

MAKE IN INDIA: OPPORTUNITIES AND CHALLENGES

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ABSTRACT:

India is one of the world's fastest growing economies, the tenth largest in the world by nominal GDP and the third largest by purchasing power parity (PPP). Make in India Campaign was launched which 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. For promoting this campaign the web portal, logo and brochures are used for detailing 25 priority sectors of the economy. The aim of this initiative is to focus on job creation, skill development and innovation and to align India's manufacturing sector into the Global Value Chain by encouraging Public Private Partnership (PPP), Joint Ventures (JV), Foreign Direct Investment (FDI) inflow, and advancing Ease in Doing Business (EDB). This scheme focuses on acceleration of economic growth to the new heights and to pull back the economy from clutches of recession. Currently India's GDP is heavily tilted in favour of service sector. The study attempts to review the opportunities and challenges faced by Make in India and to understand the impact of it on the Indian Economy.

Keywords: Manufacturing, economy, GDP, FDI, strategy, Make in India

I. INTRODUCTION

India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Make in India is the Indian government's effort to Harness this demand and boost the Indian economy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India. The new government initiating a new ways for free flows of capital. Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. 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. 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.

II. NEED FOR THE STUDY

India too needs to develop its infrastructure in order to millitate its presence in the global picture and to match the rising demands and the living standards of its citizens. The most easy and important way to keep pace with the environment for a country is to develop its manufacturing sector. When more global and local players will invest in a country, it will boost the trade and economic growth, develop its infrastructure and generate more

employment opportunities for its citizens. Hence the present study is on Make in India – opportunities and challenges.

III. OBJECTIVES OF THE STUDY

1. To study the overview of Make in India campaign.
2. To study the Make in India campaign main focus areas.
3. To study the major challenges, opportunities of Make in India initiative.
4. To offer useful suggestions in the light of findings.

IV. RESEARCH METHODOLOGY

The present study is based on secondary data. The data has been extracted from various sources like research articles, publications from Ministry of Commerce, Government of India, various bulletins of RBI and authenticated websites.

V. MAKE IN INDIA CAMPAIGN MAIN FOCUS AREAS

The focus of Make in India programme is on creating jobs and skill enhancement in 25 sectors. The following are the major areas:

Automobiles	Electronic System	Ports and Shipping
Automobiles Components	Food Processing	Railways,
Aviation	Entertainment	Roads and
Biotechnology	Leather	Renewable Energy
Chemicals	Media and Entertainment	Space
Construction	Mining	Textiles and
Defense Manufacturing	Oil and Gas	Thermal Power
Electrical Machinery	Pharmaceuticals	Tourism and
Wellness	Information Technology (IT) and Business Process Manufacturing (BPM)	

VI. FOUR PILLARS OF MAKE IN INDIA

Manufacturing in India is the main vision of the government and leads to national development. The initiative is built on four pillars which are as follows:

New Processes: The government is introducing several reforms to create possibilities for getting FDI and foster business partnerships. This reform is also aligned with parameters of World Bank's Ease of Doing Business index to improve India's ranking on it. Make in India recognizes ease of doing business as the single most important factor to promote entrepreneurship. A number of initiatives have already been undertaken to ease business environment.

New Infrastructure: The government intends to develop industrial corridors and build smart cities, create world class infrastructure with state of the art technology and high speed communication. Innovation and research activities are supported by a fast paced registration system and improved infrastructure for IPR registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being implemented.

New Sectors: This campaign has identified 25 sectors to promote with the detailed information being shared through an interactive web portal. The government has allowed 100% FDI in Railway and removed restrictions in Construction. It has also increased the FDI to 100% in Defense and Pharmaceutical.

New Mindset: This initiative intends to change by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country along with development in corporate sector

VII. MAJOR CHALLENGES OF MAKE IN INDIA

India needs funds to build industries, which in turn need infrastructure. This requires more finance which itself is a major challenge. India's banking systems are not in a position to lend many funds to industries, unless their balance sheet is cleared. If the government pumps more funds to bank, that leads to less investment in infrastructure.

India can start manufacturing in India, but they cannot create more jobs because robots may take over the manufacture worldwide and still stay competitive. Vivek Wadhawa, Stanford University fellow who is

at the forefront of alerting the world on the robotic threat, that new kind of industrial revolution won't require many humans.

India lagging behind in imparting skills training to workers. Dearth of vocational education facilities and lack of training facilities are the key challenges of India's industrial landscape.

Long term global competitiveness in industry required huge investments in research and development, but Indian companies have been slow to embrace research and development.

India should be ready to tackle elements that adversely affect competitiveness of manufacturing. India should also be ready to give tax concessions to companies and set up unit in the country.

India's Make in India campaign will be constantly compared with China's Make in China campaign.

India should constantly keep up its strength so as to outpace china's supremacy in the manufacturing sector.

VIII. OPPORTUNITIES OF MAKE IN INDIA

Aiming to make in India as its export hub, home appliances manufacturer Bosch and Siemens today announced company's first manufacturing plant in the country.

Japan's largest consumer electronics exporter is now seriously evaluating to come and make in India opportunity.

The Make in India campaign seems to have come at perfect time. Many giant foreign companies have already expressed their interest in setting up manufacturing facility in India.

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 3,000crore domestic market. Barry Callebaut currently has only commercial operations in the country.

The economic impact of manufacturing in India will go beyond direct employment. It will create jobs in the services sector and allied services.

IX. FINDINGS OF THE STUDY

Through continuous foreign investments, the progress of the Indian economy can be made sustained. The challenges and threats for the human resource sector will be refined in the sectors of the economy. This initiative creates great awareness about the growing technology.

Make in India will bring a drastic change in the fields like automobiles, aviation, biotechnology, defense, media, thermal power, oil and gas and manufacturing sector.

X. SUGGESTIONS

The extra impetus by the government on initiatives like skill development has been proposed to provide essential support to make in India to thrive. We should manufacture goods in such a way that they carry zero defects and goods with zero effect that they should not have a negative impact on the environment. India should consciously work towards attracting greater FDI into Research and Development.

Reforms like bringing more sectors under the automatic route, increasing the FDI capital and simplifying the procedural delays has to be initiated.

XI. CONCLUSION

Manufacture has emerged as one of the high growth sectors in India. The Make in India campaign helps to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in the coming years. The proposal of making in India will boost manufacturing the electronic manufacturing market in the country. This in turn will focus on electronic manufacturing and plans to set up electronic clusters across various towns and cities. The large investment in manufacturing will bring in more capacity creation in the country. The tax reliefs given to start ups and MSME's will boost sustainable employment and the quality of startups in the design led manufacturing sector. Make in India mission is one such long term initiative which will realize the dream of transforming India into manufacturing hub. Make in India campaign also focuses on producing products with zero defects and zero effects on environment. Come Make in India, Come Manufacture in India, Sell in any country of the world but manufacture here. We have got skill, talent, discipline and determination to do something.

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