

Make In India: an Innovation for Transforming India Into A Manufacturing Leader



Commerce

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ABSTRACT

After the global slowdown of the World economy in 2008, it is recovering gradually with its key economic groups including USA, Europe and BRICS, expecting higher growths over the next few years. India in turn recently witnessed the change in Government and is thus gearing up for economic growth. The overall outlook is positive among the industry leaders expressing confidence in this economic revival. In keeping with the theme of development, "Make in India" is an initiative of the Government of India, launched by Prime Minister, Mr.Narendra Modi on 25th September 2014 to encourage companies to manufacture their products in India. Amid this background, the present paper endeavors to study major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure.

INTRODUCTION:

The 'MAKE IN INDIA' initiative was launched on September 25, 2014 with an aim of providing global recognition to the Indian economy. The program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in class manufacturing infrastructure. Besides focus on enabling manufacture, major initiatives have been taken in 2014 for improving the 'EASE OF DOING BUSINESS' in India through simplification and rationalization of existing rules and the introduction of information technology to make governance more efficient and effective. 'SKILL INDIA' - a multi-skill development programme has been initiated with a mission for job creation and entrepreneurship for all socio-economic classes. 'DIGITAL INDIA' is another initiative of Government of India to integrate the government's departments and the people of India and to ensure effective governance. It also aims at ensuring government services made available to citizens electronically by reducing paperwork. All these initiatives open up numerous opportunities for investments across various sectors, including infrastructure. The "INVESTMENT OPPORTUNITIES IN INDIA" publication includes various opportunities in roads and highways, ports and shipping, civil aviation, power and other major infrastructure development projects.

CONCEPT OF MAKE IN INDIA:

In keeping with the theme of development, "Make in India" is an initiative of the Government of India, launched by Prime Minister, Mr.Narendra Modi on 25th September 2014 to encourage companies to manufacture their products in India. To improve the regulatory climate, to enable manufacturing and to open Foreign Direct Investment in key sectors, i.e., the three pillars to bring about a positive transformation in manufacturing. Important sectors like defense production, civil construction and railways have been opened to greater foreign investment by the government. The process of applying for industrial licenses has been greatly simplified and made online. Manufacturing units, except for those producing hazardous materials, can now do a great deal of self-certification, thereby reducing the ambit of government inspectors in the private manufacturing sector. Much of the interface between entrepreneurs and the government, both central and state, has been made online.

All the economic measures have been taken by the government, to improve the climate for doing business in India, along with their resolve to improve employment and decrease poverty among the people. There is a new confidence among the entrepreneurial community in the legislative framework and the regulatory mechanisms of the government. Hence it leads to new belief among the common people for rapid progress and development and enhanced growth.

OBJECTIVES AND RESEARCH METHODOLOGY OF THE STUDY

The study is based on secondary data which is collected from the published reports of ministry of external affairs, newspapers, journals, websites, etc. The study was planned with the following objectives:

- To study major new initiatives designed to facilitate investment and fostering innovation in manufacturing sector in India.
- To critically examine the protection of intellectual property and build best-in-class manufacturing infrastructure.

NEW INITIATIVES FOR MAKE IN INDIA CAMPAIGN: NEW PROCESSES:

- Doing business in India just got easier – new de-licensing and deregulation measures are reducing complexity, and significantly increasing speed and transparency.
- Process of applying for Industrial License & Industrial Entrepreneur Memorandum made online on 24x7 basis through eBiz portal.
- Validity of Industrial license extended to three years.
- States asked to introduce self-certification and third party certification under Boilers Act.
- Major components of Defence products' list excluded from industrial licensing.
- Dual use items having military as well as civilian applications deregulated.
- Services of all Central Govt. Departments & Ministries will be integrated with the eBiz – a single window IT platform for services by 31 Dec. 2014.
- Process of obtaining environmental clearances made online.

Following advisories sent to all Departments/ State Governments to simplify and rationalize regulatory environment.

- All returns should be filed on-line through a unified form.
- A check-list of required compliances should be placed on Ministry's/Department's web portal.
- All registers required to be maintained by the business should be replaced with a single electronic register.
- No inspection should be undertaken without the approval of the Head of the Department.
- For all non-risk, non-hazardous businesses a system of self-certification to be introduced.

NEW INFRASTRUCTURE:

India's manufacturing infrastructure and capacity for innovation is poised for phenomenal growth: new smart cities and industrial clusters, being developed in identified industrial corridors having connectivity, new youth-focused programs and institutions dedicated to developing specialized skills.

- Impetus on developing Industrial Corridors and Smart Cities.
- A new 'National Industrial Corridor Development Authority' is being created to coordinate, integrate, monitor and super-vice development of all Industrial Corridors.
- Work on 5 smart cities in progress as a part of the Delhi-Mumbai Industrial Corridor: Dholera, Shendra-Bidkin, Greater Noida , Ujjain and Gurgaon .
- Chennai-Bengaluru Industrial Corridor: master Planning for 3 new Industrial Nodes [Ponneri (TN), Krishnapatnam (AP), Tumkur (Karnataka)] in progress.
- The East Coast Economic Corridor (ECEC) with Chennai-Vizag Industrial Corridor as the first phase of this project: Feasibility Study commissioned by ADB.
- Amritsar-Kolkata Industrial Corridor: DMICDC selected as Nodal Agency for doing Feasibility Study, which is being conducted at fast pace.
- North-eastern part of India planned to be linked with other Industrial corridors in cooperation with government in Japan.
- New Industrial Clusters for promoting advance practices in manufacturing.
- Approval accorded to 21 Industrial projects under Modified Industrial Infrastructure Up gradation Scheme with an emphasis on:
 - Use of recycled water through zero liquid discharging systems.
 - Central Effluent Treatment plants.
 - Approval accorded to 17 National Investment and Manufacturing zones.
- Nurturing Innovation – approval obtained for strengthening Intellectual Property regime in the country through:
 - Creation of 1,033 posts.
 - Further up gradation of IT facilities.
 - Compliance with global standards.
 - Application processes made online.

An Act recognizing National Institute of Design (NID), Ahmedabad, as an institute of National Importance notified. This will enable NID to confer degrees, promote research and function as an Apex body in Design Education. Four more NIDs are being developed.

▪ Major impetus given to skill development through Indian Leather Development Programme:

- Training imparted to 51,216 youth in the last 100 days.
- It is further planned to train 1,44,000 youth annually.
- For augmentation of training infrastructure, funds released for establishment of 4 new branches of Footwear Design & Development Institute at Hyderabad, Patna, Banur (Punjab) and Ankleshwar (Gujarat).

NEW SECTORS:

With the easing of investment caps and controls, India's high-value industrial sectors defense, construction and railways – are now open to global participation.

- Policy in Defence sector liberalized and FDI cap raised from 26% to 49%.
- Portfolio investment in Defence sector permitted up to 24% under the automatic route.
- 100% FDI allowed in Defence sector for modern and state of the art technology on case to case basis.
- 100% FDI under automatic route permitted in construction, operation and maintenance in specified Rail Infrastructure projects such as:

- Suburban corridor projects through PPP
 - High speed train projects
 - Dedicated freight lines
 - Rolling stock including train sets and locomotives/coaches manufacturing and maintenance facilities
 - Railway electrification
 - Signaling systems
 - Freight terminals
 - Passenger terminals
 - Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivity to main railway line
 - Mass Rapid Transport Systems
- Easing of norms underway for FDI in the Construction Development sector.

NEW MINDSET:

Most importantly, the Make in India program represents an attitudinal shift in how India relates to investors: not as a permit-issuing authority, but as a true business partner.

- Dedicated teams that will guide and assist first-time investors, from time of arrival.
- Focused targeting of companies across sectors.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS:

The Indian government has taken several initiatives to create conducive environment for the protection of intellectual property rights of innovators and creators by bringing about changes at legislative and policy level. In addition, specific focus has been placed on improved service delivery by upgrading infrastructure, building capacity and using state-of-the-art technology in the functioning of intellectual property offices in the country. This measure has resulted in sweeping changes in IP administration within the country.

Objectives of Intellectual Property Rights:

- Establishing a vibrant IP regime in the country.
- Efficient processing of IP applications by inducting additional manpower, augment IT facilities and automation in Intellectual Property Offices.
- Adopt best practices in IP processing.
- Strengthening public delivery of IP services.
- Highest levels of transparency and user-friendliness

NATIONAL MANUFACTURING POLICY MEASURE:

The need to raise the global competitiveness of the Indian manufacturing sector is imperative for the country's long term-growth. The National Manufacturing Policy is by far the most comprehensive and significant policy initiative taken by the Government. The policy is the first of its kind for the manufacturing sector as it addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism and other pertinent factors related to the growth of the sector.

Vision:

- An increase in manufacturing sector growth to 12-14% per annum over the medium term.
- An increase in the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022.
- To create 100 million additional jobs by 2022 in manufacturing sector.
- Creation of appropriate skill sets among rural migrants and the urban poor for inclusive growth.
- An increase in domestic value addition and technological depth in manufacturing.
- Enhancing the global competitiveness of the Indian manufacturing sector.
- Ensuring sustainability of growth, particularly with regard to

environment.

Strength of Indian Manufacturing:

- India has already marked its presence as one of the fastest growing economies of the world.
- The country is expected to rank amongst the world's top three growth economies and amongst the top three manufacturing destinations by 2020.
- Favourable demographic dividends for the next 2-3 decades. Sustained availability of quality workforce.
- The cost of manpower is relatively low as compared to other countries.
- Responsible business houses operating with credibility and professionalism.
- Strong consumerism in the domestic market.
- Strong technical and engineering capabilities backed by top-notch scientific and technical institutes.
- Well-regulated and stable financial markets open to foreign investors.

CONCLUSION:

This is the actual time of great expectations for India to increase the growth in manufacturing sectors, which contribute major part to GDP. We have a strong pro-industry Government, global economy is picking up and our core advantages are still strong and relatively unaffected from the global slowdown. In the view of that, there is a long journey ahead of us to achieve the global competitiveness by taking global leadership.

A good start has been taken by the present Government and yet has to need few important changes to improve manufacturing sector. In my point of view this year is crucial to implementing the announcement well and seizing the opportunity to make the right investments at a company level.

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