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**"MAKE IN INDIA"- AN EMPIRICAL STUDY WITH REFERENCE
TO INDIAN MANUFACTURING SECTORS**



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ABSTRACT:

The Indian industrial sector is important for the country's economic progress. The sector facilitates not only in meeting domestic demand but also reducing import dependence and providing employment opportunities to millions of people. Though the industrial sector registered growth of -0.1% in FY2014, the growth has picked up in the recent times with industrial sector registering an average growth of 3.3% during the period April -July 2014-15. Currently, India's manufacturing sector contributes about 16% to the GDP, and India's share in world manufacturing is only 1.8%. These statistics clearly indicate that while manufacturing has not been the engine of growth for the Indian economy, it now needs to grow at a much faster rate. The ultimate objective is to make India a renowned manufacturing hub for its key sectors. Companies across the globe would be invited to make investment and set up factories and expand their facilities in India using India's highly talented and skilled manpower to create world

class zero defect products. Make in India mission is to manufacture in India and sell the products worldwide. There is a new enthusiasm, dynamism and vibrancy in India which is translating in to reality.

KEYWORDS : Make In India, Manufacturing Sector, GDP

INTRODUCTION:

The situation of the manufacturing sector in India is a cause of concern especially when seen in comparison to the massive transformation registered in this sector by other Asian countries in similar stages of development such as Thailand's manufacturing sector value added to GDP is around 34%, China 32%, South Korea 31%, Indonesia 24% and Germany 22% in comparison to India's 16%. India is rated at 134th out of 189 economies on Doing Business Index 2014 by World Bank and IFC. According to '2013 Global Manufacturing Competitiveness Index (GMCI)', India's ranking slipped to 4th from 2nd rank in the 2009-10 Global manufacturing competitiveness Index after China. However, according to the projections for 2017-18, India is expected to register an index of 8.49 and reach 2nd rank after China. The Hon'ble Prime Minister, Shri Narendra Modi envisions a breakthrough in the manufacturing sector.

According to our Prime Minister Mr. Narendra Modi if each one of our millions of youngsters resolves to manufacture at least one such item, India can become a net exporter of goods. We should manufacture goods in zero defects so that our exported goods are never returned to us.

Manufacturing sector currently contributes 15% to the national GDP. The prime objective of this campaign is to increase the manufacturing contribution from 15% to 25%. With this concept government expects to generate more jobs, attract foreign direct investment, and transform India into a manufacturing hub around the globe.

Objectives of the Study:

1. To analyze the growth prospects of the manufacturing sector in India with reference to Make In India
2. To know how Make In India contributes in the growth of the Manufacturing sector in India
3. To analyze the need of Make In India

Data Collection:

There are very few published reports available related to Make In India in the country. It is a big challenge to gather effective information about the subject matter from various national and international publications. The data collection and research methodology is mainly based on the secondary data.

What is Make In India?

government's lead crusade expected to help the residential producing industry and pull in outside speculators to put into the Indian economy. Make In India is another national project intended to change India into a worldwide assembling center. The entire thought behind these proposition is to inspire different organizations, neighborhood and outside to put resources into India and make the nation an assembling powerhouse.

With an aim to make manufacturing a key engine for India's economic growth, **Prime Minister Narendra Modi** propelled the Make in India activity on September 25, 2014 in New Delhi. Make In India activity by the administration will be concentrate on building physical base and making a computerized system to make India a worldwide center point for assembling of merchandise going from autos to

programming projects, satellites to submarines, pharmaceuticals to ports and paper to control. The center of Make In India project is on making occupations and ability improvement in 25 areas.

Sectors covered:

For the Make in India crusade, the administration of India has recognized 25 need divisions that might be advanced sufficiently. The center of Make In India system is on making occupations and expertise upgrade in taking after 25 parts. These include: cars, flying, chemicals, IT and BPM, pharmaceuticals, development, barrier fabricating, electrical apparatus, sustenance preparing, materials

what's more, pieces of clothing, ports, cowhide, media and diversion, wellbeing, mining, tourism and cordiality, railroads, car segments, renewable vitality, mining, bio-innovation, space, warm power, streets and thruways and hardware frameworks.

OFFERING NEW ENVIRONMENT TO INVESTORS
KEY PLAYERS OF GLOBAL CORPORATE SECTOR INVITED FOR LAUNCH

THE MODUS OPERANDI | 8-member expert panel set up jointly by Department of Industrial Policy & Promotion and FICCI

TEAM INVEST INDIA WILL

- 1 Interface with global investors
- 2 Redress grievances, act as helpdesk
- 3 Suggest reforms to Centre, States
- 4 Resolve policy issues

World Bank report ranks India **134th out of 189** nations on ease-of-doing-business parameters

- Invites to be sent to **30,000 top firms**
- Digital India Campaign to give **push to manufacturing**
- **25 identified sectors** including auto, food processing, IT, defence and entertainment
- Get manufacturing growth to **sustainable 10% over long term**
- Centre to work with States to **de-bureaucratise and deregulate**
- Help simplify **business procedures**, usher in **mindset changes**

The team will try to resolve issues within 48 hours. [Otherwise] it will go to the dept.'s nodal officer [to fix] within 72 hours. — **DIPP OFFICIAL**

Main Object of Make In India:

- To make investing in manufacturing more attractive to domestic and foreign investors
- To give the Indian economy global recognition
- To create competitive industrial environment
- To development infrastructure
- To invite latest technologies
- To generate employment

The Make in India focuses on new ideas and initiatives such as- 94%:

- First Develop India and then Foreign Direct Investment,
- Look-East on one side and Link-West on the other,
- Highways and 'I'-ways.
- Facilitate investment
- Motivate new innovation
- Protect intellectual property
- Build best-in-class manufacturing infrastructure
- Invest India cell
- Consolidated services and faster security clearances
- Dedicated portal for business queries
- Interactions with the users / visitors

- Easing policies and laws

Need to Make In India:

Indian industry has immense potential for further strengthening the agro-processing, textiles and garments, and leather and footwear sectors with good prospects for sustained employment generation. But the medium-term challenge for Indian manufacturing is to move from lower to higher-tech sectors, from lower to higher value added sectors, and from lower to higher productivity sectors. Table given below provides a comparative picture of the global competition India faces in manufacturing.

Comparative Picture of Global Manufacturing Peers (2011)

Country	Share of Manufacturing in GDP	Share of MHT in total manufacturing	MHT exports as total exports	Share of total exports in world exports
China	34.1	40.7	59.9	14.6
S. Korea	27.7	53.4	71.8	4.3
Thailand	36.6	46.1	58.0	1.5
Japan	20.5	53.7	79.0	6.0
Germany	19.2	56.7	72.0	10.4
India	14.9	32.2	27.0	2.0

Source: UNIDO & World Bank.

Note: MHT: Medium and high technology manufacturing.

In order to push the share of manufacturing in overall GDP to the projected 25 per cent, Indian manufacturing needs to capture the global market in sectors showing a rising trend in demand. These sectors are largely high technology and capital intensive.

Narendra Modi stated the reason and motive to launch Make In India very clearly, it is important for the purchasing power of the common man to increase, as this would further boost demand, and hence spur development, in addition to benefiting investors. Cost effective manufacturing and a handsome buyer – one who has purchasing power – are both required. More employment means more purchasing power.

- High level of productivity
- Self Reliance
- Boost to Exports
- Increase Employment opportunity
- Utmost emphasis on skilled manufacturing and human capital sustainability.
- Increase the foreign Investment
- To achieve objectives of National Manufacturing Policy
- Promote Small and Medium Enterprises
- Reduce Trade Deficit

Benefits of Make In India:

India is a rich country in natural resources but still we are facing lots of problem related to proper utilization of natural resources because of lack of manufacturing unit, poor infrastructure facilities, insufficient capital and unskilled labor. By using the Make In India concept India is soon becoming the preferred manufacturing destination of most investors across the globe. India is soon

turning into the favored assembling destination of most financial specialists over the globe. Make In India is the Indian government's push to bridge this interest and help the Indian economy. In a noteworthy support to the 'Make in India' activity, the Government of India has gotten venture proposition of over US\$ 3.05 billion till end of August 2015 from different organizations. India has gotten to be a standout amongst the most appealing destinations for interests in the assembling area.

Followings are some benefits of Make In India-

- This will help in creating a job market for over 10 million people in India by 2022
- Increase the share of manufacturing sector in GDP from 15% to 25% till 2022.
- Reduce entry barriers
- Easing land acquisition procedures
- Increased labor market flexibility
- Streamlining dispute resolutions
- Speedy project implementation
- A competitive and stable tax regime
- A reduction in the cost of capital
- Export oriented growth model will improve India's Balance of Payments

Government Initiatives:

In an offer to push the 'Make In India' activity to the worldwide level, Mr. Narendra Modi, Prime Minister of India, pitched India as an assembling destination at the World International Fair in Germany Hannover prior this year. Mr. Modi showcased India as a business well disposed destination to draw in remote organizations to put and produce in the nation.

The Government of India has taken after activities to advance a sound situation for the development of assembling segment in the nation.

- The Government arrangements to compose a 'Make in India week' in Mumbai between February 13-18, 2016 to support the 'Make in India' activity and expects 1,000 organizations from 10 key segments to take an interest in the presentation of creative items and procedures, a hackathon and sessions on urban arranging, among different occasions.
- The National Institution for Transforming India Aayog (NITI Aayog) arrangements to discharge a plan for different mechanical intercessions which should be joined by the Indian fabricating economy, with a perspective to have an economical edge over contending neighbors like Bangladesh and Vietnam over the long haul.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has dispatched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Arrangement (NMP) to encourage obtaining of Clean, Green and Energy Efficient Technologies, by Micro, Small and Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's agents in more than 160 nations to concentrate on financial strategy to offer government some assistance with attracting venture and change the 'Make in India' battle a accomplishment to support development amid the yearly heads of missions gathering. Head administrator, Mr. Modi has likewise used the chance to brief New Delhi's agents about the

Government's Foreign Policy need what's more, quick concentrate on restoring certainty of outside financial specialists and increasing remote capital inflow to expand development in assembling part.

- The Government of Uttar Pradesh (UP) has secured venture bargains esteemed at Rs 5,000 crore (US\$ 752.58 million) for setting up portable assembling units in the state.
- The Government of Maharashtra has cleared area portion for 130 mechanical units over the state with a speculation of Rs 6,266 crore (US\$ 943.13 million)
- Dr Jitendra Singh, Union Minister of State (Independent Charge) of the Ministry of Development of North Eastern Region (DoNER), MoS PMO, Personnel, Public Grievances and Pensions, Atomic Energy and Space, Government of India, has reported the 'Make in Northeast' activity starting with a complete tourism arrangement for the area.
- Government of India has wanted to put US\$ 10 billion in two semiconductor plants keeping in mind the end goal to encourage gadgets fabricating in the nation.
- Entrepreneurs of little scale organizations in India will soon have the capacity to benefit advances under Pradhan Mantri MUDRA Yojana (PMMY). The three items accessible under the PMMY include: Shishu - covering credits up to Rs 50,000 (US\$ 752), Kishor - covering credits between Rs 50,000 (US\$ 752) to Rs 0.5 million (US\$ 7,520), and Tarun - covering credits between Rs 0.5 million (US\$ 7,520) and Rs 1 million (US\$ 15,052).

Conclusion:

To raise the standard of living, to make our country a major hub for industries and to embrace progress leaving behind our anti-business leanings for good this is the right step ahead. There will be professional training in important sectors, more employment opportunities and the business houses will adopt a city to help in the creation of 100 smart cities.

Today Indian manufacturing sectors faced some challenges like Concentration of economic power in the hands of few, regional imbalances, sickness of industries, loss in public sector industries, unsatisfactory labor relations, lack of capital and industrial raw materials, changing policy of the government, and defective licensing policy. These are some of the problems which are the main barrier for the growth of the industrial development in the country. The overall concept of Make In India is to resolve all of these problems from the manufacturing sector. Make In India is aimed at making India a manufacturing hub and economic transformation while eliminating the unnecessary laws and regulations, making bureaucratic processes easier, make government more transparent, responsive and accountable. So the Make In India helps to Indian manufacturing sector for their growth and development

India should also be ready to tackle elements that adversely affect manufacturing process. The process needs to be made more robust and unfavorable factors must be removed. India must also encourage high-tech import opportunities, research and development (R&D) to upgrade 'Make in India' campaign and make it capable enough to give edge-to-edge competition to the Chinese counterpart's campaign. To achieve this, India has to be better prepared and motivated to perform some world class research and development. The government must ensure that it provides easily accessible platform for such research and development so that the mission of Make In India

–“manufacture in India and sell the products worldwide” will be successfully complete. By improving their productivity and bolstering operations, they could become an engine of economic prosperity for



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