



Make in India Key sector, Pillars and Challenges

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Abstract: Make in India Campaign is an initiative of Prime Minister Narendra Modi on 25 September 2014 by addressing a mass audience including both national and international entrepreneurs in New Delhi. This is an international marketing strategy conceptualized by the PM of India to attract investments from businesses all over the world and transforming India into a global manufacturing Hub. For promoting this campaign the web portal, logo and brochures are used for detailing 25 priority sectors of the economy. The objective behind this initiative is to focus on job creation, skill development and innovation and to align India’s manufacturing sector into the Global Value Chain by encouraging Public Private Partnership (PPP), Joint Ventures (JV), Foreign Direct Investment (FDI) inflow, and advancing Ease in Doing Business (EDB). Higher education will also play a significant role in improving the quality of Research and Development (R&D). This scheme focuses on acceleration of economic growth to the new heights and to pull back the economy from clutches of recession. Currently India’s GDP is heavily tilted in favor of service sector. The present study is based on secondary data. The data has been extracted from the various sources like research articles, publications from Ministry of Commerce, Government of India, various bulletins of RBI and authenticated websites. The study found that, Make in India will bring a drastic change in the fields like automobiles, aviation, biotechnology, defense, media, thermal power, oil, gas and manufacturing sectors. Thus, we can conclude that, despite the fact that “Make in India” though came at a right time, its execution remains a big challenge.



Keywords: Job creation, Skill Development, Research and Development, Manufacturing Hub.

Introduction: The Make in India campaign was launched and started by Prime Minister Narendra Modi in India on September 25, 2014 in a function at the Vigyan Bhavan.¹ Basically it is an initiative of the Government of India to encourage multinational, domestic as well as, companies to manufacture their products in India. Indeed, it hopes to make India a major manufacturing hub. India has emerged, after first quarter of 2015, as the top destination globally for investment, beating our next to door neighbor as well as the States. During the end of 2014 on 29th December the Department of Industry Policy and Promotion conducted a workshop, which was attended by Modi, his cabinet ministers and chief representatives of states as well as various industry tycoons. The major expectation from this campaign is that it will create around 100 million job opportunities for youths in India over time. The aim is to take a share of manufacturing in country’s gross domestic product from 16% to 25% by 2022, as stated in national manufacturing policy. Major objective of this scheme focuses on 25 sectors. The sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defense, Manufacturing, Ports, Food Processing Mining, Media and Entertainment, IT and BPM, Pharmaceuticals, Renewable Energy, Roads and Highways, Railways, Thermal Power, Oil and Gas, Space, Leather, Construction, Aviation, automobile components, chemicals and Electronic System.²

¹ Bal M. Make-in-India & Higher Education Policy: the Way Forward. Retrieved from, 2014. website:<http://www.worldwidejournals.com/ijar/file.php>.

² Soundhariya S. Make in India – Scheme For Transforming India. Retrieved from, 2015 website: <http://www.worldwidejournals.com/gra/articles.php?val =MzY3MQ==&b1=265&k=67>



Concept of Make in India: The ‘Make in India’ program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production with the country.³

Key sector of make in India:

- Make in India – Growth in FDI and Improving Competitiveness.
- Make in India – the Global Context.
- Make in India Initiative.
- Make in India – Defense Sector The opening up of defense sector provided significant opportunity for know-how oriented technological progress in defense modernization and advanced weaponry.
- Make in India – Industrial Sector
- Make In India - Highlights • Make In India campaign has converted some of the challenges into opportunities – Ease of Legal Process – Skill development – Infrastructure Development – Tax Incentives – Economies of Scale • Conclusion – India a hot destination for FDI – India will have huge demand – Investor friendly policy Conclusions.

RECENT INITIATIVES TAKEN BY COMPANIES:

- In January, 2015 the Spice Group would start a mobile phone manufacturing unit in Uttar Pradesh with a capital investment of 500crore. A memorandum of understanding was signed between the Spice Group and the Government of Uttar Pradesh.
- In January, 2015 Hyun Chil Hong the president and CEO of Samsung South West Asia under Micro Small and Medium Enterprises (MSME) 10 MSME Samsung Technical Schools will be established in India.
- In February, 2015 Hitachi committed to the initiative of increasing its employees in India from 10,000 to 13,000 and tries to increase the revenue from India i.e. from 100 billion to 210 billion.
- In February, 2015 Huawei opened a new research and development (R and D) campus in Bengaluru. Invested 170 million to establish research and development centre.
- In April, 2015 Air Bus Company will manufacture its products in India and invest 2 billion US dollars.
- In February Marine Products Export Development Authority interested in supplying shrimp eggs to shrimp farmers in India.
- In May, 2015 Tata JLR (Jaguar Land Rover) moves its production of the Land Rover Defender to its Pune facility in India. In 2016 Shiv Kumar Rungta president FTAPCCI stressed on key sectors like services mainly Information technology (IT), Mechanization of Agriculture sector for achieving increased productivity among others for the success of make in India.⁴

³ Das S. Make in India- A Boost to the Manufacturing Sector. Retrieved from website: <http://employmentnews.gov.in/webmake.pdf>

⁴ http://articles.economicstimes.indiatimes.com/2015-07-23/news/64772859_1_a_m_sipsmotherson-sumi-systems-investment-proposals.



FOUR PILLARS OF MAKE IN INDIA: Manufacturing in India is the main vision of the government and leads to national development. The initiative is built on four pillars which are as follows:⁵

New Processes: The government is introducing several reforms to create possibilities for getting FDI and foster business partnerships. This reform is also aligned with parameters of World Bank's Ease of Doing Business index to improve India's ranking on it. Make in India recognizes ease of doing business as the single most important factor to promote entrepreneurship. A number of initiatives have already been undertaken to ease business environment.

New Infrastructure: The government intends to develop industrial corridors and build smart cities, create world class infrastructure with state of the art technology and high speed communication. Innovation and research activities are supported by a fast paced registration system and improved infrastructure for IPR registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being implemented.

New Sectors: This campaign has identified 25 sectors to promote with the detailed information being shared through an interactive web portal. The government has allowed 100% FDI in Railway and removed restrictions in Construction. It has also increased the FDI to 100% in Defense and Pharmaceutical.

New Mindset: This initiative intends to change by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country along with development in corporate sector.

Challenges: For making India a global manufacturing hub, government needs to clear out certain bottlenecks. This research paper contains important challenges and solutions for the same. Through secondary research and data obtained from various authenticated sources. This paper underlines the following major challenges that hamper India to become global manufacturing hub and accordingly make:⁶

- Improving the ease of doing business in India
- Giving more opportunities for the improvement general and engineering graduates.
- Building up infrastructure of various buildings and highways.
- Improving the power capacity of the electricity plants for better supply to industrial sector.

There are certain other challenges also in the way of making India o global hub for manufacturing. However keeping in mind these issues and taking adequate measures to deal with the same will go a long way towards turning the "Make in India" vision from dream to a reality.⁷

OPPORTUNITIES OF MAKE IN INDIA:

Aiming to make in India as its export hub, home appliances manufacturer Bosch and Siemens today announced company's first manufacturing plant in the country.⁸

- The South East Asian region is expected to start operations by the second half of 2014.

⁵ <http://www.oneindia.com/india/manufacturingentrepreneurship-crucial-make-indiaexperts-1831762.html>

⁶ <https://www.linkedin.com/pulse/20141005095741-218620334--make-in-india-campaign-opportunities-and-challenges>.

⁷ http://zeenews.india.com/business/news/economy/narendra-modis-make-in-india-campaign-fivechallenges_109098.html

⁸ http://en.wikipedia.org/wiki/Make_in_India.



- Japan's largest consumer electronics exporter is now seriously evaluating to come and make in India opportunity.
- The Make in India campaign seems to have come at perfect time. Many giant foreign companies have already expressed their interest in setting up manufacturing facility in India.
- Switzerland based chocolate maker Barry Callebaut is looking at setting up a manufacturing unit in India as part of its global expansion plans to cash in on the 3,000crore domestic market. Barry Callebaut currently has only commercial operations in the country.
- The economic impact of manufacturing in India will go beyond direct employment. It will create jobs in the services sector and allied services.

Conclusion: Manufactured has emerged as one of the high growth sectors in India. The Make in India campaign helps to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in the coming years. The proposal of making in India will boost manufacturing the electronic manufacturing market in the country. This in turn will focus on electronic manufacturing and plans to set up electronic clusters across various towns and cities. The large investment in manufacturing will bring in more capacity creation in the country. The tax reliefs given to start ups and MSME's will boost sustainable employment and the quality of startups in the design led manufacturing sector. Make in India mission is one such long term initiative which will realize the dream of transforming India into manufacturing hub. Make in India campaign also focuses on producing products with zero defects and zero effects on environment. Come Make in India, Come Manufacture in India, Sell in any country of the world but manufacture here. We have got skill, talent, discipline and determination to do something.

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