

Make In India Programme – Problems And Perspectives

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ABSTRACT:

Prime Minister Narendra Modi has launched the concept of Make in India on 25th September 2014. This is especially for economic growth of the country. This is the dream concept of present central govt. in general and Prime Minister Narendra Modi in special. This scheme was launched by the Prime Minister Narendra Modi in the workshop organized by the Department of Industrial Policy and Promotion.

In the area of health and tourism sector and the food processing industries the Govt. can attract FDI. In the education sector, there is scope for increasing number of foreign students to earn foreign exchange. The promotion in the Road construction, Rail development. Suggestions: a) Recognize the strength of Indian Economy and concentrate in the areas where we are strong (Agri. IT & Service sector. Removing the drawbacks of the industrial policies. b) Setting up of new industrial units and industrial areas in Indian Rural sector. c) Need base education Make in India initiative of the Govt. is to change the growth dynamics of the economy. Nearly 2 decades of economic liberalization, coupled with huge domestic demand, a growing middle class, a young population and high return on Investment make India an incredible Investment destination.

Keywords: FDI, Skill enhancement, MNCs, gwptj duma, ocs

Introduction

Prime Minister Narendra Modi has launched the concept of Make in India on 25th September 2014. This is especially for economic growth of the country. This is the dream concept of present central govt. in general and Prime Minister Narendra Modi in special. This scheme was launched by the Prime Minister Narendra Modi in the workshop organized by the Department of Industrial Policy and Promotion. This workshop was attended by his cabinet colleagues, Chief Secretaries of states and various leaders from Industrial sector. This is to ensure economic growth. The Mission statement while launching the Make in India concept was **“Promoting foreign investment in India in a focused, comprehensive and structural manner while acting as a first Entrance point to provide quality input and support services to the prospective foreign investors”**. This was stated as the mission to attract FDI in Indian economy, in order to acquire economic growth. The Managing Director of IMF Christine Lagarde stated that **“In the cloudy global horizon India is a bright spot”**. This shows the potentiality of the Indian market and Economy. Ratan Tata, the Chairman Emirates, of Tata Sons says that “There is a great deal of hope in the inspirational leadership and we are all optimistic that the country will move forward. There is a positive sentiment of the people, a belief in new India”. This has shown the belief of the Indian people and Indian society at large. The Govt. of India is planning to tap the best human resources available in the nation and to exploit the same for economic growth. Many areas are existing in Indian economy which are neglected or ignored in economic growth, especially because of lack of capital. Accordingly Make in India will attract FDI in all requisite sectors of economy to develop the industrial environment. The FDI is the welcome step in infrastructural development. Hence Prime Minister Narendra Modi has stated that the present industrial and services sector eye shall from “Profit to Progress, friendship to partnership” calling the world of Make in India”.

Why Make in India?

1. Focus is being on various aspects such as Job creation and skill enhancement in various sectors of economy, specially chemicals, IT, pharmaceuticals, renewable energy, weaving, bio technology and electronics. About 25 areas are to be taken into creation in order to implement the concept of Make in India.
2. Such initiatives in various sectors aim at increasing the GDP growth and Tax Revenue of the country. From the date of launching of the concept of the Make in India initiative the GDP has increased along with increase in tax revenue. The statistics exhibit the positive result of this aspect of the GDP growth and tax revenue of the country.
3. The initiative of Make in India is expected to attract the FDI for capital investment purposes and the technological investment in various economic sectors in Indian Economy. The investment prospect by Japan, Germany, South Korea in the various rail and road project is the outcome of the Make in India concept. We are now discussing on the Smart Cities and Metro Rail project for various cities in India is the outcome of Make in India concept.
4. The manufacturing in India by MNCs is to be promoted under make in India concept.
5. The Make in India concept is expected to increase the growth in infrastructure sector. This is especially to promote the growing services and industrial sector in Indian economy. This is in fact to remove excessive

pressure on the agricultural land. Presently the agri-sector is over burdened. It is said that to be a developed economy the 30% of the population or even less than that be engaged on agricultural sector but today in India about 60% or more population is working on agricultural sector. This is the most important concept that the industrial and services sector growth be promoted and the more and more employment be generated.

6. India has the potentiality to promote the health and tourism sector. This will attract foreign currency in India. At the same time this Make in India concept will help optimum utilization of resources within the country. The Make in India will help increasing job opportunities which are now sometimes on the basis of the outsourcing of the work. This is especially in the IT and related sector.

Make In India and F.D.I.

1. Jan. 2015 Spice group to start mobile phone unit in U.P. (Investment of Rs.500 crores).
2. Jan. 2015, Samsung South Asia to start unit of Samsung ZI at Noida.
3. Hitachi to set up auto component plant in India.
4. Huwazi to invest in R & D plant also to set up Telecom Manufacturing plant in Chennai.
5. L.H.Aviation France to set up advanced technology unit to manufacture drones.
6. Xiami – to commence in A. P. Manufacturing unit of Smart Phones.
7. On 1.08.2015 Lenovo to commence manufacturing of Motorola Smart Phones at Sriperebladar Chennai.
8. Boeing – Tata to produce aero structures for the Apache Helicopters.
9. General Motors recently announced it will invest another \$ 1 billion. It has decided to gain more market share. It has also decided pour in more funds and retool its existence plant. The company has decided to make car from domestic consumption.
10. FDI between Oct. 14th and May 15, was upto 40% which 23.7 billion from the said period earlier. Foreign institutional investors or money coming through financial market amounted to \$ 40.92 billion in the Fiscal year ended 31.3.2015. this is roughly 7 times as much as in the previous year. Industrial production by average 2.7% year over previous year.

Problems in implementation of Make in India

1. The procedure to start the new manufacturing unit is very critical. This requires easing the procedure.
2. There are differences of opinion related to economic reforms by political parties. There is a principle of opposition for opposition sake in Indian political scenario.
3. The mind-set of the Indian society is not pro-development, utilization of land for industrial and science sector has many lawful barriers.
4. The infrastructure availability is retarding the growth. Hence it is essential to attract FDI in infrastructure development.
5. Industrial and service sector growth depends upon the sufficient availability of electricity and water. This is lacking and not available to the extent required.
6. The lack of collaboration between academic and industrial/service sector has resulted in the non availability of required human resources. So we are speaking of the skill development now.
7. The private investment in India is to be increased. Accordingly it is essential to increase the PPP model to develop received infrastructural growth.
8. It is essential to concentrate on Agro business. Because presently there is a migration from rural to urban areas for want of job. So it has become essential to develop rural sector by promoting rural to urban amenities. The Prime Minister Narendra Modi has stated that some of the measures to ease of doing business. He has given more emphasis on Transparency and speedy time bound sanctions. The decisions like clearance of environment on line, IT return on line, extension of period of industrial licenses to 03 years. The replacement of paper registration by the electronic registration is some of the measures to ease the procedure of commencement of the industrial units.

Environment for make in India

Late President of India A. P. J. Abdul Kalam has stated in his writings Advantage India, that it has to follow from challenges to opportunities with this aspect there are various reasons why in India Make in India programme can be successful. There are various aspects which will help India to make success of the Make in India programme launched by Prime Minister Narendra Modi.

1. Presently India has emerged as the 3rd largest economy in the Asia after China and Japan. And 9th in the World. (Ref. IMF 20115 report).
2. Industrial Revolution made clear demarcation as Rich and Poor countries. India being developing economy the rest of the world has shown the interest in investing India.

3. Demographic factors are in favour of India. The Young and vibrant population in India is driving the economic growth of the country and the world.
4. No one can ignore the second largest workforce in the world at the same time they cannot ignore 3rd largest market in size.
5. The growing India offers opportunities in almost all sectors and notably in infrastructure, pharma, automobiles, education and many more. This has resulted in investment friendly environment.
6. By the year 2040 nine out of every ten Indians will belong to global middle class group with increasing purchasing power.
7. Human capital is the biggest strength of Make in India.

Economic growth expected because of Make in India

1. India's GDP has grown at around 7.9% between 2003-2012. This is likely to be continued for next 5 years with an average growth rate of 7.7% p.a. till 2017. This requires support from all types of business activities which can be taken up under Make in India programme.
2. In spite of global financial crisis the Govt. has set up a target of 8% growth rate during the current five year plan 2012-2017.
3. There is a shift of population of working age group from working on farm to working in service or industrial sector. This is stated as India's demographic dividend. At the same time there is increase in disposable income which need availability of services and industrial products. By make in India this can be made possible.
4. The foreign investors cannot ignore the large size of Indian market and at the same time the appropriate industrial environment created by the new government.
5. Some industrialists have started the manufacturing of consumer need based products in India. E.g. Nano car by Tata Motors, in expensive hand held electro cardiogram (ECG) by GE Health Care and Water purifiers by Tata Chemicals. Such other productions are to be launched by foreign investors in India.
6. The increased income of the consumer should be properly tapped for the development of consumable market which will result in sustainable growth.
7. Research and Innovation in industrial and services sector will help to increase the quality and reduce the prices. This will create the consumer friendly atmosphere in the market. Present govt. has purposefully set aside 3% of the total revenue on Research & Innovative activities.
8. In agricultural sector because of Make in India programme there is a concentration of utmost utilization of cultivable land. This is also possible because of efficient water and power facilities. In the new Govt.'s planned programme special attention is given to this aspect.
9. Because of Make in India programme there will be removal of excess work force on agriculture and deploying that workforce for developmental activities in service and industrial sector.

Recommendations

- ❖ In the area of health and tourism sector and the food processing industries the Govt. can attract FDI.
- ❖ In the education sector, there is scope for increasing number of foreign students to earn foreign exchange.
- ❖ The promotion in the Road construction, Rail development.
- ❖ Recognize the strength of Indian Economy and concentrate in the areas where we are strong (Agri. IT & Service sector).
- ❖ Removing the drawbacks of the industrial policies.
- ❖ Setting up of new industrial units and industrial areas in Indian Rural sector.
- ❖ Need base education

Conclusion

Make in India initiative of the Govt. is to change the growth dynamics of the economy. Nearly 2 decades of economic liberalization, coupled with huge domestic demand, a growing middle class, a you population and high return on Investment make India a incredible Investment destination.

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