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MAKE IN INDIA

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MAKE IN INDIA

Introduction

The 'Make in India' initiative was launched by the Prime Minister of India, Shri Narendra Modi in September 2014 as part of a wider set of nation-building initiatives. It was devised to transform India into a global design and manufacturing hub and 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.

The Make in India was launched against the backdrop of this crisis. 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. Much more than being an inspiring slogan, it represents a comprehensive and unprecedented overhaul of outdated processes and policies.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 mindset – a shift from issuing authority to business partner, in keeping with Prime Minister's tenet of 'Minimum Government, Maximum Governance'.

The Make in India is intended to (a) inspire confidence in India's capabilities amongst potential partners abroad, the Indian business community and citizens at large; (b) provide a framework for a vast amount of technical information on 25 industry sectors; and (c) reach out to a vast local and global audience via social media and constantly keep them updated about opportunities, reforms, etc. The Make in India initiative has been built on layers of collaborative effort. The Department for Promotion of Industry and Internal Trade (DPIIT) initiated this process and the exercises resulted in a road map for the single largest manufacturing initiative undertaken by a nation in recent history. They also demonstrated the transformational power of public-private partnership, and have become a hallmark of the Make in India initiative. This collaborative model has also been successfully extended to include India's global partners, as evidenced by the recent in-depth interactions between India and the United States of America. In a short space of time, the obsolete and obstructive frameworks of the past have been dismantled and replaced with a transparent and user-friendly system. This is helping drive investment, fostering innovation, developing skills, protecting Intellectual Property (IP) and building best-in-class manufacturing infrastructure. The most striking indicator of progress is the unprecedented opening of key sectors – including railways, defence, insurance and medical devices – to substantially higher levels of Foreign Direct Investment.

Make In India Campaign Main Focus Areas

The focus of Make in India programme is on creating jobs and skill enhancement in 25 sectors. The following are the major areas:

S. No.	Sectors	S. No.	Sectors
1.	Automobiles	14.	Mining
2.	Automobile Components	15.	Oil and Gas
3.	Aviation	16.	Pharmaceuticals
4.	Biotechnology	17.	Ports & Shipping
5.	Chemicals	18.	Railways
6.	Construction	19.	Renewable Energy
7.	Defence manufacturing	20.	Roads and Highways
8.	Electrical Machinery	21.	Space
9.	Electronic Systems	22.	Textiles and Garments
10.	Food Processing	23.	Thermal Power
11.	IT and BPM	24.	Tourism and Hospitality
12.	Leather	25.	Wellness
13.	Media and Entertainment		

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Major Initiatives Under Make In India

Manufacturing in India is the main vision of the Government and leads to national development. The initiatives taken to boost manufacturing sector are as follows:

1. Foreign Direct Investment (FDI)

FDI is a major driver of economic growth and a source of non-debt finance for the economic development of the country. Government has put in place an investor friendly policy on FDI, under which FDI up to 100% is permitted on the automatic route in most sectors/ activities. FDI policy provisions have been progressively liberalized across various sectors in recent years to make India an attractive investment destination. Some of the sectors include Defence, Construction Development, Trading, Pharmaceuticals, Power Exchanges, Insurance, Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting and Civil Aviation.

FDI policy reforms have contributed to India attracting record FDI inflows in the last 5 years. Total FDI into India from 2014-15 to 2018-19 has been US \$ 286 billion as compared to US \$ 189 billion in the 5-year period prior to that (2009-10 to 2013-14). In fact, total FDI in 2018-19 i.e. US \$ 64.37 billion (provisional figure) is the highest ever FDI received for any financial year.

[Source: https://pib.gov.in/Pressreleaseshare.aspx?PRID=1583294]

2. Ease of Doing Business

The Government is introducing several reforms to create possibilities for getting Foreign Direct Investment (FDI) and foster business partnerships. Some initiatives have already been undertaken to alleviate the business environment from outdated policies and regulations. This reform is also aligned with parameters of World Bank's 'Ease of Doing Business' index to improve India's ranking on it. This is driven by reforms in the areas of Starting a Business, Construction Permits, Getting Credit, Protecting Minority Investors, Paying Taxes, Trading across Borders, Enforcing Contracts, and Resolving Insolvency.

As per World Bank's Ease of Doing Business Report 2020 India ranks 63rd among 190 countries improving by 14 ranks from its rank of 77 in 2019. India has improved its rank in 7 out of 10 indicators and has moved closer to international best practices. The 2020 edition of the Report acknowledges India as one of the top 10 improvers, third time in a row, with an improvement of 67 ranks in 3 years. It is also the highest jump by any large country since 2011.

• Intellectual Property Rights Policy was launched in May 2016. Its aim is to spur creativity and stimulate innovation and ensure effective IPR protection in India.

In order to promote innovation the following measures have been taken:

- **Final Patent (Amendment) Rules, 2019** published on 17th September, 2019, amending The Patents Rules, 2003 has led to significant simplification of rules, especially for startups and MSMEs.
- The Patent (Second Amendment) Rules, 2019 published to reduce fees for small entity/MSMEs for processing of patent applications under various sections of the Patents Act, 1970 will incentivise MSMEs to file for more patents.

3. Industrial Corridors

Infrastructure is integral to the growth of any industry. The government intends to develop industrial corridors and build smart cities with state-of-the- art technology and high-speed communication. Along with the development of infrastructure, the training for skilled workforce for the sectors is also being addressed.

Industrial Corridors:

- Delhi-Mumbai Industrial Corridor (DMIC)
- Chennai-Bengaluru Industrial Corridor (CBIC)
- Bengaluru-Mumbai Economic Corridor (BMEC)
- Amritsar Kolkata Industrial Corridor (AKIC)
- Vizag-Chennai Industrial Corridor (VCIC).

Delhi-Mumbai Industrial Corridor is a mega infra-structure project of USD 100 billion with financial and technical aids from Japan, covering an overall length of 1,483 km. **Special Purpose Vehicles** (SPVs) for all identified 21nodes/cities have been incorporated, trunk infrastructure works are nearing completion.

4. Growth of Micro, Small and Medium Enterprises Sector

The Indian economy is likely to emerge as one of the leading economies in the world, with an envisioned GDP of USD five trillion economy by 2024. Our vision is to ensure that at least a contribution worth USD two trillion come from MSME sector. To accomplish this, M/o MSME has taken many steps during the year for technology advancement, skill development and job creation for empowerment of MSMEs.

- Prime Minister's Employment Generation Programme (PMEGP):
 1.7 lakh units setup, employment to 12.82 lakh persons
- INR 139.58 crore approved for clusters providing employment to 59,900 artisans across 72 clusters
- MSMEs 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) set up at IIFT Delhi
- **'MyMSME' launched** to submit and track applications for schemes
- 'Samadhaan' portal launched to provide information regarding the payments pending with CPSEs/Central Ministries
- 5.75 lakh people trained by Tool Rooms & Technology Centres

5. Skill Development Programme

The skill ecosystem in India is undergoing major reforms and policy interventions as India embarks on its journey to become a Knowledge Economy. The skill gap study by the National Skill Development Corporation (NSDC) for the period of 2010-2014 reports that over 109.73 million additional skilled manpower will be required by 2022 across different sectors.

Key initiatives

- Apprenticeship Act modified: Employers to engage 10% of total workforce as apprentices
- 328 Pradhan Mantri Kaushal Kendras (PMKK) set up (till December 22, 2017)
- Number of ITIs increased: from 10,750 in May 2014 to 13,912 in December 2017
- Five new Regional Vocational Training Institutes (RVTI) for women in skill development established
- **11 lakh people trained** under the Pradhan Mantri Kaushal VikasYojna (PMKVY) and under **Recognition of Prior Learning (RPL) 3.7 lakh people** have been accessed and certified in 2017.

6. Other reforms to boost Make in India Campaign

- Department of Commerce, Government of India has launched *Indian Trade Portal*. Important feature of this portal is to be a single point for relevant information on measures other than tariff called the non-tariff measures like standards, technical regulations, conformity assessment procedures, sanitary and Phytosanitary measures which may affect trade adversely.
- 2. An Investor Facilitation Cell has been created in 'Invest India' to guide, assist and handhold investors during the entire life-cycle of the business.
- 3. The Department of Industrial Policy and Promotion has also set up *Japan Plus* and *Korea Plus*. They are special management teams to facilitate and fast track investment proposals from Japan and South Korea respectively.
- 4. Incorporation of a company reduced to 1 day instead of 10 days
- 5. Power connection provided within a mandated time frame of 15 days instead of 180 days
- 6. No. of documents for exports and imports reduced from 11 to 3
- 7. Validity of industrial license extended to 7 years from 3 years
- 8. Goods and Services Tax Single tax implemented across the country.

9. Permanent Residency Status for foreign investors for 10 years

7. Sector specific achievements

Some key achievements across focused sectors under Make in India are as below :

Sl. No.	Sector	Progress
1.	Automobiles	 FDI grew 1.7 times in Automobile Industry - from USD 5.3 billion (2010-14) to USD 8.9 billion (2014-18) Major Investments by Global Players- ISUZU Motors, FORD Motor, Mercedes-Benz, Suzuki Motor, MagnetiMarelli.
2.	Automobiles Components	 Auto Components sector registered 14% growth in turnover and 3% growth in exports during 2015-17 The auto component industry registered a 22.6% increase in turnover from INR 4.46 lakh crore (2013-15) to INR 5.47 lakh crore in 2015-17 Exports from automobile components grew by 10.8% from INR 1.30 lakh crore 2013-15 to INR 1.44 lakh crore in 2016-17.
3.	Aviation	 FDI grew 5 times - from USD 229 million (2010-14) to USD 1148 million (2014-18) in Air Transport sector National Civil Aviation Policy (NCAP) to boost regional air connectivity, establish an integrated ecosystem to promote tourism and generate employment 160 airports being revived & operationalized 18 greenfield airports approved 16 Common User Domestic Cargo Terminals (CUDCT) operationalized The GPS-Aided Geo Augmented Navigation system (GAGAN) launched
4.	Biotechnology	 First indigenously developed and manufactured Rotavirus vaccine, 'Rotavac', launched Current Good Manufacturing Practices (CGMP) Plant inaugurated at CSIR-IIIM, Jammu for the manufacture of phyto- pharmaceuticals. India's first cellulosic ethanol technology, demonstration, plant developed through indigenous technology 30 bioincubators and Biotech Parks supported

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		 A virtual centre launched across five Indian Institutes of Technology to develop advance technologies in the area of biofuels. Asia's largest MedTech Zone (AMTZ) being set up in Andhra Pradesh to host around 200 independent manufacturing units. World's first Typhoid conjugate vaccine, TypbarTCV® developed by Bharat Biotech was prequalified by WHO, reinforcing a national commitment to improving the health of children around the world US based DiabetOmics Inc., medical diagnostic company has raised USD 4 million from Ventureast& USD 1 million from KI Varaprasad Reddy for driving manufacturing & commercialization activities in India. India's 1st public-private-partnership agreement was announced between Sun Pharma & Indian Council of Medical Research (ICMR), Govt. of India, Ministry of Health & Family Welfare, Govt. of Madhya Pradesh for Malaria Free India initiative and other innovation in preventive health.
5.	Chemicals	 Assam Gas Cracker Project commissioned, expected to produce about 2.8 Lakh MT (Metric Tonne) polymers per annum and generate 1 lakh jobs 0.44 Million MT Per Annum Polypropylene Plant commissioned at Mangalore Polypropylene Unit of Dahej project commissioned - capacity of 1.1 Million MT per annum of ethylene and 0.4 Million MT per annum of Propylene ONGC Mangalore Petrochemicals Ltd.'s aromatics complex commissioned – capacity of 914 Kilo Tonne Per Annum (KTPA) of Paraxylene and 283 KTPA of Benzene Four plastic parks approved in Madhya Pradesh, Orissa, Assam and Tamil Nadu.
6.	Construction	 1.7 million houses have been constructed under Pradhan Mantri Awas Yojana (Gramin) Houses. The construction sector is the industry which stands 2nd in line in terms of providing employment, after agriculture. A whopping 35 million people have been employed
7.	Defence manufacturing	 Indigenous defence products unveiled - Akash Surface to Air Missile System, Dhanush Artillery Gun system and Light Combat Aircraft The Defence Procurement Procedure (DPP)

8.	Electrical Machinery	 2013 amended to introduce Buy Indian- IDDM (Indigenously Designed, Developed and Manufactured) 'No Objection Certificate (NOC) for export: A webbased single window interface created to issue 'No Objection Certificate'. The process is transparent and time bound, with the maximum processing time reduced to 25 days and 70% of the NOCs issued in 15 days. This industry recorded a double-digit growth rate of 12.8% over 2017-18. India has turned around from a net importer of electricity to a net exporter of electricity.
9.	Electronic Systems	 FDI grew 4.4 times in Electronics & IT sector- from USD 2.77 billion (2011-14) to USD 12.24 billion (2014-17) 130 proposals worth INR 23,569 crore approved under M-SIPS during April 2014- December 2017 INR 374 crore committed for 8 Daughter Funds under Electronic Development Fund 113 new Mobile manufacturing units setup. These units are providing employment to about 4 lakh persons (direct and indirect) 3 CoE Setup for Internal security, Large Area Flexible Electronics, IoT 5 patents filed
10.	IT and BPM	 Total FDI equity inflow in Computer software and hardware sector saw a major growth from 2.3 Billion to 5.9 Billion The IT-BPM industry is the largest private sector employer – delivering around 4 mn jobs. The industry accounts for more than 45% share in total services export from India. India in 2018-19 witnessed 1,70,000 net new hires in the industry - a total of 6,00,000 digitally skilled human resources. India is the 2nd largest start-up ecosystem in the world with 18,000+ start-ups recognized by the government till May 2019. The industry has more than 17,000 firms; 8 of which 1000+ are large firms with over 50 delivery locations in India.
11.	Food Processing	 9 Mega Food Parks operationalized during 2014-18 83 Cold Chain Projects operationalized, 3.9 lakh 10ones food processing capacity created 4 Abattoirs projects completed

		 Creation of quality testing food labs: 36 labs accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) MoUs for investment worth of Rs. 90,191 crore (US\$13.56 billion) signed during 'World Food India 2017' in November, 2017 A dedicated Investors' Portal and Mobile APP called 'Nivesh Sandhu' launched by the Prime Minister during the inaugural function of the World Food India 2017.
12.	Leather	 Indian Footwear, Leather & Accessories Development Programme (IFLADP), a special package for employment generation in leather and footwear sector has been launched in December 2017. The package involves implementation of Central Sector Scheme with an approved expenditure of INR 2600 Crore over the three financial years (i.e. 2017-18 to 2019-20) Two new branches of FDDI built in Patna and Hyderabad INR 1220.32 lakh has been sanctioned under Market Access Initiative scheme for marketing programmes and activities during FY 2017-18. 4.44 lakh people trained
13.	Media and Entertainment	 FDI grew 1.8 times in Information & Broadcasting – from USD 1.9 billion (2010- 14) to 3.4 billion (2014- 18) Print Media Advertisement Policy 2016, to promote transparency and accountability Policy Guidelines for empanelment of Private FM radio stations National Film Heritage Mission (NFHM) launched at INR 597.41 crore Single window clearances for film shootings for foreign film makers in India Film and Television Institute approved in Arunachal Pradesh. INR 1,000 Million allocated for community radio stations.
14.	Mining	 FDI grew 4.43 times in Mining sector- from USD 293 million (2010-14) to USD 1297 million (2014-18) under new FDI policy, 100% FDI under automatic route for sale of coal, for coal mining activities including associated processing infrastructure.

15.	Oil and Gas	 Crude oil strategic storage of 5.33 Million Metric Tonne (MMT) commissioned at Visakhapatnam, Mangalore and Padur IOCL refinery with a capacity of 15 Million Metric Tonnes per annum (MMTPA) commissioned at Paradip, Odisha 726 MW gas based thermal power project of ONGC Tripura Power Company (OTPC) commissioned at Palatana, Tripura Hydrocarbon and Exploration Licensing Policy (HELP) notified INDMAX (IndaneMaximisation) technology developed to maximize light distillates from refinery residue INR 100 crore "ONGC Startup fund" announced
16.	Pharmaceuticals	 Indian Drugs and Pharmaceuticals Limited (IDPL), Gurgaon modernized for mass production of drugs for diabetes, oncology, nephrology and cardiology 1143 Jan Aushadi stores are operationalized Coronary Stents price reduced by 85% 'Pharma Data Bank' launched to facilitate online filing of mandatory returns Pharma Jan Samadhan&Pharma SahiDaam launched 11 National Institutes of Pharmaceutical Education & Research (NIPERs) approved
17.	Ports	 FDI grew 5 times in Sea Transport – from USD 0.5 billion (2011-14) to USD 2.5 billion (2014-17) Highest ever capacity addition of 100.37 million tonnesin FY 2016-17 Total turnaround time reduced by 14% and operating margin of the major ports increased by 13% 56 new projects worth INR 9,490.15 crore awarded in 2016-17, capacity addition of 103.52 Million 12ones per annum (MTPA) Sagarmala Project: 173 projects at an investment of INR 4 lakh crore initiated; Six new mega ports and 26 port-rail connectivity projects identified 37National Waterways identified for development
18.	Railways	 First semi-high speed train-Gatimaan Express launched: top speed 160 km/hr JV agreements worth INR 40,000 crore signed with M/s Alstom and M/s GE Mumbai-Ahmedabad high speed rail project sanctioned at INR 97,636 crore

		• Highest investment of INR 15,000 crore through PPP projects during 2015-16
19.	Renewable Energy	 A total of 100 billion units of power have been generated in the country during the year 2017-18 from all renewable energy sources. The cumulative renewable energy installed capacity has increased from 35.51 GW as on March 31, 2014 to 69.98 GW as on March 31, 2018 40 solar parks of aggregate capacity of 21,144 MW sanctioned for 21 states Wind Atlas 2015, a Geographic Information System (GIS) launched Renewable energy sector re-classified as 'white category' sector
20.	Roads and Highways	 As on 31.03.2019 length Completed up to Bharatmala Pariyojana (I+II+III+IV) GQ, Port connectivity & Upgradation with 2/4/6- laning /Development of North South-East West Corridor - 33,808km. 6-laning of GQ and High density corridor- 3,264km Expressways-176km
21.	Space	 India is the first nation in the world to reach Mars successfully in the 1st attempt. The spacecraft was called Mangalyaan launch of defence imaging satellite "Microsat R" for DRDO Earth observation satellites like the Emisat, an electronic intelligence satellite for DRDO, Cartosat-3, radar imaging satellites RISAT-2B, and RISAT-2BR1 Country's second moon mission- Chandrayaan-
22.	Textiles and Garments	 FDI grew 2.5 times – from USD 0.5 billion (2010-14) to USD 1.5 billion (2014-18) 8 Apparel and garment manufacturing centresset up North Eastern Region Integrated Textile Office Complex set up at the Indian Institute of Handloom Technology (IIHT) in Varanasi India Handloom Brand launched Special Textile Package of INR 6000 crore approved, to attract investment of USD 11 billion and create one crore jobs 200 new production units have come up in existing textile parks in the last two years generating jobs for 11,000 persons 9.5 lakh people trained

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23.	Thermal Power	 Electricity generation grew by 5.8% to 1,241.79 Million Units (Mus) in 2016-2017 Lowest ever energy deficit of 0.7% in 2016- 17 and 2017-18 Private capacity generation has increased to 135.38 GW in FY 2016-2017: 42.4% of the total power generated in the country 60,752.62 MW generation capacity added in the sector since April 2014
24.	Tourism and Hospitality	 Swadesh Darshan launched -13 theme tourist circuits identified, 5 pan- India mega circuits identified, 56 projects worth INR 4823.91 crore underway PRASAD launched – 25 cities identified, 18 projects worth INR 488.45 crore underway 12 Institutes of Hospitality Management has been sanctioned for North East, 4 institutes operationalized; Indian Culinary Institute setup at Tirupati Medical tourism has been included in the Incredible India campaigns
25.	Wellness	 The country has developed vast AYUSH infrastructure comprising of 13,53,621 registered practitioners, 27,199 dispensaries and 3,986 hospitals in public sector, 702 undergraduate colleges with annual intake of 46,835 students, 212 centres for post-graduate education with annual admission of 5,885 scholars and 9,038 licensed drug manufacturing units. Over 50,00,000 people have received benefits under the Ayushman Bharat Scheme

[Source: (i) Rajya Sabha Unstarred Q. No. 1631 dated 01.08.2018 (ii) <u>https://cleartax.in/s/make-in-india</u>]

8. Make In India 2.0¹

Make in India initiative has made significant achievements and has been reviewed now, focusing on 27 sectors - 15 manufacturing sectors and 12 champion service sectors under Make in India 2.0 programme. The Department for Promotion

¹ Source; Annual Report 2019-20

Department for Promotion of Industry and Internal Trade

of Industry and Internal Trade is coordinating action plans for 15 manufacturing sectors, while Department of Commerce is coordinating action plan for 12 service sectors. The revised list of the 27 Sectors are as follows²:

- 1. Aerospace and Defence
- 2. Automotive and Auto Components
- 3. Pharmaceuticals and Medical Devices
- 4. Bio-Technology
- 5. Capital Goods
- 6. Textile and Apparels
- 7. Chemicals and Petro chemicals
- 8. Electronics System Design and Manufacturing (ESDM)
- 9. Leather & Footwear
- **10.Food Processing**
- 11.Gems and Jewelry
- 12.Shipping
- 13.Railways
- 14.Construction
- 15.New and Renewable Energy
- 16.Information Technology & Information Technology enabled Services (IT & ITeS)
- 17. Tourism and Hospitality Services
- 18.Medical Value Travel
- 19. Transport and Logistics Services
- 20. Accounting and Finance Services
- 21. Audio Visual Services
- 22.Legal Services
- 23.Communication Services
- 24. Construction and Related Engineering Services
- 25.Environmental Services
- 26. Financial Services
- **27.Education Services**

² RAJYA SABHA UNSTARRED QUESTION NO. 58 dated 18.07.2018.

Conclusion

Manufacturing has emerged as one of the high growth sectors in India. The Make in India campaign helps to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. The large investment in manufacturing will bring in more capacity creation in the country. The tax reliefs given to start ups and MSME's will boost sustainable employment and the quality of startups in the design led manufacturing sector. Make in India mission is one such long term initiative which will realize the dream of transforming India into manufacturing hub. Make in India campaign also focuses on producing products with zero defects and zero effects on environment.

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