

Make in India: A Road to Development**Krishangopal****Assistant Professor, Deptt. Of Commerce, Govt. National College, Sirsa. Haryana.****Introduction**

Make in India is a new national program designed to transform India into a global manufacturing hub. It contains a raft of proposals designed to urge companies — local and foreign — to invest in India and make the country a manufacturing power. Make in India initiative launched by Prime Minister Narendra Modi on 25th September 2014 was an initiative aimed at making India a global manufacturing hub. It was also rolled out with the aim of creating millions of jobs in the country.

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 within the country. 'Make in India' aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards, and minimising the impact on the environment. Fostering innovation, protecting intellectual property, and enhancing skill development are the other aims of the program

The Indian manufacturing sector is the classic example of an industry that has great potential. The objective of the scheme is to ensure the manufacturing sector which contributes around 16% of country's GDP is increased to 25% in next 5 years. Make in India scheme Eliminates Unnecessary laws and regulations. Three sectors which contribute to GDP of any country are agriculture, manufacturing and services. According to the current contributions of these sectors to Indian economy manufacturing occupies 16% which is lowest. There are lots of opportunities to be tapped as far as Indian manufacturing sector is concerned. Many business man and entrepreneurs view make in India initiative for betterment of our economy. The focus of Make In India programme is on creating jobs and skill enhancement in 25 sectors. These include: automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defense manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, mining, bio-technology, space, thermal power, roads and highways and electronics system.

Objectives

- 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 and skill formation.

Focuses of Make in India

- 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
- Faster innovation
- protect intellectual property
- build best-in-class manufacturing infrastructure.

Advantages of Investing in Industry Sector

- Make in India scheme will create large scale employment opportunities to low skill workforce since majority of workforce in India are low skilled.
- India is hugely dependent on FDI to keep the economy positive. Make in India scheme will attract more FDI to revitalize Indian economy.
- Any manufacturing hub needs supply of parts which is boon for SME's. Make in India will help to generate indirect employment through SME's
- Manufacturing sector helps to reduce India's trade deficit through exports.
- India is the largest consumer market. Any company investing in India under Make in India initiative will directly get access to huge market of 125 Cr people.
- Job Creation, Enforcement to Secondary and Tertiary sector, boosting national economy.
- Converting the India to a self-reliant country and to give the Indian economy global recognition.

Investors in Different Sectors for Make in India

Ever since the initiative was unveiled, a plethora of deals and announcements have been made to strengthen the manufacturing base in the country.

1. Xiaomi: Xiaomi launched two smartphones wholly manufactured in India by Foxconn. The company launched 'Made in India' Redmi Note Prime which is the second smartphone after Redmi 2 Prime earlier this month.

2. Micromax: Handset maker Micromax said it will invest Rs 300 crore over the next few months to set up three manufacturing units in India. The move is to ramp up domestic production and reduce dependence in imports from China. The three factories will be set up in Rajasthan, Telangana and Andhra Pradesh providing employment to some 3,000-3,5000 people in each factory. Micromax co-founder, Rajesh Agarwal said, "This is more than 'Make in India', it's about making India a hub for electronic manufacturing as our electronics (import) bills will overshoot our crude bills in the next few years given the heavy demand."

3. Maruti Suzuki: PM Modi said that Japan for the first time will import cars from India and Maruti Suzuki will manufacture it. This move comes as a part of the 'Make in India' initiative. 4. Volkswagen: German carmaker Volkswagen invested Rs 720 crore to roll out an India-specific compact sedan from its Pune plant. The investment is made towards development, setting up new equipment and ramping up the production of the new compact sedan which is scheduled to commence in the first half of 2016.

5. General Electrics: US company General Electric Co will supply 1,000 diesel locomotives by investing Rs 1,328 crore. The company will build a manufacturing facility in Bihar and two maintenance sheds elsewhere in the country to service the locomotives over an 11-year period.

6. Acer: Acer is going to manufacture its newly launched smartphones Liquid Z350 and Z630s at its new Podicherry plant facility from December, 2015.

7. OnePlus: Chinese handset company OnePlus said it will manufacture its newly launched OnePlus X Onyx smartphones in India by the end of 2015. The company had announced its partnership with electronics major Foxconn to begin local assembling operations in Andhra Pradesh.

8. Lava: Domestic handset vendor Lava will invest Rs 500 crore to set up a manufacturing plant in Tirupati, Andhra Pradesh. The plant which will be operational in 2017 has a target of producing five million phones a month once it starts functioning.

9. Sony: Electronics major Sony India said it will focus on the 'Make in India' initiative to manufacture more domestically made products, beginning with flat TV panels.

10. Gionee: Chinese smartphone maker Gionee has partnered with global manufacturers Foxconn and Dixon to invest Rs 330 crore to make handsets in India

11. Siemens: German engineering company Siemens said it will invest over Rs 7,400 crore in India adding up to 4,000 jobs under 'Make in India' initiative.

12. Intel India: To accelerate 'Make in India' initiative, the company in August unveiled the Intel India Maker lab and the Intel India Maker showcase in its Bengaluru campus.

13. Meizu: Alibaba-backed Meizu said it will manufacture smartphones in India.

14. Foxconn: Taiwan-based Foxconn is working with Adani Group, Micromax and Snapdeal and other Indian firms to set up manufacturing factories in India. The company is looking to manufacture LED TVs, batteries and other electronic products in India.

15. Swipe: Mobile manufacturer Swipe said it is investing about Rs 20-25 crore to set up a manufacturing plant in Maharashtra to assemble handsets and tablets in India,

Future prospective:

- Japan has set up a 'Make in India' fund of about Rs 83,000 crore to devise a special package for attracting investments in 'Japan Industrial Townships'. The Japanese Prime Minister has stated that Japanese companies would get ¥1.5 trillion to support their participation in the Make in India initiative. And in what can only be described as coming full circle, Japanese car maker Suzuki will import 20,000-30,000 cars manufactured by its Indian arm, Maruti Suzuki, under the Make in India initiative. This initiative aims to promote direct investment from Japan to India to support their business activities and counterparts in India including development of necessary infrastructure, and to help materialise 'Make-

in-India'. 'Make in India' initiative has become a movement in Japan and the island nation has created a fund of about \$12 billion for it.

- The government has approved a proposal for financial assistance of 20% for ships built in India. Textile Sector will be driving force behind 'Make in India' campaigns to create 45-50% of the direct jobs in rural India.
- India has invited Sweden to be a part of the 'Make in India' programme.
- Government has received investment proposals worth Rs 90,000 crore until August 2015. General Motors, the world's third-largest automobile maker signed a letter of offer with the Maharashtra government to invest Rs 6,400 crore at its existing Talegaon facility in Pune for further expansion, to export its various models.
- Home appliances manufacturer Bosch and Siemens is starting first manufacturing plant in the country, to be set up at a cost of Rs. 350 crore. The facility, aimed at making India as an export hub for the South East Asian region. 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 Rs. 3,000 crore domestic market. Barry Callebaut currently has only commercial operations in the country. At present, the \$5.2 billion Swiss chocolate maker has 50 manufacturing facilities across Europe, Africa, North and South America as well as Asia-Pacific.
- US aviation manufacturer Boeing decided to assemble one of its two helicopters — Chinook heavy-lift and Apache attack types — in India. The announcement came after US and Indian officials in September signed two contracts for the purchase by the Indian Air Force (IAF) of 22 AH-64E Apache attack helicopters, and 15 CH-47F Chinook multi-mission heavy lift helicopters.
- Indian Railways signed two joint venture agreements with global transport majors General Electric and Alstom Transport for setting up two locomotive factories in Bihar with an investment of Rs 40,000 crore.
- Wayne Burt Group entered into several MOUs with GE Aviation through its group company Kerns Aero Products. The company manufactures high precision, complex, special process aircraft engine components for aircraft and rocket engines. The special process factory is located in the industrial hub of Sriperumbudur, near Chennai in collaboration with GE Aviation. The investment in this venture is \$25 million and expected to have revenues of \$50 million in the next three year
- To drive manufacturing growth in the country through Make in India. The big-bang campaign was 2015 will undoubtedly be known as the year that the Union Government pulled out all stops promoted through world-class visuals and aggressively marketed by none other than our globe-trotting Prime Minister, who has become the country's biggest brand ambassador.
- The confidence, especially against the backdrop of a sluggish global economy, is backed by figures that appear to signal an inflection point for Indian manufacturing. In the past 14 months, the government has received proposals of Rs 1.20 lakh crore from companies who have expressed an interest in manufacturing electronics in India. Already, smartphones made in India rose to 24.8 percent of total handset sales in April-June 2015, from 19.9 percent in the prior quarter'
- In January this year, Spice Group signed an MoU with the UP government to setup a mobile phone manufacturing unit in the state. Smartphone heavyweight Samsung followed up in February, announcing that the Samsung Z1 would be made at its Noida plant. Huawei opened a new research and

development (R&D) campus in Bengaluru later in the year. Other handset makers such as Xiaomi, Wistron Corp., and Vivo mobile, among others, have set up or announced the setting up of manufacturing facilities in India. Networking major Cisco recently has unveiled three new products that have been conceptualized and made in India.

- Homegrown phone manufacturing major Micromax announced it had begun shifting production from China to India. The company is setting up manufacturing facilities in Uttarakhand, Andhra Pradesh, Rajasthan, Madhya Pradesh and Telanganain a bid ramp up domestic production and reduce its dependence on imports.

Investor's future plans

- While telecom and electronics are the front-runners, the government has also allowed up to 49% foreign direct investment (FDI) in the lucrative defence sector and 100% in railways infrastructure. Alstom and GE have signed agreements with Indian Railways to set up locomotive manufacturing facilities in the country. The government also announced its plan to invest \$10 billion in two semiconductor plants to boost electronic manufacturing sector. Foxconn has committed to investing \$5 billion over five years in a high-tech semiconductor manufacturing facility in Maharashtra. In a move that could change India's mass transportation landscape, Modi wrapped up a deal with his Japanese counterpart, Shinzo Abe, to bring in the Shikansen high-speed "Bullet" trains to India with transfer of technology and a Make in India component.

- "Make in India is a long-term campaign and has a very bright future if all the stakeholders continue to take steps in the right direction. India has all the right skills to increase the share of manufacturing in its GDP," said SamayKohli, Co-founder, Grey Orange, a robotics startup. Grey Orange has one manufacturing unit and one assembly unit in Gurgaon, where it designs and builds products to help e-commerce, logistics and manufacturing companies improve productivity and automate processes in their warehouse operations. GreyOrange plans to move to a new office space of about 1.5lakh sqft, with manufacturing and assembly unit spread over 2.5 lakh sqft.

- The Bengaluru-based automotive startup aims to develop Ather-S340, a connected vehicle powered by a lithium-Ion battery pack featuring a digital touchscreen dashboard and a light-weight aluminium chassis; the vehicle offers a top speed of 75 kmph. After two years of design and engineering efforts, Ather will invest Rs. 25 crore in early 2016 to kick-start the manufacturing of the S340.

- Mohammed Hussain Naseem, Co-founder and CEO of GetActive, had a different take. "This space is yet to witness real action. IoT seminars, government forums, smart cities, etc. are creating enough buzz. However, on the policy front, we would like to see cash on the table and single-window clearance for SMEs."

- GetActive is a wearable healthtech startup with one product, the GetActive Slim activity tracker, already in the market and the GetActiveTapp wristband due out soon. In 2015, GetActive manufactured 50,000 units with an investment of Rs. 2.5 crore, and sold these in India, South Asia and Ireland. In 2016, the company plans to introduce new products with specialised sensors for heart rate and other vital parameters. It also plans to expand to South Asian, the Middle East, Australia and New Zealand.

Moment of Change

The Make in India initiative has showcased India as a potential manufacturing hub in the eyes of the whole world. According to India Brand Equity Foundation, India's manufacturing sector could touch \$1 trillion by 2025. The sector has the potential to contribute 25-30 percent of the country's GDP and

create up to 90 million domestic jobs in the next 10 years. What's needed now is to ensure that those who have stepped up to the challenge are not left frustrated by policy paralysis, bureaucratic bottlenecks and impediments to execution that can be the undoing of the best laid plans.

The Prime Minister has also announced the government's Startup India Initiative, which will encourage entrepreneurship among Indian youth at the grassroots level. The action plan for this will be unveiled on 16 January. The scheme is widely expected to get tax breaks at the next Union Budget. When Modi made the announcement on Independence Day 2015, he said that each of the 1.25 lakh bank branches in the country should encourage at least one Dalit or Adivasi entrepreneur, and at least one woman entrepreneur. "Make in India" boosts manufacturing trade and economy. Over 10,000 training centers open within 2 years. It Creates job market for over 10 million people . Indians should need a wakeup call for consuming Indian made products. More than 30000 crore rupees of foreign exchange is being siphoned out of our country on products such as cosmetics, snacks, tea, beverages, etc. which are grown, produced and consumed here.

Challenges

India's small and medium-sized industries can play a big role in making the country take the next big leap in manufacturing. India should be more focused towards novelty and innovation for these sectors. The government has to chart out plans to give special privileges to these sectors. According to World Bank, India ranks 130 out of 189 countries in terms of ease of doing business. India has complex taxation system and poor infrastructure facilities. Rapid skill up gradation is needed because skill intensive sectors are dynamic sectors in India, otherwise these sectors would become uncompetitive. India should motivate research and development which is currently less in India and should give more room for innovation. India is poised to attract large investments in aviation training and in maintenance, repair and overhaul (MRO) facilities, as aircraft manufacturers tap growth opportunities. Strong passenger growth on both domestic and international routes, combined with the government's push for regional connectivity and the Make in India campaign, are attracting original equipment manufacturers and foreign airlines. India is the ninth-largest civil aviation market in the world, with a market size of \$16 billion and estimated to become the third largest market by 2020 and the largest by 2030. High taxes, coupled with a lack of adequate capabilities, have been the bane of the MRO sector in India, which results in 90 per cent of airline maintenance contracts going outside India.

Conclusions

The situation of the manufacturing sector in India is a cause of concern. At 16% value added to GDP, the sector does not seem representative of its potential which should have been 25%. In most rapidly developing economies, manufacturing sector contributes 25-40% to the GDP such as Thailand's manufacturing sector value added to GDP is around 34%, China 32%, South Korea 31%, Indonesia 24% and Germany 22%. Indian has the capacity to push the GDP to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate. "Make in India" mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub. Start-ups in the core manufacturing sectors are poised to play a crucial role in the success of 'Make in India' ambitions, said experts at a panel discussion at the 11th India Innovation Summit 2015 . "Start-ups in the fields of telecom, defense manufacturing, automobile, Internet of Things, financial technology modules and mobile internet have immense potential to succeed in the scheme of 'Make in India'," said Siddhartha Das, general partner, Venture East addressing aspiring entrepreneurs at the discussion on "Entrepreneurship - Role of Startups towards Make in India". Make in India scheme also focuses on producing products with zero defects and zero effects on environment.

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