

# U.P.S.C.

इस भाग में कुछ  
न लिखें  
(Don't write anything  
in this part)

प्रश्न संख्या  
(Question No.)

The economic slowdown in US and Europe is expected to hit growth of start-ups in India. Comment (200 words)

India is the world's third largest startup ecosystem with home to 107 unicorns.

Recently, India is ranked 40<sup>th</sup> among 132 in World Innovation Index. Given these conducive and other existing improved measures, the startups are still counting.

However, recent slowdown in the USA and the UK and Economic outlook Report by World Bank can hamper India's ~~for~~ startup progress in following way.

- (1) Since, economic slow down, there would be less venture capital available for startup.
- (2) The early stage venture capital flow would be low

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in certain sector except edutech  
finTech, and mass e-commerce

- ③ Less seed-fund available for new startups.
- ④ Competition would be low
- ⑤ Valuation will be down in term. Start ups cannot borrow
- ⑥ The increased interest rate by US Fed negatively affect Indian start ups.

To maintain sustainability of the ecosystem, the govt initiatives are:

- (1) Adoption of digital services by startup India challenge
- ② RBI's monetary policy to curb inflation and provide stability in Indian ecosystem.

- ③ National Startup awards - to recognize and reward outstanding startups and ecosystem enablers
- ④ Ranking of states on support to startup ecosystem to build their startup ecosystem
- ⑤ SCO startup forum to improve startup ecosystem collectively.
- ⑥ 'Prarambh'. Summit aims to provide platform to the startups and young minds.
- ⑦ Recently, MoEFCC has invited startup to make pellet from paddy straw.

Thus, government need to support startups and ecosystem by providing them financial and infrastructural ecosystem.