



Make in India – Scheme For Transforming India

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ABSTRACT

Make in India is an international marketing strategy, conceptualized by the Prime Minister of India, Narendra Modi on 25 September 2014 to attract investments from businesses around the world and make India the manufacturing Hub.

The aim is to take a share of manufacturing in country's gross domestic product from stagnant 16% currently to 25% by 2022, as stated in national manufacturing policy, and to create 100 million jobs by 2022. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Make in India is the key to revitalization of Indian economy. It is one of the schemes to pull back the economy from clutches of recession. Make in India initiative aims to correct the composition of Indian GDP which is the root cause of recession. Currently India's GDP is heavily tilted in favor of service sector. Secondary research is used for the purpose of the study and this paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some examples of different investors, invested so far. Make in India campaign surely makes India an investment destination and global hub for manufacturing and innovation.

KEYWORDS : Gross domestic product, Job creation, Skill enhancement.

Introduction

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. VNS Global Services group CEO Keshav Murugesh said " digitization campaign such as digital India, Make in India, creating smart cities and other digitization projects initiated by the Indian Government in the past one year has been made for the betterment of India. Major objective of this scheme focuses on 25 sectors. The sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defence, 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.

Objectives

- To convert India into Global Manufacturing Hub
- To Provide Employment
- Boost Economic Growth
- To urge both local and foreign companies to invest in India

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

Foxcon is set to invest over \$2 billion (Rs 12,800 crore) initially to establish manufacturing plants in India over the next five years to pro-

duce mobile devices, TVs, electronic products, batteries and key electronic components, among others, which could make it the biggest foreign investor in the government's 'Make in India' programme so far. They are planning to make some 400 million handsets here. Half of these will be manufactured for the Indian market and the rest for exports to Middle East, Africa and Russia.

Automobile makers with manufacturing facilities in India are looking beyond South Asia, Africa and Latin American markets for exports. Swedish commercial vehicle (CV) maker Volvo Bus Corporation on Tuesday said that it will export 'Made in India' buses to developed markets in Europe, a move that will enhance prime minister Narendra Modi's 'Make in India' campaign. The company plans to unveil the first such bus in Europe by the end of the year.

Japan's Sony Corp. will start making its popular Bravia television sets in India as part of the government's Make in India initiative. "India has been an important strategic market for Sony. Sony sees huge potential in television business as more and more Indian customers are expected to switch from CRT (cathode ray tube) to LCD televisions over the next few years. Bravia televisions account for more than 40% of Sony India's overall sales. With products now being manufactured locally, Sony plans to strengthen its distribution channel in India.

After global competitors like Xiaomi and Motorola, smartphone maker Asus is now mulling manufacturing in India and has set up an internal team to study the prospects of domestic manufacturing. The Taiwanese firm, which currently has a share of about 2% in the Indian smartphone market, aims to raise it to 5% by 2016. India offers a huge opportunity but current smartphone penetration is just 10%.

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.

Moments of Change

"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. Make in India raises the share of the manufacturing sector in gross domestic product (GDP) from its current level of around 16 per cent to 25 per cent by 2022, and creating 100 million new manufacturing jobs over the same period.

Indians should need a wakeup call for consuming Indian made products. More than 30000 crore rupees of foreign exchange is being si-

phoned out of our country on products such as cosmetics, snacks, tea, beverages, etc. which are grown, produced and consumed here. In 1970 1\$ = Rs. 4 Today 1\$ = Rs. 68 .Estimated 1\$ by end of the year = Rs. 72. Dollar is not getting stronger, rupee is getting weaker and nobody else is responsible for the fall, except us. A Cold Drink produced for 70-80 paisa sold at Rs. 9-10. Stop drinking them, Drink Lemon juice, Lassi, Fruit juice, butter milk etc instead of foreign drinks. Likewise start to use Indian made products in all needs. If we check most of the products we use, half of the things are foreign made. People use these foreign made products & Government has to pay in dollars for the same, thus value of rupee Decreases. Same features comes at Indian mobile Rs 17k means we waste Rs 24k and these 24k go to south Korea in dollars .None of the Indian products are inferior in quality, they might look a bit less fancy. Youngsters should start using more Indian websites for online purchases.

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 142 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.

Conclusion

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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