, however the primary goal of advancing the interests of native Malay people (Bumiputeras) has not changed. The World Bank now classifies Malaysia as a "upper middle-income" nation, and as part of its Vision 2020, it seeks to develop a high-income, inclusive, and sustainable economy. Although the nation is moving towards its Vision 2020 thanks to the New Economic Policy, New Development Policy, National Vision Policy, and New Economic Model, advancing Bumiputera interests directly or indirectly in the cutthroat world of today may be viewed as a barrier to realising the Vision, as argued in the paper.

Research Gap:

Observations have shown that various studies have been taken on New Economic Policy but particularly to a study on awareness on impact of new economic policy (NEP) - 1991 on international trade in Panvel region is newly confined in this research proposal.

Research Methodology:

Both primary and secondary sources were utilized in gathering data for this research project. Data collection involved the utilization of primary sources such as questionnaires, interviews, and observation. Additionally, secondary sources such as books, journals, and magazines have been utilized. The sampling method employed is Simple Random

sampling for selecting the unit. A descriptive research design is employed for comprehending the variables. Average mean descriptive statistics method using excel is used to analyze the data.

Need of the Study: In order to comprehend how local companies and people have adjusted to the liberalised trade environment, it is essential to conduct a study on awareness of the effects of the New Economic Policy (NEP) of 1991 on foreign trade in the Panvel region. Although Panvel's position in the global supply chain has grown due to its advantageous location close to Mumbai, little is known about the particular possibilities and problems that regional companies have experienced since the NEP. The results of this study will provide insight into the degree to which small and medium-sized businesses (SMEs) in the area comprehend and manage international trade laws, international partnership prospects, and the changing competitive environment. It will also emphasise how well regional policy communication works and how it affects local economic development. In order to develop focused policies that can improve Panvel's capacity for international trade and economic resilience, it is essential to comprehend these processes.

Objectives:

1. To assess the level of awareness among businesses in the Panvel region regarding the key provisions of the New Economic Policy (NEP) of 1991 and its impact on international trade.
2. To examine the influence of the NEP on the growth and competitiveness of export-oriented industries in Panvel.
3. To identify the challenges faced by businesses in Panvel in adapting to the globalization of trade post-NEP.
4. To explore the effectiveness of policy communication and awareness programs regarding NEP's trade policies at the regional level.

Data Analysis & Interpretation:
Demographic Study:
Table 1: Gender

Gender	Frequency	Percentage
Male	137	70.98
Female	56	29.02
Total	193	100

Table 2: Age

Age	Frequency	Percentage
25-30	83	43
30-40	24	12.44
40-50	39	20.21
50-60	41	21.24
60 and above	6	3.11
Total	193	100

Table 3: Qualification

Qualification	Frequency	Percentage
Illiterate	3	1.55
Upto 10 th	14	7.25
Upto 12 th	38	19.69
Graduation	63	32.64
Post Graduation	53	27.46
Professional Degree	22	11.5
Total	193	100

Table 4: Occupation

Occupation	Frequency	Percentage
Job	29	15.03
Business	142	73.58
Profession	22	11.3
Total	193	100

Table 5: Type of Business/Industry

Type of Business/Industry	Frequency	Percentage
Manufacturing	61	31.61
IT/Services	16	8.29
Wholesale/Retail	69	35.75
Agriculture	18	9.33
Export/Import	29	15.02
Total	193	100


Table 6: Respondents view about awareness of New Economic Policy 1991:

Are you aware about New Economic Policy 1991?	Result (%)
Yes	92.75
No	7.25

Here, the data has been collected from 193 respondents from the Panvel region.

Table 7: How has the NEP impacted international trade in your industry/business?

Question	Result (%)
Very positively	32.64
Positively	38.86
No impact	0
Negatively	16.06
Very negatively	12.44

Table 8: In your opinion, did the NEP improve India's global competitiveness?

Question	Result (%)
Yes	87.57
No	7.25
Maybe	5.18

Table 9: Do you think the NEP has helped increase export opportunities for businesses in Panvel?

Question	Result (%)
Yes	94.82
No	1.04
Maybe	4.14

Table 10: Has your business experienced increased competition from international markets since the implementation of the NEP?

Question	Result (%)
Yes	82.38
No	1.04
Maybe	16.58

Table 11: Has your business been directly impacted by any of the following global trade regulations since the NEP?

Question	Result (%)
Import/export tariffs	46.11
Intellectual property rights (IPR)	18.65
Free trade agreements (FTAs)	20.21
Non-tariff barriers	15.03

Table 12: Has your business engaged in foreign partnerships or collaborations as a result of the NEP?

Question	Result (%)
Yes	74.09
No	25.91

Table 13: Do you believe that the NEP's impact on international trade will continue to benefit Panvel's economy in the coming years?

Question	Result (%)
Yes	77.3
No	7.25
Maybe	15.54

Conclusion and Suggestions:

According to a survey on respondents' knowledge of the New Economic Policy's (NEP) 1991 effects on

foreign trade in the Panvel region, most of them are aware of the policy's main features and how they affect international trade. Businesses, especially larger

companies and export-oriented industries, have effectively adjusted to the policy changes brought about by trade liberalization, globalization, and liberalization, as evidenced by this high degree of awareness. The stakeholders in Panvel, especially those engaged in international commerce and foreign partnerships, also have a comparatively good awareness of global trade frameworks, such as the World Trade Organization's (WTO) regulations. According to the findings, corporate competitiveness has improved as a result of increased awareness of NEP's advantages, enabling Panvel-based enterprises to enhance their market positioning both domestically and abroad. Additionally, companies in the area are better prepared to handle the shifting global economic landscape and have a deeper awareness of the difficulties presented by overseas competition.

Even while most respondents show a high degree of awareness, there might be room for improvement, particularly with regard to small and medium-sized businesses (SMEs), who would need more specialised assistance and resources in order to take advantage of the opportunities presented by the NEP. Furthermore, to guarantee that even the smaller businesses in the region completely benefit from the strategy, policy

communication must continue to be effective. The study's overall findings show that Panvel's companies are generally aware of how the NEP would affect global trade, setting the area up to continue to gain from greater economic growth and global integration. However, maintaining long-term economic development in the area will require constant efforts to raise awareness among all stakeholders, especially SMEs.

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