



Make In India: Challenges and Opportunities

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Abstract:

In nutshell, it can be concluded that our nation has the ability to push the GDP to 25% in next couple of years. The government of India has found number of steps to further empower investments and further enhance the business atmosphere. "Make in India" mission is one such long haul initiative which will understand the fantasy of changing India into manufacturing Hub. Start-ups in the core manufacturing sectors which are poised to play a vital role in the accomplishment of this campaign "Make in India". Ambitions, said experts at a panel discussion at the 11th India Innovation Summit 2015. "New companies in the field of telecom, defense manufacturing, automobile, financial technology modules and mobile internet have immense potential to succeed in the plan of "Make in India", said Siddhartha Das, general partner, Venture East addressing aspiring business visionaries at the discussion on "Entrepreneurship - Role of Start-ups towards Make in India". Make in India scheme also focuses on producing products with zero defects and zero effects on environment. Besides, the campaign would ensure closer center and states relations for advancing India as a worldwide manufacturing hub.

Keywords: Make in India, Economy, Manufacturing, Industrial Development, Infrastructure Growth, Employment.

Introduction:

The MAKE IN INDIA campaign established the foundation of India's new national manufacturing policy and rolled out to provide the first class red carpet for both domestic and international industrialists with an objective to make India a manufacturing hub which will in turn boost the employment rate and overall growth and development of India. The program lays accentuation on 25 divisions. The objective of this scheme is to ensure the manufacturing segment which contributes around 16% of nation's GDP could be expanded to 25% in next 5 years. Make in India scheme Eliminates Unnecessary laws and controls. Three sectors which contribute to GDP of any country are agriculture, manufacturing and services. As per the present contribution of these sectors to Indian economy manufacturing possesses 16% which is lowest. There are loads of opportunities to be grabbed as far as Indian manufacturing sector is concerned. Numerous business man and entrepreneurs vision for make in India initiative is for the betterment of our economy. As to enhance the employment



generation in the manufacturing segment, we need to provide specialized training to our employees. Small and medium scale ventures and micro and medium enterprises account for 90 percent of the aggregate industrialist activity in India and play a imperative role in improving this work era. The manufacturing sector would need to play a pivotal role for India to accomplish its objective of employment generation. There is a need for strong commitment between the government and the industry to empower high growth and development for employment generation. Undoubtedly, India is well-known for its services export, but many question its ability to export fabricates and that is the perception which our Prime Minister Narendra Modi plans to change. Its transformation into a hub of World Manufacturing Industry will create more employment and open doors for its.

Objectives of the Research Study:

The said research study was carried out with following objectives in view:-

1. To study the objectives of Make in India Campaign.
2. To discuss briefly features of Make in India Campaign.
3. To study opportunities and challenges for Make in India Campaign.
4. To identify merits and demerits of this campaign.

Research Methodology:

The present research study uses the most recent available published secondary data. To achieve the above stated objectives, the secondary data was used. The secondary data that are mainly used are published in annual reports of various organizations and survey reports of leading business magazines. For the said research study the secondary data is also collected from the various National and International Research Journals which are related to Commerce, Management, Marketing and Finance. The Secondary data is also collected from various websites.

Make in India:

The Make in India initiative was launched by Prime Minister in 25th September 2014 as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation. By 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. The promise of the BRICS Nations (Brazil, Russia, India, China and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'. Global investors debated whether the world's largest democracy was a risk or an opportunity. India's 1.2 billion citizens questioned whether India was too big to succeed or too big to fail. India was on the brink of severe economic failure, desperately in need of a big push. Make in India was launched by Prime Minister against the backdrop of this crisis and

quickly became a rallying cry for India's innumerable stakeholders and partners. It was a powerful, galvanising call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world. But Make in India is much more than an inspiring slogan. It represents a comprehensive and unprecedented overhaul of outdated processes and policies. Most importantly, it represents a complete change of the government's mind set – a shift from issuing authority to business partner, in keeping with Prime Minister's tenet of 'Minimum Government, Maximum Governance'.

About Logo –

The Make in India logo is derived from India's national emblem.



The logo is the silhouette of a lion on the prowl, made entirely of cogs, symbolizing manufacturing, strength and national pride. The national emblem, Ashok Chakra, also has four lions. In Indian folklore, the lion denotes the attainment of enlightenment, besides representing power, courage, pride and confidence.

Objective of Make in India:



Following are the main objectives of "Make In India" Campaign.

- To get manufacturing sector grow over 100 percent on sustained basis.
- To make India a manufacturing hub for almost all manufactured goods.
- To bring inflow of foreign capital on large scale.
- To generate employment opportunities for the Indian youth.
- To create inflow of modern technology in India.



- To create inflow of labour intensive technology in India.
- To transform the economy from service driven growth model to manufacturing driven growth model.
- To unveil investment opportunities for foreign Companies NRIs, Investment groups and Investment bodies.
- To create investor friendly environment in India.
- To make speedy infrastructure growth to create a strong base for industrial development.
- To make easy licensing provision and speedy approval of the projects through online portals.
- To integrate all central government services with an e-biz window online portals.
- To simplify and rationalize the regulatory atmosphere.

SECTORS COVERED

The Campaign called “Make in India” launched by the PM Mr. Narendra Modi covers almost all the sector. The coverage of this campaign can be listed as follows.

<ul style="list-style-type: none"> • Automobiles • Food Processing • Renewable Energy • Automobile Components • IT and BPM • Roads and highways • Media and Entertainment • Textiles and garments • Chemicals 	<ul style="list-style-type: none"> • Mining • Thermal Power • Construction • Oil and Gas • Tourism and Hospitality • Defence manufacturing • Aviation • Leather 	<ul style="list-style-type: none"> • Pharmaceuticals • Wellness • Electrical Machinery • Ports • Electronic Systems • Railways • Space • Biotechnology
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Why Make in India?

1. Focus is being different stances such as employment creation and skill enrichment indifferent areas of economy, specially chemicals, IT, pharmaceuticals, renewable energy, weaving, bio innovation and hardware. About 25 regions are to be taken into creation keeping in mind the end goal to actualize the concept of Make in India.
2. India has the potential to promote the health and tourism segment. This will attract foreign currency in India. In the meanwhile this Make in India idea will help efficient utilization of assets within the nation. The Make in India will help in expanding employment opportunities.
3. Manufacturing in India by MNCs is to be advanced under make in India concept.
4. Such initiatives in different areas aims at expanding the GDP growth rate and Tax Revenue of the nation. From the date of propelling this concept of Make in India which initiatives the GDP which has expanded alongside with increment in tax revenue. The



statistics displays the positive result of this part of the GDP growth and assessment income of the nation.

5. The initiative of Make in India is anticipated to attract the FDI for capital financing purposes and the technological investment in different economic segments in Indian Economy. The venture prospect by Japan, Germany, and South Korea in the different rail and road venture is the only result of our Make in India concept. We are currently examining on the Smart Cities and Metro Rail for different cities in India which are the results of this Make in India concept.
6. The Make in India concept is relied upon to expand the development in framework division. 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 agro-sector is overloaded. It is said that to be a developed economy around 30% of the population or even less than that be engaged on agricultural division but today in India about 60% or more populace is working on agrarian sector. This is the most essential concept that the industrial and services segment growth be promoted and the more and more employment be produced.

How this concept can be accomplished:

- Skill development projects would be propelled particularly for individuals from rural and poor ones from urban areas.
- 25 key divisions have been short recorded such as media communications, power, automobile, tourism, pharmaceuticals and others.
- Individuals aged 15-35 years would get high quality training in the accompanying key areas such as welding, masonries, painting, nursing to help elder people.
- Skill certifications would be given to make training process, a standard. As of now manufacturing in India endures due to low efficiency, inflexible laws and poor foundation resulting in low quality items getting manufactured.
- Over 1000 training Centre's would be opened across India within coming 2 years.
- For companies setting up factories, "Invest India" unit is being set-up in the commerce department which would be accessible 24*7. The principle focus of this dept. would be to make business in India simple by making all the approval processes straightforward and resolving the issues in getting administrative clearances within 48-72 hours with the goal of making the clearances faster. To make this conceivable, special group would be accessible to answer all the inquiries related to help foreign investors/organizations.

Opportunities - Make in India:

The 'Make in India' campaign appears to have come at flawless time. Numerous giant foreign companies have already communicated their enthusiasm in setting up their manufacturing plants in India. Aiming to make India as its export hub, home appliances manufacturer Bosch and Siemens today declared to open their company's first manufacturing plant in our nation, which is to be set up at a cost of Rs. 350 core. The facility, aimed at making India as an export hub for the South East Asian region, which is estimated to start



their operations by the second half of 2014, an organization's statement explained. Sony Corp sources most of the products it offers in India, plants in Thailand, Malaysia, China and Japan. The organization, which has been known as dynamic India from past two decades, now sources products from overseas factories based on India's free-trade agreements. Japan's largest consumer electronics exporter, is presently seriously assessing to "come and make in India" opportunity. Switzerland-based chocolate producer Barry Callebaut looking for setting up a manufacturing unit in India as part of its worldwide extension plans to capitalize on Rs. 3,000 core domestic market.

Presently, India is a central market for Barry Callebaut and it wants to be in the market on long-haul. Make in India aims to boost entrepreneurship in India irrespective of other places. A strong manufacturing sector has the potential to take our economic and financial growth to a higher direction, providing jobs to our youth and fulfil their desires. The economic impact of manufacturing in India will go beyond direct business. It will provide occupations in the administrative sector and allied services like logistics, transportation, retail and so forth. Needless to say, as manufacturing would require free flow of crude materials and finished goods, enhancing logistics foundation such as port-to-inland connectivity, freight air terminals and so forth. Would be basic and these advancements promise to transform India into a worldwide manufacturing hub. The government's "Make in India" initiative aims to expand the share of manufacturing to 25 percent of GDP by 2022 from the present 12 percent. This is expected to result in the formation of 100 million occupations. KPMG and CII recently completed a report which recognized nine key activity items to make India favorable for large-scale production. These incorporate streamlining venture endorsement, facilitating land acquisition processes, creating an appropriate labour development ecosystem, efficient and effective enforcement of laws, facilitating greater cross-border transactions, creating clear exit guidelines, rationalizing taxation regimes and technology enablement of the government. Implementing the aforesaid action items requires a detailed roadmap, including the development of uniform standards and procedures, introducing common application forms for seeking approval from central and state governments, and building a model for a solitary window component. To ensure the nation's place as a worldwide manufacturing powerhouse, the government, industry and civil society must work in couple to re-establish financial investors and public confidence in "Make in India" campaign to make it successful.

Challenges:

The government has created a concept but the driving through this is not so simple. This concept will create several challenges for Indian Managers. Following are the some challenges of Make in India.

- 1. Creating the Most Enthusiastic and Dedicated Team:** The first and the most important challenge for the Indian Managers to make this campaign successful is to create the most enthusiastic and dedicate them. The mangers will have to identify the hidden talent in the staff members who can dedicatedly work on the projects.



2. **Creating a Health Business Environment:** Creating a health business environment is perhaps another challenge for the business development. It has been observed that Indian managers have been most stringent when it comes to innovation and development.
3. **Creating competitiveness of Indian manufactures goods:** The “Make in India” Campaign is aimed at making India a manufacturing hub and the government is pulling out all the stops to make the investment smooth. The government has created a dedicated system to answer all the queries of business entities with 72 hours. This system will closely monitor all the regulatory system to make them simple and rational. The government has created a concept but the driving through this is not so simple. This concept will create several challenges for Indian Managers.
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6. **Creating competitiveness of Indian manufactures goods:** Creating competitiveness of Indian manufactured goods is also a challenge ahead. It is found that Indian products cannot sustain in the foreign competitive.
7. **To keep pace with technological development:** Fast technological advancement would be the requirement of the future dates. The Indian managers will have to keep pace with technological developments taking place abroad. This is perhaps one of the challenges for them.
8. **Development of skills and Talents:** Development of skill and talent in Indian managers and workers is another challenge. The managers will have to start skill development programs for the staff members.
9. **Development in the field of research and development:** It has been observed that Indian enterprises are lacking in research and development. The foreign companies are more advanced in this field as compared to Indian companies. It will be challenging foe the Indian companies to make research and development speedier.



10. Creating labour intensive technology: Creating labour intensive technology is another challenge against Indian managers. Since, India is a labour surplus economy, only the development of technology is not enough, but the labour intensive technology is required. If this is not taken care of, it will increase unemployment India.

11. Financial challenges: Financial challenges are also very important point to be considered. It has been observed that the Indian companies prove to be weaker than the foreign companies in terms financial consideration. The Indian managers are challenged to find out newer ways and means of generating finance.

Merits - Make in India:

- 1. Grow GDP:** Because of the manufacturing of products in India, monetary growth is inescapable, which will not only boost the exchange segment additionally will build the GDP of Indian economy as with the setting up of new plants and different ventures being speculated in the Indian commercial sectors the stream of salary will be humongous. Different sectors for example exportation, architecture, textiles, telecommunications and so on, are probably going to thrive inevitably, strengthening the Indian economy which is already the seventh largest in the world.
- 2. Creates Job Opportunity:** One of the principle purposes of make in India campaign is to provide opening doors by providing job opportunities for as many citizens of India as possible. It has focused on young generation of the nation as its prime recipient. The investments in the focused sectors, i.e. Media, pharmaceuticals, tourism and so on, will inspire the young entrepreneurs to approach with their innovative ideas without agonizing over the source of hypothesis.
- 3. Enhance the Vicinity:** In order to manufacture in India, a specific industry requires a promising area to set up apparatus for setting up their factories. To satisfy this necessity, the zones picked would be enhanced as well as neighboring areas will be highly profited. For a developing country, such as India, an initiative of this kind is extremely crucial. Furthermore the work procured, from the region would also enhance the monetary status of the families living nearby.
- 4. Flow of Capital:** Since the commencement of capitalization, the Indian currency is being spent on the foreign nations but with the introduction of make in India, the capital will not only stay in our nation, but also the foreign currency will be provided to the nation as well. In a nutshell, India will not spend on foreign countries, but the foreign countries will spend on India in the form of investments and wages.
- 5. Sustain the Rupee:** The emergence of the manufacturing businesses would naturally change India into a center point for the fabrication of different business products; as a



result, there would be an amazing accumulation of the FDI, which thus would strengthen the rupee against the mastery of the American dollar.

6. **Increment in Brand Value:** The urban population prefers global brands as opposed putting their confidence in Indian retailers. Thus, the small manufacturing organization endures extreme misfortune in the market. Because of make in India crusade, such small manufacturers will be furnished with a real shot at business. With, organizations putting resources into such small time retailer's from all around the globe, the brand estimation of Indian stock will increment drastically.
7. **Up-gradation of Technology:** India being an underdeveloped country clearly lacks various latest mechanisms, which is a major obstacle in the way to development of the nation. Subsequently, with heap of nations approaching the make In India crusade, India will be given the opportunity to make use of the latest technology which these nations bring along. Not only will India profit from the knowledge and utilization of the technology additionally, the concerned countries will be provided with a skilled and smart work.

Demerits of Make in India:

1. **Interest in International Brands:** As stated earlier, the brand value of Indian stock market will definitely increment. But the Indian high society, which can actually manage such merchandise, is addicted with foreign mark. This will ultimately become a big hurdle for the local entrepreneurs as a great level of promotion is required to construct the confidence of people in the local brands.
2. **Misfortune for Small Entrepreneurs:** The make in India crusade, invites foreign countries to manufacture their products in India with open arms, this naturally facilitates up the different restrictions over trade with foreign countries, welcoming consideration of the worldwide commercial organizations. As these companies won't only allure the Indian population but additionally would dominate the small local entrepreneurs and force them out of business.
3. **Fabrication based Economy:** Indian economy is one of the biggest economies on the planet. It constitutes of three parts i.e. Agriculture, industry and services. Presently the Indian economy majors up from the service sector which contributed up to 57% of the GDP. But with the introduction of the make in India campaign the economy is likely to rely completely on the manufacturing and exporting while the import industry will stay static. This in the end will be a tremendous misfortune for the other economic segments and would naturally decline the progression of make in India.
4. **Negligence of Agriculture:** The most negative effect of the make in India crusade will be on the farming sector of India. It is a well-known fact that Indian Territory has 61%



cultivable land. With the introduction of industrial sectors, the agriculture in India will be neglected to some degree.

5. **Depletion of Natural Resources:** Since Make in India is fundamentally based on manufacturing firms, it requests the set-up of various processing factories. Such projects devour the natural resources such as water, land etc. on a large scale. With the rapid devouring of such valuable resources, India might be left with zero opportunity to renew them, undermining the survival of such a large population in the near future.
6. **Disruption of Land:** India is extremely rich in the agriculture sector. About 60% of the Indian soil is arable. With the accentuation being given to the make in India crusade, many of the companies would come forth to set up their factories on the land which could be utilized for cultivation. Eventually this set up of manufacturing plants would lead to the permanent disruption of the agrarian land in the near future.
7. **Pollution:** One of the most serious issues which is prevailing in India is pollution. According to statistics, India has a pollution index of 76.50. With the make in India movement, this pollution level is likely to arise in a couple of years. Hence, Make in India may economically arise but it will have a converse impact ecologically.

Conclusion:

The “Make in India” Campaign is aimed at making India a manufacturing hub and the government is pulling out all the barriers to make the investment smooth. The government has created a dedicated system to answer all the queries of business entities with 72 hours. This system will closely monitor all the regulatory system to make them simple and rational. Make in India has accompanied with heaps of benefits and points of interest for the Indian Economy. Due to this fact organizations from across the globe have invested resources in the make in India battle, and have flourished successfully, making India a center point for the manufacturing companies, eclipsing nations like the USA in the gathering of FDI up to \$63 billion amid the previous year. However, since the initiation of the make in India development, a ceaseless ending dialogue has occurred scrutinizing additionally succoring the battle. The finest of the industrialists, bolster the make in India operation and are cheerful to put resources in the vision of a financially strong India, while another hand, there is another arrangement of industrialists and business analysts who firmly hold the conviction, that the Make in India may be an enormous risk to the advancement of India, ecologically and monetarily.

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