

Make in India Programme: An Analysis in Various Sectors

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Introduction

Make in India is different, in this movement Indian Government allowed to the countries of the rest world to come in India, invest money and make in India. This flagship programme of Central Government was launched by the Prime Minister Shri Modi on 25th September 2014. Make in India is inspired by the Chinese project 'Make in China', which raised China's GDP considerably. In this programme companies of the world can set up their business in India by investing their capital and technology. Government of India provides subsidies for new set up of foreign invited companies, in this programme foreign company can set their business and manufacturing units in the country. The programme was launched with full enthusiasm with the objectives as to create employment, to bring Foreign Investment and Technology, to remove red tap barriers, to speed up industrialization process and to increase India's GDP. Make in India will bring capital which will able to remove the problem of technology and unemployment. The development of the country infrastructure will take place and it will provide global linkages and boost the country's trade and this will reduce the current account deficit.

On 25th September 2014 PM of India announced the Make in India concept at national and international platform "Come and Make in India" this movement became to get a great response from National level and abroad, as to move campaign various companies planned to invest in the country like, Hitachi invested ₹100 billion in auto-

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component plant in Chennai, Huawei also announced to invest US\$170 million in Telecom Hardware Plant in Chennai, Spice group invested US\$75 million in Mobile phones manufacturing industry in Uttar Pradesh, France also offered to provide 36 fighter plane aircraft to the country and joined in Make in India movement, Haier invested ₹ 100 crore in Pune by 2017 for Air conditioner and LED project. ₹ 1.10 lakh crore investment proposals have been received in the electronic sector in the year 2018 from 20 to 25 global and domestic companies.

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 of India has introduced several reforms to create possibilities for receiving more FDI to align business partnership with the foreign countries. These reforms are also deal with the parameters of World Bank's Ease of Doing Business index to improve the country's ranking on it. Make in India programme is recognizing ease of doing business as the most important factor to promote entrepreneurship.
- **New Infrastructure:** The Government of India is planned to develop industrial corridors, build smart cities, to provide world class infrastructure with state of the art technology and high speed communication for speedy inward investment in the country. Innovative research activities are supported by a fast paced registration system and improved infrastructure for IPR registrations, along with the development of Indian infrastructure.
- **New Sectors:** This campaign has identified 25 sectors of the economy of India for the purpose of promotion with the information being shared through an interactive webportal. The Government of India has planned to allow 100 per cent FDI in Railway sector to remove the restrictions in construction sector. FDI limits also being increased upto 100 per cent in Defense & Pharmaceutical sectors.
- **New Mindset:** The new mindset intends to change by bringing a pattern shift in the way of government to interact with various industries. This will focus on activities as a partner in the economic development of India along with development in corporate sector.

Review of Literature

K. Kalaivani's (2015) in this study the author tried to elaborate the impact of Make in India on the HRM practices followed in India. In this study we found that, a weighty positive and expressive relationship between Human Resource Management practices and the make in India. The study also found that, Human Resource Management practices become the means whereby designing new culture requires

that professionals and workers ahead of the change in cultural curve with innovative and exciting Human Resource Management practices. KV Ramana (2015) this paper covers issues of the Make in India programme in different sectors which are covered as worldwide and positive responses with some critics. In this study we found various challenges that the programme and movement will face in coming journey. The study also found that, the programme make in India will attract larger FDI to boost up the manufacturing sector in the country with timed to perfection. S. Soundharia (2015) discussed in the study about Make in India programme and its opportunities, challenges, changes needed, importance, advantage & disadvantage of the programme. The study also found that, Make in India campaign will surely make to India as an important investment destination at global level and hub for manufacturing sector. Seema Sangwan's (2015) study focused on the changes in FDI limits after launching of Make in India programme by Central Government, this make help to growth in FDI. The study also founded that a high correlation between industrial manufacturing and FDI inflows.

Objectives of the Study

- To study the conceptual framework of Make in India programme.
- To study of the various sectors progress under Make in India Programme.
- To study about the investment agenda of companies under Make in India.

Research Methodology

This paper is prepared on the basis of secondary data and descriptive in nature. The data has been collected and compiled from various sources like, journals, magazines, media reports, websites of Central Government, publications from Ministry of Commerce & Industry, RBI Bulletins and www.data.gov.in.

Significance of the study: We all know that India is a developing country but highly growing and boosting economy in the world, this became possible because of foreign capital invested in the county but we are still need more and more investment as FDI, Technological knowhow for improving infrastructure of the country. The reason behind the launching this programme is, to encourage the investment, to make global recognition and providing the world class infrastructure to the citizen of India as well as abroad. When foreign companies will invest in our country we'll be make sure to generate employment, increase manufacturing sectors to providing more and more facilities to the citizens.

Development of various sectors under Make in India programme: Due to make in India, Various foreign companies are showing their interest to invest in India like German, USA, UK; Singapore and Mauritius companies are inclined to invest in the Indian High-Tech market. There are various sectors wherein foreign companies invested their capital and know how technological support as under:

Telecom Sector

- **Spice Group:** In January 2015, Spice Company announced ₹ 500 crore investments in setting up a manufacturing unit in Uttar Pradesh. The company also signed a Memorandum of Understanding (MoU) with Uttar Pradesh Government for setting up a manufacturing unit in the state.
- **Huawei:** In February 2015, Chinese handset major Huawei launched a 5,000-seater research & development (R&D) centre in Bengaluru, the company's largest such facility outside China and the first R&D centre set up by a Chinese company in India. The investment in setting up the centre was more than \$170 million (around ₹ 1,050 crore).
- **Samsung:** In May 2015, Samsung Company has signed a Memorandum with the ministry of MSME (Micro, Small & Medium Enterprises) to open MSME-Samsung Digital Academy for providing digital academy courses in collaboration with the MSME to train the youngsters for developing the apps.
- **Xiaomi-Foxconn:** In the year of 2015, the first India-made Smartphone of Xiaomi, which is the world's third-largest mobile handset manufacturer company, was launched from an assembly line of Foxconn's manufacturing unit at Sri City, on the Andhra Pradesh-Tamil Nadu border.
- **Foxconn:** In the year of 2015, the company, largest contract-manufacturing firm for consumer electronics in the world, signed a memorandum with the government of Maharashtra and agreed to invest \$5 billion within the period of three years for setting a manufacturing in Maharashtra.
- **Lenovo:** In the month of August 2015, Chinese company Lenovo the manufacturer of smartphone and computer has said that it would start local manufacturing unit of Motorola and Lenovo Smartphone in Sriperumbudur, Tamilnadu. The company had also roped in Flextronics of Foxconn which is a large electronics contract manufacturer and a competitor, to manufacture the smartphone in its unit at Sriperumbudur near Chennai.
- **Optimus-Wistron:** In the month of November 2015, India-based Optimus Infracom a telecom equipment maker which manufactures handsets for HTC, has tied up with Wistron Corporation of Taiwan to set up a facility in India to make smart phones with the investment of \$650 million and over the next five years both companies are expected to invest \$200 million in the manufacturing facility in Noida Uttar Pradesh.

Leather & Leather Products

A special package for employment generation in leather and footwear sector has been launched in the month of December 2017 in the name of IFLADP (Indian Footwear, Leather & Accessories Development Programme). This package involved

implementation of Central Sector Scheme with an approved expenditure of ₹ 2600 Crore over the three financial years (2017-18 to 2019-20):

- Two new branches of Footwear Design & Development Institute will be built in Patna and Hyderabad.
- ₹ 1220.32 lakh has been sanctioned under Market Access Initiative scheme for marketing programmes and activities during FY 2017-18.
- 4.44 lakh people will be trained under the programme.

MSME Sector

- Under the Prime Minister Employment Generation Programme (PMEGP), 1.7 lakh units have been settled up for providing the employment to 12.82 lakh persons over the years in the country.
- ₹ 139.58 crore has been approved for clusters to providing employment to 59,900 artisans across 72 clusters.
- Micro Small & Medium Enterprises have been allowed to participate for 'Make' projects and granted relaxation in the registration and profitability criteria.
- Incubation Cell 'Knowledge for Innovation in Trade & Technology for Entrepreneurial Start-ups' (KITTES) has been set up at Indian Institute of Foreign Trade, New Delhi and 'MyMSME' app has also been launched to submit and track applications for various schemes.
- In addition the 'Samadhaan' portal has also been launched to provide information regarding the payments pending with Central Public Sector Enterprises or Central Ministries.
- More than 5.75 lakh people will be trained by Tool Rooms & Technology Centres.

Automobile Sector

India has a huge automobile industry contributes around 7.1 per cent to India's GDP by volume. The country ranks 4th in Asia and 9th in the world as the world's largest automobile Industry. The industry produced a total of 23,960,940 vehicles in April-March 2015 as against 23,358,047 in April-March 2014, registering a growth of 2.58 per cent over the same period last year. The country is also currently the 6th largest market in the world for automobile sector and further it's expected to become the third-biggest car market in the world by the year 2020. In the month of July 2015, General Motors which is the third-largest automobile maker in the world has signed a letter of offer with the Government of Maharashtra, to invest ₹ 6,400 crore at its existing Talegaon facility in Pune for next expansion and to export its various models. Mercedes Benz actively joined the Make in India programme in two different areas, as the luxury car segments, it has been decided to manufacture more of its components in India thus increasing the localization of its new model C220 CDI to 60 per cent and

secondly, it has also been decided to manufacture its luxury buses in India, for the purpose of export to Africa and South East Asian markets. For the completion of the purpose the Centre has decided that 100 per cent FDI has been allowed in the sector through the automatic approval route which means that foreign investors do not require the prior authorization of the Government of India. The impact of this decision can be seen in the data released by Department of Industrial Policy and Promotion (DIPP) which states that the industry has attracted FDI worth US\$ 15.065 billion during the period April 2000 to March 2016. Thus, it can be reasonably concluded that India has emerged as one of the key global players (both as a consumer and a producer) in the automobile industry. It has witnessed tremendous growth, especially in the last few years and has become a base for global manufacturers. Suzuki (Japan), Nissan (Japan), Honda (Japan), Piaggio (Italy), Volkswagen (Germany), Renault (France), Hyundai (South Korea), General Motors (USA), BMW (Germany), Ford (USA), Toyota (Japan), Mercedes (Germany), Daimler (Germany) and FIAT (Italy) are all present in India and are manufacturing and assembling locally. Mercedes-Benz recently decided to make the entry level GLA-class Sport Utility Vehicle (SUV) in India. Japanese company two-wheeler manufacturer Honda Motorcycle and Scooter India (HMSI) opened its 4th and largest scooter plant of the world in the state Gujarat while Chrysler has planned to invest US\$ 513.5 million in the state Maharashtra, to manufacture Jeep Grand Cherokee model.

Aviation/Defense Sector

- Wayne Burt-GE Aviation: In the month of March 2015, Wayne Burt Group has signed several agreements (MOU) with GE Aviation through its group company Kerns Aero Products. This company manufactures high precision complex, special process aircraft engine and components for aircrafts & rocket engines. Presently a special process factory has been located in Sriperumbudur, near Chennai Tamilnadu in collaboration with GE Aviation; total investment in this venture is US\$25 million and expected to have revenues of US\$50 million in coming three years.
- Foreign Direct Investment has grown upto 6 times from US\$93 million (2011-14) to US\$519 million (2014-17) and the passengers carried by domestic airlines increased by 29 per cent 148 Million (2012-14) to 191 Million (2014-16).
- National Civil Aviation Policy (NCAP) has been established for boosting the regional air connectivity and establishes an integrated ecosystem to promote tourism & generate employment. In this programme new 160 Airports being revived & operationalized and 6 Greenfield airports approved. Besides this new 16 Common User Domestic Cargo Terminals (CUDCT) operationalized and finally the GPS-Aided Geo Augmented Navigation system (GAGAN) launched.

- **LH Aviation-OIS:** In the month of June 2015, a France-based company LH Aviation has signed an agreement (MoU) with OIS Advanced Technologies to set up a manufacturing plant in India for drones manufacturing.
- **HAL-Irkut Corp:** In the month of August 2015, Hindustan Aeronautics Ltd. (HAL) began to talk with Irkut Corp of Russia to transfer the technology of 332 components of the Sukhoi Su-30MKI fighter aircraft under the Make in India programme.
- **Boeing:** In the month of October 2015, United States aviation manufacturer Boeing has decided to assemble one of its two helicopters Chinook heavy-lift and Apache attacking types in India recently March 25th, 2019 four Chinook helicopter handed over to Indian Air Force.
- **Reliance Defence-Almaz-Antey:** In the month of December 2015, Reliance Defence said it had signed a deal for manufacturing and maintenance having worth of US\$ 6 billion, with the company Almaz-Antey of Russia; the manufacturer of an air defense system that military was poised to buy this.
- **Rostech-HAL:** In the month of December 2015, Rostech State Corporation of Russian oriented has signed up an agreement (MOU) with Hindustan Aeronautics Ltd. for manufacture of at least 200 Kamov 226T light helicopters to replace the ageing fleet of Cheetah and Chetak, in this deal it's estimated to be worth of US\$1 billion under the Make in India programme.
- **Major challenges of Make in India**
- India needs funds to build new industries which in turn need infrastructure. This will require more finance which is the major challenge for the country. Only banking system of India is not in a position to lend many funds to the various 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.
- Many companies like Maruti, Nokia, Ford and Hyundai have had strikes and protests in the country at their manufacturing plants for fulfilling their demands. India has labour laws and organized unions that can hinder smooth expansion. The Congress party affiliates Indian National Trade Union Congress having more than 33 million workers. The BJP friendly Bharatiya Mazdoor Sangh (BMS) having more than 17 million workers same as the Communist party run own labour union having 20 million workers.

- India is lagging behind in imparting skills training to workers. In scarcity of vocational education and training facilities are the key challenges of the country'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 has been very stringent in application in rules, regulation and procedures. Creating healthy business environment will be possible only when the administrative machinery is efficient. A business friendly environment will only be created if the country can provide a signal easier approval of projects and set up hassle free clearance mechanism.
- India should be ready to tackle elements that reciprocally affect in competition of manufacturing; Government of India should also be ready to give tax concessions to companies for setting up units in the country.
- The country should be more considerable towards novelty and innovations in small and medium sized industries. The Government of India has to draft the plans to give special scope and privileges in needy sectors.
- Make in India programme will be constantly compared with Make in China programme of China. Our country should constantly keep up its strength so as to outpace supremacy of China in the manufacturing sector.
- Opportunities of Make in India
- Main aim of Make in India programme is to make an export hub as home appliances manufacturer.
- Largest consumer electronics exporter of Japan 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 been expressed their interest in setting up the manufacturing units in India.
- Switzerland based chocolate manufacture Barry Callebaut is looking at setting up a manufacturing unit in the country as the part of its global expansion plans to cash in on the ₹ 3,000 crore domestic markets. Currently the Barry Callebaut has only commercial operations in the country.
- The economic impact of manufacturing in India will go beyond direct employment and it will create new jobs in the country.
- There are more opportunities to improve the logistics infrastructure such as port-to-inland connectivity, cargo airports etc.

- Klynveld Peat Marwick Geordeler (KPMG) and Confederation Indian Industries (CII) have recently completed a report which identified nine key action items to the Make in India programme conducive for large scale manufacturing.
- Findings of the study: It's estimated that the Make in India programme will bring a intense changes in various sectors like Automobiles, Aviation, Biotechnology, Defense, Media, Thermal power, Oil & Gas and other manufacturing sectors.
- The job opportunities are multiples and opened the doors without any limitations.
- Mercedes-Benz recently decided to make the entry level GLA-class Sport Utility Vehicle (SUV) in India.
- Automobile industry produced a total of 23,960,940 vehicles in April-March 2015.
- FDI grew 6 times from US\$93 million (2011-14) to US\$519 million (2014-17).
- 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.

Suggestions

- The extra rapidity by the Government of India on more initiatives like skill development has been proposed to provide essential support to the Make in India programme may be more fruitful.
- Indian manufacturing must have to manufacture the goods in such a way that they carry zero defects and goods with zero effect that they must not have a negative impact on the environment.
- Reforms like bringing more sectors under the automatic route, increasing the FDI cap limits and simplifying the procedural delays has to be initiated. The country must purposely work to attract greater FDI into Research and Development sector.

Conclusion

Make in India programme was framed to increase the manufacturing activities within the country and represent the country before the world as the most attractive place for the investment in the world. Undoubtedly, it has successful programme to attract various companies to invest in country. But there are some problems and loophole in this programme. So it needs various improvements which have been discussed in the paper that Service sector of the country is the growing sector at a

faster pace than the manufacturing sector for which Make in India programme was launched. The country has much opportunity to take some share of global manufacturing away from our neighbor country China. Government of India as well as citizen of the country have to do to improve the ease of doing business in the country, these may be to stop tax terrorism, improve our infrastructure, reform labor laws, investment in skills development, easy land acquire laws, transparency in administration, liberalized Government policies, good governance, restore broken trust between industry and government and fast tract approval. At the end it can be concluded that the concept of Make in India will definitely going to boost up the Indian economy and will help in meeting the major challenges of poverty, unemployment, low per capita income and help in sharing the burden of Government.

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