3 As India is considered as the new manufacturing hub of the world, a robust corporate bond market is the need of the hour. Discuss.

The Global manufacturing Index ranked India as the second sought after country as manufacturing destination.

In order to unrealise the potential of manufacturing sector a robust corporate bond market is unsuitable

Robust market needs

① Financial literacy is the main source to empower people. 74% of the population is financially illeterate. A financial literacy must be undertaken on war mission footing.

② Incentives for retail investors is essential as it can reveal household issuing to corporate bond market which is held by institutional investors

③ Sound banking system is essential for a stable bond market. The gross NPA ratio of 7.5% must come down at the earliest.

④ Credit guarantee scheme on the lines of MSME is a good takeaway for the market.

⑤ A corporate bond index can help in real time monitoring of prices of the market.

Issues in corporate bond

Crowding out by G-sec

absence of broad investors — $\boxed{\text{Issues}}$ — High inflation & interest rate

Lack of credit default swaps.

As the government is ambitious with, Gati Shakti, National infrastructure pipeline, manufacturing Make in India for boosting is the way out.
a robust corporate bond market