



A STUDY ON MAKE IN INDIA: OPPORTUNITIES AND CHALLENGES

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ABSTRACT

Make in India is one of the key program released by the Prime Minister of India in September 2014 with the primary purpose of setting up manufacturing units and increasing exports while reducing imports in India with the guidance of global investors. Professional staff, ease of doing business, strong infrastructure and cheap manufacturing charges is some of the essential prerequisites for the success of the Make in India campaign. The most important challenges in the way of marketing campaign, consisting of political gridlock, role of Indian states in implementing the idea, taxation, provision of primary and higher infrastructure, supply of silos, professional manpower, reduced and easy paper work to obtain applicable authorization and so on are described. Further, mentioned there are numerous key and recent breakthroughs and achievements of the Make in India initiative, which includes automobiles, aircraft, naval, manufacturing, tourism and hospitality.

Keywords: - Indian economy, make in India, opportunities, challenges.

INTRODUCTION

Manufacturing is very strong in large countries such as England, the United States, Japan and China. China has a much larger share of global exports than India. Manufacturing in India accounts for 2% of world GDP. Small countries like Thailand contribute 36% of their GDP to manufacturing, while Indonesia and Malaysia only contribute 25%. Aiming to increase the GDP share, Prime Minister Narendra Modi launched the Make in India campaign in September 2014 to revive the Indian economy. This broad and comprehensive campaign has been favorably received both domestically and internationally. The term Make in India is not the same as the term Make in India. Made in India refers to things made in India, although the term Make in India has several interpretations. In India we import more than we export. As a result, a lot of money is leaving the nation. In terms of resources, India has the potential to become a huge industrial hub.

Concept of Make in India

Make in India is a major national program of the Government of India, which aims to encourage investment, encourage innovation, enhance skill development, protect intellectual property and create world-class manufacturing infrastructure in the country. The basic objective of this project is to attract global investment and boost the Indian manufacturing industry. It is headed by the Directorate for Industry Support and Internal Trade of the Ministry of Trade and Industry (DPIIT).

The Make in India initiative is critical to India's economic growth as it intends to tap into the country's current talent pool, create new job opportunities and strengthen the secondary and tertiary sectors. The initiative also intends to improve India's ranking on the Ease of Doing Business Index by removing redundant rules and regulations, streamlining bureaucratic procedures and increasing government openness, responsiveness and accountability. "I want to say to the whole world: Come and manufacture in India. Come to India and manufacture. Go sell to any country on the planet, but do it here. We have the skills, talents, discipline and strong will to succeed. "We want to offer the world a chance to come and manufacture in India," Prime Minister Narendra Modi said in his inaugural Independence Day speech from the walls of the Red Fort on August 15, 2014. Mr. Modi publicly launched the project on September 25, 2014, at Vigyan Bhawan in New Delhi, for the presence of Indian business titans. The Make in India initiative targets 25 industries. Automotive, Automotive Components, Aerospace, Biotechnology, Chemicals, Construction, Defense Manufacturing, Electrical Machinery, Electronic Systems, Food Processing, IT & BPM, Leather, Media & Entertainment, Mining, Oil & Gas, Pharmaceuticals, Ports & Shipping, Railways, renewable energy, roads and highways, space, textiles and clothing, thermal energy, tourism and hospitality and wellness are examples. The initiative's dedicated website (www.makeinindia.com) not only promotes 25 industries but also focuses on opportunities, principles and ease of doing business.

Need of the Study

The need of the study arises to know the service sector cannot bridge the trade gap alone. Manufacturers will have to chip. The government intends to encourage domestic and international firms to invest in Indian manufacturing, which will strengthen the industry and create jobs at both skilled and unskilled levels. Manufacturing appears to have a substantial multiplier effect on a country's economic growth. Growth in the manufacturing sector stimulates growth in other sectors because it has more backward linkages. This leads to more businesses, investment, innovation and a higher general standard of living in the economy.

Objectives of the Study

- To study the concept of make in India.
- To study opportunities and challenges for Make in India Campaign.

Opportunities of Make in India-

- 1. It creates employment opportunity-** One of the main objectives of the Make in India program is to open doors by offering employment opportunities to as many Indian nationals as possible. It favors the youth of the nation as the primary beneficiary. Investments in certain areas such as media, medicine and tourism will encourage young entrepreneurs to come forward with their creative ideas without having to worry about the source of money.
- 2. Improve Surroundings** – A certain industry requires a promising place to build facilities to set up its factories for manufacturing in India. To meet this need, selected zones would be improved and nearby regions would benefit greatly. A project of this kind is essential for a developing country like India. Also, employment gained from the region will improve the financial situation of households living in the vicinity.
- 3. GDP Growth** – Due to the manufacturing of products in India, monetary growth is inevitable which will not only boost the exchange segment but also boost the GDP of the Indian economy as in the case of setting up of new plants and other ventures that are being speculated in India. In India's commercial sectors, the flow of wages will be massive. In the future, various fields like export, architecture, textile and telecommunication and so on are likely to develop, which will boost the Indian economy, which is currently the seventh largest in the world.
- 4. Sustain the Rupee** - The rise of manufacturing firms would naturally transform India into a center for the production of various trade items; as a result, there would be an incredible accumulation of foreign direct investment, strengthening the rupee against the dominance of the US dollar.
- 5. Brand equity Enhancement** – Urban population prefers global brands over trusting Indian stores. As a result, the small manufacturing company suffers a severe market disaster. Thanks to the Make in India campaign, such small businesses will get a real chance to succeed. With businesses investing in such small businesses from around the world, the value of Indian stocks will skyrocket.
- 6. Up-gradation of Technology** – Being an impoverished country, India clearly lacks numerous modern systems, which is a major hindrance to the progress of the nation. As a result, he killed nations on the verge of declaring war, India would get an opportunity to use the latest technology brought by these nations during the crusade in India. Not only India would benefit from the technological know-how and applications, but the respective countries will also benefit from the skilled and intelligent labor.
- 7. Access to young minds** - Most of India's young population wants to leave the country in search of a better future. India has always been hungry for inventions and fresh ideas due to lack of young workers. Under the Make in India programme, young people will not only get jobs, but their young and fresh ideas will take the industrial sector to new heights.

8. Capital Flow -Since the beginning of capitalization, Indian money has been spent on other nations, but with the introduction of the brand in India, capital will not only remain in our country, but foreign currency will also be supplied to the country. To summarize, India will not spend on other nations, but foreign countries will spend on India through investment and wages.

Challenges of Make in India

1. Neglecting Agriculture – The biggest negative impact of the Make in India effort would be on the Indian agriculture industry. It is common knowledge that India's land area has 61% cultivable land. Agriculture in India will be overlooked to some extent when industries are introduced.

2. Depletion of Natural Resources – Since Make in India is primarily focused on manufacturing enterprises; it requires the creation of various manufacturing industries. On a large scale, such initiatives deplete natural resources such as water and land. With such vital resources rapidly depleting, India may have little opportunity to replenish them, jeopardizing the long-term survival of such a huge population. Bad luck for small business owners

3. Manufacturing based economy – Indian economy is one of the largest in the world. It is divided into three sections: agriculture, industry and services. Currently, the Indian economy is dominated by the service sector, which accounts for up to 57% of GDP. However, with the implementation of the Make in India programme, the economy is expected to be entirely dependent on manufacturing and exports, while the import industry will remain stagnant. Ultimately, this would be a huge hindrance to other economic areas and would inevitably slow down the development of manufacturing in India.

4. Interest in Foreign Brands – As already indicated, the value of the brand in the Indian stock market would undoubtedly increase. But the Indian high society that is able to handle such things is dependent on foreign brands. This will eventually become a big challenge for local companies, as a high level of advertising is necessary to build people's trust in local brands.

5. Pollution – Pollution is one of the most important problems facing India today. India has a pollution score of 76.50, according to the data. With the Make in India initiative, this amount of pollution is expected to increase in the next few years. As a result, while Made in India may benefit the economy, it will have a negative impact on the environment.

6. Terrible relations with China. - With the launch of the Make in India campaign, the Indo-China relationship has already become a source of contention for the country, with India emerging as one of China's most promising adversaries.

7. Power Supply -

There are many villages in various Indian states that continue to have either little or no power supply. Thus, addressing the industry's basic need, namely energy supply, is one of the most pressing challenges to be addressed. Power outages and blackouts are prevalent across the country, especially during summers, making Made in India a hassle. With a deficit of 5.1%, India is running out of electricity. The Comptroller and Auditor General (CAG) reported a loss of USD 37 billion due to lack of transparency in the distribution of coal blocks. Under these circumstances, the government should first prepare to reduce the national deficit in electricity generation.

Achievements of Different Sectors of Make in India

Aviation Sector

- FDI grew 6 times from \$93 million (2011-14) to \$ 519 million (2014-17)
- Passengers carried by domestic airlines increased by 29% from 148 million (2012-14) to 191 million (2014-16).
- Government-approved 6 greenfield airports.
- Around 160 airports are being revived and operationalised.
- 16 Common User Domestic Cargo Terminals (CUDCT) have been operationalized.
- The government launched the GPS-Aided Geo Augmented Navigation system (GAGAN)

Basic Metals and Cement

FDI in mining sector increased 4.43 times from USD 293 million (2011-14) to USD 1297 million (2014-18)

- Government commissioned India's largest blast furnace, the Kalyani blast furnace, at SAIL, Burnpur.
- The government has also taken steps to redevelop the Rourkela steel plant and increase its capacity from 2 million tonnes per annum to 4.5 million tonnes per annum.

Biotechnology

- 'Rotavac', India's first domestic rotavirus vaccine, was released.
- Under Make in India, a virtual center has been set up in five IITs to explore advanced biofuel technologies.
- Government of Andhra Pradesh plans to set up Asia's largest MedTech Zone (AMTZ).

More than 200 independent manufacturing companies will be based in this MedTech zone.

Tourism

In 2014-15, the Ministry of Tourism announced the Swadesh Darshan program for integrated development of thematic tourism circuits across the country.

The government initiative aims to establish tourism as an important source of economic growth and job creation.

- PRASAD is another initiative introduced by the Ministry of Tourism. This plan is to promote religious tourism.

MSME

- Government of India has introduced a new program called Prime Minister's Employment Generation Plan (PMEGP).

- Government sanctioned Rs 139.58 crore for clusters for hiring artisans in 72 clusters.

- A new portal called “Samadhaan” was established to provide information.

Role of Indian States

The role of the Indian states in the implementation and success of the Make in India project is crucial. With a federal political structure similar to that of the United States, India has a diverse geographic and demographic distribution. The favorable involvement and cooperation of state decision-makers, political leaders and authorities is a crucial condition for the great success of the new initiative. Still, it seems to be just a pipe dream as many governments now running the NDA are hesitant to accept it. In contrast, several NDA-led states have followed this approach and some have even created their own state-led investment programs such as 'Make in Madhya Pradesh' by the BJP-led Madhya Pradesh state government. To achieve national prosperity, a unified agreement among states is required to make the idea of Make in India a success.

Conclusion

In short, our country has the potential to increase GDP by 25% in the next few years. The Government of India has made a number of efforts to further empower investors and improve the business environment. The 'Make in India' program is one such long-term project that will fulfill the dream of turning India into a manufacturing hub. Experts expressed their ambitions in a panel discussion at the 11th India Innovation Summit 2015. The Make in India initiative also focuses on developing items with zero defects and zero environmental impact. To sum it up, the Make in India project launched by the Government of India is a very promising and creative

initiative. Direct and indirect outcomes of the Made in India concept include increased employment opportunities, lower unemployment, higher purchasing power to improve living standards, state-of-the-art infrastructure, smart cities and so on. The government's duty is to facilitate rather than to regulate. This program also recognizes selected local businesses with innovative and new technological leadership to improve trade and economic growth and transform them into global champions. Although the campaign is still in its early stages, it is too early to predict its success. Make in India is a better strategy to boost the country's economic progress. The Make in India project aims to improve talent development, improve industrial infrastructure and make India a global manufacturing hub. The government's initiative aims to attract investment from around the world while creating job opportunities for the country's youth. About twenty five sectors of the Make in India project have to be pushed to fulfill the interests and aspirations of the international investors.

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