A GLOBAL VISION FOR FRIENDSHIP: INDIA

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Abstract : India is finding new friends and also ironing out the wrinkles in bilateral relations. The credit should be given to the "Make in India" campaign launched by Indian Prime Minister Narendra Modi on September 25 to bring in more business from all across the world. He puts India prominently on the global manufacturing map and in turn facilitates the inflow of new technology and capital, while creating millions of jobs is call for investing and manufacturing in India has not only kindled Pan-India interest but also lured other nations to be party to this initiative. So Germans, Israel, UK, Russia and Oman have been one of the early birds to have reacted to this campaign. They have ready to transfer their technology and business. And this could well bring the thaw in their bilateral relations UK had hailed "Make in India" campaign and since then many UK investors came ahead to support the concept by doing business and Russia is not to be left behind. In a relatively, newer development, Oman is doing its best to help Indian government in its effort to boost the manufacturing sector.

IndexTerms - **Investing, Manufacturing, Global Business, Campaign, Global Partnership, Initiative Ideas.**

I. INTRODUCTION

The world economy is recovering from an extended slowdown with all the key economic groups including the USA, Euro area and BRICS, expected to stage higher growths over the next few years. India in turn has recently witnessed the most emphatic election verdict in three decades, and is gearing up for growth "the make in India" pitch by Prime Minister Sh. Narendra Modi has already ignited discussion on numerous issues around the initiatives. In order to improve the present state of manufacturing sector in India. He invited Indian and foreign companies to make everything from "automobiles to agro value addition, paper to plastics and satellites to submarines" and said see anywhere but make in India. In simple words the "make" implies anything that process to be carried out in India while opening door for outsiders while "made" implies anything that produced in and by India. This research paper aims to analyze the key issues facing the "Make in India vision and recommend possible strategies to deal with the same global partnership".

IMPROVING THE GLOBAL BUISNESS IN INDIA

India, in this competitive global environment, is starting from a position that is far from advantageous. India's manufacturing sector, with a 15% share of overall GDP, compares poorly with peers like Malaysia, Thailand, and Indonesia. India also suffers from some critical drawbacks like a lack of an enabling infrastructure, poor perception of India in terms of ease of doing business, and a lack of proven ability to compete at a global scale. At the same time India's resource, a strong base of entrepreneurs, and a robust and growing domestic demand. In many ways, therefore, the stage is set for India to transform its manufacturing and seek global partnership. The global manufacturing landscape has been evolving at a fast pace. While continuous changes in wages, energy costs, productivity and currency rates etc.

DEVELOP A GLOBAL PARTNERSHIP OF DEVELOPMENT

India's diverse economy ranges from traditional village farming to a wide range of modern industries and a multitude of services. India achieved 8.5% GDP Growth in 2006, 9.0% in 2007, and 7.3% in 2008.India is evident from the trade to GDP ratio, which increased from 22.5% of GDP in 2ooo-01 to 34.8% of GDP in 2006-10. It is committed to transforming India into a global manufacturing hub .And the overall teledensity increased rapidly. And India has a huge potential to become a global manufacturing hub. PM Narendra Modi said today as he invited the whole world to partner with the fastest growing economy. The entire world is looking at India. Demography, democracy and demand are attracting the world to India. Modi's says that,'' I do not only talk about good governance but kicking off the Make in India " compaign , he said his government 's focus will be on physical infrastructure creation as well as creating a digital network for making India a hub for manufacturing of goods ranging from cars to softwares , satellities to submarines and paper to power. We want highways, we also want-i-ways-information ways for a Digital India. Modi said that Make in India is not a slogan, not an invitation but recalling the scenario of last two three years where companies were looking to move out of country. Government is committed to development. This is not a political agenda, but an article of faith. Modi said the world is ready to come to Asia and India offers best destination as it is a vibrant democracy with demographic dividend and huge demand. He said the Make in India compaign is a Lions steps towards making the Country destination for global manufacturing. Now India is finding new friends and also ironing out the wrinkles in bilateral relations.

GERMANY WILLING TO SUPPORT MAKE IN INDIA INITIATIVE

Germans have been one of the early birds to have reacted to this campaign. In one of the recently held joint meetings, the German firms have shown enthusiasm towards policy initiatives taken by the new government. The steps such as liberalization of taxation, labour laws and laws pertaining to land acquisition have been the apt moves towards economic reforms. That's precisely what seems to have impressed the Germans and turned an otherwise negative business sentiment into positive. Answering to the call of 'Make in India' could be just a matter of time for the German investors who are showing keenness to revisit their future investment plans in India. In addition, German electronic industry is planning to send delegation to India early 2015 to work out details of future investment by German electronics companies in India.

ISRAEL READY TO TRANSFER HIS TECHNOLOGY FOR MAKE IN INDIA

India has even got a buy in from the Israel. This could well bring the thaw in their bilateral relations, which has not been quite rosy in the past. Discounting the fact that India has repeatedly condemned and disapproved of Jerusalem's actions on a global level, the Israeli PM responded positively to his Indian counterpart's 'Make in India' initiative. Benjamin Netanyahu's announcement that Israel is "ready and willing to discuss transfer and development of technologies with India" is a big push for the initiative. If all goes well, Israeli industries (including the defence industries) could 'Make in India' and hence, reduce costs of manufacturing products and systems developed by Israel. In all probability, a business delegation from Israeli industries will soon visit India to explore manufacturing opportunities in different industry domains.

UK READY TO CONTRIBUTION HIS RENEWABLE ENERGY

Sector Earlier, UK had hailed 'Make in India campaign' and since then many UK investors came ahead to support the concept by doing business. During a conference in Jaipur, an Indian origin British parliamentarian described 'Make in India' as an "excellent direction forward." It has now come to pass that the British investors wanted to come to India, especially Punjab, Haryana and Rajasthan to create opportunities in renewable energy, solar and wind. With 'long term relationships' and 'long term vision' as cornerstones, UK is seriously considering a skill development agenda and development of agro-technology in Rajasthan.

RUSSIA LOOKS TO STRENGTHEN INDIA'S TECHNOLOGY SECTOR

When other nations are lapping up the opportunity to penetrate Indian market, Russia is not to be left behind. It has come up with offers which Indian government would gleefully accept. From manufacturing helicopters to satellite navigation systems and manufacturing airliners to promoting Nano technology, a slew of joint projects in the manufacturing sector have been proposed. There's a clear writing in the wall that Russia is looking to go beyond the traditional supplierbuyer relations. On this note, President Putin's upcoming visit in the second week of December is very important. It's likely to see a large chunk of these projects getting a concrete road map. Moreover, Moscow has also proposed New Delhi about India Russia collaboration in setting up $3 billion dollar joint fund for aiding joint start up companies working in the field of Nano technology. Manufacturing India's latest light chopper, KA 226, is another proposal put forward by the Russians. They are willing to manufacture the chopper in India by transferring technology for meeting future export orders.

OMAN IS ALSO READY TO CAPITALISE ON MAKE IN INDIA INITIATIVE

In a relatively newer development, Oman is doing its bit to help Indian government in its effort to boost the manufacturing sector. A joint investment fund of $250 million has been set up by SBI and Oman's State General Reserve Fund (SGRF) for special purpose vehicle (SPV). Only in President Pranab Mukherjee invite public and private companies from Oman to invest in India and capitalise on the new government's 'Make in India' 6/5/2015 Make In India attracting countries from every corner of World. For those who don't know, there are more than 1,500 Indo Oman joint ventures in Oman itself, which is valued at $7.5 billion. India has made an investment of $4.5 billion.

BIG BOOST TO INDUSTRY AND EMPLOYMENT

The launch of the 'Make in India' campaign by Prime Minister Narendra Modi to attract foreign investments and boost the manufacturing sector of India has been timed to perfection. It comes a day after India's indigenously manufactured satellite Mangalyaan was successfully put in the Martian orbit, showing to the world the progress India has made in manufacturing processes, technology, science and innovation. It also comes a day ahead of the PM's visit to the US. 'Make in India' is intended to provide a major fillip to India's manufacturing industry which currently contributes about 15% of the national GDP.

Only when India moves away from poverty will purchasing power in the country increase and when this happens the country will start to bloom as a grand huge market for industries. The movement away from poverty will come from increase in employment; employment will come only when we start developing the manufacturing sector in India. Investors are not attracted by incentives; investment will be attracted only by friendly policies and a secure environment Ease of business is important for development; India has slipped low in the list of countries in terms of ease of doing business Scrutiny and red tape should not create barriers for development; simplification of processes should be the focus and redundancy done away with The world is looking to invest in Asia, particularly in Asian democracies, and in places with high demand – India fits the bill perfectly Effective governance is a key factor in attracting investors; the government needs to reassure investors of its effectiveness in promoting business and industry Skilled manpower mapped to the natural potential and creation of sustainable growth will be the focus of 'Make in India' Private-public partnership must be the basis of skills development in the country. This government does not have a political agenda; it is dedicated to development as an article of faith. The life and destiny of India can and will be changed for the better May Indian companies become multinational organizations but only when they grow and develop with India Only when the Centre and the state governments work together in tandem can India's true development potential be tapped into; development of states is the development of the country 'Make in India' is our responsibility; may India garner strength with this mission. The 'Make in India' campaign is dedicated to the people of the India.

PM Narendra Modi to put India prominently on the global manufacturing map and in turn facilitate the inflow of new technology.

MAIN OBJECTIVES OF THE CAMPAIGN

The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. And some of these sectors are: - Automobiles, chemicals, pharmaceuticals, textiles, ports, tourism, railways, wellness, renewable energy, bio-technology, defence etc.

AUTOMOBILES

India is expected to be the fourth largest automotive market by volume in the world. Over the next 20 years, India will be a part of the big global automotive triumvirate. Tractor sales in the country are expected to grow at CAGR of 8-9% in the next five years, upping India's market potential for international brands. Two-wheeler production has grown from 8.5 Million units annually to 15.9 Million units in the last seven years. Significant opportunities exist in rural markets. India's car market has the potential to grow to 6+ Millions units annually by 2020.Global car majors have been ramping up investments in India to cater to growing domestic demand. These manufacturers plan to leverage India's competitive advantage to set up export-oriented production hubs. Tata Nano is a sterling example of Indian frugal engineering and is being positioned as a mobilize of the young generation. Electric cars are likely to be a sizeable market segment in the coming decade.

STATISTICS

Domestic Market Share 2013-14:

1. Passenger Vehicles 13.59%.
2. Commercial Vehicles 3.44%.
3. Three-wheelers 2.60%.
4. Two-wheelers 80.37%.

The industry currently accounts for almost 7% of the country's GDP and employs about 19 Million people both directly and indirectly.

India is currently the seventh-largest producer in the world with an average annual production of 17.5 Million vehicles, of which 2.3 Million are exported.

The Indian automobile market is estimated to become the 3rdlargest in the world by 2016 and will account for more than 5% of global vehicle sales.

India is the second-largest two-wheeler manufacturer, the largest motorcycle manufacturer and the fifth largest commercial vehicle manufacturer in the world. The total turnover in 2010-11 was USD 58.5 Billion; turnover by 2016 is slated to be USD 145 Billion.

FOREIGN INVESTORS

Suzuki (Japan)
Nissan (Japan)
Piaggio (Italy)
Volkswagen (Germany)
Renault (France)
Hyundai (South Korea)
General Motors (USA)
BMW (Germany)
Ford (USA)
Toyota (Japan)

Chemical

India is the third largest producer of chemicals in Asia and sixth by output, in the world. The chemicals industry is a key constituent of the Indian economy, accounting for about 2.11% of the nation's GDP. India is currently the world's third largest consumer of polymers and third largest producer of agro-chemicals. India's proximity to the Middle East, the world's source of petrochemical feedstock, makes for economies of scale. Polymers and agro-chemicals industries in India present immense growth opportunities.100% FDI is allowed under the automatic route in the chemicals sector, subject to all the applicable regulations and laws. Certain products such as wax candles, laundry soaps, safety matches, fireworks and incense sticks fall under items reserved for the MSME sector in which FDI beyond 24% is permitted under the government route.

Pharamaceuticals

India is expected to rank amongst the top three pharmaceutical markets in terms of incremental growth by 2020.India is the sixth largest market globally in terms of size. India's generic drugs account for 20% of global exports in terms of volume, making the country the largest provider of generic medicines globally. Its cost of production is significantly lower than that of the USA and almost half of that of Europe. Economic prosperity is likely to improve affordability for generic drugs in the market.100% FDI is allowed under the automatic route for Greenfield projects .For brown field project investments, up to 100% FDI is permitted under the government route. The government may incorporate appropriate conditions for FDI in brown field cases, at the time of granting approvals 'Non-compete' clauses are not allowed except in special circumstances, with the approval of the Foreign Investment Promotion Board.

Textiles

India has the second largest manufacturing capacity globally. The Indian textile industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity. It has the highest loom capacity (including hand looms) with 63% of the world's market share. Its accounts for about 14% of the world's production of textile fibre and yarn and is the largest producer of jute and the second largest producer of silk and cotton. A strong production base of a wide range of fibre/yarn from natural fibres like cotton/jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic. India enjoys a comparative advantage in terms of skilled manpower and cost of production over major textile producers. Abundant raw material and increasing demand for exports to boost fibre production and availability of raw materials such as cotton, wool, silk and jute. The foreign investors are :- Trutzschler (Germany), Soktas (Turkey), Zambiati (Italy) ,Bilsar (Turkey), Monti (Italy), CMT (Mauritius), E-land (S. Korea) h,Nissinbo (Japan) etc.

Ports

An unprecedented increase in cargo-handling capacity – 800 Million Metric Tonnes in February 2014, from 575 Million Metric Tonnes in 2009.87 new port projects have been sanctioned in the last four years, with an investment of INR 430 Billion. 28 PPP terminals are in operation in major ports and another 45 are under construction. New projects have seen an increase in capacity of 558 Mega Million Tonnes per annum. A projected increase in cargo capacity of 2289 Million Metric Tonnes by 2017 from 1235 Million Metric Tonnes in 2012.Special Economic Zones are being developed in close proximity to several ports – comprising coal-based power plants, steel plants and oil refineries. India is the largest importer of thermal coal in the world and this is expected to grow due to increased demand for power. The Foreign investors are AP Moller Maersk (Denmark),PSA Singapore (Singapore),Dubai Ports World (UAE),Jan Del Nul NV (Belgium),Hyundai Engineering and Construction Company Limited (South Korea)and Royal Boskalis Westminister NV (Netherlands)

Tourism

Tourism in India accounts for 6.8% of the GDP and is the third largest foreign exchange earner for the country .Its ranks is 42nd in the United Nations World Tourism Organization rankings for foreign tourist arrival land India registered 6.97 Million foreign tourist arrivals in 2013, registering an annual growth of 5.9% over the previous year. The foreign exchange earnings from tourism during 2013 was USD 18.13 Billion, registering an annual growth of 2.2% over the previous year .It is the 16th most visited country in the world, with a share of 1.56% in the world's tourism receipts. Now India offers geographical diversity, attractive beaches, 30 World Heritage Sites and 25 bio-geographic zones. And domestic tourism are contributes to three-fourths of the tourism economy. The UNWTO has forecast that the travel and tourism industry in India will grow by 8% per annum between 2008 and 2016. Foreign exchange earnings from tourism are likely to show annualized growth of 14% during the same period. A growing recognition of tourism's contribution to employment and economic growth, the availability of better infrastructure, focused marketing and promotion efforts, liberalization of air transport, the growth of online travel portals, growing intra- regional cooperation and more effective public private partnerships are seen as key drivers for tourism in the next decade. More than half of the Ministry of Tourism's Plan budget is channelized for funding the development of destinations, circuits, mega projects as well as rural tourism infrastructure projects. The ministry also ensured that 10% and 2.5% of its total annual plan outlay for 2013–14 went to tourism projects in the North-eastern region and tribal areas, respectively. The launch of several branding and marketing initiatives by the Government of India such as Incredible India! and Athiti Devo Bhava provides a focused impetus to growth. Recently, the Indian government has also released a fresh category of visa – the medical visa or M visa, to encourage medical tourism in India.

Railways

100% FDI in the railway infrastructure segment has been allowed recently which has opened up opportunities for participation in infrastructure projects such as high-speed railways, railway lines to and from coal mines and ports, projects relating to electrification, high-speed tracks and suburban corridors. Indian Railways has begun exploring the PPP mode of delivery and aims to award projects worth USD 1,000 Billion through the PPP route. The sector aims to boost passenger amenities by involving PPP investments in provision of foot-over bridges, escalators and lifts at all major stations. Last-mile connectivity to boost business activity in and around ports and mines has been proposed through the formation of special purpose vehicle (SPV) companies under the Public Private Partnership (PPP) model. The Indian Railways aims to involve private equity through individuals, NGOs, trusts, charitable institutions, corporate etc, to provide passenger amenities such as battery-operated carts to facilitate movement for senior citizens and differently baled, at stations. To strengthen rail connectivity with various ports, IR has floated SPVs under the PPP mode. Pipavav Rail Corporation Ltd., Bharuch-Dahej Railway Company Ltd., Kutch Railway Company Ltd., Hassan-Mangalore Rail Development Company, Obullavaripalle-Krishnapatnam Railway Company Ltd., and Anugul-Sukinda Railway Company Ltd., have been established.Three rail connectivity projects namely Gevra Road-Pendra Road new line, Raigarh-Bhupdeopur new line and Jaigarh Port connectivity projects are being implemented through the joint venture route.The long-term strategic plan of the Ministry of Railways is to construct six high-capacity, high-speed dedicated freight corridors along the Golden Quadrilateral and its diagonals. The sector has taken up port connectivity on priority, through the PPP mode of funding in tandem with the Sagar Mala Project of Port Development. Railways will facilitate connectivity to new and upcoming ports through private participation. So far, in principle, approval has been granted for building rail connectivity to the Ports of Jaigarh, Dighi, Rewas, Hazira, Tuna, Dholera and Astranga under the Participative Model Policy of the Indian Railways, amounting to INR 40 Billion. The 2014–15 Union Budget envisages a diamond quadrilateral network of high speed rail, connecting major metros and growth centres of the country. A scheme for private participation in parcel movement will be launched shortly whereby procurement of parcel vans or parcel rakes by private parties will be facilitated. During the period of 2012-17, Mass Rapid Transit Systems (MRTS) projects are being planned in Ahmedabad, Bengaluru, Hyderabad, Chandigarh, Chennai, Delhi, Jaipur, Kochi, Kolkata, Mumbai, Patna, Pune, Lucknow and Surat through the PPP model. Rail tourism is on the anvil, with emphasis on the introduction of eco-tourism and education tourism in the North-eastern states, the identification of special pilgrim circuits such as the Devi Circuit, the Jyotirling Circuit, the Jain Circuit, the Christian Circuit, the Sufi Circuit, the Sikh Circuit, the Buddhist Circuit, and the Temple Circuit. Specially packaged trains for these circuits have been proposed and private participation will be encouraged.

Construction

An investment of USD 1,000 Billion has been projected for the infrastructure sector until 2017, 40% of which is to be funded by the private sector. 45% of infrastructure investment will be funnelled into construction activity and 20% set to modernise the construction industry. The Indian government has undertaken a number of measures to ease access to funding for the sector. Construction activities contribute more than 10% of India’s GDP. The construction industry in India has seen sustained demand from the industrial and real estate sector. An estimated USD 650 Billion will be required for urban infrastructure over the next 20 years. Housing for seniors has seen increased interest levels from corporates, the hospitality and healthcare industries over the last few years.2nd largest employer and contributor to economic activity, after agriculture sector. The construction sector accounts for second highest inflow of FDI after the services sector and employs more than 35 Million people. Indian cities contribute significantly to India’s GDP. As per a mid-term appraisal in 2012, the urban share of the GDP was 62% – 63% in 2009-10. This was further projected to increase to 70% – 75% in 2030.

Conclusion

This is truly a time of great expectations for India and this is probably the only time in recent past where our odds of driving breakout growth in manufacturing are very high. 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 having, said that, there is a long journey ahead of us, one that starts with reviving the industry and then achieving global competitiveness followed by claiming global leadership. Make in India’, a major national initiative which focuses on making India a global manufacturing hub. The objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country’s Gross Domestic Products is increased to 25% in next few years.

Prime Minister termed 'Make in India' initiative a lion step to usher in increased manufacturing in the country, which will ultimately generate more employment opportunities for the poor and give greater purchasing power in their hands .A good start has been made with the government announcing its intent and making a few small yet important changes to improve manufacturing sector. India should be more focused towards novelty and innovation for the sectors devlopment would be critical to the success of the make in India programme.

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