

Research Paper



www.eprawisdom.com

MAKE IN INDIA: JOURNEY SO FAR

Mr. Aditya Sharma¹

¹Asst. Professor, Department of Applied Sciences & Humanities, Dewan V.S Group of Institutions, Meerut, U.P, India

ABSTRACT

“Make in India “ program has launched by Prime Minister Narendra Modi in Vigyan Bhawan where 3000 Business man ,CEO of leading companies from 30 Companies were present is an impressive effort to boost and encourage to boost investor confidence in the country as well as global recognition to the Indian economy. Manufacturing Sector provides share is very less in comparison to service sector. Government is focusing to increase this share. The major objective behind the initiative is to focus 25 Sectors (Annexure 1) of the economy for job creation and skills enhancement. Cheap labor, availability of raw material ,potential high profit making ,liberal industrial policy will help Indian government to make success this Programme while India ‘s rank is not up to mark in easy of doing business in India, land acquisitions bill, goods and service tax, labor laws, unsupported infrastructure and many other factors are biggest hurdle in the success of this programme. jobs in the economy are decreasing, high inflation and high interest rate and global slowdown are the major challenges in front of the it. The main objective behind this paper is to highlight that will make in India make jobs as well as how this Programme will face many challenges.

KEY WORDS: Make in India, Economy, Government, Policy, Economic growth

1.0 INTRODUCTION

Make in India is an Program launched to encourage increasing manufacturing sector to increase manufacturing in India .it not only encourage domestic companies to start and expand its business but also attracting overseas company to set up manufacturing unit in India .it will help in achieving the following

- (a) Employment generation
- (b) Economic Development
- (c) Global Recognition
- (d) Better utilization of Available resources
- (e) Quality Production and increasing skill development
- (f) Fostering Innovation

According to World Bank report ,Manufacturing sector contributes only 16.57% (Annexure -1) in Indian GDP and 1.8 % world’s GDP ,These statistics clearly presenting the overall picture of Indian Manufacturing sector .Corruption ,Infrastructure ,Higher Level government intervention and so many other reasons not only pushing Indian companies to setup their Industrial unit outside country but also giving negative signals to foreigners players It is clearly visible that our economy is over dependent on services sector. While our neighbor country China contribution of Manufacturing and service sector is balanced (Annexure -2) Except China all other countries are fighting to revive their economy. After the

new Industrial Policy 1991 ,GLP policies of Indian economy, only IT, BPO, Banking Industry and other service industry was making a growth while these industries providing the job only skillful Candidate .There were no vision was being set for the betterment of Unskillful person that is why economic differences among people were seen some of the areas of the economy were getting a high growth manufacturing sector is not going up to proper standards .Indian Government is planning to make Indian as a manufacturing Hub but a question arise here is it as simple as it thinking or it marketed answers is No there are so many obstacles and challenges to Make “Make in India” a successful programme .

Some of the challenges are as follows

- (1) India’s Rank is very Low in easy of doing business country
- (2) Land Acquisition Bill
- (3) Huge number of professional Unemployment (General and Engineering)
- (4) Power sector
- (5) Excepting few Ares we have not better infrastructure Facilities
- (6) Decreasing quality of education
- (7) GST Implementation

There are ample challenges towards this Program we need to work hard turning make in India dreams into reality



2.0. OBJECTIVES OF THE STUDY

When I start to Research paper on this Programme of Our Indian economy there are several Questions comes in my mind like Announcement of any campaign or making the policy on papers will not make our economy strong the main objectives of this research paper is to get the answers of the following

- What is "Make in India" All about?
- What are the advantages of the campaign
- What is our Government is doing to achieving the desired results from it
- Will it be a successful to make India a manufacturing Hub?
- Will this campaign be successful in Making a jobs

The main objectives of the research paper are trying to get the answers of the above questions.

3.0 LIMITATIONS OF THE STUDY

Limitations of Each and every Study which will be based on secondary data as common because data is Secondary some of the Limitations of the Research paper is as follows :

1. The study is based on published data and information. No primary data is being collected.
2. Every care has been taken to entice qualitative and correct data; still secondary data have collected for the purposes other than problem at hand.
3. The objectives, nature and methods used to collect secondary data may not be appropriate to the present situation.
4. Secondary data may be lacking in accuracy, or they may not be completely current or dependable.
5. Time constraint remained the major limitation in the study
6. The biasness can always be there.
7. Before using secondary data, it is important to evaluate them on above mentioned factors. So, it consumes the same time as the primary data.

4.0 EXPERT VIEW ABOUT THE "MAKE IN INDIA"

"Make in India" a good initiative but it depends a lot on which it depends a lot of states on which we are looking at .This needs to be taken into account considering that make in India is central government Initiative they further said that in Maharashtra, we required 50 to 60 permissions before going to Ahead anything now the numbers dropped to 10 to 12 "

Anirudh Dhoot ,Director Videocon

"Make in India has an ambitious vision but there are few obstacles that stand in its way and foremost among them are inadequate infrastructure and manpower .He further added from the last decade's country Growth mainly driven by Service sector manufacturing sector has taken a backseat."

Pankaj Kulkarni, Director JSW Cement

"The Typical Roadblocks would be difficulty in setting up business ,unfavorable policies like retrospective tax ,delay in projects set up ,litigations related to land ,poor infrastructure ,a lack of available skills and corruption .The Industry should invest in developing skills and research on technology ,set up plants in rural belts work with local government to improve infrastructure ,adapt villages schools and colleges in as part of their CSR to impart quality education in rural areas

Debi Prasad Das Senior VP, HR CEAT

"A 2013 Study from Deloitte 's Global Index for 38 Nations indicates that India is the fourth most competitive manufacturing nation ,so the ground is ripe to make into a manufacturing hub "

Dellitotee Study Report

" The Infrastructure sector will have to prepare that ground for other industries to follow suit but the focus of the government policy should also be to priorities and ensure full domestic capacity utilization ,especially in the all the core sector ,only them can we truly have a successful make in India campaign "

Rajiv Rajvanshi ,SR VP Corporate Strategy Jindal steel

5.0 Opportunities, Obstacles and challenges and steps taken by Government in success of "Make in India"

Employment generation is the main aim of any economy .country like India (12.5 Million populations) is becomes necessary to provide employment but still our 51% population depends on agriculture sector. Availability of Raw material ,Cheap labor and many other resources still not utilizing because of technology ,capital and expertise while our neighbor countries having same demographic situation providing more jobs and participate in GDP .so it is an opportunities for our Manufacturing sector



5.2 Challenges for Make in India:-

As we are seeing that it is not easy as it appears there are a lot of challenges in this Program. Below are the same issue which must be take care of new government, turning make in India dream into reality

- (1) India's rank on Global Index:-it is very necessary for manufacturing sector growth that MNC will invest in India but global ranking on world Index is biggest challenges for India. It's rank in Business starting ,easy of doing Business ,is very low but it is also true that Indian Government is doing a lot of

Initiatives to improve it result is seeing on some Parameters but dealing with construction permit, resolving insolvency ,Enforcing contracts and

paying Taxes are the biggest challenges for the Program successes . let us see India rank on the various parameters

Areas /Phases of Business Stating	Rank 2016	Rank 2015	Areas /Phases of Business Stating	Rank 2016	Rank 2015
Starting a business	155	156	Protecting Minority Investors	13	21
Dealing with construction Permits	185	183	Paying Taxes	172	154
Getting Electricity	26	134	Trading Across Borders	143	122
Registering Property	138	115	Enforcing contracts	172	186
Getting Credit	44	30	Resolving Insolvency	136	135
Easy of Doing Business *	130	142	Tourism Competitive Index *	52	65
Baseline Profitability Index *	1	6	Global Startup Ecosystem Ranking*	12	15
Global Innovation Index *	51	66	Logistics performance Index	35	54
Global Retail Development Index *	13	15	India Moved 6 th Position among world leading manufactures*		

Sources:-Prepare , information based on Newspapers & Doing Business Report, World Bank Group*source Make in India website

(2) Land Acquisition Act : Tata Nano in west Bangel,Relaince Power Project in Dadri,Ghaziabad and many other project are the example of failure because of Land acquisition .Industry need Land To establish its manufacturing Units but present land acquisition bill require 80% approval of landlord and farmers (70% in case of PPP) .Many of projects is pending because of Land clearance .it is becoming risky and uncertain in India .delaying in land acquisition increase cost of project which cause of project failure so it is another challenges.

(3) Infrastructure Development to Support:Roads

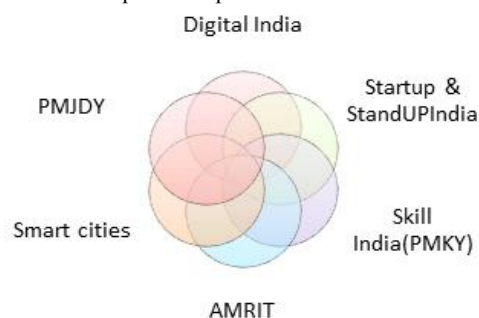
Highway,Telecommunication services, latest Technology works as blood in the industry .Movement of raw material ,Finished goods is not possible with adequate infrastructure facilities .65-70 % Freight is done by the Roads and Highways . Indian Infrastructure is Improving but still it is challenging

(4) Employability of general and engineering Graduates: - good people are always a assets of any organization.

S.No	Sector	Share in GDP	Employment Share in GDP
1	Agriculture	15%	51-55
2	Service	59%	27-30%
3	Manufacturing	26	22-25%

Employment Problems not only based on Our Economy but also the quality of education is going down according to world bank 75% of IT graducates,55% of manufacturing ,55% of Healthcare and 50% of Banking and insurance graduates are deemed unemployable .only 10% regular graduates are employable .

(5) Power Addition in the power sector:-Power is used as an Oxygen in the Manufacturing, no industry can survive India Capacity of 253.389 GW as of August 2014 .in 12th Five Year Plan government is planning to add 88537 MW out of 46,766 achieved .There must be sufficient cooperation between the center and state in this regard so that the funds allocated by center are properly utilized by the state towards planning and development of power.



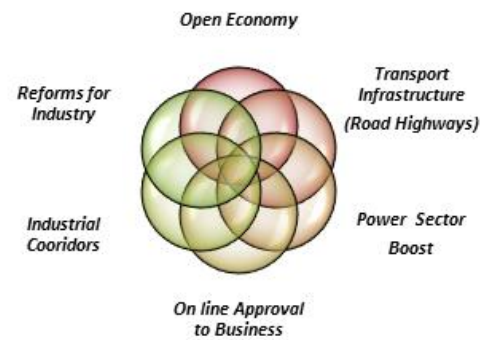
5.3 Government’s Key Initiatives for Make In India Program

Government of India takes several Initiatives for make in India program .They not only Start others program Like Digital India ,MUDRA Yojna,Startup Standup India and Skill India and many other But also make Economic Policy reforms like FDI,GST ,Licensee and approval .some of others good steps are as

- ❖ Company incorporation time reduced to 1 days from 10 days
- ❖ Power connection provided within 15 Days instead of 180 Days
- ❖ Industrial license validity increased to 7 from 3
- ❖ Single Tax instead of Multiple Tax
- ❖ Permanent resident status for foreign investors for 10 Years
- ❖ Documents required reduced 3 from 11
- ❖ New Bankruptcy code
- ❖ On line registration for EPFO and ESIC with payment through 56 Banks
- ❖ has eased 87 FDI rules across 21 sectors to accelerate economic growth and boost jobs.
- ❖ Department of Commerce ,GOI launched Indian Trade Portal
- ❖ Investor Facilitation cell to guide ,assist and Handhold investors during life cycle of business



- ❖ DIPP set up Japan Plus and Korea plus ,special Management team to Facilitate Fast Track investment .
- ❖ Industrial corridors and 21 new Nodal cities developed
- ❖ Construction of 15,000 new roads
- ❖ Smart city mission is processing (Project outlay \$7.69 Billion)
- ❖ Sagar Mala Project for modernization for India ‘ Ports and Inland water ways (Project 10\$ Billion)



6.0 Journey SO Far

Date	Agreement /Announcements
Sep-14	Department of Industrial Policies (DIPP) of Ministry of commerce and Industry taking some initiatives to make success "Make In India "
Jan-15	Spice Jet Announced An Investment US 75.6 \$ million to set up Manufacturing Unit in UP
Feb-15	Huawei Made a Huge investment US 170\$ million in a New Research & Development Unit in Bangaluru (20 Acers Campus ,Can Accommodate 5000 Engineers)
Mar-15	Magneti Mareli ,Fiats 's Components Manufacturing arm ,started operations for Manufacturing of Electronic Fuel Injections (EFI) in Joint Venture with leading with Hero Motorcorp in Manwaser
May-15	Hyundia Heavy Industries Partnered with Shipyard Limited , will work to build Naval ships in india Daimler india Commercial Vechicles (100 Subsidiary of Daimler AG Stuttgart ,Germany Announced the inauguration of its new bus manufacturing facility in Oragadam , India Moves 13 positions ahead from 65th to 52th Rank in Tourism competitive index as per world economic
Jun-15	Franch Aircraft Manufacturing company LH Aviation signed a MOU with Indian OIS Advanced Technology Manufacturing of tactical drones in India India rose to 1st position(from 6th Position) in Baseline profitablty Index in 2015
Jul-15	Global startup Ecosystem Rankings 2015 Bengaluru moved 15th from 12 Mercedes Benz Inaugurated its second manufacturing fality in Cha kan (double capacity)
Aug-15	Taiwan 's Foxconn ,the world 's largest electronic manufacture investment US 5Billion over 5 years in a Semiconductor manufacturing Unit Electronic Industry received further boost with LENOVA and Motorola announcing their plans to manufacturing Smartphones in Chennai Xaiomi launched manufacturing in Visakhapatnam second Manufacturing outside China
Sep-15	Sony ,Company is getting back to manufacturing in India for two models of its TV BRAVIO Amazon Opened a Warehouse in pune
Oct-15	India Move Up 12 places and reached 130th Position in Ease of doing (World Bank report) India moved up one position become world 's 7th Most valued nation brand with increase brand Value \$2.1 billion in 2015.(8th Rank in 2014,9th in 2013)
Nov-15	Indian attracted 18 Billion US\$ worth of Investments sep. 2014 from companies seeing India as electroics powerhouse . i.e samsung ,Bosch,Phillips ,LG and Flextronics International Tractors Ltd (Sonilika) Invested 75 Million US\$ setting up its new Hoshiarpur Plant in Punjab
Dec-15	General Electronic Transport and Alstom won contractors 5.6 billion to supply India's Railways with new Locomotives Japan PM shinzo Announced setting up US 12 Billion \$ fund for Make In India related projects (Japan Make In India Special Finance Facility)
Feb-16	Mutli Sectorial Make in India week ,A mega event held in Mumbai atending 0.9 million visitors from 102 countries and over 8000 Meetings conducted over the week
Mar-16	India Got Highest FDI inflow in 2015-16 at US 55.5 billion US \$ Hitachi announced gaint Hitachi announced its plant
Apr-16	US Chipmaker Qualcomm Plus established an innovation lab in Banglore to provide tehncial assistance to selected companies India moved up 6th position among the world 's leading manufactures .MVA of India was 5.5 % in 2014 and 7.6 % in 2015 .
Jun-16	after Sweeping overhaul FDI Norms India 's economy become Most open economy and jumped 13th positions in 2016 Global Retail Development Index (from 15th in 2015)
Jul-16	India Jumped 15th Spot to 66th Position in Global Innovation index 2016 India improve its Ranking in Logistics Performance Index 2016 54th to 35 th
Sep-16	Schneider Electronic plans to invest around US 110 \$ million in coming five years

CONCLUSION

Almost one year has passed of “Make in India” Campaign. Government is removing all the hurdles of it. GDP, IIP, Inflation rate and other economic indicators is giving positive signals but as I discussed still there are so many big hurdles on the way of this campaign Eg. Land Acquisition, GST, Power sector and basic infrastructure. As Videocon MD Said that 50-60 Approvals is needed to Starting a business and Corruption at all the levels again a big challenges but after the “Make in India” they have been reduced to 10-12 so easy of doing business in India is working. Foreign Direct Investment (FDI) is arriving in India according to report

published in Times of India. India is no 1 FDI Gainer followed by china and USA. 31 billion US Dollar FDI has already come in 2015. Our supportive Programme+ like “Digital India”, “Skills India”, “Clean India” and Many Other Programme is supporting this programme. As we all know service sector has 59% share in our GDP but still it provides the job to 30% Skilled People only while it sector do not give opportunities to semi-Skilled or Unskilled people. So that is why employment generation, Inflation Control and making India manufacturing Hub of the world like china.

Annexure -1:25 Sectors focus for Make in India



REFERENCES

- 1 Fact Sheet of India FDI Report_15
- 2 A handbook of Foreign trade Policy d Foreign Trade policy_2009-2014
- 3 A eBook of Department of Industrial Policy (E-Book)2014_15
- 4 www.wikipedia.org
- 5 www.makeinindia.com
- 6 A detailed report on “Investment opportunities in India in 2015”
- 7 Role of HR and Financial services in Making “make in India Campaign a success a research paper of IOSR Journal of Business and management research ISSN -2278-482X
- 8 How can the new government “Make in India” make India a global manufacturing hub A report MDI Gurgaon
- 9 “Make in India” An Academic perspective –Prof ParthaPriyaDutta Article
- 10 <https://yourstory.com/2016/09/make-in-india-two-years/>
- 11 <https://insideim.com/2-years-into-make-in-india-initiative-where-are-we-so-far-pragati-imi-kolkata/>