



## SEIZING THE INDIGENOUS DIVIDEND – MAKE IN INDIA

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### **Introduction**

Make in India concept coined by our Prime Minister Mr Narendra Modi on 25<sup>th</sup> September 2014. Is an international marketing strategy, to make India the manufacturing Hub by attracting foreign investments? Ever escalating international competition has provided the manufacturers from around the world the opportunities of inexpensive labour, raw material, capital and ofcourse the booming potential of the markets. The aim is to increase the GDP to 25% as compared to the present stagnant GDP of 16%, to create 100 million job opportunities by 2022 according to national manufacturing policy. Make In India is a deliberate effort to assist investment (both domestic and foreign), nurturing innovation, strengthen skill development, preventing brain drain and making the use of globally standardized technology reasonably priced for INDIAN citizens. Make in India is the solution to give new life to Indian economy. Make in india is an effort tp pull out our economy from the shackles of recession. it aims to correct the GDP composition of India whic presently is tilted towards service sector. This research paper aims to identify the reasons for the success of Make in India Campaign, its opportunities and challenges for the Indian economy.

India has rich natural resources, skilled and abundant labour force and increasing middle class. India is viewed as the upcoming outsourcing and manufacturing hub by the international investors. Its and effort made by the Government of India to harness the international demand for cheap labor and abundant natural resources. An effort by Prime Minister Narendra Modi to promote companies to make India a manufacturing hub by diverting their production units in India.

### **Objectives of Make In India**

1. To change India into international Manufacturing centre
2. To offer Employment

3. enhance Economic Growth
4. To support both indigenous and global companies to invest in India

**Objectives of the study:**

This paper aims to understand the importance of Make In India in capitalizing the industrial and human potential and to put forward the ways to enrich the Indian economy. To understand the major objectives of Make In India and its impact on the economic development.

**Key Economic Indicators**

The Indian economy has seen optimistic sentiments form the last few months. The real GDP has increased by .5% in the year 2014-15 to 5,5% as compared to 5% last year . The Following table shows the macroeconomic indicators.

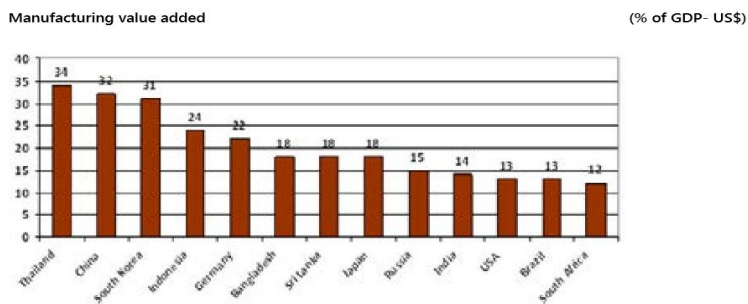
Key Macroeconomic indicators

S. No.	Parameters	FY14	H1FY15
1	Real GDP Growth	4.70%	5.5%~
2	WPI Inflation	6%	4.2%*
3	CPI Inflation	9.50%	7.4%*
4	Industry Growth	(-)0.1%	1.9%*
5	Exports	4%	4.7%*
6	Fiscal Deficit as % of GDP	84.4%^	89.6%^
7	Current Account Deficit as % of GDP	1.70%	1.9%!
8	FDI Inflows	8%	15%
9	Exchange rate	60.50	59.7#

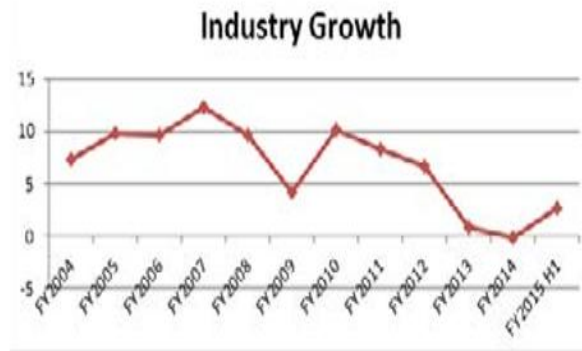
Source: PHD Research Bureau, Data pertains to April-October 2014-15

**Status of Manufacturing Sector**

Manufacturing sector added 16% value to GDP which is way less than the potential the manufacturing sector has . The expected potential of manufacturing sector is 25% value addition to GDP as compared to 16% at present. If we compare with the developing economies like China, Indonesia, Germany the GDP contribution of manufacturing is more than 25%.



The last 2-3 years, the Manufacturing industry in India has seen a bumpy patch. The growth of manufacturing sector fell by 2% from 9.2% in the 11<sup>th</sup> five year plan i.e 7.2% as compared to the 10<sup>th</sup> five year plan. Make In India effort by our Prime Minister has tried to uplift Indian manufacturing sector to achieve a good contribution to GDP growth.



Source: PHD Research Bureau, compiled from MOSPI

In April-October 2014-15 the industrial growth was 0.7% as compared to (-)0.1% in the year 2013-14.

#### **Initiatives taken under Make In India**

- De-licensing and deregulation measures in order to diminish difficulty and increase transparency
- Applications for Industrial License & Industrial Entrepreneur Memorandum have been on 24x7 basis on online basis.
- eBiz – a single window IT platform for services by 31 December 2014 for all government departments
- Environmental clearances by the companies has made online.
- All returns to be filed online with the help of a unified check list.

#### **“Make in India” the Change:**

Make In India efforts is to enhance the manufacturing sector and the Indian economy. Within 2 years over 10,000 training centers for industrial training have been opened up. A huge job market has opened up creating over 10 million jobs. The attempt made by Make In India is to raise the GDP level above 16% to 25% by the year 2022.

#### **Conclusion:**

Make In India is making conscious effort to increase the GDP contribution from 16% to 25%. The government is taking a number of steps to improve the economic condition of the country by increasing the foreign investments and providing jobs opportunities. “Make in India” initiative is a long term effort which will help India transform in a huge manufacturing

hub. Many sectors of the Indian economy like telecom, defense manufacturing, mobile internet ,automobile have huge potential in this Make In India mission. Make in India scheme takes into consideration the effects on the environment of the manufacturing sector.

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