

# “MAKE IN INDIA” AN OPPORTUNITIES AND CHALLENGES FOR INDIA

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## **Abstract**

This paper is examine the scheme MAKE IN INDIA which is campaign launched by Prime Minister Narendra Modi. This initiative is launched to give boost to different sectors like automobiles, chemicals, IT, pharma, textiles, engineering & manufacturing, aviation, railways, defense, renewable energy, mining, bio-technology, electronics, leather, tourism & hospitality etc. this scheme is play a very vital role in our economic growth. Through this scheme our country will become an independent country in the various field such like that different sectors like automobiles, chemicals, IT, all those sectors in which the scheme Make in India is emphasized. The planning of this scheme is to make investment various sectors to increase the production and increased the export. It will reduce our import and increase exports. The balance of payment will be favorable and it is a symbol of economic growth. It is also increase our GDP as well as national income and per capita income.

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## **Introduction**

The Make in India campaign launched by Prime Minister Narendra Modi is drawing mix reactions. Political parties, political analysts, businessmen, industrialists and social activists are articulating diverse opinions. But all said and done, ‘Make in India’ has moved far beyond the catch phrase to take concrete shape. Yet there are plenty of challenges and hurdles, which pose threat to this initiative. This initiative is launched to give boost to different sectors like automobiles, chemicals, IT, pharma, textiles, engineering & manufacturing, aviation, railways, defense, renewable energy, mining, bio-technology, electronics, leather, tourism & hospitality

etc. The initiative also aims to transform India from highly potential market to the powerhouse of manufacturing, thereby creating millions of job opportunities. In short the campaign is conceived and designed to achieve multiple objectives and far reaching impact on the economy.

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 and to take manufacturing growth to 10% on a sustainable basis. Considering the intensity and multiplicity of this campaign, we need to study its challenges, and advantages, by segmenting it into different sectors. I, for instance, being an engineering professional would perceive and discuss only the challenges pertaining to manufacturing sector. When we talk about 'Make in India', we inevitably stumble upon 'Made in India', because for more than two decades from now; we have been striving to get recognition to Made in India products or brand India. There is one more angle. It is called 'Made for India'. In my opinion all these three thoughts has different qualities and dimensions.

- 'Make in India' is the process, whereas
- 'Made for India' is a compromise.
- 'Made in India' is a pride,

Obviously, the first two concepts are seen in a positive light, while the third one is viewed in the negative sense.

However, if the 'Make in India' has to succeed, we need to see the challenges and limitations in India. From this point of view, we need to acknowledge our present limitations in manufacturing. We need to admit that India, from technological point of view is lagging behind the western world, as far as manufacturing is concerned. Experts say, we are still about a decade behind advanced countries, when it comes to usage of technology and manufacturing excellence. But we can turn this situation in to our advantage. We can learn from the mistakes of the western world and try to adopt the best ever technology in the years to come. We have capabilities, we have set up and talent but we drag our own feet because of 'chalta hein' attitude. It invokes complacency and limits our vision about quality and excellence.

**Logo :** The Make In India logo is derived from India's national emblem. The wheel denotes the peaceful progress and dynamism – a sign from India's enlightened past, pointing the way to a vibrant future. The prowling lion stands for strength, courage, tenacity and wisdom – values that are every bit as Indian today as they have ever been. Detail Explanation: Make in India is an invitation to the world top companies to come and set up manufacturing hubs in India. It basically has the motto "Sell anywhere in the world but manufacture in India".

Make in India focuses on the following twenty-five sectors of the economy:

Automobiles	Food Processing	Renewable Energy
Automobile Components	IT and BPM	Roads and highways
Aviation	Leather	Space
Biotechnology	Media and Entertainment	Textiles and garments
Chemicals	Mining	Thermal Power
Construction	Oil and Gas	Tourism and Hospitality
Defence manufacturing	Pharmaceuticals	Wellness
Electrical Machinery	Ports	
Electronic Systems	Railways	

### **Need of the project:-**

Manufacturing currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. We have huge manpower and availability of cheap skilled and unskilled workers which can be used to boost this. Make in India is essentially a project to encourage domestic manufacturing to boost job creation and skill enhancement. The major objective listed are :

- (1) To facilitate investment
- (2) To faster innovation,
- (3) To enhance skill development

- (4) To build manufacturing infrastructure
- (5) To focus on job creation and skill enhancement in 25 sectors of the economy.
- (6) To attract the capital and technological investment in India.

### **Objectives of the study:-**

The study would examine the growth dynamics of the Indian manufacturing sector its performance and the potential it can achieve in the coming times. The specific objectives of the study pertain to:

1. The main objective of the study is to studied that how this scheme Make in India will increase our economic growth and sustainable development.
2. To study the structure and growth of manufacturing sector in India
3. To analyses the operational challenges faced by the manufacturing sector with regard to scale of operation, sector specific issues, state specific issues, nature of firm (foreign/domestic) and domestically oriented or export oriented.
4. To analyses the growth prospects of the manufacturing sector in India with reference to make in India and made in India.

### **Planning for “Make in India”**

With the demand for electronic hardware expected to rise rapidly to US\$400 billion by 2020, India has the potential to become an electronic manufacturing hub. The government is targeting to achieve net zero imports of electronics by 2020 by creating a level playing field and providing an enabling environment. It makes the Indian economy better.

In August 2014, the Cabinet of India allowed 49% foreign direct investment (FDI) in the defence sector and 100% in railways infrastructure. The defence sector previously allowed 26% FDI and FDI was not allowed in railways. This was in hope of bringing down the military imports of India. Earlier, one Indian company would have held the 51% stake, this was changed so that multiple companies could hold the 51%.

Between September 2014 and November 2015, the government received 1.20 lakh crore (US\$18 billion) worth of proposals from companies interested in manufacturing electronics in India. 24.8% of smartphones shipped in the country in the April–June quarter of 2015 were made in India, up from 19.9% the previous quarter. 100% FDI is permitted in all the above sectors, except for space (74%), defence (49%) and news media (26%).

India ranks 130th out of 189 countries in the World Bank's 2016 ease of doing business index, covering the period from June 2014 and June 2015. India was ranked 134th in the 2015 index. A survey of 17 Indian cities in the World Bank's Doing Business in India 2009 report ranked Ludhiana, Hyderabad, Gurgaon, and Ahmedabad as the top five easiest cities to do business in India.

### **Opportunities for economic growth**

We looked briefly at the vision behind Prime Minister Modi's **Make in India** movement. What is interesting to engineers and entrepreneurs is to know where the opportunities lie and how one can play a part in this movement.

In all, 25 sectors have been identified. In this article, we list these sectors and take a brief look at key opportunities. These opportunities may be in terms of partnerships, collaborations or joint ventures. They may be in R&D, manufacturing, distributorship or local support. They may even be in terms of survey, sales or marketing where foreign companies seek information on India and its market.

1. **Invest India cell:** An investor facilitation cell set up by the government which will act as the first reference point for guiding foreign investors
2. **Consolidated services and faster security clearances:** All central government services are being integrated with an e-Biz single window online portal while states have been advised to introduce self-certification..
3. **Dedicated portal for business queries:** A dedicated cell has been created to answer queries from business entities through a newly created web portal (MAKE IN INDIA).

4. Interactions with the users/visitors: A pro-active approach will be deployed to track visitors for their geographical location, interest and real time user behavior.

5. Easing policies and laws: A vast number of defense items have been de-licensed and the validity of industrial license has been extended to three years.

### **Operational challenges faced by the businesses & firms**

1 Though there is online system of registration for obtaining environmental clearances, the respondents said that it takes around 3-4 months.

2 The respondents also presented their dissatisfaction at the manual system for labor law related compliances. 77% of the respondents opined that there should be online system for filing labor laws related compliance and the process should be made faster to facilitate the industrialists in the state.

3 To know about the operational problems faced by the firm, a structured questionnaire was prepared and circulated to various manufacturing firms which are covered under the DMIC to know the prospects for Make in India in the DMIC corridor. Majority of the respondents in all the states face problems relating to shortage of power, heavy and dual taxation, increased cost of doing business, shortage of water, high power rates, lack of connectivity and transportation facilities, difficulties in marketing and selling, complex law related compliances, heavy documentation, problems in land procurement, poor access to finance by smaller firms, Infrastructural constraints, bureaucratic hurdles, unskilled workforce and limited R&D.

4 A total of 147 manufacturing firms with around 16 industry associations were covered as a part of field study in 7 states which the span the DMIC Corridor. The survey covered around 4% large firms, 21% medium firms while 75% of the firms surveyed were micro and small enterprises.

### **Conclusion:-**

The overall conclusion of the study is that through this scheme our economy will improve and increase our economic growth. Through this scheme approximately 25 sectors of India will become independent in production of goods and services. The production of India will increased

and we will fulfill the total demand of India and rest of the excess production can be export to the other countries and it will increased our GDP as well as national income and per capita income which is a symbol of economic growth.

According to the survey, there are various promising sectors in which the upcoming enterprises can invest. Agro and food processing industry, Auto components & automotive industry, Drugs & pharmaceuticals, Engineering, FMCG industry, Gems and Jewellery, Infrastructure, Leather and leather products, Services sector and Textile and readymade garments are the areas where the new startups can invest and where existing enterprises can expand to generate profitable outcomes. As far as future outlook of the industrial units is concerned, majority of the firms plan to increase their business operations through organic growth that is, through increase in their sales and profit. About 74% of the respondent firms plan to target other markets while 62% of them plan to seek FDIs and FIIs for expansion and diversification. This states that the foreign investors have ample opportunity to come and Make in India. Further, 60% of the firms would also consider the option of location expansion, that is, setting up their business units in other states.

Thus the firms in these states are willing to expand their operations and diversify their business and look forward to collaborations which can be reaped in by the international community. It is expected that the new government would undertake additional measures under its ambitious programed “Make in India” which will create more conducive environment for the growth of business in the coming times.

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