Volume 4, Issue-3(2), March, 2017
International Journal of Academic Research

Special issue on

PROSPECTS AND CHALLENGES

Published by
Sucharitha Publications
Visakhapatnam – 530 017
Andhra Pradesh – India
website :www.ijar.org.in

Office Address
Dr.T.V.Ramana, (9948440288)
46-8-10/B,Near Aditya School
Jagannaickpur, Kakinada- 533002
Andhra Pradesh-India
e-mail: drtvramana@yahoo.co.in

Design by
SS Xerox, Visakhapatnam

Special issue on

MAKE IN INDIA – PROSPECTS AND CHALLENGES

<u>Edited by</u>

P. Aruna
K. Radha Pushpavathi
B. Naga Padmavathy

Two Day National Seminar on

MAKE IN INDIA – PROSPECTS AND CHALLENGES

8th & 9th March, 2017

Sponsored by UGC

University Grants Commission
New Delhi

In Collaboration With
Chowdary Spinners Ltd, Chivatam, W.G. Dt

Organized by

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Tanuku, W.G. Dt. – 534211, A.P
Affiliated to Adikavi Nannaya University, Rajahmundry
Re-accredited by NAAC with 'B' Grade
Website: www.svke.net
Estd. 1982

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Typeset and Printed (Sucharitha publications) in India:

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March, 2017

C O N T E N T S

Volume 4 **Issue 3(2)** **March, 2017**

Prof. M Mutyalu Naidu, MBA,Ph.D.
Vice Chancellor, Adikavi Nannaya University

MESSAGE

I congratulate the Department of Economics, S.K.S.D.Mahila Kalasala UG & PG (A) Tanuku, for organizing a National Seminar on "**MAKE IN INDIA – PROSPECTS AND CHALLENGES**" on 08th & 09th March, 2017.

My best wishes to the organizers, participants and faculty Members of the institution. I wish the seminar a grand success.

- M Mutyalu Naidu

Prof. R. SUDARSANA RAO
MEMBER
IV STATE FINANCE COMMISSION
GOVERNMENT OF ANDHRA PRADESH

Room No.331, North – H Block,
2nd Floor, AP Secretariat,
Hyderabad – 500 022
Cell: +91 94401032865 off: 040-23450155
Email: srrokkam@gmail.com

MESSAGE

I have great pleasure to know that the Department of Economics, SKSD Mahila Kalasala, (UG & PG) (A) Tanuku, West Godavari District is organizing a UGC Sponsored Two-Day National Seminar on Make In India-Prospects and Challenges during 8th - 9th March 2017. I have learnt that economists, experts, policy makers and learned faculty with long and rich experience will discuss and deliberate upon the chosen themes in the two-day Seminar. I hope the discussions and deliberations will lead to meaningful and pragmatic solutions which will be useful for immediate policymaking to attain the cherished objective of making India a manufacturing hub in this part of the world.

I congratulate the Management, Faculty and the Co-Sponsor particularly the Convener of the Seminar for choosing such a topic of contemporary importance for organising a National Seminar.

Yours Sincerely

Mudas

(R .SUDARSANA RAO)

Hyderabad
27 -2-2017

Prof. K. Nageswar
Dept. of Communication and Journalism, Osmania University, Hyderabad.

MESSAGE

I have great pleasure to know that the Department of Economics, SKSD Mahila Kalasala, (UG & PG) (A) Tanuku, West Godavari District is organizing a UGC Sponsored Two-Day National Seminar on “Make In India-Prospects and Challenges” during 8th - 9th March 2017. The present National Seminar on Make in India is a timely gesture for reviewing the progress and challenges and also to come out with the necessary imperatives for the success of Make in India. I wish the event a pleasant conduct with resourceful deliberations and contributing outcome.

- **K. Nageswar**

DEPARTMENT OF ECONOMICS
KAKATIYA UNIVERSITY
WARANGAL-506009,TS-INDIA

Dr. B. SURESH LAL
M.A.(Eco), M. Phil. Ph.D. M.Sc.(CS)
FISEC, FSESc, FISCA, AcIASS
Professor & Head

(O): 0870-2461421
Mobile: 9032457528
lalbsuresh@gmail.com

MESSAGE

I am immensely happy to learn that the SKSD Mahila Kalasala, UG&PG, Tanuku, is organizing National Seminar on "Make in India-Prospects and Challenges" from 8th & 9th March, 2017 and a souvenir is being brought to commemorate this occasion.

I congratulate the Principal, Head and Teachers of the Department of Economics and other staff involved in the seminar for taking a very recent and pertinent topic of today's concern. Make in India is going to be a successful slogan to increase economic growth rates and overall development of the country.

I am sure that the deliberations in the seminar will be fruitful and meaningful and hope that the outcome of the seminar provides stupendous insights which pave the way for framing suitable policies in the wake of Liberalized economy.

I convey my best wishes for the success of the Seminar.

(Dr. B. Suresh Lal)

Sri Chitturi Subba Rao

Founder, Secretary & Correspondent, S.K.S.D. Group of Colleges

MESSAGE

I am immensely pleased to note that the Department of Economics are organizing a two day UGC sponsored National Seminar focusing the theme "MAKE IN INDIA – PROSPECTS AND CHALLENGES" on 08^{th} & 09^{th} March, 2017. The present seminar is a timely gesture and provides an academic forum for meaningful discussions and spread. I congratulate the convener of the seminar, faculty and the principal for their academic Endeavour. I wish the seminar a success with a hope that the deliberations and the seminar will definitely enlighten the stake holders and add to the strength of the policy initiations of the Government.

- Chitturi Subba Rao

Dr.D.Subba Rao, M.Com.,Ph.D
Administrative Officer,
S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

MESSAGE

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My best wishes to the organizers, participants and faculty Members of the institution. I wish the seminar a grand success.

-D.Subba Rao

Dr. J. Chandra Prasad
Director, SD College of IT, Tanuku

MESSAGE

Make in India initiative in India marked two and half years. At this juncture a look back and a look into is needed. Though the Make in India policy sent riffles across economy and also the globe, still the billion dollar question is the policy's effectiveness across the 25 declared sectors to turn India global and to make stand India against the 'Make in China' and the Trumps 'Buy American' calls. After Modi's clarion call of Make in India, the Make in India week in Mumbai and the launching of Make in India conference in Sydney made forays across the countries campaigning the readiness of India to realize that the dream of manufacturing edifice based on the fundamentals of rich resource base, building skill India assuring the ease of doing business in the country. No doubt, the initiations made inroads with theme building and action orientation but still much remains to be done. The present National Seminar on Make in India is a timely gesture for reviewing the progress and challenges and also to come out with the necessary imperatives for the success of Make in India. I wish the event a pleasant conduct with resourceful deliberations and contributing outcome.

-J.Chandra Prasad

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India-A Policy Commitment on Indian Economy

Prof: Y. Satyanarayan, Chairman, Board of Studies, Dr. B.R. Ambedkar College of Law, Chairman, Centre for Ambedkar Studies Andhra University

Abstract: Make in India is an initiative launched by the Government of India to encourage multi-national, as well as national companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. Manufacturing currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. The initiative hopes to attract capital and technological investment in India. On the campaign launch, the Prime Minister Mr. Modi said that the development of these sectors would ensure that the world shall readily come to Asia, particularly to India where the availability of both democratic conditions and manufacturing superiority made it the best destinations, especially when combined with the effective governance intended by his administration. 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 that is helping drive investment, foster innovation, develop skills, protect Intellectual Property and build best-in-class manufacturing infrastructure. The most striking indicator of progress is the unprecedented opening up of key sectors – including Railways, Defence, Insurance and Medical Devices – to dramatically higher levels of Foreign Direct Investment. The initiative also aims at imposing high quality standards and minimising the impact on the environment. Another challenge facing the Prime Minister is that enter the workforce 12 million annually that has been estimated. As part of the campaign, the Centre allowed 49% foreign direct investment in the defence sector and 100% in railway infrastructure. The success of "Make in India" will depend upon domestic structural and economic reform which can only be judged in the long-term.

Key words: Make in India, industrialization, manufacturing. Globalization

Introduction

Industrial development is a driver of structural change which is key in the process of economic development. Research suggests that economic development requires structural change from low to high productivity activities and that the industrial sector is a key engine of growth in the development process. In many cases of high, rapid, and sustained economic growth in modern economic development have been associated with industrialisation.

Government Initiative-Make in India: Make in India is an initiative launched by the Government of India to encourage multi-national, as well as national companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. As per the new Govt. Policy 100% FDI is permitted in all the above sectors, except for space (74%), defence (49%) and news media (26%). India emerged, after initiation of the programme in 2015, as the top destination globally for foreign direct investment (FDI), surpassing the United

States of America as well as the People's Republic of China. In 2015, India received US$63 billion in FDI.

The make in India initiative started by government of India helps to facilitate investment, foster innovation, enhance skill development, protect intellectual property, build manufacturing infrastructure. For contribution of at least 25% of GDP by 2022 in manufacturing sector growth should be 12-14% Per annum higher than the GDP rate. remains at 49% after local firms lobbied against outsiders). Nor was any mention made of sectors, such as retail, where more severe limits on Over the past several decades, the globalization of the manufacturing ecosystem has driven more change and impacted the prosperity of more companies, nations and people than at any time since the dawn of the Industrial Revolution. Nations around the world have taken part in and benefited from the rapid globalization of industry and expansion of manufacturing. Globalization of manufacturing has been a key driver of higher-value job creation and rising standard of living for the growing middle class in emerging nation economies.

Make in India focuses on the following twenty-five sectors of the economy: Automobiles; Automobile Components; Aviation; Biotechnology; Chemicals; Construction; Defence manufacturing; Electrical Machinery; Electronic systems; Food Processing; Information Technology and Business Process Management; Leather; Media and Entertainment; Mining Oil and Gas; Pharmaceuticals; Ports and Shipping; Railways; Renewable Energy; Roads and Highways; Space and astronomy; Textiles and Garments; Thermal Power; Tourism and Hospitality.

Objective of the Policy

The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India.

The Essential Features of Rapid Economic Growth

Industrialisation is the process of manufacturing consumer goods and capital goods and of building infrastructure in order to provide goods and services to both individuals and businesses. As such Industrialisation plays a major role in the economic development of underdeveloped countries like India with vast manpower and varied resources. Let us discuss, in detail, the role of industrialization in the economy. Some of the key contributions of industrializations in an economy over long run are; Raising Income; Changing the Structure of the Economy; Overcoming Deterioration in the Terms of Trade Absorbing Surplus Labour (Employment Generation) from the Primary Sector (say Agriculture sector); Bringing Technological Progress and Strengthening the Economy Thus the industrial development imparts to an economy dynamism in the form of rapid growth and a diversified economic structure which make it a progressive economy. The above mentioned benefits have been verified by many leading economists through their research. There are powerful empirical and theoretical arguments in favour of industrialization especially manufacturing as the main engine of growth in economic development. The arguments can be summarised as follows:

There is an empirical correlation between the degree of industrialisation and per capita income in developing countries. Productivity is higher in the industrial sector than in the agricultural sector. The transfer of resources from agriculture to manufacturing provides a structural change bonus. Compared to agriculture, the manufacturing sector offers special opportunities for capital accumulation in developing countries. Capital accumulation can be more easily realised in spatially concentrated manufacturing than in spatially dispersed agriculture. This is one of the reasons why the emergence of manufacturing has been so important in growth and development. Capital intensity is high in mining, manufacturing, utilities and transport. It is much lower in agriculture and services. Capital accumulation is one of the aggregate sources of growth. Thus, an increasing share of manufacturing will contribute to aggregate growth. The manufacturing sector offers special opportunities for economies of scale, which are less available in agriculture or services.

A View on Indian Manufacturing

According to experts, in the case of India, there also are two specific reasons why manufacturing-led growth must be the order of the day. The first is that economic growth cannot in fact be rapid if it is not manufacturing-led. The sustainability of services-led growth, therefore, required services exports to finance imports of manufactures to meet the shortfall in domestic production. This was quite impossible, and the inevitable balance of payment difficulties ultimately halted the growth process itself. Any attempt to revive services-led growth will fail for the same reason; severe balance of payments difficulties will re-emerge. It is manufacturing-led growth that can begin to restore the balance between domestic absorption and domestic production so that the external balance remains manageable. Thus, Manufacturing-led growth is essential. Any attempt to revive services-led growth would cause severe balance of payments difficulties to re-emerge

In non-agricultural urban India, where almost 70 percent of those employed fall beyond the “registered” manufacturing sector (i.e., the informal economy), there is an urgent need to not only formalize these professions but also encourage long-term, big ticket investments in large-scale manufacturing in order to provide meaningful employment to low-skilled workers. If India wants to avoid unemployment-spurred social mayhem, this is the approach to take.

The most urgent need is to upgrade India’s physical infrastructure to encourage domestic and foreign direct investment in the manufacturing sector. This will absorb the rural labor surplus that is migrating to the cities by providing employment in labor-intensive, less technology-intensive manufacturing, regulated by humane labor laws catering to the contemporary needs of the economy.

According some reports, Services in India have been significantly less labour-intensive than manufacturing; in 2011-12, services accounted for 55 per cent of GDP but only 32 per cent of employment, while manufacturing accounted for 15 per cent of GDP and 13 per cent of employment. It is important to note the fact that organised manufacturing has been far more employment-intensive than organised services; in 2011-12, organised manufacturing accounted for 10 per cent of output and five per cent of total employment in the economy, while organised services accounted for 27 per cent of output and just nine per cent of employment. Moreover, organised services employed mainly high-skilled (those with above-higher-secondary education) labour, while organised manufacturing employed mainly low- and medium-skilled labour. In 2011-12, the share of high-skilled workers of all those employed was around 66 per cent in organised services and around 32 per cent in organised manufacturing.

For India to achieve its stated goals of reviving its manufacturing sector and providing jobs to the tens of millions of its unemployed youth, it must design policies targeted at low cost mass manufacturing, and will need massive investment, including major contributions from foreign investors. There are crucial lessons for India in China's success in the manufacturing sector.

In this context it is important to note that the prime minister's 'Make in India' campaign signals a key objective of the present government's economic policy: promotion of rapid manufacturing-led growth. This means not just rapid growth of manufacturing, but also a lead role for manufacturing in India's growth process. It does not call for discouragement or lowering of services growth; it calls for services growth to be pulled by manufacturing growth and not vice versa.

Need of the Policy-Make in India

Contribution from the manufacturing sector to India's Gross Domestic Product (GDP) has remained stagnated at around 16% for the past 25 years and there is an urgent need to enhance this contribution for the overall growth of the Indian economy.

Only the service industries' contribution has grown to more than 50% and more at present. According to economists, India’s unique positioning in the global marketplace as a services-led economy is in contrast to most other developing economies, including China, which took the traditional route of labor-intensive manufacturing followed up by higher value added part-labour, part-capital intensive manufacturing.

According to experts, the services sector in India, employing skilled English-speaking workers - has had its share of glory, it cannot provide employment to the teeming masses. The scale and nature of employment that is required to employ people with limited skills and education can only be provided by mid and low-end manufacturing. The manufacturing sector had to be made vibrant to enhance the economy of the nation as it produced the most number of jobs. Hence, this initiative in the long run will fill up that gap. Thus a coordinated short and long-term action is needed to help boost Indian manufacturing competitiveness and stimulate the economy.

After India liberalized in 1991, the services sector was for long the fastest growing part of the economy, contributing significantly to GDP, economic growth, international trade and investment. Manufacturing contributes just 16 percent to India's GDP, compared to a 56.5 percent contribution by services. According to the Reserve Bank of India (RBI), India's ITeS/BPO exports rose 37 percent in 2012-13. While manufacturing exports continue to perform well, most of it remains in the skill-intensive sector (automotive, engineering, etc.). This does nothing for the large number of low-skilled workers who are either unemployed or laboring away in hazardous, inhumane conditions beyond the purview of established formal state regulations. Moreover, manufactured goods as a share of total Indian exports pales in comparison to the level in China.

The policymaking focus has now finally shifted to the manufacturing sector, with the government instituting a National Manufacturing Policy in 2011. The policy laid out plans to boost the manufacturing sector by raising its contribution to GDP to 25 percent and creating 100 million new jobs by 2025. Even today, India's share of global manufacturing stands at little over 2 percent. China has meanwhile, over the years positioned itself as the workshop of the world, accounting for 22.4 percent of global manufacturing. For India to achieve its stated goals of reviving the manufacturing sector and providing jobs to the tens of millions of unemployed youth, it will need massive investment, including major contributions from foreign investors.

Make in India campaign is at loggerheads with the Make in China ideal that has gained momentum over the past decade. China is a major rival to India when it comes to the outsourcing, manufacturing, and services business. India's ailing infrastructure scenario and defunct logistics facilities make it difficult for the country to achieve an elite status as a manufacturing hub. The bureaucratic approach of former governments, lack of robust transport networks, and widespread corruption makes it difficult for manufacturers to achieve timely and adequate production. The Modi government has vowed to remove these hurdles and make the nation an ideal destination for investors to set up industries.

Success Stories of the "Make in India"

India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Mae in India is the Indian government's effort to harness this demand and boost the Indian economy.

India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India.

Let us look at some of the early success stories of the "Make in India" campaign. Of course, we need to be cognizant of the fact that many projects are in the early stages and it would take time to see the results. However, it would be interesting to know the sectors/industries/companies that have brought into this idea.

Foxconn, the manufacturer of Apple's iPhones has announced plans for creating 10-12 facilities in India, which will include factories and data centers. Foxconn expects to sign the first contract by the end of 2015. That Foxconn chose India following various issues it faced in its Chinese facilities, bolsters the "Make in India" campaign. The advantages the arrival of a big company to the country can be manifold.

Foxconn's arrival can trigger the arrival of companies along its supply chain and also help to multiply the indirect jobs created due to this. There have already been reports of Oppo mobiles starting its manufacturing plant by August this year. ZTE Corporation, another Chinese telecom major, has completed its recce to set up its manufacturing facility in India. With e-business on the rise, there are plenty of other players waiting on the wings to explore the large market. Another Chinese mobile handset maker Phicomm has also committed to invest $100mn in the next 3 years to market its products and at the same time, they are exploring to setting up a manufacturing facility here.

Mercedes Benz has brought into the "Make in India" program in two different areas. Firstly, in the luxury car segments, it has decided to manufacture more of its components in India – thus increasing the localization of its new model C220 CDI to 60%. Secondly, Mercedes Benz has also decided to manufacture its luxury buses in India, to be exported to Africa and South East Asian markets. The trials have already begun and full-fledged exports will start from early 2016.

Competition for low cost manufacturing cannot be underestimated. Following Mercedes's lead, its German competitor BMW has also decided to increase its localization to 50%. BMW has already signed deals with approximately 20 companies who supply its components. Volvo is also now in the exploratory stage of exporting its range of buses to other markets. Renault, the french automobile major, has also improved localization of its KWID model to 98% – the KWID is expected to be launched later this year. The US behemoth, Ford, has also committed to invest Rs 4000 to Rs 5000cr for R&D, in its Chennai facility.

Hyundai Heavy Industries (HHI) of South Korea will work with Hindustan Shipyard Limited, Vizag to build warships in India. Currently, the time duration from the point of order to delivery takes around 6 years. With this collaboration, this gap is expected to fall to 2.5 years. Though in very early stages of discussion, HHI has indicated that the objective is to outsource the manufacturing of small and medium size ships to India. The initial understanding was completed during PM Modi's recent visit to South Korea.

Another South Korean major, Samsung, has also agreed to build LNG tankers with Kochi Shipyard. Another decision made recently was that Goa shipyard will construct 12 minesweepers for the Indian navy at a cost of 1 billion USD. Gurgaon based Sun Group, is in discussion with Russia, to manufacture 200 Kamov Ka 226 light helicopters in Punjab. The German and US defense ministers were in India recently to push sale of their products and there have been news reports that India will engage with them, only if there is a "Make in India" component in the deal. Reliance Infrastructure is in discussion with officials in Russia to explore opportunity to build nuclear submarines and stealth warships in India, along with other partners.

Recently, Indian Railways has invited bids by international suppliers for the procurement and manufacture of 15 train sets. Two train sets will be imported, where as the reminder will need to be manufactured in India – which will result in 40 coaches to be imported and 275 coaches will be manufactured in India. The whole project is estimated to be worth around Rs. 2,500cr. These train sets will be used on faster inter-city travel routes.

PM Modi during his recent visit to Berlin, visited the Berlin Central Train Station (Berlin Hauptbahnhof) to inspect the infrastructure and other facilities. Also Railway Minister, Suresh Prabhu, in his recent interviews has suggested that he will look to capitalize on various assets of railways like land, optical fibers, etc. If these ideas go per plan, there are many more job opportunities possible.

There are two parts in this segment. Firstly, in military aviation, the recent deal with France on Rafale jets is well publicized. Whatever the politics of the deal is, the Indian government has been able to extract substantial investment in India in the future. Defense minister Manohar Parrikar has gone on record to say that 50% of the total deal value, approx. $4bn will be invested in India within the defense and aerospace sector. Secondly, in civil aviation, Airbus has also announced that it has joined the "Make in India" bandwagon. To this extent, Airbus has already announced restructuring of its organization in India and the new CEO has announced that Airbus exports will reach $2bn from India. Pratt and Whitney, a US based firm, has also evinced interest in setting up its facilities in India. Like in the automobile sector, aviation also has the potential to create many upstream and downstream jobs along the supply chain.

Concerns on Make in India

The NDA government's Make In India campaign has till early October attracted INR 2000 crore worth investment proposals. The campaign has, despite this, found its fair share of critics. The topmost of these criticisms is leveled against the incumbent government. It has been felt that the government does not walk its talk - labour reforms and policy reforms which are fundamental for the success of the Make In India campaign have not yet been implemented. A number of layoffs in companies such as Nokia India cast long shadows over the campaign. A number of technology based companies have not been enthused by the campaign launch and have professed to continue getting their components manufactured by China. 'Make in India' pitch from Sept. 25 The initiative also aims at imposing high quality standards and minimising the impact on the environment.

As part of the campaign, the Centre allowed 49% foreign direct investment (FDI) in the defence sector and 100% in railway infrastructureKey policies -- ease of doing business, getting away with archaic laws, 100 Smart Cities, disinvestment of public sector undertakings, skills and jobs for the youth, making India a manufacturerCriticism has also surrounded the campaign – allegations of siphoning of funds, higher pricing, more profits for MNCs setting up plants in India, land-grabbing, and re-entry of black money.Major challenges include creating a healthy business environment, removal of unfavourable factors, more focus on Indian's micro, small and medium enterprises (MSME), lack of world class research and development (R&D), and comparisons with China's 'Made in China' campaign.

Conclusion

The success of "Make in India" will depend upon domestic structural and economic reform which can only be judged in the long-term. Another challenge facing the Prime Minister is to enter the estimated 12 million workforce annually. Progress made under Make In India: Ministries and departments concerned have updated their action plans to identify quantifiable and measurable milestones in respect of each activity of their Action Plan. The progress on 'Make in India' Action Plans is being monitored. The 'Make in India' programme has received a very positive response. FDI inflow has increased 29% during the period October 2014 to December 2015 (15 months after 'Make in India') compared to the 15 months period prior to the launch of 'Make in India'. FDI equity inflow has increased 36%.

Whether Make in India is successful may only be assessed over the next few years, but present momentum plays a role in ascertaining its immediate credibility. The program has indeed highlighted the manufacturing potential for a diverse array of industries in the Indian economy. It has also provided a plan for large-scale infrastructure projects. At the same time, the campaign has piggy-backed on the continued successes of certain highly performing sectors. As a consequence, it will take several years before analysts can effectively measure the success of Make in India.

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The Hindu
The Times of India
The Economic Times

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Making "Make in India" Realism: Role of FDI

R. Sudarsana Rao , Member, IV state finance commission , Government of Andhra Pradesh
P. Aruna, Principal, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

G.A.K. Nehru, Lecturer in English, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

Abstract: The launch of "Make in India" campaign to attract foreign investments and boost the manufacturing sector of India has been timed to perfection. 'Make in India' is intended to provide a fillip to India's manufacturing industry which currently contributes about 15% of the National GDP. For the Make in India campaign the government of India has identified 25 priority sectors that shall be promoted adequately. These are the sectors where livelihood of FDI is the highest and investment shall be promoted by the government of India. It is aimed the development of these sectors would ensure that the world shall readily come to Asia, Particularly to India where the availability of both democratic conditions and manufacturing superiority made in the best destinations, especially when combined with the effective governance intended by his administration.

Key words: Make in India, manufacturing sector, services

Introduction

FDI is defined as the net inflows of investment to acquire a lasting management interest in an enterprise operating in an economy other than that of the investor. FDI usually involved participation in management, joint venture, transfer of technology and expertise. A foreign direct investment (FDI) is a controlling ownership in a business enterprise in one country by an entity based in another country. Horizontal FDI arises when a firm duplicates its home country-based activities at the same value chain stage in a host country through FDI. Vertical FDI takes place when a firm through FDI moves upstream or downstream in different value chains i.e when firms perform value adding activities stage by stage in a vertical fusion in a host country. FDI stimulate the economic development of the country in which the investment is made, creating both benefits for local industry and conducive environment for the investors. It creates job and increase employment in the target country. It enables resources transfer and other exchange of knowledge where by different countries are given access to new skills and technologies. The equipment and facilities provided by the investor can increase the productivity of the workforce in the target country.

Objectives of Study:

1. To find the effect of FDI on economic development after launch of 'Make in India' campaign.
2. To study about the FDI inflows after Make in India programme in different sectors.

FDI equity inflow has undoubtedly swelled since NDA Government came to power. An analysis of the data, released by the commerce ministry, however, shows that 'Make in India' has, so far, had little to contribute to the upswing.

Top 10 Sectors that Attracted Foreign Direct Inflows in India

Services Sector retains top spot, IT & Hardware moves up to second position

Name of the Sector	2014-15 (Figures in US$ mn)	2015-16 (Figures in US$ mn)
Services	4,443	6,889
Computer Software & Hardware	2,296	5,904
Trading	2,728	3,845
Automobile Industry	2,726	2,527
Chemicals (except fertilizers)	763	1,470
Hotels & Tourism	777	1,333
Telecommunications	2,895	1,324
Power	707	869
Drugs & Pharmaceuticals	1,498	754
Construction Development	769	113

*Services sector includes Financial, Banking, Insurance, Non-Financial/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis.

The data show that a bulk of the $40 billion that India attracted by way of FDI during the financial year 2015-16, did not go into manufacturing, thereby putting a question mark over the efficacy of the 'Make in India' initiative. The data show that during 2015-16, the first full financial year of the Modi government, three non-manufacturing sectors - services, computer software and hardware, and trading - attracted more than 41.5% of the FDI inflow, whereas core manufacturing sectors such as automobiles, chemicals, power, pharma and construction got only 14% of the FDI.

The data further show that apart from the aforementioned non-manufacturing sectors, hotels and tourism and telecommunications were the others areas that saw foreign investors pumping in money.

In comparison, during the financial year 2014-15, India had received nearly $31 billion in FDI. Out of this, services, computer software and hardware and trading together received 30% of the total inflow whereas the core manufacturing sectors accounted for only 21% of the investment flowing in. This, however, was much higher a share when compared with 2015-16.

FDI into each of the three key manufacturing sectors actually registered a sharp decline in 2015-16 vis-a-vis 2014-15. Inflows into the automobile industry, for instance, fell from a little over $2.7 billion to $2.5 billion in the aforementioned period. The pharma and construction sectors saw even sharper falls. While foreign investments into pharma companies nearly halved, the construction sector attracted less than a sixth of foreign money in 2015-16, as compared to the previous year.

Conclusion : To be sure, this data capture investment only into the top 10 sectors that attracted foreign inflows. However, since these 10 sectors account for more than 60% of the total FDI inflow, investment into the other sectors, taken individually, will be comparatively negligible, and is, therefore, unlikely to upset the trend.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make In India the Biggest Indian Brand Ever Created

Dr.J.Chandra Prasad, M.Com.,M.B.A.,M.A.,L.L.B.,P.hd., Former Principal, DNR College, Bhimavaram and Dirctor, SD College of Information Technology, Tanuku

K.Santosh Kumar, M.B.A., Faculty& Placement Officer, SD College of Information Technology, Tanuku

V.L.N.V.Bhaskar, M.B.A, Faculty in Management, SD College of Information Technology, Tanuku

Abstract:
India has been on the run for implementing comprehensive and holistic measures in the hunt for Make in India that will sustain for decades. The dream of Make in India cannot succeed and be realised if skill India does not. Make in India is a win-win situation for the country and to reap the benefits it must be a way of living for the people at the grass root level and should not remain just as the policy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing arenas in India. In November 2014, just weeks after the launch of Make-in-India campaign, Nokia shut its factory in Chennai, rendering 6,600 full-time workers jobless. Economists say the government must step in to support the manufacturing sector, which constitutes 15-16% of the GDP and supports 12% of the workforce. The sales of manufacturing goods are down due to the fall in Investment, rise in costs and import duties, contraction in demand**.** A range of factors including falling investment, increased input costs and higher import duties have caused demand for manufactured goods to fall, a trend that was visible before demonetization and has strengthened since. As reported by the RBI report while the services sector grew by 4.9% in 2015-16, faster than the 3.7% recorded in the previous financial year, manufacturing contracted for the first time in seven years, from a growth rate of 12.9% in 2009-10 to India needs to guard against technological disruption in manufacturing.-3.7% in 2015-16, data from the Reserve Bank of India (RBI) show.

Key words: international companies, 'Make in India', demonetization

Introduction

Starting with Mangalayan achievement in the space sector from ISRO, the Make in India drive continued to mark the very recent launching of the PSLV-C37 with the record 104 satellites(of which 94 of the USA) into the space from the Indian land. The spirit of making in India appears to be continuing as evident from the recent policy of the Government of India to issue the special Cinema Visas to foreigners for making the foreign films in India. It was on May 26, 2014, Prime Minister Narendra Modi took charge of the Government of India. Since the time he has taken office, certain important timeline decisions have been taken by the Cabinet. On August 21, 2014, the “Digital India” campaign was launched. The idea is to change India into an electronically empowered economy. On August 28, 2014, Mr. Modi launched the Pradhan Mantri Jan Dhan Yojana. This scheme was announced when he gave his first Independence Day speech on August 15, 2014. On 24 September 2014, Prime Minister approved the Swachh Bharat campaign. The Swachh Bharat Abhiyan was launched formally on October 2, 2014, the birth anniversary of Mahatma Gandhi.

Make in India was basically a slogan, coined to attract the global world to invest and manufacture in India. It then became an international marketing campaign. The campaign was initiated so that India has ample job opportunities and the economy gets a boost. It seeks to make India a self-reliant country. It also aims to allow FDI in the country as well as bring back to health the loss-making Government firms. The campaign is completely under the Central Government, in which the Government has identified 25 major sectors which have the potential of becoming a global leader. And on October 11, 2014, was launched the Saansad Adarsh Gram Yojana. According to this yojana, each MP will take the responsibility of developing three villages by 2019.

Swadeshi- the springboard

Make in India appears to be the legacy of swadeshi. The **Swadeshi movement**, part of the Indian independence movement and the developing Indian nationalism, was an economic strategy aimed at removing the British Empire from power and improving economic conditions in India by following the principles of *swadeshi* (self-sufficiency), which had some success. The word *Swadeshi* derives from Sanskrit. *Swa* means "self" or "own" and *desh* means country, so *Swadesh* would be "own country", and *Swadeshi*, the adjectival form, would mean "of one's own country”. Strategies of the Swadeshi movement involved boycotting British products and the revival of domestic products and production processes.

1918 to 1947: Swadeshi thought shaped by Mahatma Gandhi, accompanied by the rise of Indian industrialists.

1948 to 1991: Widespread curbs on international and inter-state trade. India became a bastion of obsolete technology during the licence-permit raj

1991 onwards: liberalization and globalization. Foreign capital, foreign technology, and many foreign goods are not excluded and doctrine of export-led growth resulted in modern industrialism. Though swadeshi fervor constitutes the hub of Make in India, the spirit of globalization stands as the principle blockade. Thus, Make in India is building swadeshi entrepreneurship, startups and drive for domestic manufacturing.

Vision and Rationale

The dominant sector in the Indian economy being the service sector, Manufacturing currently contributes just over 15% to the national GDP.The aim of this campaign is to grow this to a 25 % contribution as seen with other developing nations of Asia. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe. The logo for the Make In India campaign is a an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhyaya who had been born on the same date in 1916. The Prime Minister called for all those associated with the campaign, especially the entrepreneurs and the corporates, to step and discharge their duties as Indian nationals by first developing India and for investors to endow the country with foreign direct investments. Prime Minister Mr. Narendra Modi launched the Make In India campaign on September 25, 2014. The date of the launch was chosen to be of maximum advantage. Coming right after the successful insertion of Mangalyaan - a wholly indigenously built low-cost probe into the Martian orbit - the event highlighted India's success in manufacturing, science and technology, and all this at inexpensive costs. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. Mae in India is the Indian government's effort to harness this demand and boost the Indian economy.

Make in India campaign marks two and half years. The manufacturing sector in India offers investments worth Rs. 67 lakh crore 'Make in India' is one of the flagship schemes of the Indian government which is aimed at transforming Indian economy from services driven growth model to intensive manufacturing-driven growth not only to increase productivity but also to promote India as an international manufacturing hub. There are at least 30 key economic sectors which international companies can consider for setting up manufacturing bases in India. Prime Minister Modi's government has made steady progress to deliver on its promise of economic reforms. Efforts such as lifting of FDI caps in several sectors, reducing red tape, implementing a transparent tax environment, improving the country's intellectual property regime have sent a crystal clear message to the global investment community that India is ready and open for serious business. the results of these efforts are also visible in India's rise in the World Bank's Ease of Doing Business Index. 'Make in India Week', to be held Mumbai from February 13th to 18th 2016.For an international image building Make in India week In Mumbai and MII conference in Sydney were launched.

The objective orientation

The objective orientation of the Government of India is to encourage multi-national, as well as domestic, companies to manufacture their products in India. It was launched expecting India would emerge as the top destination globally for Foreign Direct Investment, surpassing China as well as the United States. The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India. Under the initiative, brochures on the 25 sectors and a web portal were released. Before the initiative was launched, foreign equity caps in various sectors had been relaxed. In August 2014, the Government allowed 49% Foreign Direct Investment (FDI) in the defence sector and 100% in railways infrastructure. The defence sector previously allowed 26% FDI and FDI was not allowed in railways. This was in hope of bringing down the military imports of India. Earlier, one Indian company would have held the 51% stake, this was changed so that multiple companies could hold the 51%.India's Tourism & Hospitality sector is among the top ten sectors attracting highest FDI Equity inflows in 2015-16 at 3.3%.

Between September 2014 and November 2015, the government received 1.20 lakh crore (US$18 billion) worth of proposals from companies interested in manufacturing electronics in India.

24.8% of smartphones shipped in the country in the April–June quarter of 2015 were made in India, up from 19.9% the previous quarter.

Make in India is a major global initiative, designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure.

Strengths of India to crown with make in India

It has ever been a better time to make in India considering the strengths of India which need be converted into opportunities. India is First among the world's fastest growing economies according to IMF.

First among 100 countries on the Growth, Innovation and Leadership Index Source: Frost & Sullivan Report 2016, Stands as the first choice for Tech MNCs to set up R&D centres outside their home countries7th most valued Nation Brand in the world.

Hailed first among the world's most attractive investment destinations by Ernst & Young – 2015 India Report. First among the 110 investment destinations polled globally as reported by the Foreign Policy Magazine. First among the world's topmost Greenfield FDI destinations, January-June, 2015 as reported by Financial Times achieved 35% growth in FDI equity in flows and stood among the top 10 FDI destinations in the world 12 positions up in ease of Doing Business according to the World Bank's ranking 2016

Moved up 16 places on the Global Competitiveness Index 2015-16 16 Source: World Economic Forum

The third largest Tech-driven start-up ecosystem globally and Tech start-ups in India are expected to reach 11,500 in 2020 from only 4330 in 2015 is expected to stand third largest in Aviation industry by 2030 to cater to international and domestic traffic.

Stands with second largest railway network in the world and also with second largest Road network with 3.3 million km. Enjoys a stable/positive periodical rating by the major credential credit rating agencies. With second largest Internet users base with462 million Internet users is with demonstrable capability to reach near 100 per cent literacy level by 2025.

Above all with a population of 1.31 billion,out of which 767 million falls in the age group of 15-64 , the country is set to become the youngest country in the world with average age of 29 years by 2025.

Realization, Review and Conclusion

The Indian economy had been sailing in the ship of Make in India initiating and policising in the direction of the o objective orientation. The protagonists are of the view that the of Impact make in India and digital India will be felt in 2017-18 and realized from 2020. A select review of the scenario helps to view the developments. 100 per cent FDI is permitted in all the identified sectors, except for space (74%), defence (49%) and news media (26%). Rostec state corporartion signed for the Ka-226T helicopters, Sweden came forward for the Innovation initiatives. Chinese phone makers have been exploring Make in India.

Will Make in India turn really India as Global? is a billion dollar question. The year-end update of the flagship report Economic and Social Survey for Asia and the Pacific 2016 conducted by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) shows that India's economy will grow at 7.6% in the 2017-18 fiscal. The UN study said, "With developed economies losing some of their recovery momentum, the region's high and steady growth rate, led by China and India, has arguably been an anchor of stability for the struggling global economy". India is the world's tenth largest economy and the second most populous. The most important and the fastest growing sector of Indian economy is the services sector. Manufacturing accounts for 15 percent of GDP. The nationwide implementation of the GST (Goods & Services Tax) has been credited with being the major reason for the sustained economic growth in India.

No doubt, India has been on the run for implementing comprehensive and holistic measures in the hunt for Make in India that will sustain for decades. The dream of Make in India cannot succeed and be realised if skill India does not. Make in India is a win-win situation for the country and to reap the benefits it must be a way of living for the people at the grass root level and should not remain just as the policy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing arenas in India

Despite the government's efforts to attract investment under its Make-in-India campaign, sales of manufactured goods fell 3.7% during 2015-16–the first decline in seven years–sparking fears of layoffs and debt default in the months to come. Spurred by a global slowdown and lack of demand, sales of manufactured goods were falling even before demonetisation, affecting sectors ranging from textiles to leather to steel. Higher export duty and decline in demand has led to reduction in sales even before demonetisation, the decline in investment during the past few years has also impacted demand for manufactured goods, Investment has fallen because of a decline in demand, leading to lower sales and profits. According to the latest RBI Report New orders recorded a decline sequentially (quarter-on-quarter) as well as on a year-on-year basis and dipped into negative territory.

As a result, in the six months to September 2016, engineering major Larsen & Toubro laid off some 14,000 employees. Companies such as Microsoft, IBM and Nokia were also reported to have cut back on their workforce in 2016–albeit on a smaller scale-blaming sluggish demand for downsizing. In November 2014, just weeks after the launch of Make-in-India campaign, Nokia shut its factory in Chennai, rendering 6,600 full-time workers jobless. Economists say the government must step in to support the manufacturing sector, which constitutes 15-16% of the GDP and supports 12% of the workforce. **The sales of manufacturing goods are down due to the fall in Investment, rise in costs and import duties, contraction in demand**. A range of factors including falling investment, increased input costs and higher import duties have caused demand for manufactured goods to fall, a trend that was visible before demonetization and has strengthened since. As reported by the RBI report while the services sector grew by 4.9% in 2015-16, faster than the 3.7% recorded in the previous financial year, manufacturing contracted for the first time in seven years, from a growth rate of 12.9% in 2009-10 to India needs to guard against technological disruption in manufacturing.-3.7% in 2015-16, data from the Reserve Bank of India (RBI) show.

India needs to guard against technological disruption in manufacturing to tone up the sector in tune with the Make in India initiatives. As per the World Bank reports Indian Economy is expected to grow fivefold by 2040 with signs of more stability and resilience than any other country in the world. One can smell the rat of hurdles even for the startups and expansions in the industrial sector as reported by the Icon of Biocon -Kiran Mazumdar Shaw-that at present in India the License Raj is replaced by the time consuming Approval Raj. The scenario be reviewed and corrected. The skill India should blossom among the rural youth and the youth in educational institutions which are experiencing skill crunch and remain as manufacturing outlets for academic degrees devoid of skills. Make in India be loved, lived and domesticated by every Indian with will and commitment and without dramatics. Hopes need not be drained of the fruition of the mission of Make in India in the years to come on the strengths of the country. The moves are flowing in small streams to become an ocean later. To mention a few Apple has been looking to manufacture iPhones in the country-in the southern city of Bangalore. Israel expresses commitment towards Make in India in Defence sector. It needs a mention that Israel is one of the leading exporters of weapon systems to India, providing missiles, unmanned aircrafts, electronic warfare and Radars in the last decade.Lockheed, Boeing and Saab the foreign fight jet makers rush in with offers to manufacture fighter jets in India. In February 2016, Lockheed Martin stated that it was "ready to manufacture F-16 in India and support the Make in India initiative", although it did not announce any time frame. In February 2017, Lockheed stated that it intended to manufacture the F-16 Block-70 aircraft with a local partner in India, if the Indian Air Force agreed to purchase the aircraft. Recent law announces 100 per cent ownership of local defence firms and needs about 300 new combat jets in the next 15 years. Moreover, the Fort Worth of Texas offers to bring F-16 production to India.Jindal steel Hisar forays into defence.Quality and integrity of manufacturing matters in all dimensions for the glorification of Make in India. *Zero Defect Zero Effect* is a slogan coined by Prime Minister of India, Narendra Modi which signifies production mechanisms wherein products have no defects and the process through which product is made has zero adverse environmental and ecological effects. The slogan also aims to prevent products developed from India from being rejected by the global market. The regional brand glory is also identified to be projected globally through Make in India, which is laudable and to be tapped by local entrepreneurship Aarisa Pitha of Jharkhand,Gumla,Gushtaba of Kashmir, Chicken Curry of Punjab, Khakhra and Khandvi of Gujarat, Bamboo Steam Fish, Vada and Medhu Vada of Karnataka, Khaja and Inarsa of Bihar and Kebab of Uttar Pradesh and Puran poli of Maharashtra have been selected as traditional regional food to be promoted in the campaign. Indian government has created a stir worldwide after the launch of "Make In India" campaign on global platform. For a country to win the tag of developed nation, most economists argue, that it should have a turnover in its GDP from agro based nation to a manufacturing nation with at least 30% of its GDP sourced from Manufacturing Industry. Let us hail India with Make in India for a prosperous posterity without dragging the carpet under the feet.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make In India- A Scheme for Transforming India

Dr.D.Venkateswara Rao, Professor & Head, Dept. of Public Admn., PG Centre, Sri Y.N.College, Narsapur.

Dr.K.S.V.Ranga Rao, Lecturer in Political Science, Sri Y.N.College (Autonomous), Narsapur.

Abstract

Make in India is an international marketing strategy, conceptualized by the Prime Minister of India, Narendra Modi to attract investments from businesses around the world and make India the manufacturing Hub. The aim is to take a share of manufacturing in country's gross domestic product from stagnant 16% currently to 25% by 2022, as stated in national manufacturing policy, and to create 100 million jobs by 2022. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Make in India is the key to revitalization of Indian economy. It is one of the schemes to pull back the economy from clutches of recession. It is a powerful and galvanizing 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 out-dated 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'.Make in India initiative aims to correct the composition of Indian GDP which is the root cause of recession. Currently India's GDP is heavily tilted in favor of service sector. Secondary research is used for the purpose of the study and this paper discusses about Make in India scheme, its opportunities, challenges, changes needed and some examples of different investors, invested so far. Make in India campaign surely makes India an investment destination and global hub for manufacturing and innovation.

Key-words: Manufacturing hub, Global hub, BRICKS, Intellectual Property, Foreign Direct Investment

Introduction

A new topic storming people's brains in our country today is 'Make in India or made in India'. As Narendra Modi launched a campaign for 'Make in India', many critics have become vocal about its pros and cons. 'Make in India' is mostly about emulating China in export led, growth oriented economy as China is facing hurdles like growing cost of labor and post-market servicing. While 'made in India' emphasizes more on industries based on home-grown technology. The Make in India initiative was launched by Prime Minister in 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.

Campaign and its vision:

Make in India is the BJP-led NDA government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy. The Indian Prime Minister, Mr. Narendra Modi first mentioned the key phrase in his maiden Independence Day address from the Red Fort. After a month later, they launched the campaign in September 2014 with an intention to revive the manufacturing businesses and to emphasize on key sectors in India.

Manufacturing currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations in Asia. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe.

The logo for the Make In India campaign is a an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhyaya who had been born on the same date in 1916.

It was a powerful and galvanizing 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 out-dated 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 date of the launch this Make in India was chosen to be of maximum advantage. Coming right after the successful insertion of Mangalyaan - a wholly indigenously built low-cost probe into the Martian orbit - the event highlighted India's success in manufacturing, science and technology, and all this at inexpensive costs. It also came just a day ahead of the Prime Minister's maiden US visit. The launch ceremony was held at the Vigyan Bhavan in New Delhi. The hall thronged with attendees, a number of who did not even find seats. Leading entrepreneurs and the CEOs of about 3000 companies from across 30 countries were invited to attend the launch.

Why PM wants to Make in India?

The Prime Minister called for all those associated with the campaign, especially the entrepreneurs and the corporates, to step and discharge their duties as Indian nationals by First Developing India and for investors to endow the country with foreign direct investments. The Prime Minister also promised that his administration would aid the investors by making India a pleasant experience and that his government considered overall development of the nation an article of faith rather than a political agenda. He also laid a robust foundation for his vision of a technology-savvy-Digital India as complementary to Make in India. He stressed on the employment generation and poverty alleviation that would inevitably accompany the success of this campaign.

Sectors in focused:

For the Make in India campaign, the government of India has identified 25 priority sectors that shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India. On the campaign launch, the Prime Minister Mr. Modi said that the development of these sectors would ensure that the world shall readily come to Asia, particularly to India where the availability of both democratic conditions and manufacturing superiority made it the best destinations, especially when combined with the effective governance intended by his administration.

PLAN

To start a movement, you need a strategy that inspires, empowers and enables in equal measure. Make in India needed a different kind of campaign: instead of the typical statistics-laden newspaper advertisements, this exercise required messaging that was informative, well-packaged and most importantly, credible. It had 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 Department of Industrial Policy & Promotion (DIPP) worked with a group of highly specialized agencies to build brand new infrastructure, including a dedicated help desk and a mobile-first website that packed a wide array of information into a simple, sleek menu. Designed primarily for mobile screens, the site's architecture ensured that exhaustive levels of detail are neatly tucked away so as not to overwhelm the user. 25 sector brochures were also developed: Contents included key facts and figures, policies and initiatives and sector-specific contact details, all of which was made available in print and on site.

Partnerships

The Make in India initiative has been built on layers of collaborative effort. DIPP initiated this process by inviting participation from Union Ministers, Secretaries to the Government of India, state governments, industry leaders, and various knowledge partners. Next, a National Workshop on sector specific industries in December 2014 brought Secretaries to the Government of India and industry leaders together to debate and formulates an action plan for the next three years, aimed at raising the contribution of the manufacturing sector to 25% of the GDP by 2020. This plan was presented to the Prime Minister, Union Ministers, industry associations and industry leaders by the Secretaries to the Union Government and the Chief

Secretary, Maharashtra on behalf of state governments.

These 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.

Progress

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 that is helping drive investment, foster innovation, develop skills, protect Intellectual Property (IP) and build best-in-class manufacturing infrastructure. The most striking indicator of progress is the unprecedented opening up of key sectors – including Railways, Defense, Insurance and Medical Devices – to dramatically higher levels of Foreign Direct Investment.

A workshop titled "Make in India – Sectorial perspective & initiatives" was conducted on 29th December, 2014 under which an action plan for 1 year and 3 years has been prepared to boost investments in 25 sectors.

The ministry has engaged with the World Bank group to identify areas of improvement in line with World Bank's 'doing business' methodology. A two day workshop and several follow up meetings were held to formulate framework which could boost India's ranking which is currently 130 in terms of ease of doing business.

An Investor Facilitation Cell (IFC) dedicated for the Make in India campaign was formed in September 2014 with an objective to assist investors in seeking regulatory approvals, hand-holding services through the pre-investment phase, execution and after-care support.

The Indian embassies and consulates have also been communicated to disseminate information on the potential for investment in the identified sectors. DIPP has set up a special management team to facilitate and fast track investment proposals from Japan, the team known as 'Japan Plus' has been operationalised from October 2014. Similarly 'Korea Plus', launched in June 2016, facilitates fast track investment proposals from South Korea and offers holistic support to Korean companies wishing to enter the Indian market.

Various sectors have been opened up for investments like Defence, Railways, Space, etc. Also, the regulatory policies have been relaxed to facilitate investments and ease of doing business. Six industrial corridors are being developed across various regions of the country. Industrial Cities will also come up along these corridors. Today, India's credibility is stronger than ever. There is visible momentum, energy and optimism. Make in India is opening investment doors. Multiple enterprises are adopting its mantra. The world's largest democracy is well on its way to becoming the world's most powerful economy.

Advantages and disadvantages of Make in India

India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Mae in India is the Indian government's effort to harness this demand and boost the Indian economy. India ranks low on the “ease of doing business index”. Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India.

Why Companies were not manufacturing in India:

Make in India campaign is at loggerheads with the Make in China ideal that has gained momentum over the past decade. China is a major rival to India when it comes to the outsourcing, manufacturing, and services business. India's ailing infrastructure scenario and defunct logistics facilities make it difficult for the country to achieve an elite status as a manufacturing hub. The bureaucratic approach of former governments, lack of robust transport networks, and widespread corruption makes it difficult for manufacturers to achieve timely and adequate production. The Modi’s government has vowed to remove these hurdles and make the nation an ideal destination for investors to set up industries.

Reasons for the Regain in Economic Growth:

The year-end update of the flagship report Economic and Social Survey for Asia and Pacific-2016 conducted by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) shows that India’s economy will grow at 7.6% in the fiscal year 2017-18. A statement issued by the UN said, “India’s economy is projected to sustain a 7.6% growth rate in both fiscal years 2016-17 and 2017-18”. The investments have gained momentum again after India saw a sluggish pace in the April-June period at 7.1% in comparison to very high growth at 7.9% in the January to March phase. This again in momentum in investments has been credited to the structural reforms in the country as per the UN study.

While developed economies are struggling to sustain high growth rates, India and China have been credited as being the anchors of a high a steady growth on the economic front in Asia-Pacific region. The UN Study reveals that “with developed economies losing some of their recovery momentum, the region’s high and steady growth rate, led by China and India, has arguably been an anchor of stability for the struggling global economy”

Criticism and concerns

The NDA government's Make in India campaign has till early October, 2016 attracted INR 2000 crore worth investment proposals. The campaign has, despite this, found its fair share of critics. The topmost of these criticisms is leveled against the incumbent government. It has been felt that the government does not walk its talk-labour reforms and policy reforms which are fundamental for the success of the Make in India campaign have not yet been implemented. A number of layoffs in companies such as Nokia India cast long shadows over the campaign. A number of technology based companies have not been enthused by the campaign launch and have professed to continue getting their components manufactured by China.

Conclusıon:

Make in India and made in India both can be beneficial for India. India can benefit temporarily from outsourced manufacturing plants but it cannot stress it beyond a limit. It should rather focus more on encouraging research and development and bringing industrial innovation. Make in India should be a start to achieve the long term goal of made in India. Make in India has the NDS government's flagship campaign to boost manufacturing in India. Its main aim to open doors for foreign investors to invest in Indian manufacturing sector with a promise to enhance the ease of doing business in the country. The Government's vision to craft out a manufacturing hub in the nation is the first step to enhancing the contribution of the manufacturing sector towards the GDP. Twenty Five key sectors were marked out as priority sectors and foreign investors have been promised all assistance and information required to set up business in India.

India is basically a service industry which is trying to move its focus away from the tertiary sector of the economy to the manufacturing sector. Keeping this goal in mind, 'make in India' campaign was launched to attract more foreign investment by removing obstacles like the remaining traces of the license raj, fast sanction of projects from the bureaucratic web, etc.

Notwithstanding the challenges faced in making India a manufacturing hub, the country is poised to reap rich dividend for being one of the youngest nations in the world. According to reports by 2020, India is set to become the world's youngest country with 64% of its population in the working age group. With the Western countries, Japan and even China aging, this demographic potential offers India and its growing economy an edge that economists believe could add a significant 2% to the GDP growth rate annually. Prime Minister also had said that India is the only country in the world which offers the unique combination of democracy, demography, and demand from a rising middle class. Besides, the campaign would ensure closer centre and states relations for promoting India as a global manufacturing hub. "If investment comes in the States, it comes in India also. States and Centre should work collectively, shoulder to shoulder as a team. they should find solution together and things move forward," Modi urged. Although a sound beginning has been made for the Make in India campaign, now the ball is in the government's court to ensure its success.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Factual dimensions of Make in India:

K. Radha Pushpavathi, Vice-Principal, Reader in Economics, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

Abstract: *A major new national program designed to facilitate investment, foster innovation, enhance skill development. Protect intellectual property and build best-in-class manufacturing infrastructure. There's never been a better time to make in India."* This means in pure classical economics there is going to be a demand and then there would be producers who would be incentivized to supply goods and Services to meet that demand. So let's look at **Demand first.** Demand can be global or national.

Key words: business index, Making India, Labour laws, manufacturing

Introduction :

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. Prime Minister Mr. Narendra Modi launched the Make in India campaign on September 25, 2014. The date of the launch was chosen to be of maximum advantage. Coming right after the successful insertion of Mangalyaan - a wholly indigenously built low-cost probe into the Martian orbit - the event highlighted India's success in manufacturing, science and technology, and all this at inexpensive costs. It also came just a day ahead of the Prime Minister's maiden US visit. Calculated to enhance India's attractiveness as an investment destination, the launch ceremony was held at the Vigyan Bhavan in New Delhi. The hall thronged with attendees, a number of who did not even find seats. Leading entrepreneurs and the CEOs of about 3000 companies from across 30 countries were invited to attend the launch.

The Vision of Make in India

The manufacturing industry currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% contribution as seen with other developing nations of Asia. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe. The Prime Minister called for all those associated with the campaign, especially the entrepreneurs and the corporates, to step and discharge their duties as Indian nationals by First Developing India and for investors to endow the country with foreign direct investments. The Prime Minister also promised that his administration would aid the investors by making India a pleasant experience and that his government considered overall development of the nation an article of faith rather than a political agenda. He also laid a robust foundation for his vision of a technology-savvy Digital India as complementary to make in India. He stressed on the employment generation and poverty alleviation that would inevitably accompany the success of this

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

campaign. The major objective behind the initiative is to focus on 25 sectors of the economy (table 2) for job creation and skill enhancement. The initiative hopes to increase GDP growth and tax revenue. The initiative also aims at high quality standards and minimizing the impact on the environment. The initiative hopes to attract capital and technological investment in India. The campaign was designed by the Wieden + Kennedy (W+K) group which had previously worked on the Incredible India campaign and a campaign for the Indian Air Force

Table 1. Launched particulars

Campaign Name	Make In India
Launch Date	09/25/14
Launched By	PM Mr. Narendra Modi
Number of Sectors	25
Investment Proposals Received	INR 2000 crore (till 9-Oct-2014)

Figure: 1. Logo of make in India

Description on logo

The logo for the Make In India campaign is an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. Wheel denotes peaceful progress and dynamism. lion has been the official emblem of India" and it stands for "courage, tenacity and wisdom -- all Indian values The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhyaya who had been born on the same date in 1916.

1.

2.Some key takeaways from the Prime Minister's speech at the launch ceremony.

- We do not want to see any company or enterprise leave India due to business constraints
- An environment of trust will convince industry leaders of the government's commitment to developing industry
- FDI is a responsibility for the people and an opportunity for the global investors; FDI for Indians should be "First Develop India" and Foreign Direct Investment for the investors
- Only when India moves away from poverty will purchasing power in the country increase and when this happens the country will start to bloom as a grand huge market for industries
- The movement away from poverty will come from increase in employment; employment will come only when we start developing the manufacturing sector in India.

- Investors are not attracted by incentives; investment will be attracted only by friendly policies and a secure environment
- Ease of business is important for development; India has slipped low in the list of countries in terms of ease of doing business
- Scrutiny and red tape should not create barriers for development; simplification of processes should be the focus and redundancy done away with
- The world is looking to invest in Asia, particularly in Asian democracies, and in places with high demand – India fits the bill perfectly
- Effective governance is a key factor in attracting investors; the government needs to reassure investors of its effectiveness in promoting business and industry
- Skilled manpower mapped to the natural potential and creation of sustainable growth will be the focus of 'Make in India'
- Private-public partnership must be the basis of skills development in the country
- It is the government's responsibility to facilitate the creation of an environment conducive to development
- 65% population of the country is less than 35 years of age – there is immense manpower. After the indigenous development of Mangalyaan, India's talent and skills too cannot be questioned
- Digital India is the crux of effective governance; if this is not achieved, the governance and society will stay divergent. Ease of governance will come only with use of technology
- For years we have been emphasizing on Look East; only when we link West to this will we develop
- There are numerous opportunities in manufacturing and to develop this sector we will require a whole new world of infrastructure – from highways to I(nformation) ways, gas, water pipelines, ports, and a lot many more
- This government does not have a political agenda; it is dedicated to development as an article of faith
- The life and destiny of India can and will be changed for the better
- May Indian companies become multinational organizations but only when they grow and develop with India
- Only when the Centre and the state governments work together in tandem can India's true development potential be tapped into; development of states is the development of the country
- 'Make in India' is our responsibility; may India garner strength with this mission
- The 'Make in India' campaign is dedicated to Pandit Deendayal Upadhyaya, the patriotic thinker and philosopher
- **Expectations on make India:**
- **Make in India' for Big Boost to Industry & Employment**
- The launch of the 'Make in India' campaign by Prime Minister Narendra Modi to attract foreign investments and boost the manufacturing sector of India has been timed to perfection. It comes a day after India's indigenously manufactured satellite Mangalyaan was successfully put in the Martian orbit, showing to the world the progress India has made in manufacturing processes, technology, science and innovation. It also comes a day ahead of the PM's visit to the US. 'Make in India' is intended to provide a major fillip to India's manufacturing industry which

currently contributes about 15% of the national GDP.

- For the Make in India campaign, the government of India has identified 25 priority sectors (table 2) hat shall be promoted adequately. These are the sectors where likelihood of FDI (foreign direct investment) is the highest and investment shall be promoted by the government of India. It is aimed the development of these sectors would ensure that the world shall readily come to Asia, particularly to India where the availability of both democratic conditions and manufacturing superiority made it the best destinations, especially when combined with the effective governance intended by his administration.

- Table 1. Key sectors allowed making in India

Automobiles	Food Processing	Renewable Energy
Automobile Components	IT and BPM	Roads and highways
Aviation	Leather	Space
Biotechnology	Media and Entertainment	Textiles and garments
Chemicals	Mining	Thermal Power
Construction	Oil and Gas	Tourism and Hospitality
Defence manufacturing	Pharmaceuticals	Wellness
Electrical Machinery	Ports	
Electronic Systems	Railways	

Make in India' Call Gets Smart Response from Abroad

Make in India program started by Modi Government to transform India into a global manufacturing hub. Twenty five key sectors were marked out as priority sectors and foreign investors have been promised all assistance and information required to set up businesses in India. The Prime Minister followed up on the Make in India campaign with a series of labour reforms that were long overdue. The response to make in India call has been quite promising, domestic as well as foreign, although it's not time yet to see the impact of these reforms. Tying it up with Digital India and the expansion targets of the economy, the Government is certainly working on what seems to be a comprehensive plan to rope in foreign investments to boost the economy and growth.

Recent Investment trends: Make in India

- In January 2015, the Spice Group said it would start a mobile phone manufacturing unit in Uttar Pradesh with an investment of ₹500 crore. A memorandum of understanding was signed between the Spice Group and the Government of Uttar Pradesh.

- In January 2015, HyunChil Hong, the President and CEO of Samsung South West Asia, met with Kalraj Mishra, Union Minister for Micro, Small and Medium Enterprises (MSME), to discuss a joint initiative under which 10 "MSME-Samsung Technical Schools" will be established in India. In February, Samsung said that will manufacture the Samsung Z1 in its plant in Noida.

- In February 2015, Hitachi said it was committed to the initiative. It said that it would increase its employees in India from 10,000 to 13,000 and it would try to increase its revenues from India from ¥100 billion in 2013 to ¥210 billion. It said that an auto-component plant will be set up in Chennai in 2016.

- In February 2015, Huawei opened a new research and development (R&D) campus in Bengaluru. It had invested US$170 million to establish the research and development center
- In April 2015, Airbus said that it will manufacture its products in India and invest $ 2 Billion US dollars.
- Also in February, Marine Products Export Development Authority said that it was interested in supplying shrimp eggs to shrimp farmers in India under the initiative.
- In May, 2015 Tata JLR (Jaguar Land-Rover) announced that it will move its production of the Land Rover Defender to its Pune facility in India in 2016.
- Shiv Kumar Rungta, president, FTAPCCI, stressed on key sectors like services (mainly in IT), mechanization of Agriculture sector for achieving increased productivity, among others, for the success of 'Make in India
- **Ways and means of make *in India***
- *A major new national program designed to facilitate investment, foster innovation, enhance skill development. Protect intellectual property and build best-in-class manufacturing infrastructure. There's never been a better time to make in India."* This means in pure classical economics there is going to be a demand and then there would be producers who would be incentivized to supply goods and Services to meet that demand. So let's look at **Demand first.** Demand can be global or national.
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- **Global Demand:** The global demand seems to increasing day by day. We have started consuming goods and services like never before. According to worldwatch.org there are 1.7 billion members of "the consumer class"—nearly half of them in the developing world. A lifestyle and culture that became common in Europe, North America, Japan, and a few other pockets of the world in the twentieth century is going global in the twenty-first. In addition, there are continents that are developing, particularly Africa, where the growth of demand for goods and services has been phenomenal in the last decade. Also assuming that the fighting in the Middle East would finally come to an end, this region would also get to a path of rebuilding and this will help create further demand for MII
-
- **National Demand-** According to the Asian Development bank *the services sector, which constituted around* 49% of the GDP in 1990–91, now, contributes 64.5% of the GDP (2008–09). *Of this, the export of services comprises around 16% of the services GDP and is less than 10% of the total GDP*. So, it can notice something interesting here – most of our domestics demand is actually services oriented and not so much products oriented. Thus there is a healthy domestic demand for services but what about the
- Also not to forget the 300 Million odd people below poverty line who might be the direct beneficiary of the Make in India Initiative. Henry Ford started Model T and paid his workers more than $5 a week in order to spur demand and create the American middle class. Make In India in a way, would model to do that and help generate more demand.

- Producer Incentives: The producer incentives can come from four factors
- Cheaper costs of production & Movement of goods
- Ease of doing business
- Market with the ability to pay that improves margin
- Finding the right skill set
- It is expect and think it is looking at the producer incentives that you realize that we fall flat on our faces. All 4 factors mentioned above are a suspect. Even if we say that the market would finally take notice of our quality and pay the price for a Make in India product. Cheaper costs of production and movement of goods alone will expose the lack of infrastructure in the country. Raw materials have to make their way into the factory and finished goods have to move out. In the middle of this the processing of materials into goods would take water, electricity, real estate, clinics and hospitals to support this facility. The lack of them obviously increases the costs of production. In absence of electricity there is loss of production, or the alternative is to set up your own unit and incur more costs on it. Some others depend on Diesel generator sets to run factories. The current energy deficiency in India is around 5 % according to the Central Energy Agency. Basically apart from the west of the country and Gujarat in particular all regions are energy deficient. This is despite India being the third largest producer of electricity in the world and having one of the cheapest electricity rates per unit.
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- Water is another short resource and the indiscriminate use of ground water and lack of perennial rivers especially in the Deccan is a major issue as well. If we look at India's industrial production over the last year, one notices that there are variations. Please read this graph on the industrial output as a reference. There are major variations across the same year. This could be due to fluctuation in the demand but does not bode well for a project like 'Make in India'
- All of this is leading to a situation where we can't invest in manufacturing based on domestic demand only and this would require us to look at exports for sustaining the right kind of investments. Now exports in not really India's strong point and that would make Make in India even more difficult.
- Finally on the right skill set. It remembers reading an article where a polytechnic was training students on the use and fixing a carburetor. The challenge today is that not too many cars use a carburetor and training our talent on something like this is a total waste of time.
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- So is 'Make in India' economically viable? What are the challenges that the project and movement will face? What about the projects that are currently running under 'Make in India'? Can India compete in the global market? We will try to find the answers to all of these questions in the next couple of issues.
- **Conclusions:**
- The analysis shows two dimensions of arguments. One side is optimistic nature which expecting more investment by free flow of capital. On the other side, it has criticized as the economy; it is adopting what look like neo-Nehruvian ideas. Instead, Modi should focus on making business as easy and honest as possible, avoiding artificial props, curbing inflation and fiscal deficits, ensuring a realistic exchange

rate, and letting the market decide which sectors should flourish. Investors from everywhere will then rush in to make in India. The country is moving away from a mixed to a capitalist economy with corporate honchos appearing set to get a "bonanza of sorts" and the poor a "pittance. Whatever, we can allow constructive criticisms rather than political gimmicks. Because, there was evidence in the earlier that In 1983 Illustrated Weekly ran an article criticizing Operation Flood or what we in India commonly call as the 'White Revolution'. The piece went to say how National Dairy Development Board (NDDB) and the IDC had totally lost the plot and India would never become self-sufficient in dairy products.

➢ The article created a storm in India and the noise reached the parliament. It was a high and a low for Indian industry. At one end the news and media industry prided itself on uncovering the truth and reporting it to the common man. On the other end it was a low for the dairy industry and for one man in particular Dr Verghese Kurien. By 1987 the Illustrated Weekly findings were proven to be wrong and the entire furor died down. The same year the Jha Committee report found that the NDDB had taken the right steps and we were well on our way to success. India has since then become the largest producer of milk in the world. In 2014 Prime Minister Shri Narendra Modi launched what would be another revolution in the making. **'**Make in India' is the new mantra and the objective was to encourage the production of goods within the country.

➢ Thus is 'Make in India' economically viable? What are the challenges that the project and movement will face? What about the projects that are currently running under 'Make in India'? Can India compete in the global market? We will try to find the answers to all of these questions in the next couple of years.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Facet of India's foreign investment since the make in India programme:

Dr. T.V.Ramana,
Faculty Member, Dept. Of Economics, Andhra University Campus Kakinada

Abstract: The major objectives behind the Make in India initiative are job creation and skill enhancement in 25 sectors of the economy, including automobiles, aviation, biotechnology, chemicals, construction, defence manufacturing, electrical machinery, electronic systems and mining. The growth in FDI has been significant after the launch of Make in India initiatives in September 2014, with 48 percent increase in FDI equity inflows during October 2014 to April 2015 over the corresponding period last year. In 2014-15, country witnessed unprecedented growth of 717 percent, to US $ 40.92 billion of Investment by Foreign Institutional Investors (FIIs). The FDI inflow under the approval route saw a growth of 87% during 2014-15 with inflow of US$ 2.22 billion despite more sectors having been liberalized during this period and with more than 90 percent of FDI being on automatic route. These indicators showcases remarkable pace of approval being accorded by the government and confidence of investors in the resurgent India.

key words: Make in India, automobiles, aviation, biotechnology

Introduction

The inaugural Make in India week kicks off in Mumbai on February 13. Over 190 companies, including multinationals, 5,000 delegates from 60 countries, and leading industrialists will participate in the 6-day manufacturing jamboree. Make in India itself has been making headlines over the past year. Here is all you need to know about the campaign to boost India's factory output. Make in India was launched on September 25, 2014, by Prime Minister Narendra Modi to encourage multinational as well as domestic companies to manufacture their products in India. . The major objectives behind the Make in India initiative are job creation and skill enhancement in 25 sectors of the economy, including automobiles, aviation, biotechnology, chemicals, construction, defence manufacturing, electrical machinery, electronic systems and mining.

Advantages of Make in India Project

1) Boost India's Economic Growth: The make in India campaign will lead to an increase in exports and manufacturing. An increase in exports will improve the economy and India will be transformed into a global hub of manufacturing through global investment using the current technology. Manufacturing will also boost India's economic growth and GPD.

2) **More Job Opportunities:** It will lead to the creation of many job opportunities. Around ten million people are expected to get jobs. An increase in investment will bring employment opportunities for the skilled labor force and this will form a job market.

The government is running a skills development programme for the people in the rural areas and those in the urban areas who are poor. The programme will help in generating more skilled workers. The major key areas of the training will be painting, masonries, welding and many others. Certifications will be issued in order to make the training standard.

3) Attract More Foreign Direct Investment (FDI):- It will welcome more FDI. Since the government had promised to improve the ease of running businesses in India, it is going to attract many FDI. At the moment it has already received an amount of INR 20 K million from a proposal that was made on October 2014.

4) Investment In India:- Through Make in India Project more companies are looking to set up factories, a unit known as "Invest India" is in the process of being put to place. This unit will be under the department of commerce and will be available any time to make it easy to carry out regulatory clearance within the shortest time possible ensuring that businesses are run in India easily.

Apart from those major benefits that will be generated from the make in India campaign, there are also some other small benefits like upgrading of technology and quicker ways of project clearance. This India globalization method will bring a need for B2B marketing for each business to create global leads. The Global B4B Marketing is the best way of creating new markets and growing your brand. All you require is consistency, passion and a good strategy.

5. Other Pros of Make in India Campaign

-As Prime Minister Modi emphasized on the development of labour intensive manufacturing sector. So, this campaign will generate a lot of employment opportunities in Manufacturing, number expected to be around 100 million jobs by 2022. This campaign will help in achieving objectives of National Manufacturing Policy i.e. to increase the share of manufacturing sector in GDP from current 15-16% to 25% till 2022.

-Employment will increase people's purchasing power which ultimately helps in poverty eradication and expansion of consumer base for companies.

– The model of "look east and link west" policy will strengthen the industrial linkages as well as bilateral ties with many countries.

– Export-oriented growth model will improve India's Balance of Payments and help in accumulating foreign exchange reserves (which is very important given the volatility in the global economy with multiple rounds of Quantitative Easing announced by major economies).

-Government has decided to formulate an auto response mechanism and issues pertaining to procedural clearings will be resolved at different levels in a given time frame, which is a positive step in making industrial friendly environment.

– Foreign investment will bring technical expertise and creative skills along with foreign capital. The concomitant credit rating upgrade will further woo investors.

– FIIs play a dominant role (relative to FDI) in the Indian markets. However, FIIs are highly volatile in nature and a sudden exodus of hot money from India can affect a nosedive in the bellwether indices. Make in India will give an unprecedented boost to FDI flows, bringing India back to the global investment radar.

FDI inflows rise 40% on Make in India initiative:

The growth in FDI has been significant after the launch of Make in India initiatives in September 2014, with 48 percent increase in FDI equity inflows during October 2014 to April 2015 over the corresponding period last year. In 2014-15, country witnessed unprecedented growth of 717 percent, to US $ 40.92 billion of Investment by Foreign Institutional Investors (FIIs). The FDI inflow under the approval route saw a growth of 87% during 2014-15 with inflow of US$ 2.22 billion despite more sectors having been liberalized during this period and with more than 90 percent of FDI being on automatic route. These indicators showcases remarkable pace of approval being accorded by the government and confidence of investors in the resurgent India.

The increased inflow of Foreign Direct Investment (FDI) in India especially in a climate of contracting worldwide investments indicates the faith that overseas investors have imposed in the country's economy and the reforms initiated by the Government towards ease of doing business. The Make in India initiatives of the Government and its outreach to all investors have made a positive investment climate for India which is evidenced in the results for the last financial year especially the second half.

The FDI inflow during the financial year 2014-15 was spread across the sectors evidencing the fact of positive eco-system of investment opportunities which India is now providing- Services Sector (US$ 3.2 billion), Telecommunication (US$2.8 billion), Trading (US$ 2.7 billion), Automobile Industry (US$ 2.5 billion), Computer Software & Hardware (US$ 2.2 billion), Drugs & Pharmaceuticals (US$1.5 billion) and Construction (Infra) activities (US$ 0.75 billion).

Government amended the FDI policy to further enable a positive investment climate and sync it with the vision and focus areas of the present Government such as affordable housing, smart cities, financial inclusion and reforms in railway infrastructure. The Construction Development Sector was allowed easy exit norms with rationalized area restrictions and due emphasis on affordable housing. The FDI cap in insurance and pension sector has been raised to 49 per cent. 100 per cent FDI has been allowed in railway infrastructure (excluding operations) and also in the medical devices sector. Further the definition of NRI was expanded to include OCI cardholders as well as PIO cardholders. NRIs investment under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment made by residents, thereby giving flexibility to NRIs to invest in India.

The Foreign Policy Magazine in its present analysis on a vast number of parameters has rated India as the No.1 destination in the world. Frost & Sullivan, a US based agency has on number of indicators selected the Make in India initiative as the best initiative to drive manufacturing.

Highlights of the programme in 2015

1) In January 2015, a memorandum of understanding (MoU) was signed between the Spice Group and the government of Uttar Pradesh stating that Spice would start a mobile phone manufacturing unit there, with an investment of Rs 500 crore.

2) In January 2015, Hyun Chil Hong, president & chief executive officer (CEO), Samsung South Asia, met Union MSME Kalraj Mishra to discuss a joint initiative under which 10 "MSME-Samsung technical schools" will be established in India. In February, Samsung said it will manufacture the Samsung Z1 in its plant in Noida.

3) In February 2015, Hitachi committed to the initiative. It said it would increase its employees in India from 10,000 to 13,000 and would try to increase its revenues from India from ¥100 billion in 2013 to ¥210 billion. It added that an auto-component plant will be set up in Chennai in 2016.

4) In February 2015, Huawei opened a new R&D campus in Bengaluru. It had invested $170 million to establish the centre. It is also in the process of setting up a telecom hardware manufacturing plant in Chennai. Also, in February, Marine Products Export Development Authority said it was interested in supplying shrimp eggs to shrimp farmers in India under the initiative.

5) In February 2015, Xiaomi began initial talks with the Andhra Pradesh government to begin manufacturing smartphones at a Foxconn-run facility in Sri City. On 11 August 2015, the company announced the first manufacturing unit was operational and introduced the Xiaomi Redmi 2 Prime, a smartphone assembled at the facility.

6) In June 2015, France-based LH Aviation signed an MoU with OIS Advanced Technologies to set up a manufacturing plant in India to manufacture drones.

7) On 8 August 2015, Foxconn announced it would invest $5 billion over five years to set up R&D and hi-tech semiconductor manufacturing facility to be set up in Maharashtra. Later, General Motors announced that it would invest $1 billion to begin manufacturing automobiles in the state.

8) On 18 August 2015, Lenovo announced that it had begun manufacturing Motorola smartphones at a plant in Sriperumbudur near Chennai, run by Singapore-based contract manufacturer Flextronics International. The plant has separate manufacturing lines for Lenovo and Motorola, as well as quality assurance, and product testing.

9) On 16 October 2015, Boeing Chairman James McNerney said the company could assemble fighter planes and either the Apache or Chinook helicopter in India. The company is also willing to manufacture the F/A-18 Super Hornet in India if the Indian Air Force (IAF) were to purchase it.

10) In November 2015, Taiwan's Wistron Corp, which makes devices for companies such as Blackberry, HTC and Motorola,

announced that it would begin manufacturing the devices at a new factory in Noida, Uttar Pradesh.

11) On 30 November 2015, the ministry of railways signed formal agreements with Alstom and GE Transport worth Rs 40,000 crore ($5.9 billion) to set up locomotive manufacturing factories in Madhepura and Marhaura in Bihar.

12) In December 2015, Qualcomm announced that it was starting a Design in India programme to help mentor up to 10 Indian hardware companies with the potential to come up with innovative solutions and help them reach scale. As part of the programme, the company will set up an innovation lab in Bengaluru to provide technical and engineering support to the selected companies.

13) In December 2015, Micromax announced that it would put up three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh, at a cost of Rs 300 crore ($44 million). The plants will begin functioning in 2016, and will employ 3,000-3,500 people each.

14) In December 2015, Following Japanese Prime Minister Shinzo Abe's visit to India, it was announced that Japan would set up a $12-billion fund for Make in India-related projects, called the "Japan-India Make-in-India Special Finance Facility".

15) In late December, Vivo Mobile India began manufacturing smartphones at a plant in Greater Noida. The plant employs 2,200 people

Impact of Make in Campaign on Indian Economy

Make in India Campaign is India's ticket to the Global Big League. In the past, countries have grown from being agrarian major economies to industrial economies to service based economies. India has largely been exception to this rule and skipped industrial revolution to a great extent. No doubt this service focus has given employment to millions of people but it has done little to reduce the disparity between rich and poor. Take any example, US, UK or China, it was industrial revolution that had set the base for all Inclusive growth for those countries. Let's see what China did a few decades ago. Before the start of "Made in China", about 50% of its work force was involved into agriculture. Farming was labor intensive and less productive when compared on its contribution to GDP per countrymen involved.

Make no mistake, Agricultural independence is critical for any country and we do not mean to undermine farming's importance in any manner; however West has proved that farming can be done much more productively and that was what China shifted to when its farm-labor moved to being industrial labor, lineman, supervisor etc. in the want of higher income.

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Table: Foreign investment during pre and post Make in India programme

Year	Gross inflows/ Gross Investments		Repatriation/ Disinvestment		Direct Investment to India		FDI by India		Net Foreign Direct Investment		Net Portfolio Investment		**Total**	
	₹ Billion	US $ Million	₹ Billion	US $ Million	₹ Billion	US $ Million	₹ Billion	US $ Million	₹ Billion	US $ Million	₹ Billion	US $ Million	**₹ Billion**	**US $ Million**
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2000-01	184.04	4031	0.00	0	184.04	4031	34.80	759	149.24	3272	118.20	2590	**267.44**	**5862**
2001-02	292.69	6130	0.24	5	292.45	6125	66.15	1391	226.30	4734	92.90	1952	**319.20**	**6686**
2002-03	246.81	5095	2.84	59	243.97	5036	88.03	1819	155.94	3217	45.04	944	**200.98**	**4161**
2003-04	198.30	4322	0.00	0	198.30	4322	88.86	1934	109.44	2388	518.98	11356	**628.42**	**13744**
2004-05	272.34	6052	2.87	65	269.47	5987	102.02	2274	167.45	3713	413.12	9287	**580.57**	**13000**
2005-06	397.30	8962	2.73	61	394.57	8901	260.32	5867	134.25	3034	553.57	12494	**687.82**	**15528**
2006-07	1030.37	22826	3.85	87	1026.52	22739	677.42	15046	349.10	7693	318.81	7060	**667.91**	**14753**
2007-08	1398.84	34844	4.66	116	1394.21	34729	756.43	18835	637.76	15893	1106.19	27433	**1743.95**	**43326**
2008-09	1914.19	41903	7.73	166	1906.45	41738	905.39	19365	1001.06	22372	-650.45	-14030	**350.61**	**8342**
2009-10	1796.42	37746	218.23	4637	1578.19	33109	718.36	15143	859.83	17966	1539.67	32396	**2399.51**	**50362**
2010-11	1642.55	36047	318.98	7018	1323.58	29029	782.57	17195	541.01	11834	1393.81	30293	**1934.82**	**42127**
2011-12	2200.00	46552	650.39	13599	1549.61	32952	517.94	10892	1031.67	22061	855.71	17170	**1887.38**	**39231**
2012-13	1868.69	34298	399.15	7345	1469.54	26953	387.68	7134	1081.86	19819	1464.67	26891	**2546.53**	**46711**
2013-14	2185.95	36047	317.65	5284	1868.30	30763	568.60	9199	1299.69	21564	296.80	4822	**1596.50**	**26386**
2014-15	2764.00	45147	605.06	9864	2158.93	35283	246.75	4031	1912.19	31251	2578.53	42205	**4490.72**	**73456**
2015-16	3641.46	55559	698.88	10652	2942.58	44907	584.76	8886	2357.82	36021	-272.03	-4130	**2085.79**	**31891**

Notes : 1. Data for 2015-16 are provisional.
2. Data from 1995-96 onwards include acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions are included as part of FDI since January 1996.
3. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.
4. Negative (-) sign indicates outflow.
5. Direct Investment data for 2006-07 include swap of shares of 3.1 billion.

Also see Notes on Tables.

Conclusıon

Today India, with its more than 45% workforce in farming, stands a similar chance to embark upon a growth path that will shape the future of its billion people in the decades to come. These inflows need perhaps to be examined more closely to determine whether they constitute actual investment or are diversions from other sources to avail of tax benefits under the Double Tax Avoidance Agreement that these countries have with India," the economic survey said. Howevwer, uncertainties of regulatory environment, licensing system, red tapes, corruption are the serious issues in India which are needed to be eradicated immediately in order to attract overseas investments into the economy.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

India's attractiveness as an investment decision

Dr. J. Chandra Prasad , Director , SKSD Mahila Kalasala, Tanuku, W.G.Dt

E.Naga Surendra, Asst. Professor, MBA department, Vishnu Institute of Technology Bhimavaram, W.G.Dt

D.Leela Kalyani, Asst. Professor, MBA department Vishnu Institute of Technology, Bhimavaram, W.G.Dt

Abstract: Indian economy is well known for its transparency and compliance as it functions under vigilant monitoring system**.** Consistent procedures and rules, clarity in the policies and tax regime, development of world-class infrastructure etc are the various reasons which are strongly attracting the foreign investors into the country. Wide ranges of oppurtunities are there for investors in our country in various sectors like agriculture, infrastructure, energy, information technology, pharmaceuticals etc because of which they are getting easily motivated. The stock market of India offers investors low cost, highly efficient, modern and well governed environment from which they can gain money comfortably. India's banking sector is strong, with top quality balance sheets and strong corporate governance.

Keywords: consistent, tax regime, infrastructure, pharmaceuticals, corporate governance

Introduction: With billions of population, a strong work ethic, high levels of education, democracy and an entrepreneurial culture, India is poised to dominate the global economy in the next 20 years.

With a savings rate of 37% of GDP, India's domestic savings fuels most of its investment requirements, and only 20% of India's total public debt is sourced from foreign borrowing. With significant investment to be made in upgrading India's poor infrastructure in the next 10 years (estimated to be US$1.7 trillion) India's Government is taking various steps to further encourage private and foreign investments.

India's domestic consumption, generally led by the private sector, has played a significant role in India's growth and is expected to remain firm as more people enter the workforce and the emerging middle classes. Every sector within India's consumer market is booming, making India far less vulnerable to external shocks and pressures than other emerging markets. Labour costs, the domestic market and macroeconomic stability were cited as the most important factors in making India attractive. Tax and regulatory reforms, transportation costs, infrastructure etc should be taken care of by the government to attract the investors.

Objectives of the study:

1. To know the recent policy measures of India to increase foreign direct investment.
2. To understand about the factors attracting the overseas investors.
3. To state various challenges to foreign direct investment

4. To give necessary suggestions to avoid problems that hinder foreign investments.
5. The main objective is to analyze the current scenario in India.
7. To evaluate the likely challenges and threats of FDI in India.
8. To know the significance of FDI for developing countries.

SWOT Analysis of Foreign Direct Investment

(a) Strength

(i) Fast growing economy. (ii) Young and dynamic manpower. . A large young working population with median age of 25 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the service sector are going to be the key growth drivers of the organized sectors. (iii) Highest shop density in the world. Customers will have access to greater variety of international quality branded goods. (iv) Employment opportunities both direct and indirect have been increased. Farmers get better prices for their products through improvement of value added food chain.

(b) Weaknesses

(i) Low capital investment (ii) Will mainly cater to high-end consumers placed in metros and will not deliver mass consumption goods for customers in villages and small towns. (iii) Retail chain is yet too settled down with proper merchandise mix for the mall outlets. (iv)Small size outlets are also one of the weaknesses in the India, 96% of the outlets are lesser than 500 sq. ft. (v) Lack of trained & educated force. (vi) Lack of competition. (vii)More prices as compared to specialized shops.

(c)Opportunities

(i) Global strategy giant take India as key market. (ii) FDI can become one of the largest industries in terms of numbers of employees and establishments. (iii) Rural marketing is still unexploited Indian market. It will enhance the financial condition of farmers.

d) Threats

(i) Jobs in the manufacturing sector will be lost. (ii) Started roadside bargains. (iii) Work will be done by Indians and profits will go to foreigners.

FDI recent policy measures:

- Government eases FDI norms in 15 major sectors.
- Townships, shopping complexes & business centers – all allow up to 100% FDI under the auto route. Conditions on minimum capitalization and floor area restrictions have now been removed for the construction development sector.
- India's defense sector now allows consolidated FDI up to 49% under the automatic route. FDI beyond 49% will now be considered by the Foreign Investment Promotion Board. Government approval route will be required only when FDI results in a change of ownership pattern.
- Private sector banks now allow consolidated FDI up to 74%.
- Up to 100% FDI is now allowed in coffee/rubber/cardamom/palm oil & olive oil plantations via the automatic route.
- 100% FDI is now allowed via the auto route in duty free shops

located and operated in the customs bonded areas.

- Manufacturers can now sell their products through wholesale and/or retail, including through e-commerce without Government Approval.
- Foreign Equity caps have now been increased for establishment & operation of satellites, credit information companies, non-scheduled air transport & ground handling services from 74% to 100%.
- 100% FDI allowed in medical devices
- FDI cap increased in insurance & sub-activities from 26% to 49%
- FDI up to 49% has been permitted in the Pension Sector.
- Construction, operation and maintenance of specified activities of Railway sector opened to 100% foreign direct investment under automatic route.
- FDI policy on Construction Development sector has been liberalized by relaxing the norms pertaining to minimum area, minimum capitalisation and repatriation of funds or exit from the project.
- To encourage investment in affordable housing, projects committing 30 percent of the total project cost for low cost affordable housing have been exempted from minimum area and capitalisation norms.
- Investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.
- Composite caps on foreign investments introduced to bring uniformity and simplicity is brought across the sectors in FDI policy.
- 100% FDI allowed in White Label ATM Operations.

Challenges to FDI:

Uncertainties of regulatory environment, licensing system, red tapes, corruption are the serious issues in India which are needed to be eradicated immediately in order to attract overseas investments into the economy. The financial strength of foreign players would displace the unorganized players. Absence of proper regulatory provisions and guidelines would induce unfair trade practices like Predatory pricing despite the above challenges there are certain other problem relating to foreign direct investment (FDI) in India is that it does not provide a level playing field to other players of the domestic and small sort .Though initially developing countries showed some resilience, crisis eventually spread through the trade, financial and confidence channels and FDI flows declined in both the advanced and developing economies during 2009. Subsequently, while FDI flows to advanced countries continued to decline, FDI flows too many of the Latin American and Asian countries witnessed strong rebound during 2010 on the back of improved corporate profitability and some improvement in M&A activities.

Conclusion:

Maximum global foreign investment's flows are attracted by the developed countries rather than developing and under developing countries. Foreign investment flows are supplementing the scare domestic investments in developing countries particularly in India. But foreign investor never adopts environment friendly technique to maximize their profit. India should welcome FDI with a talented pool of human resources by promoting institution imparting knowledge. Protection must be given to Indian small and medium players for their source of livelihood. The Government must properly discuss the pros and cons of allowing 51% FDI and have a law in place to control unfair competition. We should welcome inflow of foreign investment in such way that it should be convenient and favorable for Indian economy and enable us to achieve our cherished goal like rapid economic development, removal of poverty, internal personal disparity in the development and making our Balance of Payment favorable.

FDI could therefore provide a boost to small-and medium enterprises. Moreover, expansion in FDI could also generate significant employment potential, especially among rural and semi-urban youth. But the government of India must be cautious about the apprehensions raised by the critics and adequate safeguards must be taken so that the positive effects may outweigh the negative ones and the traditional coexist even after big foreign players enter the market.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Paradigm shift in manufacturing sector during make in India programme era

K. Radha Pushpavathi, Vice-Principal & Reader in Economics, Department of Economics, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

G. Kusuma Kumari, Lecturer in Physical Education, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

G. Indira Kumari, Lecturer in Commerce, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

Abstract: Economic freedom is not always associated with political freedom with liberal democracy; India has always been associated with inefficient governance and slow process of structural reforms. The industrialized nations around 1970s the four Asian Tigers namely Singapore, South Korea, Hongkang and Taiwan rose to the category of highly industrialized economies because of their large-scale investment in the industrial since 1960s. The striking feature of these economies is that they enjoy a terrific combination of open political process, thriving export promoting economic policies and high GNI per capita. Considering such success stories of our neighbours, the Government decided to launch an initiative which would help India since on the global map. Therefore Prime Minister Mr. Narendra Modi on the Independence Day August 15th, 2014 hinted towards his idea of a progressive India through his "Make In India" programme which he finally launched on September 25th, 2014 at Vigyan Bhawan. Basically it is an initiative of the Government of India to encourage multinational, domestic, as well as, companies to manufacture their products in India. The man objective of this scheme focuses on 25 sectors which would help in job creations and skill enhancement. The Sectors are: Agriculture, Automobiles, Auto Components, Aviation, Banking, Biotechnology, Cement, Consumer Markets, Education and Training, Engineering, Financial Services, Food Industry, Gems and Jewellery, Healthcare, Infrastructure, Insurance, IT & ITES, Manufacturing, Media and Entertainment, Oil and Gas, Pharmaceuticals, Real Estate, Research and Development, Retail, Science and Technology, Semiconductor. The main objectives of this paper is to study the role of Make in India scheme as a driver for growth in different sectors, to motivate domestic and multinational companies to invest in India

Keywords: multinational companies, Economic freedom, Make in India

Introduction:

Economic freedom is not always associated with political freedom with liberal democracy; India has always been associated with inefficient governance and slow process of structural reforms. The industrialized nations around 1970s the four Asian Tigers namely Singapore, South Korea, Hongkang and Taiwan rose to the category of highly industrialized economies because of their large-scale investment in the industrial since 1960s. The striking feature of these economies is that they enjoy a terrific combination of open political process, thriving export promoting economic policies and high GNI per capita.

Considering such success stories of our neighbours, the Government decided to launch an initiative which would help India since on the global map. Therefore Prime Minister Mr. Narendra Modi on the Independence Day August 15th, 2014 hinted towards his idea of a progressive India through his "Make in India" programme which he finally launched on September 25th, 2014 at Vigyan Bhawan. Basically it is an initiative of the Government of India to encourage multinational, domestic, as well as, companies to manufacture their products in India. The man objective of this scheme focuses on 25 sectors which would help in job creations and skill enhancement. The Sectors are: Agriculture, Automobiles, Auto Components, Aviation, Banking, Biotechnology, Cement, Consumer Markets, Education and Training, Engineering, Financial Services, Food Industry, Gems and Jewellery, Healthcare, Infrastructure, Insurance, IT & ITES, Manufacturing, Media and Entertainment, Oil and Gas, Pharmaceuticals, Real Estate, Research and Development, Retail, Science and Technology, Semiconductor.

Through "Make In India" the Government will create not only physical infrastructure, but also digital network to make in India a Global hub of manufacturing of goods ranging from cars to software, satellites to submarines, pharmaceuticals to ports and paper to power. The aim is to take a share of manufacturing in country's gross domestic product from 16% to 25% by 2022.

Objectives of the Study:

- To study the role of Make in India scheme as a driver for growth in different sectors
- To motivate domestic and multinational companies to invest in India

Paradigm shift in Manufacturing Sector after the initiation of Make in India

Campaign India before 1991 was a much less developed and underutilized economy in terms of globalization. FDI (foreign Direct Investment) before 1991 globalization reform was 97 (U.S. million $) with a GDP growth less than 3%, but then came the globalization phase for India, which opened Indian market for the rest of the world thus increasing the FDI to 129 (U.S. million $) in 1991-1992 financial year, with GDP as 4.2%, this was the time when Indian economy witnessed a high growth rate as compared to previous year (before globalization). And the trend went on of increasing FDI and increasing growth of GDP. Sectors like retail, FMCG, automobile, software, health sector etc saw a healthy FDI. In 2008 after the market crisis in India growth rate went down to 6.7% than 7.1 percent of previous years. Till 2013FDI in India was 31,731 (U.S. million $). In 2014 after winning the general election Mr. Modi, announced a dynamic campaign called MAKE IN INDIA, which brought about 41,223(U.S. million $) up-till mid of 2015 with GDP growth of 8.1 % brought smiles in Indian economy, world renowned manufacturers like SUZUKI MOTORS, POSCO STEEL, TETRA PACK etc, came to India with smiling faces for investment. Thus Modi's MAKE IN INDIA campaign became famous all over the world such that India was ranked 7th among the top ten FDI most promising source of economy in 2015. "MAKE IN INDIA's" main objective is to attract the potential manufactures from all over the world to invest in Indian economy which will result in huge employment generation, better productivity, new technology generation, safeguarding local market and farmers, development of MSME etc. So from the above info it can be concluded that this campaign's main motive is to attract various developed countries to invest in India in such a way that a Product produced or manufactured in India is being used by the whole world.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Huawei, the China-based smartphone manufacturer, has entered into an agreement with solutions provider Flextronics Technologies (India) Private Limited, to manufacture its smartphones in India. Flextronics would start by making 3 million smart phones at its facility in Chennai and is expected to generate additional 1,500 jobs.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Tata Power has partnered with US-based Javelin Joint Venture, which is a partnership between Raytheon Company and Lockheed Martin, for its Strategic Engineering Division (SED), in order to create a strategy to co-develop and produce the Javelin missile system and integrate platform mounts to meet Indian requirements.
- LeEco, a Chinese technology company, has entered into a partnership with Compal Technologies and invested US$ 7 million to set up manufacturing facility at Greater Noida in order to start manufacturing Le2 smartphones in India.
- Zopo Mobile, a China-based smartphone manufacturer, plans to invest Rs 100 crore (US$ 15 million) to set up a manufacturing plant in Noida by the end of 2016, which will have a monthly production capacity of 100,000 units.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US$ 88.94 million) to add a new line at its Narsapura facility at Karnataka, and launch at least 10-15 products during FY 2016-17 in the country.
- Force Motors, a utility and commercial vehicles manufacturer, inaugurated its Rs 100 crore (US$ 14.82 million) manufacturing facility in Pune, which will supply engines and axles to the Germany-based automobile manufacturer Mercedes-Benz.
- Boeing Company, an American plane maker, and Tata Advanced Systems Ltd (TASL), a fully owned subsidiary of Tata Sons, have entered into a joint venture to set up a new facility in Hyderabad to manufacture Boeing AH-64 Apache helicopter fuselages.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US$ 37 million), and also invest around Rs 20 crore (US$ 3 million) on an assembly unit for lithium ion batteries at its existing facility in Jhajjar in the next 8-10 months.

- Vital Paper Products, one of the major supply chain players in the paper and paper products industry, plans to set up a packaging product unit in the Special Economic Zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US$ 8.89 million), which will be operational from April 2017.
- Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in Sri City, Andhra Pradesh, which was set up for Rs 3,000 crore (US$ 444.72 million), with an annual production capacity of 50,000 units and is estimated to generate around 2,000-3,000 jobs.
- Airbus has procured more than US$ 500 million worth of supplies from India in 2015, registering a growth of 15 per cent annually and has targeted a cumulative procurement of more than US$ 2 billion over a period of five years up to 2020.
- Havells India Limited, one of the top Indian consumer electrical equipment producer, plans to set up a new manufacturing unit near Bengaluru by making an investment of Rs 1,059 crore (US$ 156.99 million), which would be its twelfth plant in India and its first outside north India.
- Global beverage company Pepsi plans to invest Rs 500 crore (US$ 74 million) to set up another unit in Maharashtra to make mango, pomegranate and orange-based citrus juices, while biotechnology giant Monsanto plans to set up a seed plant in Buldhana district of Maharashtra.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US$ 111.2 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.

Government Initiatives towards make in India

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US$ 889 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage

entrepreneurs to help promote manufacturing in India.

- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.
- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.
- The Government of India plans to implement a new Defence Procurement Policy (DPP) by April, 2016 under which priority will be given to the indigenously made defence products and 25 per cent share of defence production will be open to private firms.
- The Government plans to organise a 'Make in India week' in Mumbai between February 13-18, 2016 to boost the 'Make in India' initiative and expects 1,000 companies from 10 key sectors to participate in the exhibition of innovative products and processes, a hackathon and sessions on urban planning, among other events.
- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr. Modi has also utilized the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh has secured investment deals valued at Rs 5,000 crore (US$ 741.2 million) for setting up mobile manufacturing units in the state.
- Government of India has planned to invest US$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US$ 735), Kishor - covering

loans between Rs 50,000 (US$ 735) to Rs 0.5 million (US$ 7,340), and Tarun - covering loans between Rs 0.5 million (US$ 7,340) and Rs 1 million (US$ 14,700).

Road Ahead to effectiveness of make in India

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US$ 27.42 billion) Indian capital goods business. India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India Campaign: Pros, Cons and Impact on Indian Economy

Prof. D. Satyanarayana, BVC Institute of Technology & Science, Amalapuram, AP

Abstract: An attempt is made in this paper to discuss the Pros, Cons and Impact on Indian Economy of the make in India programme. Through Make in India Project more companies are looking to set up factories, a unit known as "Invest India" is in the process of being put to place. This unit will be under the department of commerce and will be available any time to make it easy to carry out regulatory clearance within the shortest time possible ensuring that businesses are run in India easily. Make in India is a campaign whose mission is to manufacture products in India and sell them anywhere in the world. The campaign focuses on helping and attracting companies to invest and put up their units of manufacturing in India.
Key words: economic growth, manufacturing, Make in India

Introduction

India, in the last decade had relied more on service sector rather than manufacturing for economic growth. As a result proportion of manufacturing sector in GDP has stagnated to 15-16% and shrunk by 0.7% in the financial year 2013-2014 showing a negative growth. For the growth of any country to emerge as the Developed country or move closer to it, manufacturing contribution to GDP needs to be much more significant. Make in India is a campaign whose mission is to manufacture products in India and sell them anywhere in the world. The campaign focuses on helping and attracting companies to invest and put up their units of manufacturing in India. This campaign's initiative is to promote sectors targeting the youths who are coming up with new innovations and new entrepreneurship skills that will lead to investing and manufacturing in India. Companies across the world are called upon to create factories, make investments and expand their businesses in India. The targeted sectors are 25 in total and they include automobile, power, tourism, pharmaceuticals, telecommunication and many others.

Advantages of Make in India Project

1) Boost India's Economic Growth: The make in India campaign will lead to an increase in exports and manufacturing. An increase in exports will improve the economy and India will be transformed into a global hub of manufacturing through global investment using the current technology. Manufacturing will also boost India's economic growth and GPD.

2) **More Job Opportunities:** It will lead to the creation of many job opportunities. Around ten million people are expected to get jobs. An increase in investment will bring employment opportunities for the skilled labor force and this will form a job market.

The government is running a skills development programme for the people in the rural areas and those in the urban areas who are poor. The programme will help in generating more skilled workers. The major key areas of the training will be painting, masonries, welding and many others. Certifications will be issued in order to make the training standard.

3) Attract More Foreign Direct Investment (FDI):- It will welcome more FDI. Since the government had promised to improve the ease of running businesses in India, it is going to attract many FDI. At the moment it has already received an amount of INR 20 K million from a proposal that was made on October 2014.

4) Investment In India:- Through Make in India Project more companies are looking to set up factories, a unit known as "Invest India" is in the process of being put to place. This unit will be under the department of commerce and will be available any time to make it easy to carry out regulatory clearance within the shortest time possible ensuring that businesses are run in India easily.

Apart from those major benefits that will be generated from the make in India campaign, there are also some other small benefits like upgrading of technology and quicker ways of project clearance. This India globalization method will bring a need for B2B marketing for each business to create global leads. The Global B4B Marketing is the best way of creating new markets and growing your brand. All you require is consistency, passion and a good strategy.

5. Other Pros of Make in India Campaign

-As Prime Minister Modi emphasized on the development of labour intensive manufacturing sector. So, this campaign will generate a lot of employment opportunities in Manufacturing, number expected to be around 100 million jobs by 2022.

– This campaign will help in achieving objectives of National Manufacturing Policy i.e. to increase the share of manufacturing sector in GDP from current 15-16% to 25% till 2022.

-Employment will increase people's purchasing power which ultimately helps

in poverty eradication and expansion of consumer base for companies.
– The model of "look east and link west" policy will strengthen the industrial linkages as well as bilateral ties with many countries.

– Export-oriented growth model will improve India's Balance of Payments and help in accumulating foreign exchange reserves (which is very important given the volatility in the global economy with multiple rounds of Quantitative Easing announced by major economies).
-Government has decided to formulate an auto response mechanism and issues pertaining to procedural clearings will be resolved at different levels in a given time frame, which is a positive step in making industrial friendly environment.
– Foreign investment will bring technical expertise and creative skills along with foreign capital. The concomitant credit rating upgrade will further woo investors.
– FIIs play a dominant role (relative to FDI) in the Indian markets. However, FIIs are highly volatile in nature and a sudden exodus of hot money from India can affect a nosedive in the bellwether indices. Make in India will give an unprecedented boost to FDI flows, bringing India back to the global investment radar.

Impact of Make in Campaign on Indian Economy

Make in India Campaign is India's ticket to the Global Big League.
In the past, countries have grown from being agrarian major economies to industrial economies to service based economies. India has largely been exception to this rule and skipped industrial revolution to a great extent. No doubt this service focus has given employment to millions of people but it has done little to reduce the disparity between rich and poor. Take any example, US, UK or China, it was industrial revolution that had set the base for all Inclusive growth for those countries.

Let's see what China did a few decades ago. Before the start of "Made in China", about 50% of its work force was involved into agriculture. Farming was labor intensive and less productive when compared on its contribution to GDP per countrymen involved.

Make no mistake, Agricultural independence is critical for any country and we do not mean to undermine farming's importance in any manner; however West has proved that farming can be done much more productively and that was what China shifted to when its farm-labor moved to being industrial labor, lineman, supervisor etc. in the want of higher income. All this was made possible by few determined companies and willing government who were aligned to convert China into a industrial major. Fast forward, 25 years, China is the second biggest economy of the world ahead of UK, Japan, Germany, France, Canada and Australia.

Today India, with its more than 45% workforce in farming, stands a similar chance to embark upon a growth path that will shape the future of its billion people in the decades to come.

Cons of Make in India Campaign

– From a theoretical perspective, Make in India will tend to violate the theory of comparative advantage. If it is not economically feasible to manufacture a commodity in India, it is best to import the same from a country which enjoys comparative advantage in its production. International trade, after all, is welfare augmenting.

– Reiterating the point made by Dr. Raghuram Rajan, India, unlike China, does not have the time advantage as it undertakes a manufacturing spree. The essential question is – Is the world ready for a second China?

– Make in India will lead to an unsustainable focus on export promotion measures. One such measure is artificially undervaluing the rupee. This will have devastating consequences for the import bill.

– A relative neglect of the world economic scenario may not augur well for Make in India. With the US and Japan economies yet to recover from their economic crises and with the EU floundering, one needs to be wary about the demand side of Make in India. The clairvoyance of the incumbent RBI governor to make for India should be put to good use

– India has a myriad of infrastructural bottlenecks and to overcome these it needs to invest $ 1 trillion during 12th five year plan. Generating such a huge capital will be a daunting task. Another contentious issue is of environmental clearance, which has been surfaced in many projects especially related to mining sector.

Uncertainty in tax regime (highlighted by Vodafone case) and delay in implementation of GST is also a matter of concern for industries. Manufacturing sector demands highly skilled labour whereas India lacks highly skilled labour force. Complex processes have proved to be hurdles in getting procedural and regulatory clearances especially for new entrepreneurs. This also reflects in World Bank's "Ease of Doing Business" report which ranked India at 134 out of 189 countries in 2013. However, the steps taken by NDA Government under the leadership of Prime Minister Modi have helped India to improve this rank by few notches to current 130.

Conclusion

Make in India Campaign is India's ticket to the Global Big League.

In the past, countries have grown from being agrarian major economies to industrial economies to service based economies. .The article created a storm in India and the noise reached the parliament. It was a high and a low for Indian industry. At one end the news and media industry prided itself on uncovering the truth and reporting it to the common man. On the other end it was a low for the dairy industry and for one man in particular Dr Verghese Kurien. By 1987 the Illustrated Weekly findings were proven to be wrong and the entire furor died down. The same year the Jha Committee report found that the NDDB had taken the right steps and we were well on our way to success. India has since then become the largest producer of milk in the world. In 2014 Prime Minister Shri Narendra Modi launched what would be another revolution in the making. **'**Make in India' is the new mantra and the objective was to encourage the production of goods within the country.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make In India: A Boon to Pharmaceutical Sector

Dr. VVS Rama Krishna, Assistant Professor, Dept. of Economics,
AU Campus- Kakinada,AP

Abstract: India enjoys an important position in the global pharmaceuticals sector. The Indian pharmaceutical Industry is driven by knowledge, skills, low production costs, quality. Due to this there is demand from both domestic as well as international markets. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms. After the announcement of Narendra Modi Government's Make in India programme, the UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine Tenofovir Alafenamide (TAF) for 112 developing countries. The main objective of this paper is to study the potential of Indian pharmaceutical sector and the impact of Make in India programme on it.

Key words: pharmaceutical Industry, Market Size

1. Introduction:

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented. In fact, India manufactures 30% of the world requirement of Anti-HIV drugs. All of this growth has been with affordable price to the common man – one of the lowest in the world. Indian pharmaceutical industry is truly international with leading international manufacturers competing in Indian domestic market and several Indian pharma companies having a significant presence in international market, especially in the generic segment. However, the Industry is quite fragmented and comprises of nearly 10,500 units with majority of them in small sector. Of these, about 300-400 units are categorised as belonging to medium to large organised sector with the top 10 manufacturers accounting for 36.5% of the market share.

The 12th Plan Document highlights the vital role Drug price play in access to essential medicines across the world. While it is a fact that the drugs manufactured in India are considered to be amongst the lowest priced internationally, still, a vast section of Indian population is not in a position to access the needed health care as well as the medicines due to various reasons of access and affordability. Accordingly, the recommendations made by the Task Force under Dr. Pronab Sen have been considered and a draft National Pharmaceuticals Pricing Policy has been formulated which seeks to control the prices of essential drugs as per the

National List of Essential Medicines 2011 (NLEM-2011). Further to this, the Department would take up issues pertaining to prescription and promotion of unbranded generic drugs with the Department of Health. Issues related to pricing of patented medicines would also be suitably considered in the light of need for promoting industry growth and research as well as development of new drugs along with affordability of new patented medicines for better therapeutic treatment of the masses, especially in diseases pertaining to cancer and HIV. Accordingly, it is proposed to continue schemes for strengthening of the **NPPA** as - (a) Strengthen Monitoring and Enforcement Work, (b) Building Consumer Awareness about pricing and availability and (c) Creation of NPPA Cells in States, etc.

2. Regulatory measures:

India is signatory to the WHO certification protocol on the quality of pharmaceuticals products and has therefore accepted the WHO-GMP standards as an integral part of the standards for export of pharmaceuticals products. As per arrangement, WHOGMP certification is granted by the office of the DCGI (CDSCO) and State FDAs. The certification is for two years at a time. Since export of generics to the high growth emerging markets is to be a key strategy for growth of pharma industry in the country, hence upgradation of SMEs to WHOGMP standards would enable them to export their products and thereby increase profitability. It is estimated that at present about 800 units are certified by CDSCO for WHO-GMP production.

As there are about 10,000 plus Pharma SME Units in the country, therefore, the number of WHO-GMP standard units needs to be raised to at least 2000 by the end of the 12th plan in 2017 to enable the SME sector to increase and sustain its participation in the Pharma Industry growth process. Accordingly given the ambitious target of achieving US $100 billion production by 2020, it is estimated that about 1000 - 1200 units will have to be assisted for raising their manufacturing standards to WHO-GMP levels. At an average production contribution of US $10 Million per unit, this would mean additional contribution of about Rs.10 billion from the above target achievement. Further, there is need to upgrade at least 250 units to US FDA/EDQM/TGA and other International Standards by 2017 and training of 5000 Working Professionals in WHOGMP and other International Standards GMP requirements.

3. Market Size:

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same periods. The market is expected to grow to US$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US$ 12.91 billion in Financial

Year 2015-16, according to data from the Ministry of Commerce and Industry. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US$ 1,641.15 million. Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of around 30 per cent a year and reach US$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs.12600 Crore (US$ 1.88 billion). Exchange Rate used is ₹1 = US$ 0.0149 as on September 21, 2016.

4. Recent investments and policies:

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions. The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US$ 13.85 billion between April 2000 and March 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP). 100% Foreign Direct Investment (FDI) is allowed under the automatic route for greenfield pharma. 100% Foreign Direct Investment (FDI) is allowed under the government route for brownfield pharma in up to 74% FDI is under automatic route and beyond 74% is under government approval route. FDI equity inflow from April 2016 to September 2016 was US$ 640.71 million.

Some of the major investments in the Indian pharmaceutical sector are as follows:

- India's largest drug maker Sun Pharmaceutical Industries Limited has entered into a distribution agreement with Japan's Mitsubishi Tanabe Pharma Corporation to market 14 prescription brands in Japan.
- Syngene International Limited will be setting up its fourth exclusive Research and Development center named Amgen Research and Development Center for US-based biotechnology company Amgen Incorporation in Bengaluru.
- India's third largest drug maker Lupin Limited plans to file its first biosimilar Etanercept for approval in Japan, world's second largest drug market, in 2017.
- Rubicon Research Pvt. Ltd, a contract research and manufacturing services firm, is in advanced talks with Everstone Capital and a few high-net-worth Individuals (HNI) to raise up to Rs.240 Crore (US$ 35.79 million), which will be used to increase the company's manufacturing capabilities.
- Lupin Ltd plans to acquire a portfolio of 21 generic brands from Japan-based Shionogi & Co. Ltd. for Rs.10.08 billion (US$ 150.3 million), which will help to strengthen its

presence in the world's second largest pharmaceutical market.

- International Finance Corporation (IFC), the investment arm of the World Bank, plans to invest up to US$ 75 million in Glenmark, which is looking to raise around US$ 200 million for expansion and the launch of several new products in India and other emerging markets over the next three years.
- Cipla Limited plans to invest around Rs.600 Crore (US$ 89.47 million) to set up a biosimilar manufacturing facility in South Africa for making affordable cancer drugs and growing its presence in the market.
- Rusan Pharma, a firm which specialises in de-addiction and pain management products, plans to invest Rs.100 Crore (US$ 14.91 million) in a R&D center and a manufacturing unit in Kandla, located in Kutch District in Gujarat.
- Pink Blue Supply Solutions Pvt. Ltd, a clinical supplies provider, has raised Rs.1.5Crore (US$ 0.22 million) in a seed round of funding from TermSheet.io, a transaction-focused service provider for start-ups and investors.
- The Medicines Patent Pool (MPP) has signed a licencing agreement with six Indian drug makers for the generic manufacturing of four antiretrovirals (ARV) and hepatitis C direct-acting antiviral drug Daclatasvir.
- Dr Reddy's Laboratories, one of the major pharmaceutical companies of India, has entered into a strategic collaboration agreement with Turkey-based TR-Pharm, to register and commercialise three biosimilar products in Turkey.
- Lupin has completed the acquisition of US-based GAVIS Pharmaceuticals in a deal worth US$ 880 million, which is expected to enhance its product pipeline in dermatology, controlled substances and high-value speciality products.
- Cipla Ltd, one of the major pharmaceutical and biotechnology companies in India, has acquired two US-based generic drug makers, Inva Gen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US$ 550 million, which is expected to strengthen Cipla's US business.
- Emcure Pharmaceuticals has acquired Canada's International Pharmaceutical Generics Ltd and its marketing arm Marcan Pharmaceuticals in order to boost its global expansion drive.
- Cipla announced the acquisition of two US-based companies, Inva Gen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US$550 million.
- Glaxosmithkline Pharmaceuticals has started work on its largest greenfield tablet manufacturing facility in Vemgal in Kolar district, Karnataka, with an estimated investment of Rs.1,000 Crore (US$ 149.11 million).
- Lupin has acquired US based pharmaceutical firms, Gavis Pharmaceuticals LLC and Novel Laboratories Inc., in a deal worth US $880 million.
- Several online pharmacy retailers like Pharm Easy, Netmeds, Orbimed, are attracting investments from several investors, due to double digit growth in the Rs.97,000 Crore (US$ 14.46 billion) Indian pharmacy market.
- Stelis Biopharma announced the breakthrough construction of its customised, multi-product,

biopharmaceutical manufacturing facility at Biotechnology Park in Nusajaya, Johor, Malaysia's park and ecosystem for industrial and healthcare biotechnology at a project investment amount of US$60 million.

- Strides Arcolab entered into a licensing agreement with US-based Gilead Sciences Inc., to manufacture and distribute the latter's cost-efficient Tenofovir Alafenamide product to treat HIV patients in developing countries. The license to manufacture Gilead's low-cost drug extends to 112 countries.

Table-1: Major foreign investments in the sector (March2014-September2016)

Name of Foreign Collaborator	Country	Name of Indian company	FDI inflows
Abbot Asia Holdings Ltd.	United kingdom	Abbot Healthcare Pvt. Ltd.	447.48
Mylon Group B.V., Netherlands	Netherlands	Mylan Laboratories Ltd.	372.63
Hospira Pvt. Limited	Singapore	Hospira Healthcare India Pvt. Ltd.	301.61
Glaxo Smithkline Pvt. Ltd.	Singapore	Glaxo Smithkline Pharmaceuticals Ltd.	228.39
Jubilant Pharma Limited	Singapore	Jubilant Generics Limited	174.07
Sanofi Pasteur Merieux	France	Shantha Biotecnics Limited	123.82
Fresenius Kabi (Singapore) Pvt. Ltd.	Singapore & Germany	Fresenius Kabi Oncology Ltd.	118.25
Bluewater Investment limited	Mauritius	Aptuit Laurus Private Ltd.	63.49
Meiji Seika Pharma Co Ltd.	Japan	Medreich Ltd.	55.48
Dashtag	United Kingdom	Fulford (India) Limited	29.89

Source: Department of Industrial Policy and Promotion

Note: Amount of FDI inflows in US$ Millons

5. Government initiatives:

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines. Mr Ananth Kumar, Union Minister of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology. Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India plans to set up around eight mini drug-testing laboratories across major ports and airports in the country, which is expected to improve the drug regulatory system and infrastructure facilities by monitoring the standards of imported and exported drugs and reduce the overall time spent on quality assessment.
- India is expected to rank among the top five global pharmaceutical innovation hubs by 2020, based on Government of India's decision to allow 50 per cent public funding in the pharmaceuticals sector through its Public Private Partnership (PPP) model.
- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.
- The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, coordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs.1000 Crore (US$ 149.11 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.

6. Fiscal Incentives:

- To promote domestic manufacturing, inverted duty structure in Medical device industry has been corrected
- Basic customs duty has been reduced to 2.5% along with full exemption from Special Additional Duty (SAD) on raw materials, parts and accessories for manufacture of medical devices, falling under headings 9018 to 9022 with effect from January 19, 2016.
- Basic customs duty on certain specified medical devices has been increased from 5% to 7.5% to boost domestic manufacturing
- SAD of 4% has been re-imposed for specified medical devices
- Under the Credit Linked Capital Subsidy Scheme (CLCSS) by Ministry of Micro, Small and Medium Enterprises for technology upgradation, micro and small pharmaceutical companies have been provided subsidies
- As on December 15, 2016, ceiling price of 853 formulations are under price control. The fixation of ceiling prices has resulted in a total saving of ₹2547 Crore since May 2014

7. Growth Drivers:

The country's pharmaceuticals industry is expected to account for about 3.1-3.6% of the global pharma industry by value and currently accounts for 10% by volume, by 2016. Industry revenues are expected to expand at a CAGR of 12.1% during 2012-20 and reach US$ 45 billion. The healthcare sector in India is expected to grow to US$ 250 billion by 2020 from US$ 65 billion currently. The generics market is expected to grow to US$ 26.1 billion by 2016 from US$ 11.3billion in 2011.

Between 2011 and 2016, patent drugs worth US$ 255 billion are estimated to go off-patent leading to a huge surge in generic product and tremendous opportunities for companies. By 2020, it will grow to US$ 11 billion - a CAGR of 18%, with the potential to reach US$ 13 billion - at an aggressive CAGR of 20%. With increasing penetration of chemists, especially in rural India, OTC drugs will be readily available. Pharmaceutical companies have increased spending to tap rural markets and develop better infrastructure. The market share of hospitals is expected to increase from 13.1% in 2009 to 26% in 2020. Following the introduction of product patents, several multinational companies are expected to launch patented drugs in India. The purported rise of lifestyle diseases in India is expected to boost industry sales figures. Over US$ 200 billion is to be spent on medical infrastructure in the next decade. Rising levels of education are set to increase the acceptability of pharmaceuticals. India's patient pool is expected to increase to over 20% in the next 10 years, mainly due to the rise in population.

8. Summary: Third largest pharmaceuticals market by 2020 in terms of incremental growth.

- 20% of global exports in generics, making it the largest provider of generic medicines globally.
- US$ 45 billion in revenue by 2020, revenue of US$ 55 billion by 2020 as base case, and can grow to US$ 70 billion in an aggressive case scenario.
- US$ 26.1 billion in generics by 2016.
- US$ 200 billion to be spent on infrastructure by 2024.
- India's filing of Drug Master Files's (DMF's) with USFDA as of December 2013 is 3411, the highest filed by any country in the world.
- Total exports of Drugs, Pharmaceuticals for 2013-14 at USD 15,095 million, recording a growth rate 2.5% over the corresponding period of previous years.

9. Conclusion:

India is one of the largest producers of Pharmaceutical products and a leading player in the global generics market, exporting nearly 50% of its production. The turnover of Indian pharmaceutical industry was estimated at ₹ 2,04,627.1 Crore in 2015-16. The Indian pharmaceutical industry has witnessed a robust growth in recent years growing from ₹ 177,734 Crore in 2014-15 to ₹ 204,627 Crore in 2015-16, registering a growth of 29% as compared to the growth of 12% from ₹ 158,671 Crore during 2013-14. In 2015-16, the exports of Drugs, Pharmaceuticals and Fine Chemicals was ₹ 1,06,212.4 Crore. In the generics market, India exports 20% of global generics, making it the largest provider of generic medicines globally.

The Indian pharmaceutical market size is expected to grow to US$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise. The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies. Issues related to pricing of patented medicines would also be considered in the light of need for promoting industry growth and research as well as development of new drugs along with affordability of new patented medicines for better therapeutic treatment of the masses, especially in diseases pertaining to cancer and HIV. There is a need of synergy strategies to address infrastructure development issues for promoting integrated growth of the pharmaceutical industries.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

India as the Attractive Investment Destination: A discussion paper

Dr.K.V.Ramana Murthy
Assistant Professor, Department of Management Studies
Andhra University Campus,Kakinada,India

Sk Shabeena Banu and G Vani Sailaja
Second semester students, Department of Management Studies
Andhra University Campus,Kakinada, Andhra Pradesh, India

Abstract: World second highest population, robust domestic demand, high purchasing power, economic liberalization, cheap labor attracts foreign investment in India. Cost competitiveness and epic pool of talent makes India as one of the most preferred destination for FDI. We are able to attract FDI in India but we are unable to maintain that FDI for a long time, because of the problem faced by investors in India. In this paper we try to analyze the various factors which affect the image of India as a preferred investment destination in global economy.

Keywords: FDI, Global Economy, Economic Liberalization.

Introduction:

With the population of more than 1.2 billion, India is world largestdemocracy. Over the past decade Indian economy is showing impressive growth. India has now emerged as a global player with the world fourth largest economy in purchasing power parity terms (The World Bank India overview, 2012). The Economicindicators which are also considered to be the mirrors of economic scenario show the real picture of the development of a country like India. Accordingly, Foreign Direct Investment (FDI) can be termed in this regard and it can represent India as one of the developing indicators in terms of development structure. To smoothly run the wheel of economy of a developing country like India Foreign Direct Investment (FDI) is considered to be one of the important determinants which can help enhance the economic growth. Today India is changing and is becoming the land of opportunities. In current scenario global economy is facing the problem of financial crises but Indian economy is facing the problem of confidence crises because of the policy paralysis. India will have to work hard to maintain the position as an in- vestment destination. Kearney's Annual Global Retail DevelopmentIndex (GRDI) for the year 2012, India has been placed at fifth rank (after Brazil, Chile, China and Uruguay) on the basis of retail investment attractiveness. The growing Indian market has attracted a number of foreign retailers and domestic corporate to invest in this sector.

Factors affecting attractiveness of India as an Investment destination:

1).Time it takes to register a company- In India's booming start up sector,where nearly 2 companies are launched everyday,starting up is proving to be the easy part but still it takes a maximum time to register in India(3-30 days or more)while in Singapore it takes only 15 minutes and in Mauritius & Delaware

(US) it takes only 1 day and 10-30 days respectively.

2).Capital gain tax- In India Capital gain tax where shareholders taxed on their equity is too high (10%-30%) for equity held for less than 1 year, 20% for more than 1 year. On the other hand the same is very less in Singapore (0%), Mauritius (0%) and Delaware (0-20%)

3).Corporate tax and Indirect tax- There are 16 different direct and indirect taxes each in India that amount to 33.99% as opposed to a onetime 17% tax in Singapore, or 8.7% in Delaware in United states and 0-15% in Mauritius.

4).Weak Intellectual Property Laws- Weak IP laws are concerned with Technology companies. India's position in protectionof Intellectual property is very poor, Companies feel safer to register their IP in USA then India. Although the cost are ten times more than India, A Patent filled in US is more valuable.

5). Poor IP Score-A 2013 report by the US Chamber of Commerce ranks India last among 25 countries surveyed with regard to protection of intellectual property. IP score of India is very low (6.95/30) in comparison to Singapore (25.12/30) and Delaware in US (28.52/30). Mauritius was not included in the survey.

6). Rank in global competitiveness report- India's Rank is 42 and Delaware in United States got 36 rank.
7). Cumbersome paper work - India's cumbersome paperwork have been a drag for the companies more interested in boosting business in India. This is especially true for technological startups that creates intellectual properties .

8).RBI Regulations for Credit Card payment- In India Companiesare stymied by a RBI mandate-meant to protect credit card user-that prevent companies from debiting money

Literature Review

Kumar Gajendran Lenin, Karthika S (2010) concluded that ForeignDirect Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the place of their economic growth. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country.

Agarwal and Khan (2011) stated that 1% increase in FDI would result in 0.07%increase in GDP of China and 0.02% increase in GDP of India. We also found that China's growth is more affected by FDI, than India's growth.

R. Anitha(2012) Analyzed that FDI plays an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of the domestic economy through transfer of technology, strengthening infra- structure, raising productivity and generating new employment opportunities. The huge market size, availability of highly skilled human resources, sound economic policy, abundant and diversified natural resources all these factors enable India to at- tract FDI. Further, it was found that even though there has been increased flow of FDI into the country during the post liberalization period, the global share of FDI in India is very less when it is compared to other developing countries. To overcome this situation, the Government should revise the sectoral cap and bring more sectors under the automatic route. Further, India should sign the agreement of Double Taxation treaties with other countries tries in order to increase bilateral trade. Therefore, there is an urgent need to adopt innovative policies and good corporate governance practices on par with international standards, by the Government of India, to attract more and more foreign capital in various sectors of the economy to make India a developed economy.

Jasbir Singh, Ms. Sumita Chadha, Dr. Anupama Sharma (2012) Analysed that International Economic Integration plays a vital role in Economic Development of any country. Foreign Direct Investment is one and only major instrument of attracting International Economic Integration in any economy. It serves as a link between investment and saving. Many developing countries like India are facing the deficit of savings. This problem can be solved with the help of Foreign Direct Investment. These investments met the financial requirement for building up the basic and essential infrastructure industries of priority sector. He concluded his research with We should welcome inflow of foreign investment in such way that it should be convenient and favourable for Indian economy and enable us to achieve our cherished goal like rapid economic development, removal of poverty, internal personal disparity in the development and making our Balance of Payment favourable.

Alak Kumar Saha (2012) Discussed that The Economic indica- tors which are also considered to be the mirrors of economic scenario show the real picture of the development of a country like Bangladesh. Accordingly, Foreign Direct Investment (FDI) can be termed in this regard and it can represent Bangladesh as one of the developing indicators in terms of development structure. The research was focused the position of FDI in Bangladesh along with its problems and remedies.

AlkaGolani (2013) stated that as the fourth largest economy in the world in PPP terms India is a preferred destination for FDI during 2000-10 the country attracted $ 178 billion as FDI .The FDI scenario in India is currently witnessing a gradual shift with liberalised reforms over last few years and an attractive Investment climate making a positive impact on the inflow. With a steady increase in volume of FDI, India has attracted more than 90 countries till 2010 (29 countries in 1991) across the globe to invest in India making it up stage US in the list of top investment destinations in the world in the UNCTAD WIP Report. She conclude that a recent study finds that Wal-Mart en- try increases retail employment in the year of entry while contrasting evidence indicates that each WalMart worker replaces approximately 1.4 retail workers representing a 2.7 percent reductions in average retail employment. The Indian Government, however, recommends that retail firms source a percentage of manufactured products from the small and medium domestic enterprises. Moreover, expansion in the retail sector could also generate significant employment potential, especially among rural and semi-urban youth. So it is very

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

difficult to predict the future of Indian retail sector. But the government of India must be cautious about the apprehensions raised by the critics and adequate safeguards must be taken so that the positive effects may outweigh the negative ones and the traditional retailers co- exist even after big foreign retailers enter the market.

Research Methodology : This is a descriptive study followed by empirical calculation. This study is based on secondary data and the data has been collected from CMIE data base. We have studied the significance of India as a potential investment destination. Statistical techniquelike multiple regression method and percentage analysis was used for purpose for analysing the data.

Selection of Variables

The study applies the multiple regression method to find out whether the variables influence the flow of the FDI in to the country. After thorough analysis of the different combination of the variables, the present study includes the following macroeconomic indicators: Gross Domestic Product at Factor Cost (GDP), Coal Production (COAL), and Wages paid (WAGE), Electricitygenerated (ELEC), Inflation (INFL), Deficit in Balance of Payment (DEFICIT) and Trade Openness (OPEN), as independentvariables which influence the flow of FDI into the country. These macroeconomic indicators are considered as the pull factors of FDI inflows in the country.

TABLE 1: Result of multiple regression determining FDI in- flows

Variables	Unstandardized Coefficient	SE	Standardized Coefficient	t Value	SE
FDI inflow	1 50.25	- 320.05		4 .75	0 .001**
GDP at factory cost	0 .801	0 .082	8 .21	7 .232	0 **
Coal production	- 738.5	2 01.7	- 0.816	- 0.976	0 .515*
Wages paid	2 .362	1 .382	0 .332	6 .649	0 .024*
Electricity generated	- 294.93	2 25.4	7 .85	1 2.46	0 .001**
Deficit in BOP	- 0.873	0 .223	- 0.81	- 0.331	0 .048*
Inflation	- 3220.114	8 24	- 0.289	- 8.663	0 .008**
Trade openness	- 1894.677	7 56.64	0 .069	3 .65	0 .143*

* denotes significance at 5% level ** denotes significance at 1% level

Multiple R value = 0.998
R Square value = 0.996
F - Value = 520.281
Durbin – Watson test value = 3.051

The Multivariate Regression was applied to find how the institutional factors influencing the flow of FDI into India. The Regressions result as in table 2 shows that the calculated F value is 520.281 which is greater than the table value of 161.15 at 1 % level of significance. Since the calculated value is greater than the table value the hypothesis is rejected. Hence, it is inferred that the above variables have influenced the flow of FDI in India. Further the estimated results are analysed by using the relevanteconometric techniques viz. coefficient of determination, standard error, f- ratio, t- statistics, Durbin Watson (D-W statistics) etc. The multiple correlation coefficients which measure the degree of relationship between the independent values are 0.998 and they indicate that the relationship between the independent variables is quite strong and positive. The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the pro- portion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is 0.996 means that nearly 99.6 percent of the variation in adjustment is explained by the estimated SRP. In order to take care of autocorrelation problem, the Durbin – Watson (D-W statistics) test is used. The D-W Statistic is found to be 3.051, which confirm that there is no autocorrelation problem in the analysis.

Interpretation

One percent increase in GDP causes 8.21 percentage increase in FDI inflows in India. The positive relationship between GDP and FDI has to be read in conjunction with India's objective to achieve a higher growth rate. There is a negative relationship between Coal production and FDI in India. There is a positive relationship between Wages paid and FDI. One percent increase in Wages paid causes 0.332 percentage increase in FDI inflows in India. There is a positive relationship between Electricity generatedand FDI. One percent increase in Electricity generated causes 7.85 percentage increase in FDI inflows in India. There is a negative relationship between Deficit in BOP and FDI. One percent increase in Deficit in BOP causes 0.81 percentage de- crease in FDI inflows in India. There is a negative relationship between Inflation and FDI. One percent increase in Inflation causes 0.289 percentage decrease in FDI inflows in India. There is a positive relationship between Trade Openness and FDI. One percent increase in Trade Openness 0.069 percentage increase in FDI inflows in India.

Suggestion : Government must support the FDI inflows as a high value sec- tor for the nation's long-term good. That can be done through certain steps like Government should simplify tax procedure so that additional burden can be reduced on Enterprises willing to open their venture in India. Registering a company is massive Procedure which involved longer time in comparison to other destinations so that it should be cut down. Few steps should be taken in order to decrease corporate income tax-33.9% for domesticcompanies on the other hand capital gain tax and Indi- rect tax should also be decreased. Improvement should be done in higher education landscape in the country. Cut down the red tape involve in starting and closing business. Intellectual propertylaws should be strengthening to foster the growth of large enterprises and business houses. Cumbersome paper work and tiresome process of starting a venture are also biggest challengesin the same manner.

Conclusion

On the basis of study we draw conclusion that maximum global foreign investment's flows are attracted by the developed countries rather than developing and under developing countries. Foreign investment flows are supplementing the scare domestic investments in developing countries particularly in India. But foreign investor never adopts environment friendly technique to maximize their profit. These investments met the financial requirement for building up the basic and essential infrastructureindustries of priority sector. We should provide the better environment for attracting the foreign investment through direct as well as indirect methods. We should welcome inflow of foreign investment in such way that it should be convenient and favourable for Indian economy and enable us to achieve our cherishedgoal like rapid economic development, removal of poverty, internal personal disparity in the development and making our Balance of Payment favourable.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Impact of Foreign Direct Investment on Foreign Trade

Dr.K.Pavan, Assistant Professor, Vishnu Institute of Technology, Bhimavaram, West Godavari District, Andhra Pradesh

Dr. P.SridharRao, Associate Professor , Vishnu Institute of Technology, Bhimavaram, West Godavari District, Andhra Pradesh

K.Venu Gopal, Assistant Professor, Vishnu Institute of Technology, Bhimavaram, West Godavari District, Andhra Pradesh

Abstract: Foreign direct investment is an investment in the form to control the ownership of business in one country by business in another country. The changes made regarding to in FDI recent years have boosted up the foreign trade. This has created interest and a study was conducted by taking the actual market values from the government published data. The present paper focus on identifying whether policy changes in FDI is having any impact on imports and exports and GDP of the nation.

Keywords: FDI, GDP, Imports, Exports, Foreign Trade

Introduction:

Foreign direct investment is an investment in the form to control the ownership of business in one country by business in another country. The concept of FDI has been popularized in our country after liberalization. With these changes in the policies the foreign trade was been improved and large no of MNC's were attracted into the country. The motive to promote this concept is to attract foreign capital into the country to develop the untapped sectors and to improve the employment opportunities in the host country. Government of India has further liberalized the policy to attract more FDI into the country and this has created interest to see the impact of FDI on Indian foreign trade.

Literature Review: Foreign investment is source improvement of growth. Argiro Moudatson (2001) conducted a study to show the causal link between inward FDI and Economic growth in 14 European Union countries. So the finding supports the hypothesis of GDP driven by FDI which means that development level and economics growth of these countries has a significant impact over investment decision of multinational firms

FDI causes GDP, FDI Driven by GDP these countries are most advanced Europe. There is no causal relationship for Sweden. Chakraborty and Basu (2001) argued in a study, FDI and growth in India (A Cointegration).
In India GDP is not Granger caused by FDI, causality runs more from GDP to FDI. The Trade liberalization had some positive short-run impact on the FDI flow. Jorshan shan (2002) argues through VAR approach to economics of FDI in china
Henrik and John (2005) found out bi-directional causality between FDI and GDP by using estimators for heterogeneous panel data. The result of

study show long-run effect of FDI to GDP growth as well FDI has an impact on GDP growth via knowledge transfer asnd taking up of new technology.

Yuko and Chia (2006), main finding suggest that FDI alone is not a panacea for economic development, the host country should undertake infrastructure investment prior to attracting FDI in order to maximize the incidence of technology spillover from FDI.

Despite India offering a large domestic market and low labor costs due to restricted FDI regime, high imports tariffs, exit barriers for firms, stringent labor laws, poor quality infrastructure, centralized decision making processes and a very limited scale of export processing zones make India an unattractive investment location (Srivastava, 2003). However there have different views in this context (Basu et al., 2007).

Objectives:

1. To study the impact of FDI on imports and exports
2. To study the impact of FDI on GDP

Methodology: For the purpose of study data related to Foreign Direct Investments, GDP, Imports and Exports was collected from RBI reports and ministry of commerce and industry websites for a period of 10 years and analysis was conducted using correlation and t test for significance of correlation

Hypothesis:

H01: There is no correlation between FDI and imports

H02: There is no correlation between FDI and exports

H03: There is no correlation between FDI and GDP

Analysis and Interpretation: In the process of identifying the impact of FDI on imports, exports and GDP data was collected for a period of 10 years and the same was depicted below:

YEAR	FDI US$ Million	IMPORTS US$ Million	EXPORTS US$ Million	GDP US$ Million
2006-07	14753	185,735.24	126,414.05	949.12
2007-08	43326	251,654.01	163,132.18	1201.07
2008-09	8342	303,696.31	185,295.36	1186.91
2009-10	50362	288,372.88	178,751.43	1323.9
2010-11	42127	369,769.13	249,815.55	1656.56
2011-12	39231	489,319.49	305,963.92	1822.99
2012-13	46711	490,736.65	300,400.58	1828.99
2013-14	26386	450,199.79	314,405.30	1863.21
2014-15	73456	448,033.41	310,338.48	2042.44
2015-16	31891	381,006.63	262,290.13	2095.4

Source: www.commerce.gov.in www.rbi.org.in

For indentifying the impact correlation was been find out by using the formula below in excel and the final values are as follows:

$$r = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{\sqrt{[n\Sigma x^2 - (\Sigma x)^2][n\Sigma y^2 - (\Sigma y)^2]}}$$

The correlation values are

FDI- IMPORTS	0.427219
FDI – EXPORTS	0.443518
FDI –GDP	0.505115

The correlation measures the strength and direction between the samples. From the above it is clear that the change in FDI is having a positive but very low impact on the imports, exports and GDP. Further to check the significance of correlation t test was used.

$T = r*\mathrm{sqrt}((n-2)/(1-r^2))$

With degrees of freedom n-2

Where r = correlation coefficient

n = sample size

further the t values are:

FDI- IMPORTS	1.40
FDI – EXPORTS	1.41
FDI –GDP	1.66

At degrees of freedom n-2 and 10% level of significance the table value of t is 1.397 . It is clear that the null hypothesis is rejected.

Conclusion: From the correlation and t test we can conclude that FDI is having a positive impact on imports, exports and GDP. Thus the changes in FDI policy is helping the country in further development.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

"Make In India"- A Successful Way

Dr.D.Srinivas, Lecturer in commerce, MVNJS & RVR college, Malikipuram

Abstract: The make in India campaign will lead to an increase in exports and manufacturing. An increase in exports will improve the economy and India will be transformed into a global hub of manufacturing through global investment using the current technology. Manufacturing will also boost India's economic growth and GPD. It will lead to the creation of many job opportunities. Around ten million people are expected to get jobs. An increase in investment will bring employment opportunities for the skilled labor force and this will form a job market. The government is running a skills development programme for the people in the rural areas and those in the urban areas who are poor. The programme will help in generating more skilled workers. The major key areas of the training will be painting, masonries, welding and many others. Certifications will be issued in order to make the training standard.

Key words: make in India, railways, ports and textile

ıntroductıon

The prime minister Narendra modi, prior to the commencement of his Maiden US visit, he launched 'Make in india', a major national initiative which focuses on making a global manufacturing hub. Key thrust of the programme would be on cutting down in delays in
manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in india. The 25 key sectors identified under the programme include automobiles, auto components, bio-technology, chemic also, defense manufacturing, electronic systems, food processing, leather, mining, oil & gas, ports, railways, ports and textile. The national progamme aims at time-bound project clearances through a single a single online portal which will be further supported by the eight-member team dedicated to answering investor queries within 48 hours and addressing key issues including labor laws, skill development and infrastructure the objective of the programme is to ensure that manufacturing sector which contributes around 15% of the country's gross domestic products is increased to 25% in next few year. Speaking to more than 500 top global CEOs along with captains of India industry at the event in vigyan bhawan, new Delhi on September 25 prime minister termed 'make in India' initiative a lion step to usher in increased manufacturing in the country, which will ultimately gene rate more employment opportunities for the poor and give greater purchasing power in their hands. The mega event was watched live in several cities in India and abroad through video conferencing, he urged the domestic as well as global investors not to look at India merely as a market, but instead see it as an opportunity. "when we talk of make in India, we are not just offering a competitive situation and we give you an opportunity to create a huge market for your product. After all, handsome buyer is equally important as cost effective

manufacturing.,'' modi told a packed audience. Cutting down on procedural delay however, for making India an investment hub, the first and foremost importance step would be to create efficient administrative machinery which would cut down on delays in project clearances. Economists say that India has been very stringent when it comes to giving procedural and regulatory clearances. Besides a time bound clearance from all regulatory authority would create a conducive environment for business.

The prime minister acknowledged that India being ranked low on the "ease of doing business" ranking by world bank and added that he has started to sensitize the government officials in this regard . on his recent meeting with world bank president jim yong kim, modi said "world bank president was also expressing this worry. Probably we were 135th in the world at that time. If we have to come to 50 from 135 then government alone can do this. If government brings transparency in its decisions and rules, pushes works with simplicity we can occupy number 50 from 135 in ease of doing business ,". Delay in getting regulatory clearances lead to rise in cost of production . A leading multinational automobile major said "costs of production in India increase because of various government policies, procedures, regulations and the way some of the laws are implemented," the quicker the government addresses these challenges its better for the industry to set up facilities in the country. For providing better infrastructure for the industry, there has been a big constraint in term of land acquisition for the industrial purpose run into trouble at the local level. Tax sops & focus on innovation economists have noted that with the globalization becoming a reality, Indian manufacturers will have to complete with the best and cheapest the rest of the world has to offer even in the domestic market. They urged for providing tax concessions to any industry which would set up manufacturing facility in the country. Besides a critical aspect is the country 's huge small and medium-sized industries which could play a big role in making the country take the next big leap in manufacturing. "India should be more focused towards novelty and innovation for the sectors indentified and integration with the country's premier institute for carrying out research and development would be critical to the success of the make in India programme,"a leading industrialist said. Skill development & thrust on education stressing that his given top skill development , prime minister had said the government is currently doing mapping for assessing skill manpower demand for specific sectors . he noted that there has to be synchronization between the objectives of the government , academic world, industry and job seekers for ensuring that industry specific skills are imparted experts argue that the country needs to focus on quality education not just skill development .in the emerging economy people will need to continuously learn new skill to meet the economy's 's changing requirements n," in the emerging economy 's changing requirements , "an official with an industry association observed . prime minister also promised that specific sectors would be asked to access industrial training institutes(IT IS) located across the country to train manpower locally as per their needs. "you will get a good worker for your industry and our ITI will start running . our youngsters will get employment his family will be strengthened and better purchasing power will help the economy.," Modi told top industrialists. In the last couple of yes, national skill development agency(NSDA) initiated work on creating a labour Market information system which would help industry sourcing their manpower requirement After getting information on labour market, the government would provide accreditation to manpower agencies so that the industry can access information on the manpower requirement .Reforms in the labour laws Besides the skill development, labour law flexibility is a key element for the success of this campaign for increasing manufacturing in the country. Economists say that "labour law flexibility does not imply 'hire and fire' policy, it's about providing a sound social safety net to workers". Experts say that the country has some of the most comprehensive labour laws at the same time a large parts of working population do not have access to social security net. Prime minister had stressed the faster people move from poverty to middle class, the faster will be their conversion into a favorable market for the world. He said his government's focus will be on physical infrastructure creation as well as creating a digital network for making India a hub for global manufacturing of goods ranging from cars to software , satellites to submarines and paper to power. A leading economist said the big challenge for 'make in India' .I feel that the following merits we will get :

- Manufacturing sector led growth of nominal and per capita GDP .while India ranks 7th in terms of nominal GDP , it ranks dismal 131st in terms of per capita GDP.
- Employment will increase manifold . this will augment the purchasing power of the common India mitigate poverty and expand the consumer base for companies . besides , it will help in reducing brain drain
- Export - oriented growth model will improve India's Balance of payments and help in accumulating foreign exchange reserves (which is very important given the volatility in the global economy with multiple rounds of quantitative easing announced by major economies)
- Foreign investment will bring technical expertise and creative skills along with foreign capital. The concomitant credit rating upgrade will further woo investors .
- Falls play a dominant role in the Indian markets. However, fIls are highly volatile in nature and a sudden exodus of hot money from India can effect a nosedive in the bellwether indices. Make in India will give an unprecedented boost to fdi flows, bringing India back to the global investment radar .
- The urge to attract investors will actuate substantial policies towards improving the ease of doing business in India. The government of the day will have to keep its house in order (by undertaking groundbreaking economic, political and social reforms) to market brand India to the world at large .

I think that we faced the following limitations

- .From a theoretical perspective, make in India will tend to violate the theory of comparative advantage. If it is not economically feasible to manufacture a commodity in India, it is best to import the same from a country which enjoys comparative advantage in its production. International trade, after all, is welfare augmenting.

- Reiterating the point made by Dr R raghuram rajan, India unlike china, dose
- Not have the time advantage as it under takes a manufacturing spree. The essential question is –is the world ready for a second china?
- . Make in India will lead to an unsustainable focus on export promotion measures. One such measure is artificially undervaluing the rupee. This will have devastating consequences for the import bill
- .A relative neglect of the world economic scenario may not augur well for make in India. With the us

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India – Inclusive Growth

Dr. A. Uttama Durga Devi, Associate Professor, HOD, Dept of Management Studies, Ch. S. D. St. Theresa's College for Women, Eluru, W.G. Dist., Andhra Pradesh,

Dr.D.M.Neeraja,Reader in Commerce, SKSD Mahila Kalasala, Tanuku, W.G. Dist., Andhra Pradesh,

Abstract: Make in India is an international marketing campaigning slogan coined by the Prime Minister of India, on September 25, 2014 to attract businesses from around the world to invest and manufacture in India. India is one of the world's fastest growing economies. India has been recording sustained trade deficits since 1980 mainly due to high growth of imports, particularly of crude oil, silver and gold. Make in India has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal. The Government has allowed 100% Foreign Direct Investment (FDI) in Railway and has removed restrictions in Construction. It has also recently increased the cap of FDI to 100% in Defence and Pharmaceutical. Zero defect zero effect is a key phrase which has come to be associated with the Make in India campaign. The campaign, "Make in India" is aimed at making India a manufacturing hub and economic transformation in India while eliminating the unnecessary laws and regulations, making bureaucratic processes easier and shorter, and make government more transparent, responsive and accountable. Make in India will do five things namely to guide foreign, investors, assistance to foreign investors, prompt response, provide relevant information and proactive approach. This is not the first time India is focusing on its manufacturing sector. In 2006, the UPA government put out a national strategy for manufacturing. It even dubbed 2006-15 as the "decade of manufacturing in India". The main objective of this paper is to analyse the Make in India and its Inclusive Growth.

Key words: Make in India, Inclusive Growth, Manufacturing Sector, Foreign Direct Investment and Zero defect zero effect.

Introduction

Make in India is an initiative launched by the Government of India to encourage multi-national and national companies to manufacture their products in India. India emerged, after initiation of the programme in 2015, as the top destination globally for foreign direct investment (FDI), surpassing the United States of America and People's Republic of China. Prime Minister Narendra Modi launched the Make in India initiative on September 25, 2014 with the primary aim of making India a global manufacturing hub, by encouraging both multinational and domestic companies to manufacture their products within the country. Make in India has introduced multiple new initiatives, promoting FDI, implementing intellectual property rights and developing the manufacturing sector. Since the launch of Make in India in September 2014, FDI inflows of USD 77 billion consists of equity inflows of USD 56 billion has been received for the period from October 2014 to March 2016. This represents about a 44% increase in FDI Equity inflows over the same corresponding period.

Make in India has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal. The Government has allowed 100% FDI in Railway and has removed restrictions in Construction. It has also recently increased the cap of FDI to 100% in Defence and Pharmaceutical. Zero defect zero effect is a key phrase which has come to be associated with the Make in India campaign.

The vision to increase the share of manufacturing in the country's gross domestic product (GDP) and creating employment may attract Indian and foreign capital and technological investment across an array of 25 sectors. Recognising the natural, cultural as well as economic diversity, including inherent advantages of specific regions, the "Make in India" initiative hopes to harness and develop relevant sectors in each state. In other words of the Prime Minister Narendra Modi, the Make in India scheme is aimed at creating a global manufacturing hub in India.

The "Make in India" initiative has also recognised and sought to mitigate certain inherent tax disadvantages for manufacturers in India. Such disadvantage has been most pronounced in the context of goods not attracting any basic customs duty on imports into India. With traders eligible for importing personal electronic gadgets at a 4 per cent duty advantage, manufacturing was never a viable option for this sector.

In defence, "Make in India" never provided Indian manufacturers the capability to upgrade platforms that require fresh technology as time goes by; in fact, manufacturing licensing conditions usually stipulate that the buyers can make no alterations. That is why India, which carried out "Make in India" of the MiG-21 for decades, had to go back to Russia when it upgraded the fighter. It is on maintenance, repair, overhaul and upgrade that foreign vendors make their real money, even on equipment that has been licence-built in India.

Objective of the Paper: The main objective of this paper is to analyse the Make in India and its Inclusive Growth.

Make in India Program: The 'Make in India' program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India. Make in India aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards, and minimising the impact on the environment. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe. This can be achieved only by improving the ease of doing business in India.

Objectives of Make in India Vision:

The following are the objectives of Make in India Vision:

1. To make investing in manufacturing more attractive to domestic and foreign investors.
2. To give the Indian economy global recognition.

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3. To create competitive industrial environment.
4. To develop infrastructure.
5. To invite latest technologies.
6. To generate employment and skill formation.

The Make in India focuses on the following:

1. First develop India and then Foreign Direct Investment.
2. Look-East on one side and Link-West on the other.
3. Highways and 'I-ways.
4. Facilitate investment.
5. Foster innovation.
6. Protect intellectual property.
7. Build best-in-class manufacturing infrastructure.

Review of Literature:

1. Balasundaram Maniam and Amitiava Chatterjee (1998) studied on the determinants of US foreign investment in India; tracing the growth of US FDI in India and the changing attitude of the Indian Government towards it as a part of the liberalization program.
2. Sebastin Morris (2004) has discussed the determinants of FDI over the regions of a large economy like India. He argues that, for all investments it is the regions of metropolitan cities that attract the bulk of FDI.
3. Nagesh Kumar (2001) concluded that the magnitudes of inflows have recorded impressive growth, as they are still at a small level compared to the country's potential.

Need for Make in India:

Today, India's credibility is stronger than ever. Make in India is opening investment doors. Multiple enterprises are adopting its mantra. The most striking indicator of progress is the unprecedented opening up of key sectors – including Railways, Defense, Insurance, Space and Medical Devices – to dramatically higher levels of Foreign Direct Investment.

Table – 1
Global Comparison – Contribution of Manufacturing to GDP
(in Percentage)

Sl. No	Name of the Country	1993	2009	2013
1	China	3.1	17.3	24.1
2	USA	24.4	19.2	17.8
3	UK	24.1	17.9	17.9
4	Japan	20.2	9.6	7.3
5	India	0.9	2.2	2.0

Source: Mc Kinsey, SMEA Research

India's share in global manufacturing as compared to other countries remains low. 2009-13, the share declined due to fall in indigenous manufacturing with one of the reasons being inadequate infrastructure facilities. Hence, the government should provide the manufacturing sector with the required framework for it to grow.

Barriers to Manufacturing Sector in India:

The following are the main Barriers to Manufacturing Sector in India:

1. Access to Finance
2. Land
3. Logistics
4. Labour Laws
5. Power Supply
6. Taxation and Incentives
7. Special Economic Zones (SEZs)
8. Low productivity, no large scale economies
9. Entry and exit barriers

Boost to Foreign Investments:

Table – 2: Foreign Investments – FDI and FII inflows in India (in Percentage)

Sl. No.	Years	FDI	Growth	FII	Growth
1	2009-10	1238	-1.0	1427	-4.1
2	2010-11	745	-40	1464	3.0
3	2011-12	1898	155	937	-36
4	2012-13	1360	-28	1984	80
5	2013-14	1918	41	516	-69

Source: DIPP, CDSIL

Foreign investments in India (FDI and FII) have witnessed the boom phase, declining phase followed by a volatile recovery phase in the last decade and a half. The government has targeted manufacturing as a percentage of GDP to 22 percent in 2022, form 15 percent in 2013-14. With the 'zero effect, zero defect' slogan, the government aims at improving the overall investment climate of the country.

Policies under "Make in India" Initiative:

There are four major policies under the "Make in India" program.

1. New Initiatives: This initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency.

2. Foreign Direct Investment (FDI): The government has allowed 100% FDI in all the sectors except Space (74%), Defence (49%) and News Media (26%). FDI restrictions in tea plantation has been removed, while the FDI limit in defence sector has been raised from the earlier 26% to 49% currently.

3. Intellectual Property Facts: The government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state-of-the-art technology. The main aim of intellectual property rights (IPR) is to establish a vibrant intellectual property regime in the country, according to the website.

4. National Manufacturing:

The vision of National Manufacturing is:

1. To increase manufacturing sector growth to 12-14% per annum over the medium term.
2. To increase the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022.
3. To create 100 million additional jobs by 2022 in manufacturing sector.
4. To increase the domestic value addition and technological depth in manufacturing.
5. To enhance the global competitiveness of the Indian manufacturing sector.
6. To ensure substantiality of growth, particularly with regard to environment.

Inclusive Growth in India:

After three centuries of relative and often absolute poverty, India has in recent decades begun to return to its previous position as a global economic power, and this process has accelerated over the last few years. Growth in the Indian economy was quite low in the first 30 years of planning after independence – from 1950 to 1980. Despite some fluctuations in the next two decades gradual but sustained improvement produced an average rate of growth of 5.7% per annum for the 20 years to 2000.

Building on that base, the economy appears to have achieved take-off into a higher growth plane, with real GDP growth averaging 8.1% per annum in the three years 2003-04 to 2005-06, and the target growth rate of 8.5% over the 11th Five Year Plan period, 2007-12. While many challenges remain, the challenge of making India's economic growth more inclusive by reducing entrenchment poverty is a principal challenge.

India's government has made "inclusive growth" a key element of their policy platform, stating as a goal: "Achieving a growth process in which people in different walks in life... feel that they too benefit significantly from the process". Economic growth models do not establish or suggest, however, an explicit casual-effect relationship between a country's rates of economic growth and the resulting poverty reduction, although policymakers often assume an implicit connection. The current literature provides some economic growth might be 'inclusive' or 'pro-poor', although how these concepts should be defined remains controversial.

- **Poverty Reduction in India:**

The measurement of poverty has also been not without controversy. Much of the literature on poverty relies on different measure of income-based poverty, defined in terms of national or international poverty lines. Recent studies, including the United Nations Development Program (UNDP 2008), have embraced the concept of multidimensional poverty: which includes income, consumption, expenditure, malnutrition, literacy, and other indicators of welfare.

In India, poverty is measured in terms of household per capita consumption expenditure. Poverty lines, determined by the government for each Indian state are updated regularly. The latest poverty lines are based on the recommendations of the Tendulkar Committee Report (2009). At the national level, poverty line for rural population is Rs. 446.68 while for urban population it is Rs. 578.8. Based on these poverty lines, 37.2% of India's total population was poor in 2004-05. In rural India, poverty was higher (41.8%) than in urban areas (25.7%).

- **Strategy for More Inclusive Growth:**

The empirical evidence about the relationship between growth and poverty reduction suggests that no particular development model is uniquely pro-poor and that the relationship can only be considered empirically, at the case-by-case level. Nonetheless, it should be possible to draw some general conclusions regarding the major sources of pro-poor growth. The international evidence suggest that the rates of poverty reduction have been helped by rapid growth in agriculture, public expenditure on social services, particularly education and health, infrastructure and the quality of governance.

- **Growth in Agriculture:**

Recent literature suggests that while sustained economic growth must be a necessary condition for significant poverty reduction, it is not a sufficient condition: sectoral composition of economic growth also matters. Ravallion and Datt (1996) found that because poverty in most developing countries is concentrated in rural areas, growth in the agricultural sector and in the rural economy has been highly beneficial to reduce rural poverty. In another study of China, Ravallion and Chen (2007) found that the impact of the primary sector on headcount poverty reduction is 3.5 times higher than the impact of either the secondary sector or the tertiary sector; poverty reduction elasticity of agriculture is estimated at -7.85 as compared with the elasticity of -2.25 for non-agriculture.

India's agricultural sector grew strongly in the wake of the Green Revolution. But, the contribution of agriculture to GDP has been on the decline in recent decades, dropping from 36 percent of GDP in 1980 to about 18 percent in 2007. The deceleration in agriculture has contributed to rural distress in many parts of the country and has affected both large and small farmers. The government of India has developed a strategy of accelerated growth, incorporating a near doubling of the rates of growth of agriculture, during the 11th Five Year Plan. If it were to materialise, rapid growth in agriculture should generate more opportunities for the poor to get employment and earn income.

Agriculture growth will also generate higher demand for industrial products and assist the budgetary situation of the governments through higher growth of tax revenues, which could then be used to finance various anti-poverty programs.

- **Infrastructure and Energy:**

Infrastructure continues to occupy central stage in India's economic development strategies. The problem of energy scarcity is just one of the many infrastructure challenges facing India, as most other forms of infrastructure require substantial expansion and upgrading to meet the increasing demands of economic growth. The pressure of India's infrastructure are coming from a variety of sources, including rapid expansion of trade, a new priority for higher growth of manufacturing the rapid pace of urbanisation, the revival and diversification of agriculture and the need to improve conditions of the rural economy.

The 11th Five Year Plan proposes to raise investment in infrastructure to between seven percent and eight percent of GDP by 2012-2013. Signalling a break from the traditional approach to keeping the provision of infrastructure within the public sector, the government of India has been keen to involve private sector investment in infrastructure.

- **Public Expenditure on Education:**

As noted above, several studies suggest that there is a correlation between inclusive economic growth and the level of public expenditure on social development. Literacy is arguably the most significant factor in poverty reduction as it enhances empbyability. The role played by literacy has been found to be particularly notable by Ravallion and Datt(2002), who reported that nearly two-thirds of the difference between the elasticity of the headcount index of poverty to non-farm output for Bihar and Kerala was attributable to the latter's substantially higher initial literacy rate.

In 2009, the Right to Education Act was passed, guaranteeing free and compulsory elementary education to children between six and 14 years old. The 86th Amendment to the Constitution of India makes education a fundamental right. The Act also obliges private schools to admit and educate at least 25 percent of children free of cost. Between 2003 and 2009, the number of enrolees in elementary education has increased from 57 million to 192 million (World Bank 2010). An estimated eight million children, who do not currently attend schools, are expected to benefit from the programme.

Literacy in India increased from just 18.3 percent in 1951, to 43.6 percent in 1981 and to 65.2 percent in 2005.

- **Public Expenditure on Healthcare:**

India's public expenditure on health care, at 0.9 percent of the GDP, has been low even by developing country standards. The corresponding share is higher in Pakistan (1.0), Bangladesh (1.5), Nepal (1.5), Sri Lanka (1.8), and Bhutan (3.6) (UNDP 2004). India's public expenditure on health has been not only low, but has declined from 1.05 percent of GDP to 0.91 percent in the same period. Thus, the growth in GDP did not translate into corresponding increase in public spending on health. By comparison, public health expenditure in most the OECD countries averages around five percent of their GDP (WHO 2006).

Only 35 percent of the population has access to medicines. At this stage of economic growth India needs to consider a new model to extend access to healthcare including medicines to its entire population. A significant factor for the long term planning in healthcare is that Indians are now living substantially longer than a century ago and the population has slowly begun to age. The ageing factor plays a vital role in healthcare planning because the aged people are the major recipients of healthcare delivery.

Conclusion:

Prime Minister Narendra Modi's promise to remove unnecessary regulations and simplify procedures, gives a hope to see significant and sustainable growth in the manufacturing sector and thus making India a global manufacturing hub. Government has signed a USD 35 Billion deal with Japan for infrastructure development. However MSME forms the base of the large scale industry, so promoting MSME sector will help in flourishing of large scale industry which will help in achieving the goal Make in India. The challenge is to make "Make in India" an economically viable and globally luring project.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Multidimensional Female Entrepreneurs ushering in 'Make in India'

Dr. (Smt.) B.V.L.A. Manga,
Reader, Department of Political Science, Maharajah's (A) College,
Vizianagaram – 535002,

Abstract: This paper throws a light on the challenges faced by women in equipping entrepreneurial skills and gives suggestions to overcome it further an attempt is made to highlight the role of women in ushering in Make in India and how it helps them to get financial self-sufficiency for themselves and also create employability to other women also. As per the World Economic Forum the women's potential is underutilized and the need of the hour is to focus on new processes, new infrastructure and mobilizing women into innovative new sectors will give them economic empowerment. Hence there is a need to include women also in the entrepreneurial skills to achieve success across sectors both within the country and overseas.

Key words: Make in India, hungry, malnutrition, illiteracy

Introduction

Women contribute to the Indian economy in many ways. Apart from her importance in the social frame work, a women's vital role in village centric community activities, protecting our culture and in determining the consumption attitude makes her special for the economy of India. However it is unfortunate that through the economy has been growing at an average rate of 8 percent, 52 percent of women in the country still suffer from poverty, hungry, malnutrition, illiteracy in several ways. The higher growth figures of 7 to 9 percent of Indian economy depend basically on higher rates of savings and capital formation. It is remarkable that India could reach a savings rate of 33 percent of GDP of which 70 percent comes from household savings, 20 percent from private corporate sector and rest 10 percent from public sector undertakings.

Report of the Working Group on Empowerment of Women for XI Plan concedes "with the growing globalization and liberalization of the economy as well as the increased privatization of services, women as a whole been left behind and not been able to partake of the fruits of success. Hence, main streaming of women in to the new and emerging areas of growth is imperative. At this juncture women entrepreneurship through training and skill up gradation in emerging trades, encouraging more women to take up vocational training and employment in the boom sector. This may necessitates women to migrate to cities and metros for work and providing gender friendly facilities at work place.

According to 66th round of NSSO, in its data on employment and unemployment, 251 lakh people lost their self-employment and another 220 lakh joined the section of casual labour between 2004-05 and 2009-2010. In this scenario women are the worst sufferers of loss of self-employment.

The need of the hour is to provide entrepreneurial skills to women to bring out the hidden potentialities in a productive and purposeful way. Women entrepreneurs may be defined as a women or group of women who initiate, organize and run a business enterprise. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life, which results in social capital Prime Minister Modi's Government realizing the crucial role played by women towards the growth of economy introduced the concept Make in India. Further the government has identified four pillars of the Make in India initiative for entrepreneurial skills. It is believed that focusing on these four pillars are (1) New processes (2) New infrastructure (3) New sectors and (4) New mindset.

The economic status of women is inextricably linked to the treatment they are accorded in the labour market which is unequal Vis-à-vis men. With unequal access, control and ownership of productive resources like land, credit, technology, education, skills; inequitable work burdens, inequitable distribution of consumption resources within the household are major factors differentiating women from men. Increase in employment and access to economic and other productive assets are the building blocks of women's economic empowerment. There is a need to include women also in the entrepreneurial skills to achieve success across sectors both within the country and overseas.

Today, India boasts that nearly 1.4 million women Panchayat leaders – a number that is an indicator of the leadership roles women are increasingly taking up. Here it may be quoted that without economic empowerment, political empowerment is a myth. For more women to be a part of workforce, it is essential to promote skill development. Skill development facilitates high productivity, increased employment opportunities and higher income. Skill India envisions to train over 400 million people in India by 2022. In India the manufacturing sector employs 20 percent of the total workforce, much lesser than a number of Asian countries. Through women are underrepresented in this sector, there are several companies which were set as an example to others to follow. Few examples worth mentioning are :

JCB India, which manufactures, construction and agricultural equipment, has witnessed a significant rise in the employment of women. Today, JCB employees over 110 women in India, who are trained at frequent intervals on the latest technologies. Similarly, Maruthi Suzuki has increased women workforce in their manufacturing team from 274 employees in 2012 to 366 employees in 2014. The other companies that are increasing hiring more women are Kinetic Communications and United Technologies. The latter has started an all women assembly line at its air condition manufacturing unit in Gurgao. Samsung too has opened 18 technical schools in India. The branch at Patna is India's first female only technical training centre and imparts skills to over 5,000 women each year. A note may be made here that this contribution of women is not confined to urban areas, but even at the village level women entrepreneur's run a range of service centers Vijayanthi Devi, who hails from Bihar, runs one such centre and offers online banking services and enrolls villagers for Aadhar Programme.

Of the nearly 4,400 startups less than one in ten were founded by women according to industry body NASSOCOM. In the words of the CEO of NITI Aayog, Amithabh Kant, "India can grow at over 10-11 percent if we include women in the economic process. They can contribute to building new business from traditional industry to startups".

To address this concern, the government has introduced slew of initiatives to empower women and aid them in leading a sustainable life.

Few schemes which are worth mentioning are Support to Training and Empowerment Progaramme for women (STEP), women's Vocational Training Programme, Digital India, Startup and Standup India. These initiatives empower women entrepreneurs and provide financial assistance to those who are setting up their businesses. Through these schemes government aims to turn women from Job seekers to job creators.

With the power of digital technology and growing opportunities, there is a revolution in the way women are doing businesses. Some of them are already running successful enterprises, and many more are joining the bandwagon. For Make in India grow even further, women should be considered and promoted as key drivers. Women entrepreneurs have an edge over male entrepreneurs and they are going to change the country's future and its approach to creating economic value.

The reasons why women are better entrepreneurs than men can be enunciated through the following analysis.

- ➢ women leaders in India have a better feel of the household spending patterns.
- ➢ they understand the consumer's perspective in a better way.
- ➢ they are capable of building trust with customers, shareholders etc. in a better way
- ➢ there is a great level of diversity when women occupy top positions.

From the above analysis, the single most important pursuit should be growth and that is not possible if we are not able to unleash women power of this country and their entrepreneurial spirit. If 634 million women become entrepreneurs, we can grow at 11-12 percent in our economies. For India's big opportunity as well as empowerment lies with women who the driving forces of the business.

From developing countries like in India, business organization constantly strives for the creation of economic, social and environmental value.

Certain barriers to women entrepreneurship which can be mentioned are :

- ❖ Lack of vision.
- ❖ Lack of self-confidence.
- ❖ Credit barriers.
- ❖ Technology; Education; Training Issues.
- ❖ Women's Family obligations.

- ❖ Market oriented risks.
- ❖ Lack of feminine role models in entrepreneurship.
- ❖ Low level risk taking attitudes.
- ❖ Achievement motivation of the women folk found less compared to male members.
- ❖ High production cost of some business operations adversely affects the development of women entrepreneurs.

Incentivizing diversity in manufacturing value chains in public and private companies is a practical solution to some problems. Now there is a change in the traditional setup to transform the social fabric of Indian society. Because of change in lifestyles, aspirations for better living, the glass ceiling are shattered and women are found.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

"Make in India" strategy provides the incitement for chemical industry

M.Sridevi, Department of Chemistry, SKSD Mahila Kalasala UG PG (A), Tanuku.

P. Aruna, Department of Commerce, SKSD Mahila Kalasala UG PG (A), Tanuku

Abstract: The "Make in India" initiative focuses on making India a global manufacturing hub and its impact on the Indian economy. Key thrust of the programme is to bring down delays in clearance of manufacturing projects, develop adequate infrastructure and make it easier for companies to do business in India. 25 major 'Make in India' focus areas are Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defence manufacturing, Electrical Machinery, Electronic systems, Food Processing, IT and BPM, Leather, Media and Entertainment, Mining, Oil and Gas, Pharmaceuticals, Ports and Shipping, Railways, Renewable Energy, Roads and Highways, Space, Textiles and Garments, Thermal Power, Tourism and Hospitality, Wellness. Government has allowed 100% FDI in all sectors except Space(74%), Defence (49%) and News Media (26%). This article aims to analyze the "Make in India" initiative influence on chemical industry.

Key Words: Make In India, Initiative, Chemical Industry.

Introduction

Make in India initiative launched by Prime Minister Narendra Modi on 25th September last year was aimed at making India a global manufacturing hub. This is to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production within the country. 'Make in India' aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards, and minimising the impact on the environment. The Government of India's ambitious initiative aims to transform the country from being Asia's third-largest economy into a global manufacturing powerhouse. The initiative has set an ambitious goal of creating 100 million additional jobs in the manufacturing sector by 2022. The initiative has helped India to become the top destination in the world for foreign investment. Since the launch of the initiative, overall Foreign Direct Investment (FDI) has increased by 39 percent.

- The chemical industry in India is a key constituent of its economy, accounting for about 2.11 percent of the GDP. In terms of volume of production, Indian chemical industry is the third largest producer in Asia and sixth largest in the world.
- India's growing per capita consumption and demand for agriculture-related chemicals offers huge scope of growth for the sector in the future. Lured by the size and returns of the Indian market, foreign firms have strengthened their presence in India. From April 2000 to May 2015, total FDI inflows into the Indian chemicals industry (excluding fertilizers) were $10.49 billion.

- The Government of India permits 100 percent FDI in the Indian chemicals sector; while manufacturing of most chemical products is de-licensed. In addition to encouraging research and development in the sector, the government is continuously reducing the list of reserved chemical items for production in the small-scale sector. This facilitates greater investment in upgrading the technology and modernization.

Policies under 'Make in India' initiative: There are 4 major policies under the 'Make in India' program:

1. New Initiatives:

This initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency.

Here's what the government has already rolled out

-- Environment clearances can be sought online.

-- All income tax returns can be filed online.

-- Validity of industrial licence is extended to three years.

-- Paper registers are replaced by electronic registers by businessmen.

-- Approval of the head of the department is necessary to undertake an inspection.

2. Foreign Direct Investment (FDI):

The government has allowed 100% FDI.

3. Intellectual Property Facts:

The government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state-of-the-art technology.

The main aim of intellectual property rights (IPR) is to establish a vibrant intellectual property regime in the country, according to the website.

These are the various types of IPR:

-- Patent: A patent is granted to a new product in the industry.

-- Design: It refers to the shape, configuration, pattern, colour of the article.

-- Trade mark: A design, label, heading, sign, word, letter, number, emblem, picture, which is a representation of the goods or service.

-- Geographical Indications: According to the website, it is the indication that identifies the region or the country where the goods are manufactured.

-- Copyright: A right given to creators of literary, dramatic, musical and artistic works.

--Plant variety Protection: Protection granted for plant varieties, the rights of farmers and plant breeders and to encourage the development of new varieties of plants.

--Semiconductor Integrated Circuits Layout-Design: The aim of the Semiconductor Integrated Circuits Layout-Design Act 2000 is to provide protection of Intellectual Property Right (IPR) in the area of Semiconductor.

4. National manufacturing:

Here the vision is,

- to increase manufacturing sector growth to 12-14% per annum over the medium term.

- to increase the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022.

- to create 100 million additional jobs by 2022 in manufacturing sector.

- to create appropriate skill sets among rural migrants and the urban poor for inclusive growth.

- to increase the domestic value addition and technological depth in manufacturing.

- to enhance the global competitiveness of the Indian manufacturing sector.

- to ensure sustainability of growth, particularly with regard to environment.

Response to the 'Make in India' initiative:

The government has said that it has, so far, received Rs 1,10 lakh crore worth of proposals from various companies that are interested in manufacturing electronics in India.

In a report released by the World Bank, about a state-wise bifurcation based on ease of doing business, Gujarat was ranked as the top state, followed by Andhra Pradesh and Jharkhand

Results and Discussion:

India offers huge market for chemical companies. But, to achieve the goals of 'Make in India' initiative, the government has to create favourable conditions for global and local firms to invest in manufacturing facilities.

The chemical industry can address these issues in varied manners – the agro-chemicals sector can play an important role in providing innovative and sustainable solutions to enhance farmer's prosperity; the packaging portfolios can reduce loss of produce during transport, enhance shelf life, manage-moisture, from the farm to kitchen. Additionally, the 'water solutions' can optimise the usage of water in crops and explore avenues for re-use of water in drought prone areas.

In coming years, India will rise as both - a manufacturing capital for valued goods and well as a consumer-driven economy from a broader perspective. The country will grow at 7.5 to 8 percent over the next three years; the chemical industry typically grows one and half to two times of the GDP, which is at a rate of 15 to 20 percent during the period.

India offers huge production and consumption market for chemical companies, howe ver conversion of this potential into market reality depends on the success of the recent government initiatives to create favourable conditions to enable global and Indian firms to invest in manufacturing facilities.

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

An assessment of employment skill gaps among engineering graduates in Andhra Pradesh

Dr.K.Kishore Babu
Post Doctoral Fellow, Dept.of Economics, Acharya Nagarjuna University, Guntur
Dr.D.Thirupathaiah
Lecturer in Economics, SKBR Degree College, Narasaraopeta, Guntur

Abstract: It is found from various studies that there is a vast skills gap in India, with several surveys suggesting that half of all graduates are not employable in any sector based on industry standards. This has sparked growing concern about the mismatch between universities and the needs of the job market. The debate about employability and skills has been long-standing. The cultural divide between education and employment, and a lack of demand for higher skills are critical barriers. Against this background, the aim of the present study will be to examine the growing gap between the skills of the Indian students and the desires of the employers. The study also analyzes the reasons for low employability skills of students in India. Finally, the study suggests measures to improve employability skills of youth in India. In the light of capturing the benefits of the demographic dividend advantage in the country, the present study will be more useful to the policy makers to take steps to improve the skills of the Indian youth. Further, Andhra Pradesh being the newly formed residuary State there is ever needed for skill developing in the State.

Key words: employability, skills, long-standing

Concept of Employability skills

There are lots of definitions of what employability skills are and different people have strong feelings about which definition is most acceptable. Employability skills are not job specific, but are skills which cut horizontally across all industries and vertically across all jobs from entry level to chief executive officer.

The term "employability skills" refers to those skills required to acquire and retain a job. In the past, employability skills were considered to be primarily of a vocational or job-specific nature; they were not thought to include the academic skills most commonly taught in the schools. Current thinking, however, has broadened the definition of employability skills to include not only many foundational academic skills, but also a variety of attitudes and habits. These transferable skills include the ability to "solve complex, multidisciplinary problems, work successfully in teams, exhibit effective oral and written communication skills, and practice good interpersonal skills". In fact, in recent usage, the term "employability skills" is often used to describe the preparation or foundational skills upon which a person must build job-specific skills (i.e., those that are unique to specific jobs). Among these foundational skills are those which relate to communication, personal and interpersonal relationships, problem solving, and management of organizational processes. The foundation of employability skills is a positive approach, i.e. being ready to participate, make suggestions, accept new ideas and constructive criticism, and take responsibility for outcomes.

Employers want entry-level employees to possess an array of basic, higher-order, and affective employability skills. The "critical employability skills" identified by these different researchers vary considerably in the way they are organized. One researcher/developer identified 76 different skills in nine categories; another research group named 36 skills and traits in eight categories and so on. There is also, however, a great deal of agreement among the skills and traits identified. Comparisons of the employability attributes listed by the different researchers revealed those that were cited most frequently. These were then organized into the three categories of basic skills; higher-order thinking skills; and affective skills and traits.

Employable skills required are different for different organizations. Smaller employers are more likely to report difficulties in finding staff with sufficient employability skills and private sector organisations are more likely than public sector organisations. Employers value generic employability skills above specific occupational skills. Employers find far too many entry-level job applicants deficient in employability skills. Charner (1988) identified and catalogued the reasons given by employers for not hiring young people for entry-level jobs, including: low grades and low levels of academic accomplishments, poor attitudes, lack of self-confidence, lack of goals, poorly motivated, lack of enthusiasm, lack of drive, little evidence of leadership potential, lack of preparation for the interview, excessive interest in security and benefits, unrealistic salary demands and expectations, inadequate preparation for type of work, inappropriate background, lack of extracurricular activities, and inadequate basic skills (reading, writing, math). Improving the skills profile – both hard (qualifications) and soft (generic skills) – is therefore essential to the future prosperity.

Gap between talent available and skills needed

There are frequently reports in the press that focus on a gap between the skills that employers' need and the skills that people have. Lack of employability skills or employable talent among Indian graduates is the current problem in Indian job market. During the 1980s, Indian graduates faced a lot of difficulties due to lack of employment opportunities despite good academics and scholastic abilities. Unemployment rate was at its peak. But in 1991, the Economic Reforms have changed the face of Indian job market. Industrialization, growth of public and private sector enterprises etc. boosted employment opportunities as well as better-paid jobs. Companies are mushrooming like never before. We are outsourcing products and services to international companies. Obviously, there is no lack of opportunity. On the other hand, there is no shortage of professional degree holders. The number of higher education institutes has gone up. India is the third largest higher education market in the world producing 37 lakh graduates every year. However, companies – national and international are afraid to give jobs to Indian graduates. This because sheer lack of job skills. Industry experts opine that even after pursuing 15-16 years of formal education our graduates are still not suitable for a job. They say, giving jobs to such people will destroy their hard earned brand name and reputation. It's not unemployment but unemployability.

This problem is universal not only in India. For example, evidence from the Leitch Review as well as subsequent research from the UK Commission for Employment and Skills (UKCES) has demonstrated that the UK has performed poorly in terms of basic and intermediate skills. Skills shortages, skill gaps and skills under-utilisation are cited as the main problems facing the system. However skill shortages only concern about 1 per cent of employees and skill gaps more than 10 per cent, skills under-utilisation concerns between 35 and 45 percent of the workforce.

According to Nasscom's report of the 37 lakh graduates coming out every year only 25 per cent of are employable in the IT-BPO sector. Especially when it comes to tech graduates only 35-40 per cent are readily employable. Further, while the industry is updating itself very fast with the global market requirements our education system is still lacking behind.

According to Prathibha Patil, the former President of India, our education system must be revolutionized and the institutions must be revamped to go to the next level of the education ladder to produce a generation of skilled, educated, trained, productive and employable youngsters. As India is blessed with great number of young population, our education system must make sure to fully equip this generation before they enter the work sphere.

Mohit Chandra, KPMG (one of the leading professional services companies in the world) partner, in his article entitled 'An Open Letter to India's Graduating Classes' published in *The New York Times* expressed his concern about the India's graduating class. In the beginning itself he said 'we regret to inform you (graduates) that you are spoiled. With a collective experience of hiring and developing people, he fins shortage of skills in graduates, which employers typically look for. Here goes those the list of these skills- Lack of English communication skills – both oral and written; Poor problem solving skills and inability to think out-of-the-box; Not interested to learn or invest in new tools, techniques, and new sector knowledge; Unprofessional and unethical behaviors – hopping job every year, using one company's offer letter to fish jobs in other companies for more salary, not willing to work for extended hours etc.

McKinsey Global Institute Survey (2007) reports that of the 3,60,000 engineering graduates India produce only 25 per cent are employable. Further of the 6,00,000 arts/science/commerce graduates only 10 per cent are employable. Also of the 5,000 candidates that register for Ph.Ds in science and engineering every year only 100 people will complete it successfully.

According to a 2009 survey jointly carried out by the World Bank and Federation of Indian Chambers of Commerce and Industry (FICCI), 64 per cent of surveyed employers are "somewhat", "not very", or "not at all" satisfied with the quality of engineering graduates and their job skills and only 36 per cent are satisfied with the employability of graduates.

The study made by Venetia Saunders and Katherine Zuzel (2010) has highlighted the importance of aligning employability with academic values by making explicit links between the curriculum and employability. In addition, it has identified challenges that need to be overcome if more students are to embrace the potential benefits of engaging fully with the skills profile, as part of their personal development planning. A strong correlation was found in their study between employer and sandwich student/graduate perceptions of the relative priorities amongst employability skills. Skills such as enthusiasm, dependability and team-working scored higher than subject knowledge skills, whilst commercial awareness, negotiation and networking were given lowest priority. Furthermore, the lowest ranked skills were those that sandwich students/graduates were assessed to be least proficient in. Overall skills of new graduate employees were rated less highly by their employers than by the graduates themselves.

According to National Employability Report (2011), which was prepared by employability assessment company Aspiring Minds, the employability of the engineering graduates in the IT product sector is merely 2.68 per cent due to lack of required skills. The employability in IT service companies is 17.45 per cent, while it is 36.57 per cent in the case of hardware networking. The employability in the business resource outsourcing is 40.69 per cent, while it is 9.22 per cent in knowledge resource outsourcing (Table – 1). This shows the poor employability skills of engineering students in India. Most of the engineering graduates lack soft skills that hamper their employability prospects. The National Employability Report by Aspiring Minds, an employability solutions company, revealed this, based on the computer adaptive test on 60,000 Indian graduates. The students were tested communication skills in English, computer knowledge, analytical, cognitive skills and basic accounting knowledge.

Table – 1: Employability of engineering graduates in different sectors in India

Sector	Percentage of employability
IT services	17.45
IT product	2.68
Knowledge process outsourcing	9.22
Hardware networking	36.57
Business process outsourcing	40.69

Source: National Employability Report 2011 prepared by Employability Assessment Company, Aspiring Minds

According to the report, women show similar or higher employability compared to men, despite them scoring lower than men on many parameters barring English or analytical skills. Predictably, arts stream had the highest proportion of women, followed by commerce. Science and accounts had the lowest. The one area where women could needed help seems to be computer programming skills. About 16 per cent and 14 per cent of the graduates were employable in sales and customer service or operations jobs, respectively. These require communication, cognitive skills and personality traits such as friendliness and agreeableness and in the latter numerical ability too. Over one third of the graduates (36 per cent) were suitable for employment in clerical/secretarial jobs, the sector showing highest employability for graduates, followed by IT-enabled services and BPO. These show 21.4 per cent employability as they require relatively low skills. However, when it comes to IT services and IT operations, only 13 per cent and 16 per cent respectively are employable. Just 2 per cent are employable in corporate communication or content development, for which the primary requirement is exceptional command over English and basic analytical skills. Only 3 per cent are employable as analysts and a mere 2 per cent in accounting. In teaching, the employability was just 15 per cent.

As per India Labour Report (2012), enrollment in higher education in India surged to 15.3 million up from 1 lakh in 1947. However, 58 per cent of India's graduates have some degree of unemployability and they lack formal on-the-job exposure.

The assessment by Wheebox, People's Strong in collaboration with Confederation of Indian Industry reveals that employers in 2014, will stress on skills rather the qualifications. Even as the country would produce over five million graduates next year, only 34 per cent of them would be employable as most of them lack necessary skills required for any role in the industry.

Conclusion

India's system of higher education suffers from several limitations. Firstly, the gross enrolment ratio in higher education is less than nine percent in India, compared to 15 percent in China and more than 20 percent in many developing countries such as Mexico, Malaysia, Thailand, Chile and Brazil. The problem in the education sector is further compounded the lack of proper teaching facilities and best-practices, especially in the rural areas. According to the Third International Mathematics and Science study, 9th and 11th grade students in India scored way below the international average. Some of the causes identified by education experts are a high teacher to pupil ratio, at 1:42 in some states and as high as 1:83 in others. There are also no standard teacher training processes in place, and accountability and benchmarking are almost absent. The outdated rote learning is also in practice, without sufficient conceptual understanding.

The Indian government has been taking steps to address the challenges of the education sector. The annual budget allocation for education has been increasing over the years. Here, it is worth to note that government of Andhra Pradesh has established Jawahar Knowledge Centres to hone up soft skills among the students in Andhra Pradesh. The uniqueness of this programme is that it is a "finishing school model" of six months duration that is completely free of cost. This program also provides high quality training in technical, aptitude and soft skills, 24/7 library, high-speed Internet and individual laptops primarily aimed at creating awareness in this specific class of the society through tribal empowerment programme.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make-In-India: Optimum Strategies for Sustainability of an Indian Economy in Congruent with the Amelioration of Efficiency of Manufacturing Sector.

Dr.K.Kanaka Raju, Assistant Professor, Department of Commerce and Management Studies, Andhra University Campus, Tadepalligudem, West Godavari –District.

Mr.V.Vijayanand, Lecturer in English & Research Scholar, Sri Y.N. College (A), Narsapur.

Abstract: Make in India" to attract investors and India to become a global manufacturing hub .The main objectives of this paper are to examine the statistics, strengths, reasons and investment opportunities of Make-in-India, trace out the role of agencies and foreign investors in promotion of Make-in-India along with the identification of impact of human resources on manufacturing sector along with the appropriate strategies to strengthen the Make-in-India. The data collected from the official website of Make-In-India. The study found that there was an immense strength to enhance the production of manufacturing sector through the Make-In-India. It is suggested that Optimising regulatory procedure, remove the rigidities to issue license, relax the registration process of newly incepted business, implement the unique company ID, remove the problems in supply of electricity, registration of property through an online in a single procedure and simplify the procedure of payment of taxes ,establish a fast track commercial courts and simplify the procedure for payment of taxes and strengthen the bankruptcy law. Finally it can be concluded that possible the impossible through the efficiency for manufacturing sector

Key Words: Make-In-India, Optimising Regulatory Procedure, Unique Company ID, Payment of Taxes and Fast Track Commercial Courts

Introduction

"Doing Business 2015" report in the World Banks, India ranks 142nd out of 182 economies and foreign companies do not feel free with the India's poor infrastructure, land purchase agreements, excessive regulation, frequent power cuts and rigid labour laws and the other reason was the mismatch between demand and supply of jobs and manpower. The third reason was India's manufacturing sector contributes only 15 per cent of GDP and it was lesser productive when compared to its competitors. The mission of "Invest India agency" is investment promotion and facilitation is the "back-end" of the initiative of "Make in India" which was established as a joint venture between the Department of Industrial Policy and promotion with the Ministry of Commerce and Industry (DIPP – 35 per cent Stake), 28 State Governments (0.5 per cent Stake each) and the Federation of Indian Chambers of Commerce and Industry (FICCI, 51 per cent Stake). Doing business in India today is much more difficult than elsewhere (Enrico D Ambrogio), but Prime Minister of India (Narendra Modi) launched the initiative of "Make in India" to attract investors and India to become a global manufacturing hub in 25th September

2014 and addressed a 500 domestic and international entrepreneurs in New Delhi in 25 priority sectors, with the logo shows a striding lion made of cogs with the campaign name across its body. The India can become a global leader in 25 sectors i.e., Chemicals, IT, Automobiles, Pharma, Textiles, Ports, Aviation, Leather, Tourism and Hospitality, Wellness and Railways etc., Each sector identified with the growth drivers, investment opportunities, Sector specific FDI, policies and agencies. The single point interaction for investors assists to obtain regulatory clearance for foreign investors. The government will identify the innovative and technological companies to transform them in to global champions and integrate in to global value chain. The investor facilitation cell to help the foreign investors' arrival to departure from India, this cell also identify the most significant companies in various sectors in identified countries. The prominent corporate, business chambers, state governments and foreign companies are part of this programme.

Objectives of the Study: The study carried with the following objectives

1. To identify the statistics, strengths, reasons and investment opportunities of Make-in-India
2. To know the role of agencies and foreign investors in promotion of Make-in-India.
3. To examine the impact of human resources on manufacturing sector.
4. To trace out the appropriate strategies to strengthen the Make-in-India.

Methodology of the Study : The data collected from the official website of Make-In-India.

S. No.	Name of the Industry	**Strengths**	Reasons to Invest	Statistics
1	Construction	1,000 billion US $ investments in 12^{th} plan (2012-17), 650 billion investments for urban infrastructure in next 20 years	Modernization of the construction industry, Ease of access to funding for the sector, sustained demand for industrial and real estate sector.	2^{nd} largest employer.2^{nd} highest inflow of FDI.Valued at US $ 126 billion.
2	Defence Manufacturing	3^{rd} largest armed forces in the world, 250 billion ` to be invested in 7-8 years	Bolster exports in the long-term, Introduced in the Capital Purchase agreements .Developing Capabilities for exports in the defence sector. High government allocation.	40 percent of total defence spent on capital acquisitions, 60 percent cent of requirements through imports.
3	Electrical Machinery	US $ 9.4 billion of exports in 2013-14. Export growth rate 14.8 percent for last 8 years	Power for all, 88.5 GW of capacity by 2017 and GW 93 by 2022, capacity addition in power generation. Scope of direct exports.	By 2022 estimated output is US $ 100 billion, 24 billion US $ worth in 2012-13.
4	Electrical System	3^{rd} Largest pool of scientists in the world, 29 US $ billion consumer electronics market by 2020. 94.2 b US $ projected by 2015. Growth rate 9.88 percent by 2011-15.	94.2 billion US $ by 2015.Adequately developed electronic Manufacturing Services (EMS) industry, NKN, NOFN. 3^{rd} largest. Availability of skilled manpower of semiconductor design and embedded software.	68.31 billion $ in 2012, 94.2 billion US $ by 2015, with a CAGR of 9.88 percent
5	IT industry	118 billion US $ by 2014. 600 offshore development centres for 78 countries. 225 billion US $ by 2020.	8 percent of GDP. 7 percent of global market by exports. More utilization of testing services of India. Fostered several IT centres.	Revenue by 2014, 118 billion US $. Largest private sector employer. 3.1 million jobs, 38 percent of India's service exports, 600 offshore development centres (ODC) of 78 countries.
6	Leather Industry	11 billion US $ industry. 66 US $ exports in 2013-14. 10 percent of world's leather production. 24 percent growth for next 5 years. 55 percent of work force below 35.	Huge domestic market, Great Potential for exports. Domestic market is expected to double in the next 5 years. Comparative advantages in cost of production and labour costs.	21 percent of world's cattle and buffalo. 11 percent of goat and sheep population. 2 billion sq. feet of leather.
7	Film Industry	220 billion US $ by 2018. 918 billion ` in 2013. $3^{rd}$ largest TV market in the world. 40 million ` animation industry. 800 TV channels	1785.8 billion ` by 2018, with projected growth in 16 percent. Third largest TV market after China and USA	161 million television households. 94067 News Papers, 214 million internet users. Digital advertising 27.7 percent by 2018.
8	Mining	302 billion tons of coal. 3108 operational mines. 6^{th} largest bauxite reserves. 5^{th} Largest iron ore reserves.	Longer duration of 20 to 30 years .Demand grow substantially over the next 15 years. Convenient exports.	Produce 88 minerals. 4 Fuel related minerals. 10 metallic minerals. 50 non-metallic minerals. Second largest producer of steal by 2015
9	Oil and Gas Industry	Ranks amongst India's six core industries. Fourth largest consumer. 70 billion US $ across the oil and gas value chain by 2012-17	New Exploration Licensing Policy. Increase three fold in demand of Primary energy by 2035.Domestic companies.	4^{th} largest consumer of crude oil and petroleum products. Investment US $70 billion during 2012.Crude oil pipe line capacity129.4 MMTPA.
10	Pharma Ceuticals	3^{rd} largest by 2020. 20 percent global exports in generics, 45 billion US $ revenue by 2020. 26.16 billion US $ generics by 2016. 200 billion US $ on infrastructure by 2024.	India will become a top three by 2020. 6^{th} largest market (size). Cost of production is less than that of USA. Skilled work force	24 percent by value and 10 percent by volume reached to 45 billion US $ during 2012-20. Health sector is increased by 2020. Generic market expected to grow to 26.1 US $ billion by 2016.
11	Ports	87 new projects. 73 public private partnerships. 60 non-major ports. 800 million metric tones. 12 major ports. 430 billion ` invested between 2010-14.	Increase in cargo handling capacity. 28 PPP terminals. Increase in capacity of 558 MMTPA. 2289 MMT by 2017. Cargo traffic 943 MMT by 2017. Approximation of SEZs to Ports.	7,500 km coastal line. 12 major, 60 operational non-major ports. 90 percent trade by volume. 70 percent by value through maritime transport.

S. No.	Name of the Industry	**Growth Drivers**	FDI Policy	Financial Support
1	Construction	Shortage of Housing, New Smart cities. Holster infrastructure Quality Urban Services.	100 per cent FDI through the automatic route ,100 per cent FDI is allowed under the automatic route for 'Industrial Park'	Provisions in the Union Budget, 2014-15, 'One Hundred Smart Cities' with INR 70.6 million, ‚State incentives, Incentives for developing SEZ/ EMCs/ Other sectoral clusters.
2	Defence Manufacturing	Large number of parts/ components, castings / forgings etc have been excluded from the purview of industrial licensing. Preference to buy (Indian) and Buy and Make (Indian) overby (Global). Promote R&D in the industry with support from the government	Upto 49 percent is allowed under the government route above percentage required permission by the cabinet committee on security. Upto 24 percent allowed under automatic route through foreign portfolio investors / FIIs. 51 percent of equity provision removed, Defence Procurement Procedure (DPP) Policy, offset policy, Establishing joint ventures.	` 1 billion for technology development fund. ` 22.5 billion to strengthen and modernize border infrastructure, exemption from Basic Custom Duty (BCD). Countervailing Duty (CVD) on imported goods.
3	Electrical Machinery	Infrastructure, Power, Mining, Oil and Gas, refinery, Steal, Automobile and Consumer durables, Nuclear Capacity expansion	100 percent is allowed through automatic route. De licensed Customs Duty only 5 percent. Accelerated Power Development Reform Programme, National Electricity Policy, set up of Electrical Equipment Skill Development Council (EESDC). Equipment Industry clusters product testing infrastructure	Tax incentives, Weighted tax deduction of 200 percent. Under Sec. 35 (2AA) and Sec. 35 (2AB) of IT Act. Special incentive packages for mega projects. Export incentives. Area based incentives.
4	Electrical System	Local demand. Possibility to substitute imports by 65 percent. Modified special incentive package scheme (MSIPS). Electronics Manufacturing Cluster Scheme (EMC). Generate local IP	100 percent is allowed under the automatic route. 49 percent is allowed for defense electronic items. Cabinet committee on security approval is required for more than 49 percent FDI. National telecom policy and National Manufacturing Policy.	Customs duty reduced from 10 percent to Zero on LCD, LED panels, Education cess, investment linked tax incentive, electronic manufacturing, clusters, export incentives, area based incentives and state incentives.
5	IT industry	Nonlinear growth due to platforms, products and automation. Demand from US and Europe. Increased ICT adoption. SMAC (Social Mobility Analytics Cloud). Market is expected to grow US $ 225 billion by 2020. National Optical Fiber Network (NOFN). Connect 25,000 Gram Panchayats	100 percent is allowed under the automatic route in data processing. Software development. National Policy on information technology 2012. Aims to increase to US $ 300 billion by 2020. Exports by 200 billion US $ by 2020. Global Hub and Destination for IT and BPM services by 2020. STPI (Software Technology Parks of India). Special Economic Zones Policy (SEZ). National e-Governance plan. National Cyber Security Policy 2013.	5 billion ` for Pan India programme. Digital India. National Rural Internet and technology mission. E-Kranti, Export incentives, area based incentives, State incentives.
6	Leather Industry	Ready availability of leather. Development and Environment Management. Favourable investment climate. Youngest and productive workforce. Monetary reward scheme for skill development. Indian leather development programme (ILDP). FDDI(Footware Design and Development Institute) Established premium training institute.	100 percent is allowed through automatic route. Capacity modernization and technological upgradation. Escise duty reduced from 12 percent to 6 percent. Zero Liquid Discharge (ZLD). Upgradation of common Effluent Treatment Plants (LETPS) .Solid waste management. Single Window Clearance System.	Delicensed, IDLS, Sub Scheme of ILDP, MLC, Mega Leather Clusters, 500 milion for Upgradation Installation of Common Effluent Treatment Plants (CETPs).
			waste management. Single Window Clearance System.	
7	Film Industry	Growth in Television and AGV (Animation gaming and VFX). Penetration of TV reach to 72 percent by 2017. DTH and tariff relaxation.	Broad casting carriage Services – 74 percent. Cable Network upto 49 percent through automatic route. FM radio (News and current affairs are allowed upto 26 percent through government route. TV Channels allowed 100 percent. 100 percent is allowed for publishing. Italy, Brazil and UK and Germany increase the export potential.	1000 million ` for growth of community radio stations. 500 million ` for Pan-India programme named Digital India and a National Rural Internet. 100 million ` to promote good governance and state incentives.
8	Mining	Further generate demand for power and steel in the country. Double digit growth in manganese, lead, copper, alumina, sustained growth, infrastructure projects and strong growth expectations.	100 percent is allowed under automatic route. National Mineral Policy, 2008.	Basic Customs duty reduced from 5 percent to 2.5 percent. Battery waste from 10% to 5%. Coal tar pitch 10% to 5%. Steel grade lime stone and dolomite is 5% to 2.5%. Fiscal incentives, State incentives.
9	Oil and Gas Industry	Half of global energy demand growth through 2040. 800 MMT of proven oil reserves, Natural Gas pipeline network to 15,430 kms. Storage of 5.03 MMT at VSP, Mangalore and Padur. Increase the Country's refining capacity to 307.366 MMTPA. Production sharing mechanism.	100 percent is permitted under automatic route. 40 percent is permitted under automatic route in petroleum refining. Integrated energy policy 2006. Auto Fuel Policy 2003. National Bio-fuel Policy 2009.	Exploration and drilling costs are 100 percent .Tax deductable. State incentives, Focus Market Scheme, Area based incentives, SEZs, NIMZs (National Investment and Manufacturing Zones)
10	Pharma Ceuticals	OTC drug market rise to US $ 6.6 billion by 2016. Make share of hospitals increased from 13.1% in 2009 to 26% in 2020. 200 US $ billion on medical infrastructure. Rise level of education.	100 percent is allowed for Green field projects. National Pharmaceutical Pricing Policy 2012 (NPPP-2012). NLEM-2011, National list of essential medicines-2011. A drug price control order 2013.	Control programmes funded by the Global Fund to Fight (AIDS, TB and Malaria, GFATM), Investment allowance, Export incentives, area based incentives, units in clusters, state incentives and R&D benefits.
11	Ports	Private participation. Increase no. of non-major ports. Development of terminals.	100 percent is allowed, Maritime Agenda 2010-20. Full Mechanization. Ennore Port Companies Act, 2013. Major Ports Act, 1963.	116.35 billion ` for outer Harbour Project, Jal Marg Vikas for 42 billion ` for 6 years. Exemption Section 80IA under the Income Tax Act for infrastructure development.

S. No.	Name of the Industry	**Investment Opportunities**	Foreign Investors	Agencies
1	Construction	Green Building Solutions Smart Cities Urban Water Supply Urban Sewerage Sewage Treatment Environmental friendly building material.	Hines (USA),Veolia(France),Ascendas (Singapore),Aqualyng AS ,Norway),Tishman Speyer (USA),Emaar Properties (UAE),The Trump Organization (USA),Alstom (France),Hydro-Comp Enterprises (Cyprus)GIZ (Germany)	The Ministry of Urban Development.The JNURRM, The Confederation of Real Estate Developers Associations of India.The Builders Association of India.Construction Industry Development Council.
2	Defence Manufacturing	Defence products Manufacturing, Supply Chain Sourcing Opportunity and Defence Offsets.	BAE India Systems (UK), Pilatus (Switzerland), Lockhead Martin (USA), Boeing India (USA), Raytheon (USA), MBDA (France), IAI (Israel), Rafael (Israel)	Ministry of Defence, Govt. of India, Department of Defence production, Ministry of Defence, Dept. of Industrial Policy and Promotion Ministry of Commerce Industry, Defence and Strategic Industries Association of India.
3	Electrical Machinery	Generation of Mechinery Biolers, turbines, Generators – Projected to grow by 25-30 billion by 2022. Transmission and Development (T&D) is expected to grow to US $ 70-75 billion from US $ 17.3 billion in 2012-13.	MHI (Japan), Hitachi (Japan), Babcock (UK), Alstom (France), Toshiba (Japan), Ansaldo (Italy), Colfax Corporation (USA), Schneider Electric (France), Legrand (France) and GE (USA)	The Department of Heavy industries, Industry Associations, Indian Electrical and Electronics Manufacturers Association, Engineering Export Promotion Council
4	Electrical System	Setting up of electronic manufacturing clusters, Semiconductor wafer fabrication (FAB), electronic components, semiconductor design, Electronics Manufacturing Services (EMS), Telecom products and Industrial / Consumer Electronics	Samsung (South Korea), IBM (USA), LG (South Korea), Tower Semi Conductor Limited (Israel), Dell (USA), GE (USA), Jabil (USA), Motorola (USA), Lenovo (China), Flextronics (USA), Nokia (Finland), Lite-on (Taiwan), Fox Conn (Taiwan), Bosch (Germany), Applied Materials (USA)	The Department of Electronics & Information Technology, Ministry of Communications & Information Technology, Govt. of India.
5	IT industry	Setting of IT services, BPM, Software Product Companies, shared service centres, Business process as a Service (BPaaS), Cloud-based services, IS outsourcing, IT consulting, Software testing, Tele command Semi conductors	Accenture (Ireland), Cugnizant (USA), HP (USA), Capgemini (France), IBM (USA), Atos (France), Microsoft (USA), CDNS (USA), Intel (USA), Dell international (USA), Agilent Technologies (USA), Mentor Graphics (USA), Oracle Corporation (USA), Qualcomm (USA), Steria (France), Ricoh (Japan), SAP (Germany), TIBCO (USA), Phillips (Netherlands)	Department of Electronics & IT, Ministry of Communications & Information Technology, Govt. of India, National Association of Software and Services Companies, Indian Software Product Industry .Round Table, Data Security Council of India.
6	Leather Industry	Special focus sector for growth and employment generation, possibility to create new production centres	Apache Group (Taiwan), Feng Tay Shoes (Taiwan), Itares (Italy)	Foot wear Design and Development Agency (FDDI), Council for Leather Exports (CLE), Central Leather Research Institute (CLRI)
7	Film Industry	125 billion ` in 2012 increased to 253 billion ` by 2018, teleport hub of Asia, 3D films, Joint Productions, Co-production agreements, single window system for shooting permissions. Growth in International animation Films	Walt Disney (USA), NBC Universal (USA), Ogilvy and Mather (USA), Blackstone (USA), Inter public Group (UK), Bloomberg (USA), News Corp (USA), Sony (Japan), Leo Burnett (USA), BBC (UK)	Ministry of Information and Broadcasting, Govt. of India. Indian motion picture producers Association, Film and Television Producers Guild of India, News Paper Association of India, Indian Music Industry.
8	Mining	Iron Steel, Coal, Aluminium, Base Metals, Precious Metals and Minerals	BHP Billion (Australia), Rio Tinto (Australia), Vedanta Resources (UK), Indian Resources Limited (Australia), JFE Steel Corporation (Japan), Australian Indian Resources (Australia), China Steel Corporation (Taiwan), NSL Consolidated (Australia), Kolar Gold (Guernsey)	The Ministry of Mines, Govt. of India, Federation of India Mineral Industries, The Geological Survey of India, The Indian Bureau of Mines, The Aluminium Association of India.
9	Oil and Gas Industry	Shale, Coal Gasification, and services and equipment companies, pipeline transportations, partnership in upstream sector	British Petroleum (UK), Cairn Energy (India), Shell (UK), BG Group (Scotland), Niko Resources (Canda)	Ministry of Petroleum and Natural Gas, Oil Industry Development Board, Petroleum Conservation Research Association, Directorate General of Hydro Carbons, Petroleum Planning and Analysis Cell
10	Pharma Ceuticals	7.2% increase in market share by 2016. DMF = Drug Master Filings, CRAMS – Contract Research and Manufacturing Service Industry. Double digit growth in next 5 years.	Teva Pharma Ceuticals (Israel), Nipro Corporation (Japan), Procter and Camble (USA), Pfizer (USA), Glaxo Smith Kline (UK), Johnson & Johnson (USA), Suke Pharmaceuticals (Japan)	Department of Pharmaceuticals, India Drug Manufacturers Association, Federation of Pharma Entrepreneurs, Confederation of Indian Pharmaceutical Industry.
11	Ports	Port Development, Port Support Services, Ship repair facilities	AP Moller Maersk (Denmark), PSA Singapore (Singapore), Dubai Ports World (UAE), Jon Del Nul NV (Belgium), Royal Boskalis (West Minister)	Directorate General of Shipping, Indian Ports Association (IPA), Inland Waterways Authority of India (IWAI), Directorate General of Lighthouses and Light Ships (DGLL)

Influence of Human Resources for Amelioration of Efficiency of the Manufacturing Sector : Walt Disney, You can create, design and build the most wonder place in the world but it requires people to make that dream a reality. In this context role of human resources places an important role in manufacturing sector in the form of Make-in-India. It is an immense need of industrial strategies to make in India a manufacturing hub. It is required for financial service providers and advisors, who should take necessary steps in clearance of project, adopt the better management system to supervise, monitor and enhance the skill set of its work force.

Strategies for Improvement:

Optimising regulatory procedure, remove the rigidities to issue license,Relax the registration process of newly incepted business, implement the unique company ID, remove the problems in supply of electricity, registration of property through an online in a single procedure and simplify the procedure of payment of taxes ,establish a fast track commercial courts and simplify the procedure for payment of taxes and strengthen the bankruptcy law.

Conclusion: ,it can be concluded that India occupies the significant rank in world economies and it moves from the existing rank to the best rank. This make in India definitely successful in terms of increases in productivity, purchasing power of people, Gross National Product, Gross Domestic Product and specifically useful for development in manufacturing sector and create a numerous employment opportunities. This is a road to ahead the economy to reach to the developed economy from developing economy finally, inferred that possible the impossible through the efficiency for manufacturing sector

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Role of human resources in "make in India"

S.Venugopal, Lecturer in Economics, Govt Degree College, Ravulapalem, E.G.Dist

R.J.L.P.Priyanka, III BA, Govt Degree College, Ravulapalem, E.G.Dist, AP

Abstract:

Many strategies and programmes have been formulated and executed from time to time to achieve economic development ever since the country has attained independence and wedded to planned economic development. 'Make in India' is one of such programmes. It is an initiative launched by the Government of India to encourage multinational as well as national companies to manufacture their products in India. When more global and local players invest in a country, it will boost the trade and economic growth, develop its infrastructure and generate more employment opportunities for its citizens. The main motive of this programme is to create higher investment and activity in the manufacturing sector, so as to create job opportunities for the ever increasing workforce in our country. In order to make India a manufacturing hub, its human resource will play a major role. The main objective of this paper is to highlight the importance of the human resources in making the "Make in India" campaign, a success. The success of this campaign would depend upon potential, availability and skills set of its work force.

Keywords: Government of India, Make in India, Manufacturing sector, Job opportunities, Human resources.

Introduction:

Many strategies and programmes have been formulated and executed from time to time to achieve economic development ever since the country has attained independence and wedded to planned economic development, the primary objective being improvement of physical well being and quality of life of people in India. On 25th September, 2014 the government of India have launched its flagship 'Make in India'. The main agenda of this programme is to reduce procedural delays in manufacturing projects, develop sufficient infrastructure and make India, investment and business friendly. The government is widely being perceived and business and investor friendly and its focus on ease of doing business, securing investment and protection of Intellectual Property Rights under the Make in India campaign. Thus encouraging global investors to make India an industrial hub, is the prime feature of Make in India. The 'Make in India' programme focuses on 25 sectors of the economy. They are automobiles, automobile components, aviation, biotechnology, chemicals, construction, defence manufacturing, electrical machinery, electronic systems, food processing, Information Technology and business process management, leather, media and entertainment, mining, oil and gas, pharmaceuticals, ports and shipping, railways, renewable energy, roads and highways, space and astronomy, textiles and garments, thermal power, tourism and hospitality and wellness. The programme lays emphasis on the above sectors with special focus on job creation, skill enhancement, and economic, technical as well as overall development. The main motive of this program is to create higher investment and activity in the manufacturing sector so as to create job opportunities for the ever increasing workforce in our country. On the other hand it will become the engine of growth for the Indian economy. The Government, according to 'Make in India' website, intends to increase the growth rate in the sector to 12-14 % in the medium term in order to push the share of manufacturing to about 25% of Gross Domestic Product(GDP) by 2022 from the present level of 16%.

In order to 'Make in India', a manufacturing hub, its human resources will play a major role. An effectively motivated and competitive human resource determines the survival of a company. The main objective of this paper is to highlight the importance of the human resources in making the "Make in India" campaign, a success. The success of this campaign would depend upon potential, availability and skills set of its work force.

Human resources and make ın ındıa:

In ordinary sense, Human Resources refer to the population of the country, but in economics the healthy, educated and skilled man power is known as Human Resources. So human resource is the process of improving quality and efficiency of the people. According to the Planning Commission of India, "Human resource is the knowledge, skill, efficiency and physical & mental capacity to do work inherent in the people of the country". A country is what its people are, and therefore definitely the success of a project depends on how the people involved in it, to set the goals and make efforts to achieve it. In fact one of the most crucial aspects of a project management is its man power management.

Human resources play an important role in the development of manufacturing industry. Only the existence of physical capital cannot do anything for the development of manufacturing industry. They should be properly utilised. To operate machinery and equipment and to run factories, it is impossible without involvement of human resources. Human resources of a country help to increase in the production of different goods and services. The skilled human resources of a country can produce high quality of goods.

India has the potential to provide a workforce of 4 to 5 crores to the world, if capabilities of the country men are properly and dynamically trained in skills. The world and technology is changing fast and thus, we need to have a futuristic vision and prepare plans accordingly. There are certain developed countries which have wealth but have shortage of human resources. In near future, India will be the only country that can cater to the needs of world manufacturing sector. India has a population of over 121 crores of which about 65% are in productive age group. This population in quite young and thus we are a country of one of the largest young working population in the world. While launching 'Skill India Mission' our Prime Minister said "India should emerge as the human resources capital of the world". Skill India Mission aimed at promoting entrepreneurship and equipping 500 million Indians with skills by 2022. That will enable them to find jobs.

Our Prime Minister is of the opinion that the world needs skilled people, and there is a huge job market in India. What we need is to map and train our youth accordingly. Therefore, human resources needs to be trained and developed and kept up to the mark with technological advancement in the international environment. When more global and local players invest in a country, it will boost the trade and economic growth, develop its infrastructure and generate more employment opportunities for its citizen. The success of the 'Make in India' Campaign would depend upon the potential, availability and skill set of its work force.

Conclusion: The success of the 'Make in India' programme will depend on how the people involved in it. The most crucial aspect of this programme is human resources management. The main motive of 'Make in India' is to make Indian manufacturing on an exponential growth trajectory. It has been launched with the hope of increasing G.D.P growth and tax revenue in India. The project also expects to attract capital investment and technological advancement. Therefore people would have to be trained to increase their employability so that it can lead the economic growth. Human resource management would be to make sure that the project has sufficient human resource with appropriate skill sets and experiences for the project to be successfully completed. 'Make in India' project would require general as well as specialized human resources with competencies, skills and experience to play different crucial roles. Continuous investment in up-gradation of their skills, knowledge and competencies are essential for any organization. A motivated up to date human work force will help an organization to achieve its goals. It is essential to tap, exploit and enhance the immense talent and potential of work force available in India.

Employees' performance needs to be enriched by developing, training and development programmes. Human resources is the most valuable asset of an organization and it needs to be monitored regularly and injected with performance development programmes, programmes that increase job satisfaction of the employees, employees welfare programmes etc. The human resource performance should be appraised with the use of various performance appraisal models. The human resource management policies, practices and system should influence employee's behaviour, attitude and performance. Human Resource Management practices should include design of work, planning, recruiting, selection, training etc. Letus hope the 'Make in India' will gradually become 'Made in India'.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make In India - Acceleration of Growth

Dr. Mrs. I. Annapurna,
Associate Prof. PG. Dept. of Economics,
Ch. S. D. St. Theresa's College for Women, Eluru.

Abstract:
'Make in India' initiative was launched globally in September 2014 as a part of India's renewed focus on Manufacturing. The objective of the Initiative is to promote our Nation as the most preferred global manufacturing destination. Since the launch of this landmark initiative, the Government of India has taken several reform initiatives to create an enabling environment for providing an impetus to manufacturing, design, innovation and start-ups. India has emerged as the fastest growing economy globally. India's rate of growth of 7.5% is accelerating and it remains an oasis of growth in the midst of a subdued economic landscape across the world. The Prime Minister has given impetus to growth with several innovative initiatives such as "Make in India", "Digital India", "100 Smart Cities" and "Skill India". ***Make in India Center*** be the platform for technocrats and younger generation in exhibiting innovative products and manufacturing processes developed in India along with a vision to leverage design, innovation and technology in the backdrop of global manufacturing.
Key words: Technological resources, Plundered, Self Reliant and Self Sustain Indian Products, Accelerated Growth, Technocrats, Make in India.

Introduction

India has more than 80 crores upcoming youth and children. Their needs will grow abnormally day to day, because these children becomes youth and youth will become elders. The quantity and quality of life are to be compared as quickly as possible. This truth is acknowledged by the present Prime Minister of India in order to overcome the coming future needs of the population of our nation Prime Minister Narendra Modi designed a programme called "***Make in India***". So that the total tomorrows youth of this nation will get employment and improve their standard of life. For this purpose he visited all the Nations in the World many times convinced all the administrators of all the Nations. Also he met, discussed and explained all the Industrialists of Technologically Advanced Nations regarding the advantages in attaining production benefits and profits to their Industries by installing their production and manufacturing units in India. Almost he can able to convinced successfully many of them to come to India start their manufacturing units. In this connection Prime Minister also able to attract all the Indiana Business people, Industrialists, and Capitalists living around the World and outside India.

He opened almost all the areas to the maximum possible extent to invite Investments on all the productive areas of development and accelerating growth of the economy. The curbs on the Foreign Investments in the past are minimized. The basic idea of the leader is to improve the quality of life and employment capabilities of younger generation of this country at par with many advanced nations. For this target he is working since all these three years day and night. To achieve this purpose he wants to improve the transportation and look of the nation in the form of ***"Swatch Bharat".***

Within these three years he successfully improved the position of electricity from 40% - 50% power cut to almost Zero power cut. This is almost a miracle since more than 70 years this nation is suffering from electricity deficiency.

Centralized Planning of Energy Systems:

There are a number of forms of Energy on and around earth, but today our nation is confined to electrical energy, fossil fuels i.e. petroleum etc, fire wood, garbage waste, and foliage waste Of all the above energy sources our Prime Minister considered the Solar Energy as the prime source of electrical energy. Conservation means according to present Government we have to plan and implement the energy sector both in terms of production, transportation and consumption. In terms of Global scenario in majority countries both electricity, and petroleum industry left to the "whip and will" of private multinational companies. Naturally the private companies' motive is profits and luxury. They don't care the difficulties of the consumers and play all selfish tricks in planning, production and marketing of these products. When we discuss product by product we can evaluate the pros and cons exhibited by the proprietary institutions of energy. Let us first discuss about Global petroleum scenario.

Petroleum – Global Scenario:

The major petroleum wealth is deposited in and around Persian Gulf, Arabian Desert, Venezuela, Mexico, Parts of US, Alaska, British North Sea, Russian Siberia, In and around Black Sea, Georgia, Indonesia etc. Places in India it is in Thar Desert (Rajasthan), Assam, Bombay high, Cauvery, Krishna-Godavari, Mahanadi River basins, both off coast and on coast. Since 1963-64 the first Israel & Palestine war when petroleum price rose from 4½ dollars a barrel to 12 dollars at a time, this product attracted the brains of all the Economists & Administrators on the earth about its reserves available on the Globe and its production, marketing and pricing etc.

Always its estimates were shown that the total reserves will extinct at the present rate use, of course this time scale is extended from time to time, sometimes it seems that it is a strategy by the Multinational companies to en-cash the needs and fears of consumers by threatening them. Though anything is not unlimited everything should be i.e every useful resource should be utilized conservatively.

Natural Energy Resources:

The only energy unlimited is Sun light, Wind energy and Ocean currents. As long as the sun shines in the sky these type of energies will stay forever and unlimited. The only thing man has to do is to invent viable techniques of harnessing these energies. But, at present the rate of efficiency available is not efficient and enough to the ratio of investments and profits.

Energy Sources:

At present the gadgets which consume petroleum products are not up to the mark. Day to day the researchers are improving the designs as more and more fuel efficient. Next the most important form of energy is electricity. This resource is not available directly in the nature as it is. It is a form of an energy invented to transmit to any place and to use in many types of gadgets conveniently. It is a transformed form of energy from sun light, wind energy and all other natural mechanical resources, all varieties of fuels, the petroleum, coal, wood, foliage and garbage.

Agricultural & Natural Resources:

Our agricultural system can produce millions of tones of dry and waste pruned leaves and bio-mass which can be used to produce electricity of millions of kilo- watts. Ex: Coconut and Oil palm leaves. While planning the energy needs and production the whole country has to be taken as a single unit. The main principle should be to produce highest energy with highest efficiency with available resources. Agricultural produce must also be planned in the same way with respect to water use and green production. Industry may be concentrated where wetting of lands are not possible with river water, But the governments are not pro-active for production sectors rather than consumers sectors. The subsidies which were given to consumers sectors, if given to production sectors there will be no scarcity of energy or goods and the price rise and inflation can control itself.

It is a known fact and identified by all the economic experts that the vehicle usage and purchase are becoming quite extravagant in our nation. To be very specific it is by middle class and working class. Instead of using individual vehicles if the middle class and working class uses a mass transport system we can conserve lots of petroleum products i.e more than 50% even. The electrical gadgets like fans and AC's in winter season, electrical lights in the naturally illuminated rooms becoming a fashion day by day became a mass mania , the use of micro wave ovens, induction stoves,24 hours running water heating systems can be avoided to a greater extent.

Unfortunately in the past 15years the then Governments has left deaf ears for such problems. They are simply interested in the sales of these goods. And there are a lot number of vagaries in the electrical production contracts with private companies.

For higher cost of production –

a) The Government electric companies,

b) The Government turbine manufacturing companies

Which are literally discouraged to increase their production capacities and abilities? If the political will run in positive direction the electricity scarcity can easily be surpassed for the time being. For this there is real need of cooperation between people and leaders without selfish motives.

The rain water passes from high altitudes into oceans there is a lot of height difference, this high altitude water itself has got lot of static energy which can be converted into Kinetic energy and which can be converted into electricity, if utilized under a centrally powered in single governing body for the whole nation. The hydroe lectric projects and irrigation projects can be streamlined and constructed to give highest efficiency for every drop of water available at higher altitudes i.e the water and electricity systems must be brought under Centralized administration throughout the country and state powers must be scissor out for these products. Prime Minister is preparing the Nation with all amenities right from Education, Labour Policies, Health Care, Infrastructure - Road ways, Rail ways, Air ways and finally New Transportation Policy on water, Special Air force for Air Cargo Transportation. The places already selected throughout India and planning to materialize this project within a year.

The Make in India initiative aims to make India an integral part of the global supply chain. It is about making Indian companies excel in a globalized workspace. India has vigorously opened up its economy – Defence, Railways, Construction, Insurance, Pension Funds, Medical Devices have all been rapidly opened up for Foreign Direct Investment. India today is one of the most open economies of the world. In order to achieve this, the Government of India has taken up a series of measures to radically improve Ease of Doing Business. Its objective – make the regulatory environment easy and simple for business to flourish. It has effectively used technology to converge and integrate departments. 14 services are integrated with e-Biz portal which will function as a single window portal for obtaining clearances from various government agencies.

Make in India focuses on the following twenty-five sectors of the economy:

- Automobiles
- Automobile Components
- Aviation
- Biotechnology
- Chemicals
- Construction
- Defence manufacturing
- Electrical Machinery
- Electronic systems
- Food Processing
- Information Technology and Business Process Management
- Leather
- Media and Entertainment
- Mining
- Oil and Gas
- Pharmaceuticals
- Ports and Shipping
- Railways
- Renewable Energy
- Roads and Highways
- Space and astronomy
- Textiles and Garments
- Thermal Power
- Tourism and Hospitality
- Wellness

As per the new Govt. Policy 100% FDI is permitted in all the above sectors, except for space (74%), defence (49%) and news media (26%).[18][19]

Make in India has already created a strong impact in form of improved business environment and economic growth, as follows:

- India is now 1st amongst the world's most attractive investment destinations
- 1st amongst world's fastest growing economies
- 1st among 100 countries on the growth, innovation, and leadership index
- 1st amongst 110 investment destinations polled globally

- 7th most valued national brand in the world
- India's rank jumped 12 positions in Ease of Doing Business 2016 list by World Bank
- India moved 16 places in the Global Competitiveness Index 2015-16

Demonetisation is also one of the policies provided to make India perfect in Finance and Economics before the upcoming Industrialization.

Conclusion:

In the past the then Indian governments has utilized trade policy as a tool to address short-term objectives such as limiting inflation or minimizing the volatility in commodity prices. Such incoherent policies included export taxes, minimum export prices, and ad hoc adjustments to import duties. Such policies increase uncertainty for both exporters and importers. The present Government felt major trade reforms are needed to provide a long-term gains to Indian manufacturing exports. When the **Make in India** campaign was revealed to Corporate, Diplomats and Ministers, Prime Minister Narendra Modi expected his government's policies to gain momentum in manufacturing substantially to create 100 million jobs and increase its contribution to the national output. The present Government has also focused on domestic companies to encourage innovation and entrepreneurship. To make its multiple initiatives real, attractive and workable, it has introduced tax incentives in this Budget.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India: prospects and challenges

Dr. S. Sai Durga Prasad, HOD, Botany, KGRL College, Bhimavaram, West Godavari, Andhra Pradesh, India

Dr. J. S. Prabhakara Rao, HOD, Economics, KGRL College, Bhimavaram, West Godavari, Andhra Pradesh, India

S.Radha Ramana, HOD, Dept. of Telugu, KGRL College, Bhimavaram, West Godavari, Andhra Pradesh, India

Abstract
The Indian manufacturing sector is the classic example of an industry that has great potential. The objective of the economy of our country is to ensure the manufacturing sector which contributes around 16% of country's GDP is increased to 25% in next 5 years. To transform India into a global manufacturing hub, Make in India Campaign was launched which is an international marketing strategy, conceptualized by the Prime Minister of India, Narendra Modi on 25 September 2014 to attract investments from businesses around the world and make India the manufacturing Hub. The aim is to take a share of manufacturing in country's gross domestic product from stagnant 16% currently to 25% by 2022, as stated in national manufacturing policy, and to create 100 million jobs by 2022. Three sectors which contribute to GDP of any country are agriculture, manufacturing and services. According to the current contributions of these sectors to Indian economy manufacturing occupies 16% which is lowest. There are lots of opportunities to be tapped as far as Indian manufacturing sector is concerned. The present study attempts to analyze the recent investment trends in the Make in India campaign, its role in economic development and employment generation of the country. The study also attempts to analyze the challenges faced in the successful implementation of the programme.
Keywords: manufacturing, economy, GDP, strategy

Introduction

India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Make in India is the Indian government's effort to Harness this demand and boost the Indian economy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India. The new government initiating a new ways for free flows of capital. Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings.

Themes of Make in India

- India as a base for cost effective manufacturing.
- Competitiveness in manufacturing and services.
- Marketing growth and strategies.
- Start up India.
- Entrepreneurship and Innovation.
- Digitalization of India.
- Corporate Social Responsibility.
- Issues in New Venture Creation and Venture capital.
- Skill Development.
- Policy Reforms.
- International trade and Economic growth.
- Economic Development Vs Sustainable Development.
- Universal banking and Financial Inclusion.
- Indian Banking - Growth Prospective.
- Competitiveness in manufacturing and services.

Key sectors allowed making in India

Automobiles	Automobile components	Aviation
Biotechnology	Chemicals	Construction
Pharmaceutical wellness	Electrical	Railways
Food processing	IT and BPM	Leather
Media and Entertainment	Mining	Oil and Gas
Defense manufacturing	Machinery	Electronic systems
Renewable energy	Roads and highways	Space
Textiles and Garmetns	Thermal power	Tourism and Hospitality
Pharmaceuticals wellness	Ports	

Employment Prospects through Make in India campaign

The manufacturing GDP has increased at the rate of 7.3 percent over the last ten years. The employment in Indian manufacturing has increased by less than three percent over the same period. Assuming a consistent productivity increase of five percent year on year, a consistent ten percent growth in manufacturing would yield an additional 60 million jobs in the sector alone by 2030.Assuming a slower productivity increase at three percent, a large number of jobs -105 to 130 million could be created by 2030 with the initiative of make in India programme.

India needs to generate one million jobs per month for the next 20 years to absorb its burgeoning working-age population. India's manufacturing sector, which is relatively underdeveloped, will have to absorb a significant part of this workforce. Successive governments, including the present one, have adopted ambitious targets for growth of output and employment in the manufacturing sector.

Sai Durga Prasad and Prabhakar Rao focused on the challenges that must be addressed if these targets are to be achieved, and took stock of the measures taken so far by the new government.

Economic Development and Make in India

- Manufacturing sector growth rate of 12-14% targeted in the medium term
- India ranked 4th in Global Manufacturing Competitiveness Index (2013)
- Capitalize on strong domestic demand and expand geographical base of manufacturing exports to reduce reliance on the US (12%) and UAE (10%)
- Scope for 4-5 times increase in labour productivity, and 50% increase in capital productivity
- Exports to rise by USD 64 billion annually if India captures 20% share of low-end exports, where China is losing advantage.
- Manufacturing projected to generate 100 million new domestic jobs and contribute 25% of national GDP by 2025, from existing ~15%
- Reduction in manufacturing imports from USD 127 billion in FY14 to USD 40-50 billion possible in next 5 years
- Productivity improvement to boost skill intensive manufacturing in India by 2025
- One of the top 2 low cost exporters in auto components, power equipment, pharmaceuticals.
- Among the top 5 low cost exporters in machinery, electronics, automobiles, textiles
- 28 million new jobs in hi-tech and electronic hardware sector to cater to USD 400 billion domestic market by 2020

Vision for Indian manufacturer sector

As per the report of Boston Consultancy group, at projected 11% growth, manufacturing sector's share in GDP can touch 25% by 2030 with a 5% productivity increase and a GDP growth rate of 7.5%.

METRIC	vision for 2030
Manufacturing growth rate	10 – 11 %
Share of manufacturing in GDP	21.6 – 25%
Job creation	60-78 million
Share of India in global merchandise trade	5.2 – 6.1 %

Recent Investment Trends: Make in India

- In January 2015, the Spice Group said it would start a mobile phone manufacturing unit in Uttar Pradesh with an investment of 500 crore. A memorandum of understanding was signed between the Spice Group and the Government of Uttar Pradesh.
- In January 2015, Hyun Chil Hong, the President and CEO of Samsung South West Asia, met with Kalraj Mishra, Union Minister for Micro, Small and Medium Enterprises (MSME), to discuss a joint initiative under which 10"MSME-Samsung Technical Schools" will be established in India. In February, Samsung said that will manufacture the Samsung Z1 in its plant in Noida.
- In February 2015, Hitachi said it was committed to the initiative. It said that it would increase its employees in India from 10,000 to 13,000 and it would try to increase its revenues from India from ¥100 billion in 2013 to ¥210 billion. It said that an auto

component plant will be set up in Chennai in 2016.

- In February 2015, Huawei opened a new research and development (R&D) campus in Bengaluru. It had invested US$170 million to establish the research and development center In April 2015, Airbus said that it will manufacture its products in India and invest $ 2 Billion US dollars.
- Also in February, Marine Products Export Development Authority said that it was interested in supplying shrimp eggs to shrimp farmers in India under the initiative
- In May, 2015 Tata JLR (Jaguar Land-Rover) announced that it will move its production of the Land Rover Defender to its Pune facility in India in 2016.
- Shiv Kumar Rungta, president, FTAPCCI, stressed on key sectors like services (mainly in IT), mechanization of Agriculture sector for achieving increased productivity, among others, for the success of 'Make in India".

Challenges in successful implementation of Make in India Campaign

- Creating healthy business environment will be possible only when the administrative machinery is efficient. India has been very stringent when it comes to procedural and regulatory clearances. A business-friendly environment will only be created if India can signal easier approval of projects and set up hassle-free clearance mechanism.
- India should also be ready to tackle elements that adversely affect competitiveness of manufacturing. To make the country a manufacturing hub the unfavourable factors must be removed. India should also be ready to give tax concessions to companies who come and set up unit in the country.
- India's small and medium-sized industries can play a big role in making the country take the next big leap in manufacturing. India should be more focused towards novelty and innovation for these sectors. The government has to chart out plans to give special sops and privileges to these sectors.
- India's make in India campaign will be constantly compared with China's 'Made in China' campaign. The dragon launched the campaign at the same day as India seeking to retain its manufacturing prowess. India should constantly keep up its strength so as to outpace China's supremacy in the manufacturing sector.
- India must also encourage high-tech imports, research and development (R&D) to upgrade 'Make in India' give edge-to-edge competition to the Chinese counterpart's campaign. To do so, India has to be better prepared and motivated to do world class R&D. The government must ensure that it provides platform for such research and development.

Conclusion

Indian economy has the capacity to push the GDP to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate. "Make in India" mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub. There is need of reforms in industrial strategies to make India a manufacturing hub. Favorable industrial framework need to be established that should attract more and more domestic as well as foreign industrialists towards Indian Territory. Favorable investment climate, assistance of financial services, relax and industry favorable government policies are the essential ingredients of "MAKE IN INDIA"

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India and the Micro, Small and Medium Enterprises

Ramesh krishna vipparthi, Lecturer, Department of Commerce ,SCIM Government Degree College, Tanuku, West Godavari D.T, A.P

Abstract

The Make in India Strategy adopted by the Indian Prime Minister Shri Narendra Modi aims to facilitate investment, foster innovation, enhance skill development and build a sustainable eco-system for the manufacturing infrastructure in the country. These measures have succeeded in raising the business confidence in India. The stage has been set through these industry and MSME interventions for a larger share of global business in India which presents opportunities for MSME integration in almost all industry sectors. The Indian MSME sector is poised for rapid growth and integration with major global value chains. Timely policy intervention and due support have promptly resulted in rendering the Indian MSMEs globally competitive.

Key Words: Make in India, MSME sector,Business,Skill Develpoment, self-employment, economic growth

Introduction

MSME plays a significant role in the economic growth of a country. Indian MSMEs produce a wide range of products and services - from a simple consumable to highly sophisticated industrial products; life-saving drugs, indigenous wellness packages, IT services, agro products and many more. It has maintained a higher growth rate despite increasing cost, international competition and global economic slowdown. A proper thrust, supportive policies and transparent systems will increase its competitiveness. Translating a paper policy into an actionable agenda at the grass-root has always been a problem in India. This study clearly indicated that the policies and benefits have not reached the MSME operators. They are at large, operating with short-term focus, plagued with fear and distrust that the systems are unsupportive. The current perception may not kindle a progressive change at micro-organizational or at macro- MSME sector level.

The Indian MSME sector is the backbone of the national economic structure and has unremittingly acted as the bulwark for the Indian economy, providing it resilience to ward off global economic shocks and adversities. With around 51.1 million units throughout the geographical expanse of the country, MSMEs contribute around 7% of the manufacturing GDP and 31% of the GDP from service activities as well as 37% of India's manufacturing output. They have been able to provide employment to around 120 million persons and contribute around 46% of the overall exports from India. The sector has consistently maintained a growth rate of over 10%. About 55.3% of the MSMEs are based out of rural areas, which indicate the deployment of significant rural workforce in the MSME sector and is an exhibit to the importance of these enterprises in promoting sustainable and inclusive development as well as generating large scale employment, especially in the rural areas**.**

The Indian MSME sector provides maximum opportunities for both self-employment and wage-employment outside the agricultural sector and contributes in building an inclusive and sustainable society in innumerable ways through creation of non-farm livelihood at low cost, balanced regional development, gender and social balance, environmentally sustainable development, etc.

Micro, Small and Medium Enterprises Development (MSMED) Act 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector. The Act seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first ever legal framework for recognition of the concept of "enterprise" which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises and with a wide range of advisory functions. Establishment of specific funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms originating the problems of delayed payments to micro and small enterprises and assurance of a scheme for easing the closure of business by these enterprises, are some of the other features of the Act.

Definition of Micro, Small and Medium Enterprises in India

Micro, small and medium enterprises as per MSMED Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipment for enterprises providing or rendering services. The present ceilings on investment for enterprises to be classified as micro, small and medium enterprises are as follows:

Classification	Manufacturing Enterprises*. (Investment limit in Plant & Machinery)	Service Enterprises** (Investment limit in equipment)
Micro	Rs. 2.5 million / Rs. 25 lakh	Rs. 1 million / Rs. 10 lakh
Small	Rs.50 million / Rs. 5 crore	Rs. 20 million / Rs 2 crore
Medium	Rs 100 million / Rs 10 crore	Rs. 50 million / Rs 5 crore

The term "village industries" has been redefined in amended KVIC, Act, 1956 as "any industry located in a rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of artisan or worker does not exceed Rs. one lakh (Rs. one lakh and fifty thousand in case of village industry located in a hilly area) or such other sum as may, by notification in the Official Gazette, be specified from time to time by the Central Government"

On 9 May 2007, subsequent to an amendment of the Government of India (Allocation of Business) Rules, 1961, erstwhile Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises (M/o MSME). This Ministry now designs policies and promotes/ facilitates programs, projects and schemes and monitors their implementation with a view to assisting MSMEs and help them to scale up.

The primary responsibility of promotion and development of MSMEs is of the State Governments. However, the Government of India, supplements the efforts of the State Governments through various initiatives. The role of the M/o MSME and its organizations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario.

The schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/provide:

(i) adequate flow of credit from financial institutions/banks;

(ii) support for technology upgradation and modernization;

(iii) integrated infrastructural facilities;

(iv) modern testing facilities and quality certification;

(v) access to modern management practices;

(vi) entrepreneurship development and skill upgradation through appropriate training facilities;

(vii) support for product development, design intervention and packaging;

(viii) welfare of artisans and workers;

(ix) assistance for better access to domestic and export markets; and

(x) cluster-wise measures to promote capacity-building and empowerment of the units and their collectives.

Ministry of Micro, Small & Medium Enterprises (M/o MSME) envisions a vibrant MSME sector by promoting growth and development of the MSME Sector, including Khadi, Village and Coir Industries, in cooperation with concerned Ministries/Departments, State Governments and other Stakeholders, through providing support to existing enterprises and encouraging creation of new enterprises.

The Sector consisting of 36 million units, as of today, provides employment to over 80 million persons. The Sector through more than 6,000 products contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from the country. The MSME sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth.

Khadi is the proud legacy of our national freedom movement and the father of the nation. Khadi and Village Industries (KVI) are two national heritages of India. One of the most significant aspects of KVI in Indian economy is that it creates employment at a very low per capita investment. The KVI Sector not only serves the basic needs of processed goods of the vast rural sector of the country, but also provides sustainable employment to rural artisans. KVI today represent an exquisite, heritage product, which is 'ethnic' as well as 'ethical'. The Sector has a potentially strong clientele among the middle and upper echelons of the society.

Coir Industry is an agro-based traditional industry, which originated in the state of Kerala and proliferated to the other coconut producing states like Tamil Nadu, Karnataka, Andhra Pradesh, Odisha, West Bengal, Maharashtra, Assam, Tripura, etc. It is an export oriented industry and has greater potential to enhance exports by value addition through technological interventions and diversified products like Coir Geotextiles etc. The acceptability of Coir products has increased rapidly due to its 'environment friendly' image.

Make in India

Make in India is a campaign launched by the PM, Narendra Modi, which facilitates all the big business investors worldwide who want to do business in India. This programme was launched in 2014 on 25th of September by the PM at the Vigyan Bhawan in New Delhi. It is a big step taken by the government of India to reduce the level of unemployment faced by the youths of the country. This campaign was launched a day after the Mars mission when PM was to go on his first visit to the USA as prime minister of India. The aim of launching this campaign in India is to make India a world level manufacturing powerhouse which will definitely help in solving the biggest issue of Indian economy. This initiative was launched with new deals for foreign investors successfully in New Delhi with the top industrialists of India including Mukesh Ambani (Reliance Industries chairman), Azim Premji (Wipro chairman), etc.

'Make in India' meaning

The 'Make in India' program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production within the country. 'Make in India' aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards, and minimizing the impact on the environment. Fostering innovation, protecting intellectual property, and enhancing skill development are the other aims of the program according to the 'Make in India' website.

Background

In order to attract foreign capital, there has been made huge changes in the defense manufacturing and insurance sectors, however according to the analyst it needs to do in more effective manner. More employment in the country will boost the purchasing power of common man. India is a country having unique combination of demography, democracy, and demand which can benefit the investors.

Because of the lack of resources and clarity on policy issues, Indian businessmen too were planning to quit India and set up their business somewhere else. If this happen, will cause more poor economy. Make in India campaign with various effective resources will draw the attention of worldwide top businessmen to invest in India for any related business. In order to avoid the compulsion of Indian businesses to another country, PM has launched this attractive plan. The dream of PM Narendra Modi is to make this country free of unemployment by bringing development and growth-oriented employment through his effective governance. Poverty in India can be reduced to a great level by solving the unemployment issue for youths which in turn may solve various social issues.

This national program is designed to transform the country into a global business hub as it contains attractive proposals for top local and foreign companies. This campaign focuses on creating number of valuable and honored jobs as well as skill enhancement in almost 25 sectors for improving the status of youths of the country. The sectors involved are automobiles, chemicals, IT & BPM, aviation, pharmaceuticals, construction, electrical machinery, food processing, defense manufacturing, space, textiles, garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, mining, biotechnology, roads and highways, electronics systems and thermal power.

The successful implementation of this plan will help in the 100 smart cities project and affordable housing in India. The main objective is to ensure solid growth and valuable employment creation in the country with the help of top investors. It will benefit both parties, the investors and our country. The government of India has created a dedicated help team and an online portal (makeinindia.com) for the easy and effective communication of investors. A dedicated cell is committed to answer all the queries from business entities anytime.

The initiative focuses mainly on 25 sectors of the economy: Automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defense manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, mining, bio-technology, space, thermal power, roads and highways and electronics systems.

It also seeks to facilitate job creation, foster innovation, enhance skill development and protect intellectual property. The logo of 'Make in India' – a lion made of gear wheels – itself reflects the integral role of manufacturing in government's vision and national development. The initiative is built on four pillars which are as follows:

1. **New Processes**: 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.

2. **New Infrastructure**: 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. Innovation and research activities are supported by a fast-paced registration system and improved infrastructure for Intellectual Property Rights (IPR) registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being addressed.

3. **New Sectors**: 'Make in India' has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal.[1] The Government has allowed 100% FDI in Railway[2] and removed restrictions in Construction.[3] It has also recently increased the cap of FDI to 100% in Defense and Pharmaceutical.

4. **New Mindset**: Government in India has always been seen as a regulator and not a facilitator. This initiative intends to change this by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the

economic development of the country alongside the corporate sector.

There are 4 major policies under the 'Make in India' program:

1. New Initiatives: This initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency.

Here's what the government has already rolled out

- Environment clearances can be sought online.

- All income tax returns can be filed online.

- Validity of industrial license is extended to three years.

- Paper registers are replaced by electronic registers by businessmen.

- Approval of the head of the department is necessary to undertake an inspection.

2. Foreign Direct Investment (FDI):

The government has allowed 100% FDI in all the sectors except Space (74%), Defence (49%) and News Media (26%).FDI restrictions in tea plantation has been removed, while the FDI limit in defence sector has been raised from the earlier 26% to 49% currently.

3. Intellectual Property Facts:

The government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state-of-the-art technology.

The main aim of intellectual property rights (IPR) is to establish a vibrant intellectual property regime in the country, according to the website.

These are the various types of IPR:

- Patent: A patent is granted to a new product in the industry.

- Design: It refers to the shape, configuration, pattern, colour of the article.

- Trade mark: A design, label, heading, sign, word, letter, number, emblem, picture, which is a representation of the goods or service.

- Geographical Indications: According to the website, it is the indication that identifies the region or the country where the goods are manufactured.

- Copyright: A right given to creators of literary, dramatic, musical and artistic works.

-Plant variety Protection: Protection granted for plant varieties, the rights of farmers and plant breeders and to encourage the development of new varieties of plants.

-Semiconductor Integrated Circuits Layout-Design: The aim of the Semiconductor Integrated Circuits Layout-Design Act 2000 is to provide protection of Intellectual Property Right (IPR) in the area of Semiconductor.

4. National manufacturing:

Here the vision is,

- to increase manufacturing sector growth to 12-14% per annum over the medium term.

- to increase the share of manufacturing in the country's Gross Domestic Product from 16% to 25% by 2022.

- to create 100 million additional jobs by 2022 in manufacturing sector.

- to create appropriate skill sets among rural migrants and the urban poor for inclusive growth.

- to increase the domestic value addition and technological depth in manufacturing.

- to enhance the global competitiveness of the Indian manufacturing sector.

- to ensure sustainability of growth, particularly with regard to environment.

Achievements of make in India

Since the launch of Make in India in September 2014, FDI inflows of USD 77 billion including a equity inflows of USD 56 billion has been received for the period October 2014 to March 2016. This represents about a 44% increase in FDI Equity inflows over the same corresponding period.

Within the short span of time, there are many instances of the initiative's success. In December 2015, Micromax announced that it would put up three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh. Japan announced it would set up a USD 12 billion fund for Make in India-related projects, called the "Japan-India Make-in-India Special Finance Facility" after the Japanese Prime Minister Shinzo Abe's visit to the country. Huawei opened a new Research and Development (R&D) campus in Bengaluru and is in the process of setting up a telecom hardware manufacturing plant in Chennai. France-based LH Aviation signed a Memorandum of Understanding (MoU) with OIS Advanced Technologies to set up a manufacturing facility in India for producing drones. Foxconn announced it would invest USD 5 billion over five years for R&D and creating a hi-tech semiconductor manufacturing facility in Maharashtra. Samsung said it would manufacture the Samsung Z1 in its plant in Noida while General Motors declared that it would invest USD 1 billion to begin producing automobiles in the capital state.[6]And this is only the tip of the iceberg as there are many more proposals in the pipeline.

MSME Sector New initiatives with the motive of Make in India

1. Udyog Aadhaar Memorandum (UAM)

As part of Ease of Doing Business, the Ministry notified and launched UAM on 18th September 2015 to enable entrepreneurs to register themselves by filing an online simple one page form on self-certification basis. No fees and supporting documents are required for the online filing of UAM. Since its implementation in September 2015, more than 5 lakh entrepreneurs have registered themselves till 31March 2016.

2. Regional Conclaves

Hon'ble Union Minister Shri Kalraj Mishra held two regional conclaves, one each at Chandigarh (for Northern States) and Dimapur (for North-Eastern States).Conclave at Dimapur has resulted into a special scheme for development of MSMEs in North Eastern States. Conclave at Chandigarh was followed by detailed meetings regarding Public Procurement and with the various regional associations. Three other conclaves are planned at Bhopal,Ranchi & Bangalore in near future.

3. Framework for Revival and Rehabilitation of MSMEs

Ministry of Micro, Small and Medium Enterprises, Government of India, vide their Gazette Notification dated May 29, 2015 notified a 'Framework for Revival and rehabilitation of Micro, Small and Medium Enterprises'. Reserve Bank of India, has also issued guidelines to the Banks on 17.3.2016. Under these guidelines Banks have been asked to create a structure by 30th June 2016, for finalizing corrective action plan for revival & rehabilitation of MSMEs.

4. Grievance Monitoring

The Ministry attends to all the grievances on Centralized Public Grievance Redress and Monitoring System (CPGRAMS) and the number of the pending grievance on CPGRAMS as on 31.3.2016 were less than 20. The Ministry has also started an MSME internet grievance monitoring system to track and monitor directly grievances and suggestions received in the Ministry.

5. A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)

The Ministry has introduced a new scheme, namely, ASPIRE in March 2015. A livelihood business incubator was set up in Deoria, Uttar Pradesh under this scheme on 5.4.2015. A second Centre was inaugurated at Rajkot, Gujarat. Subsequently 21 Livelihood Business Incubators and 2 Technology Business Incubators have been approved

6.International MOUs

Ministry of MSME has signed an MoU with Sweden in June 2015 for cooperation in the area of MSMEs. NSIC signed MoUs with the counterpart organizations from Botswana, South Africa and Gambia for cooperation in MSMEs, buyer seller meets exchange of delegations etc. IGTR, Aurangabad signed an MoU with The Welding Institute, UK for establishing an advance welding center for automotive industry.

7.Technology Centre Systems Programme

The Ministry has decided to set up 15 new Technology Centers with assistance from World Bank. Loan agreement between Government of India and World Bank has been signed on 10.11.2014 and the loan has become effective w.e.f 19.12.2015.Locations have been identified at 10 States and a total of 160 acres of land has been taken possession at 10 places. Foundation stones at Bhiwadi (Rajasthan), Baddi (Himachal Pradesh) and Imphal (Manipur) have already been laid.

8. Partnership with Industry

DC, MSME signed a MoU with Samsung Electronics to set up 10 MSME Samsung Technology Schools for skilling youth in repair and maintenance of Samsung products. These schools have since been established and are providing training. NSIC has also set up training centers in conjunction with Escorts, Carl Zeiss,Schneider and ABB for providing technology upgradation training to youth for operating their products and services.

9. MSME Data Bank

In this age of digital technology, data regarding micro, small and medium enterprises needs to be captured online. Therefore, the Ministry has launched a new initiative to capture data regarding MSMEs online through www.msmedatabank.in. This will help the Ministry in saving the expenditure incurred at the time of 4th All India Census, which was in range of the ` 200 cr.

10. MyMSME

To facilitate the enterprises to take benefit of various schemes by the office of Development Commissioner (MSME), his office has launched a web-based application module, namely, MyMSME. This has also been converted into a mobile app. Entrepreneurs will be able to make their applications and track it on their mobile itself. This is in conformity with the desire of the Hon'ble Prime Minister who wants the administration not only to be in digital mode but also mobile friendly.

11. Market Promotion and Development Assistance (MPDA)

The Market Promotion and Development Assistance Scheme (MPDA) has been launched as a unified scheme by merging different schemes implemented by the Khadi sector including for publicity, marketing, market promotion and marketing development assistance. Further, grant / subsidy will also be available for construction of Khadi plazas.The scheme will ensure increased earnings to artisans.

12. MSME Policy

Ministry of MSME has decided to have a comprehensive policy for the micro, small and medium enterprise sector. A One man Committee has been constituted with Shri Prabhat Kumar, former Governor, Jharkhand (also former Cabinet Secretary and former DC, SSI). The Committee will submit its report shortly. The idea is to integrate various policies pertaining to the sector and come out with one comprehensive policy.

13. Public Procurement Order

Public Procurement Order is now mandatory with effect from 1.4.2015. Vendor Development initiatives have been taken to ensure benefit to micro and small entrepreneurs. Hon'ble Union Minister of MSME Shri Kalraj Mishra and Hon'ble MoS Shri Giriraj Singh also chaired a firstever meeting with select CPSEs in March, 2016 to stress upon the vendor development and public procurement from micro & small enterprises. In order to promote Start Ups, requirement of experience and prior turnover in procurement from Start Ups by CPSEs has been relaxed.

14. Skill Mapping of All Districts

About 600 districts of the country have been mapped through a programme to determine as to what types of MSMEs can be developed in the districts and what types of skills are required for the purpose. This is a first ever humongous exercise done in this regard.

Finally, the MSME ministry is engaged in enhancing the training capabilities of tool rooms, MSME Development Institutes and other organizations under it. The training programmes range from traditional rural industries to high-end, high-tech programmes on CNC machines. Programmes for skill development were conducted for nearly 5.51 lakh trainees in 2013-14 and the target for 2014-15 is 5.20 lakh persons.

Major Challenges –

Existing stringent procedural and regulatory clearances: a business-friendly environment will only be created if India can signal easier approval of projects and set up hastle-free clearance mechanism.

High Tax Rates: To make the country a manufacturing hub the unfavorable factors must be removed. India should also be ready to give tax concessions to companies who come and set up unit in the country.

Need of focus on MSME Sector: MSME can play a big role in making the country take the next big leap in manufacturing. India should be more focused towards novelty and innovation for these sectors. Special sops and privileges should be given.

Competition from China: Make in India is being constantly compared with Made in China campaign. India should constantly keep up its strength so as to pace china's supremacy in the manufacturing sector.

To increase Imports and R & D: High-tech imports, research and development (R&D) to upgrade 'make in India' should be encouraged. Should be better prepared and motivated to do world class R&D with Govt.'s support.

Conclusion

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The MSME sector in India is diverse in terms of its size, levels of technology employed and range of products and services produced. Starting from grass root village Industries, the products from the sector spans to auto components, micro-processors, electronic components and electro-medical devices. MSMEs have shown constant growth rate of over 10% in recent years much ahead of the large-scale corporate sector. This sector contributes 8 per cent of the country's GDP, 45 per cent of the manufactured output and 40 per cent of its exports. The MSMEs provide employment to over 80 million persons through over 36 million enterprises producing over six thousand products.

The Make in India Policy aims to facilitate investment, foster innovation, enhance skill development and build an Eco-system for manufacturing infrastructure in the country. Ministry of Micro, Small and Medium Enterprises has been implementing a number of programmes and schemes in the areas of finance, technology, infrastructure, marketing and skill development to facilitate aims of the Make in India Policy. The Ministry is proposing to rise to the challenge through action plans directed at enhancement of the provision of collateral free credit through creation of state verticals for extending guarantees to the entrepreneurs of particular state with financial support from state governments, creation of similar verticals for women entrepreneurs and youth among SC/ ST and NE Regions.

A comprehensive skill mapping is also proposed as a first step towards alleviating the existing skill deficit. The funds are allocated to the Schemes as a whole, and it is difficult to delineate the amount earmarked for the 'Make in India' component. Moreover, all the Schemes of the Ministry are Central Sector Schemes and specific data on allocation to States/UTs are not maintained. "Come make in India. Sell anywhere, [but] make in India." Prime Minister Narendra Modi said while introducing his vision to the public. And it seems that the world is more than ready to embrace this vision, which is already set on a path to become a reality.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Role of MSMEs in 'Make In India' Campaign

M.Rambabu, Lecturer in Economics,Sri Aravinda Shathajayanthi Govt.Degree College,Narayanapuram,W.G.Dt

Abstract:

"Make in India" an ambitious campaign was launched by Prime Minister, Narendra Modi on 25 September 2014, with an aim to turn the country into a global manufacturing hub. He has launched this campaign to encourage companies to manufacture their products in India, aiming to redesign manufacturing sector Make in India" an ambitious campaign was launched by Prime Minister, Narendra Modi on 25 September as a key engine for India's economic growth and report of CII's 13th manufacturing summit 2014. It has been analyzed that the key area of progress for India would be the development of its MSMEs to achieve and manage. The MSME sector employs over 80 million people in 36 million units, and contributes 45 percent of the manufacturing output. However our MSMEs are struggling due to lack of access to investment. According to a study conducted by the US-based Entrepreneurial Finance Lab (EFL), a credit gap of 56 percent exists in the MSME finance sector in India; while demand is estimated to be INR 28.03 trillion, the supply finance provided only INR 10.39 trillion, as of July 2014. India is believed to have a demographic dividend wherein, the majority of our population falls in the working age group, which in itself is a double edged sword. Hence, the Government and the policy makers have started revisiting the Indian growth story, and addressing its flaws. The role and importance of the manufacturing sector comes in here both in terms of creating a self-reliant economy and in the process, generating the much needed employment. Present paper studies that how the MSME sector is recognized as the key engine for growth to promote entrepreneurship across the country and the role of MSMEs in make in India programme

Keywords: Economic Growth, Employment, Make in India, MSMEs.

Introduction:

The Prime Minister Narendra Modi launched 'Make in India', a major national initiative on 25 September, 2014 focuses on making India a global manufacturing hub. Key thrust of the programme would be on cutting down in delays in manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in India. The 25 key sectors identified under the programme include automobiles, auto components, bio-technology, chemicals, defense manufacturing, electronic systems, food processing, leather, mining, oil & gas, ports, railways, ports and textile. The objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country's Gross Domestic Products is increased to 25% in next few years. The MSME sector is critical to our nation's economic growth. Employing nearly 8 crore people, MSMEs are the vehicle for inclusive growth and an incubator for entrepreneurs. An enabling business environment with strong focus on leveraging technology can help unleash the true potential of the sector. India needs a focused policy impetus to improve the competitiveness of MSMEs and incentivize exports to broad base and actualize the benefits from "Make in India" initiative. The micro, small and medium enterprises have been defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, in terms of their investment in Plant and Machinery, as under:

For the Manufacturing Sector

Enterprises		Investment in Plant and Machinery
Micro Enterprises	-------	Does not exceed Rs. 25 lakh
Small Enterprises	-------	More than Rs. 25 lakh but does not exceed Rs. 5 crore
Medium Enterprises	-------	More than Rs. 5 crore but does not exceed Rs. 10 crore

For the Service Sector

Enterprises		Investment in Equipment
Micro Enterprises	-------	Does not exceed Rs. 10 lakh
Small Enterprises	-------	More than Rs. 10 lakh but does not exceed Rs. 2 crore
Medium Enterprises	--------	More than Rs. 2 crore but does not exceed Rs. 5 crore

The Micro, Small and Medium Enterprises (MSMEs) contribute about 7-8 per cent of India's GDP, 45 per cent of the manufacturing output and 40 per cent of the exports. They are recognized as the engine of growth for the economy. After agriculture, MSME sector employs the largest number of persons. MSMEs are widely dispersed throughout the country and produce a diverse range of products catering to various segments of the market. The geographic spread, diverse product range and potential for innovation and employment generation make them extremely important in the context of economic growth with equity and regional balance.

Objectives of study:

1. Present study focuses on the contribution of "Make in India" campaign in turning the country into global manufacturing hub.
2. To study the role of MSMEs in "Make in India" initiative and increase in financial contribution towards MSME's under "Make in India" campaign.

Methodology:

This paper examined the role of Make in India in MSMEs growth and making India a global manufacturing hub. Data for the same was collected from secondary sources including various government reports like annual report of MSMEs, Database of Department of Industrial Policy and Promotion and Reserve Bank of India Database on Indian Economy. In addition to that data was collected from various journals, magazines and subject related web sites.

Need for the study:

There is very need to study about the role of MSMEs in Make in India programme. In the globalised economy MSMEs faces so many problems like investment, marketing, technology, competitiveness and others among the countries. Manufacturing sector plays key role to generate employment opportunities particularly in MSME

Why Make in India:

'Make in India' is a timely policy initiative to convert India into a global manufacturing hub. In order to attract new investments and promote manufacturing, this programme addresses the problem areas in the manufacturing sector through different channels of interventions. Some of the major interventions include the E-Biz portal enabling 24x7 applications of industrial license making the process seamless. The process of getting environment clearance has been made online. The policy has given approval to National Investment and Manufacturing Zones, wherein, the provision for single window clearance will be provided.

Role of MSMEs in 'Make in India' campaign:

Prime Minister Mr Narendra Modi has launched the "Make in India" campaign, targeted to transform India into a manufacturing leader. India's manufacturing sector, with a 15% share of overall GDP, compares poorly with peers like Malaysia, Thailand and Indonesia. India also suffers from some critical drawbacks like a lack of an enabling infrastructure, poor perception of India in terms of ease of doing business, and a lack of proven ability to compete at a global scale.

According to the CII-BCG Manufacturing Leadership Survey 2014, while 44 % CEOs feel highly confident in the "Make in India" campaign, they also unanimously agree that such a goal would need bold and sustained measures by the both the public and private sectors. The manufacturing sector in India (including the MSME segment) grew at an annual average growth rate of 9% during the period 2005-06 to 2012-13. In the last two years, the growth rate in the manufacturing sector has fallen steeply. The Economic Survey reports that in 2009-10 and 2010-11, the growth in manufacturing was 11.3% and 9.7% respectively, but it fell sharply to 2.7% in 2011-12 and to 1.9% in 2012-13. Central Statistical Organization (CSOs) recent trends in manufacturing sector in the country, as reflected in the monthly Index of Industrial production (which includes mining and electricity generation also) are indicative of a continuing slowdown in the industry.

In India, industrial production measures the output of businesses integrated in industrial sector of the economy such as manufacturing, mining, and utilities. Industrial Production in India increased 5 percent in February of 2015 over the same month in the previous year. It is the highest gain in nine months due to a 5.2 percent increase in manufacturing and a 2.5 percent rebound in the mining sector. Industrial Production in India averaged 6.54 percent from 1994 until 2015, reaching an all-time high of 20 percent in November of 2006 and a record low of -7.20 percent in February of 2009.

Unemployment scenario: The service sector contributing nearly 60 per cent to the GDP, manages to employ only around 25 per cent of the workforce production (based on Mahalanobis Model); period from the unemployment scenario in India continues to remain grim. Further, agriculture which now contributes to only around 14 per cent of the GDP continues to employ more than 50 percent of the workforce, reflecting the mass of disguised labour in agriculture and also the low labour productivity1965-80 which witnessed industrial deceleration; and the period 1981-91, when some recovery in industry was registered. The period since then has been a mixed bag as far as industry in general and manufacturing in particular is concerned with growth rates averaging 5-7 per cent till the Eleventh Plan.

A major concern arising from the low share of the manufacturing in GDP is regarding employment. Employment in the manufacturing sector, in fact, declined from 55 million in 2004-05 to 50 million in 2009-10. This trend does not augur well for the future, particularly in the context of the Planning Commission estimates where the manufacturing sector would need to provide 70 million additional jobs in the next 15 years in order to cater to the growing work force.

Contribution to GDP:

The estimated manufacturing output for the years 2008-09, 2009-10 and 2010-11, at constant prices was Rs. 33.73 lakh crore, Rs 37.55 lakh crore and Rs 43.02 lakh crores respectively. Out of the above the contribution of MSME manufacturing sector is estimated at Rs. 13.76 lakh crore, Rs.14.88 lakh crore and Rs.16.56 lakh crore respectively. This indicates a declining trend in share of MSME manufacturing in total manufacturing output of the country. This share has declined over the period from 40.79 % in the year 2008-09 to 38.48% in the year 2010-11

Hindrances in the sector: The manufacturing sector is still afflicted by problems of land acquisition, rehabilitation, multiple laws and rules to adhere to, lack of clarity for the entrepreneurs, multiple and complex process of clearances to be obtained to set-up a factory, lack of marketing strategies and export orientation, lack of infrastructure, power and water supplies. Economic Survey 2014-15 states that the manufacturing sector has one of the highest numbers of stalled projects in the last few quarters. Among manufacturing, the majority of stalled projects are in steel, cement, garments and processed food. 212 manufacturing projects are stalled due to lack of funds, demand and unfavorable market conditions.

Policies to boost the sector: The manufacturing sector revolves around two sets of major participants, the entrepreneurs and the workers. The Government comes in between these two, to balance and facilitate the interaction of the two segments and provide enough facilities for both sides so that the system continues to function smoothly. The policies and programmes rolled out by the Government come in this interplay and act like a catalyst for the manufacturing sector as a whole.

2017-18 Budget Incentives: Income tax for companies with annual turnover up to Rs.50 Crores has been reduced to 25% from 30% in order to make Micro, Smal and Medium Enterprises companies more viable and also to encourage firms to migrate to a company format. This move will benefit 96% or 6.67 lakh of the 6.94 lack companies filing returns of lower taxation and make Micro, Small and Medium Enterprises sector more competitive as compared with large companies.

New markets and skilled labour:

The idea of developing new smart cities, industrial corridors and industrial clusters has potential for generating forward and backward linkages and promoting advanced manufacturing techniques at multiple levels. Creating market base for Indian manufactures in the world through project development companies to facilitate setting up manufacturing hubs in CMLV countries, namely, Cambodia, Myanmar, Laos and Vietnam has potential. Further,the initiative has included new youth focused programmes and institutions for skill development. A positive change has been in the form of a separate Ministry for skill development and entrepreneurship, where the ministry is actively engaging with the world, through the National Skill Development Corporation (NSDC) and National Skill Development Agency (NSDA), for acquiring new techniques of skill development for our youth. The ***Skill India*** initiative must focus on skilling the Indian youth on segments which are more labour intensive like leather, textile, food-processing, jute, sericulture, handicrafts etc. In skill development, major impetus has been given to Indian Leather Development Programme targeting to train 1, 44,000 youth annually. National Manufacturing Policy (NMP) which was introduced in 2011 with a focus to boost manufacturing and a vision to create 100 million additional jobs by 2022 in manufacturing sector would ensure that globally competitive manufacturing emerges.

High value Industrial sector: The high value industrial sector has been eased to encourage greater global participation. In the defence sector, FDI cap has been raised from 26 per cent to 49 per cent and the portfolio investments in defense sector up to 24 per cent under automatic route. 100 per cent FDI has been allowed for modern and state of art technologies in defence, on a case to case basis. In railways, 100 per cent FDI under automatic route has been permitted in construction, operation and maintenance in specified rail infrastructure projects. These sectors can help India specialize in high value manufacturing**.**

Reforms-workers/labour: The system of self- certification for all the non-risk and non- hazardous business will encourage small entrepreneurs to set up their businesses. With less than 5 per cent of our potential work force getting formal skill training, the initiative of the Government to launch the Deen Dayal Upadhyay Gramin Kaushal Yojana for rural youth should bring a change. Further, there is a need to consolidate the multiple skill development programmes spread across ministries into the National Skill Mission as pointed out by the FM in his budget speech

Importance of MSMEs:

The SME sector contributes about 45% to the manufacturing output, 40% of the total exports, and offers employment opportunities both for self-employment and jobs, across diverse geographies. A healthy rate of growth shall be ensured for the overall growth of the manufacturing sector as also the national economy by policy interventions in areas like manufacturing management, including accelerated adoption of Information technology; skill development; access to capital; marketing; procedural simplification and governance reform.

New policies were framed under “Make in India” campaign to facilitate the expansion of Micro Small and Medium Enterprises (MSME) and increase the focus on innovation. It includes the launch of INR 10,000 crores venture capital fund dedicated to MSMEs. Another key area of progress for India would be the development of its SMEs to achieve and manage scale effectively. Our supply chains are over-dependent on MSMEs. The MSME sector employs over 80 million people in 36 million units, and contributes 45 percent of the manufacturing output. Issues connected with credit availability - adequacy, timely availability, cost and mortgages -remain a continuing concern for MSME associations. This is not surprising because, with little promoter's capital, a small unit is entirely dependent on credit to set up its enterprise. Recognizing the crucial role of bank finance for the MSMEs, the PM's Task Force on MSMEs recommended specific and monitor able targets for credit disbursement by Scheduled Commercial Banks in the Micro and Small Enterprises sector.

Ease of Doing Business Make in India:

In the World Bank's Ease of Doing Business Index of 2015, the position of India is 142 out of 189 countries. It is a matter of concern that India is still far behind. Being globally competitive in the world regarding the ease of doing business. 'Make in India' has taken special care to facilitate business. Provisions of creating dedicated teams to guide and assist the first time investors and opening single window clearance systems, will boost investments in manufacturing. Furthermore, greater emphasis is being placed on a simple, certain and non-adversarial tax regime. Early roll-out of Goods and Services Tax (GST) would be a game changer in the way business will be done in India.

Way Ahead:

Time is ripe for Indian manufacturers to tap on the *Go-green* phenomenon running across the world, which can be used to promote indigenous textile and jute products and also in encouraging manufacture of renewable energy equipment to generate wind and solar energy. It is vital to strengthen the connectivity links both in the country and outside. Spreading the road, rail and waterway connectivity network and making good use of the vast coastline in India would lay strong foundations for the manufacturing sector. Work related to the dedicated freight and industrial corridor needs to be hastened as these could provide multi-level boost to manufacturing both enhancing its demand and supply sides. These will create a virtuous cycle of self-sustained demand for Indigenous culture and tradition could help create employment and manufacturing. Timely protection, encouragement and promotion of ground level knowledge on a variety of art and craft and facilitating them with good marketing strategies to reach our domestic consumer base and compete globally, is required.Woolen products of Kashmir, Phulkari of Punjab, Bandhej of Rajasthan,Pochampalli of Andhra Pradesh, Jamdani and Tant of Bengal, Benarasi of UP etc. are some such indigenous styles of textiles which could be madepopular across the world by creating platforms through frequent exhibitions,fairs and art shows globally. Further,the present generation is more attracted to online purchasing, hence online marketing and tie up with various online marketing companies needs to be done for all such products. These steps will help the youths to create jobs for themselves. Government, by keeping a check on the quality and facilitating to sell the products, could be creating income sources around homes in rural areas. This would ensure that the benefits of the believed demographic dividends are reaped optimally.

Conclusion

'Make in India' is a major national initiative which focuses on making India a global manufacturing hub. This paper analyzed the contributions made by the MSME sector in industrial production and promotion of employment through working enterprises across the country. A US-based Entrepreneurial Finance Lab (EFL) found a credit gap that exists in the MSME finance sector in India. Government is taking various initiatives to ensure credit availability to the MSMEs while upgrading the technology to increase the standards of products. It stressed the need to make the sector attractive for capital investment to strengthen existing enterprises. Government is committed to providing all possible support to promote and encourage MSMEs in the country by providing a sustainable platform for growth and development in terms of productivity, wide range of products, and better availability to finance, world class marketing strategies and international competitiveness. MSME segment will play a key role in domestic manufacturing in the coming days and will lead the 'Make in India' program towards success. Government would be coming up with quality up gradation schemes for the MSME sector so that these products are able to compete and be preferred over those countries like China which are flooding the market. One of the major problems about MSMEs is the gap between requirements and availability of funds, this gap should be reduced. A good credit rating from an external credit rating agency is a tool to reduce the rate of interest to some extent, as the MSMEs with a higher credit rating are in a better position to negotiate softer rates of interest from bankers

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India Programme: Opportunities and challenges

Dr.K.Ananda Kumar, Asst.Prof.Department of Economics Girraj Govt.College(A)Nizamabad,Telangana

Abstract:

Make in India is an international marketing strategy, conceptualized by the Prime Minister of India, Narendra Modi on 25 September 2014 to attract investments from businesses around the world and make India the manufacturing Hub. The aim is to take a share of manufacturing in country's gross domestic product from stagnant 16% currently to 25% by 2022, as stated in national manufacturing policy, and to create 100 million jobs by 2022. The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Make in India is the key to revitalization of Indian economy. It is one of the schemes to pull back the economy from clutches of recession. Make in India initiative aims to correct the composition of Indian GDP which is the root cause of recession. Currently India's GDP is heavily tilted in favor of service sector. Secondary research is used for the purpose of the study and this paper discusses about Make in India scheme, its opportunities , challenges, changes needed and some examples of different investors ,invested so far. Make in India campaign surely makes India an investment destination and global hub for manufacturing and innovation. Manufacturing sector of a country plays a major role in the growth of an economy. The development of this sector is an indicator of the economic strength of a country. It helps in raising productivity, generating employment and also supports other sectors of the economy.

Keywords: Manufacturing, Make in India, opportunities, Challenges, Labour, Skill development,

Introduction: 'Make in India' is the initiative taken by the present government and our Prime Minister Shri Narinder Modi had formally declared the policy pertaining to Make in India on September 25th, 2016 and within a very short span large number of countries are supporting this concept and started investing in different areas. The results till now have been mixed. It takes time to set up factories and thus capabilities and only then the returns can be judged. To give a good example, Foxconn (Apple iPhone maker) has signed an MOU with Maharashtra government which will bring investment worth $5 billion to the country and create thousands direct and indirect jobs but this won't start before 2017. Ford has also decided to set up an automobile factory in Gujarat which is going to employ thousands again. Even Asus has decided to set up a handset manufacturing unit in India in Andhra Pradesh. Considering the above stories, the direct benefits would be in terms of inflow of foreign exchange, job creation leading to lower unemployment and also technological up-gradation. India since 1990's has particularly seen a rapid growth in service sector. For a country with 1.25 billion individuals and thousands joining the labor force every month, service sector is definitely not the best bet to absorb the job seekers.

Concept of Make in India

The **'Make in India'** program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production with the country. Make in India is intended to make India a manufacturing hub of the world (at least Asia, for that matter). The idea was to increase the contribution of the manufacturing sector to India's GDP. Make in India aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards and minimizing the impact on the environment. There are lots of opportunities to be tapped as far as Indian manufacturing sector is concerned. Many business man and entrepreneurs view make in India initiative for betterment of our economy. VNS Global Services group CEO Keshav Murugesh said " digitization campaign such as digital India , Make in India, creating smart cities and other digitization projects initiated by the Indian Government in the past one year has been made for the betterment of India. Major objective of this scheme focuses on 25 sectors. The sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defence, Manufacturing, Ports, Food Processing, Mining, Media and Entertainment, IT and BPM, Pharmaceuticals, Renewable Energy, Roads and Highways, Railways, Thermal Power, Oil and Gas, Space, Leather, Construction, Aviation, automobile components, chemicals and Electronic System.

Objectives of the study:

1. To study about the opportunities and challenges of Make in India Programme.
2. To find out some measures and suggestions to convert India into Global Manufacturing Hub.

Methodology:

Secondary sources of data used for this research paper. News paper articles, books, journals, magazines, Govt. of India Make in India website, other topic related web sites have been used.

Need for the study: There is very need to study about the Make in India progamme.There are lot of opportunities for Indian manufacturing sector. The Make in India campaign wants to increase the contribution of the Manufacturing sector to the overall GDP of the country. India's GDP in 2013 had 56.9 percent contribution by the services sector while Manufacturing contributed only 15 percent. Manufacturing is the way to go for addressing the long term employment rate. Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India.

Opportunities behind make in india:

The 'Make in India' campaign seems to have come at perfect time. Many giant foreign companies have already expressed their interest in setting up manufacturing facility in India. Aiming to make India as its export hub, home appliances manufacturer Bosch and Siemens today announced company's first manufacturing plant in the country, to be set up at a cost of Rs. 350 crore. The facility, aimed at making India as an export hub for the South East Asian region, is expected to start operations by the second half of 2014, a company statement said. Sony Corp sources most of the products it sells in India from plants in Thailand, Malaysia, China and Japan. The company, which has been active India for the past two decades. It now sources products from overseas factories based on India's free-trade agreements. Japan's largest consumer electronics exporter, is now seriously evaluating to “come and make in India” opportunity. Switzerland-based chocolate maker Barry Callebaut is looking at setting up a manufacturing unit in India as part of its global expansion plans to cash in on the Rs. 3,000 crore domestic markets. Barry Callebaut currently has only commercial operations in the country. At present, the $5.2 billion Swiss chocolate maker has 50 manufacturing facilities across Europe, Africa, North and South America as well as Asia-Pacific. India is a very important market for Barry Callebaut and it wants to be in this market on long-term. Make in India aims to boost entrepreneurship in India irrespective of the places. A strong manufacturing sector has the potential to take our economic growth to a higher trajectory, provide jobs to our youth and fulfill their aspirations. The economic impact of manufacturing in India will go beyond direct employment. It will create jobs in the services sector and allied services like logistics, transportation, retail etc. Needless to say, since manufacturing would require free flow of raw materials and finished goods, improving logistics infrastructure such as port-to-inland connectivity, cargo airports, etc. would be imperative and these developments promise to transform India into a global manufacturing hub. The government’s “Make in India” initiative aims to increase the share of manufacturing to 25 percent of GDP by 2022 from the current 12 percent. This is expected to result in the creation of 100 million jobs. KPMG and CII recently completed a report which identified nine key action items to make India conducive for large-scale manufacturing. These include streamlining investment approval, 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 single window mechanism. To ensure the country’s place as a global manufacturing powerhouse, the government, industry and civil society must work in tandem to restore investor and public confidence in “Make in India”.

Challenges for manufacturing sector:

There are many challenges that hinder the smooth progress of the manufacturing sector which In turn adversely affect the ‘Make in India’ campaign. Some of them have been listed below:

1. Infrastructure: The growth of manufacturing sector is highly dependent on its quality of infrastructure**.** The World Economic Forum’s Global Competitiveness Report (2015-16) has given 81strank to India out of 140 countries for its deficiency in infrastructure. Quality infrastructure is one of the top requirements for the success of “Make in India”. India’s underdeveloped infrastructure is the top most issue faced by Japanese manufacturers .Roadways in India pose a big challenge for the growth of the country and successive governments are continuously failing to implement their electoral promises. Like the previous central government promise of building 20 km of road infrastructure every day has failed .The projects of railways department suffer from even longer delays as compared to road sector. Also, rail transport is 70% more expensive in India as compared to the United States which makes it inefficient. There is a nationwide scarcity in terms of power generation. About 48% of firms suffer from power cuts for more than 5 hours in a week and around 60% of firms are ready to pay more for continuous and reliable supply. In order to promote the foreign trade, ports play a very important role. There is a scarcity of modernised ports and those that exist, are using 90% of their capacity as against an average of 70% international usage.

2. Labour Laws: India's labour regulations are among the world's most stringent and complex, and over time have limited the growth of the formal manufacturing sector ("India Investment Climate Statement 2015,"n.d., p.26). The present labour laws favour the employees and protect employment and also a big tool in the hands of trade unions to raise their bargaining power giving a way to go for capital intensive methods in the organized sector. This adversely affects the expansion of employment and generating jobs.There are more than 200 laws regarding conditions of employment, social security, health, safety, welfare, trade unions, industrial and labour disputes, etc. From the year 2004-05 to 2011-12, the rate of employment growth was just 0.5% with contrast to 2.8% during 1999 to 2005. The Industrial Disputes Act 1947, Section 9A requires.Worker's consent to modify job description or move workers from one plant to another. **3. Skill**: Education and skill are the key forces for the growth and development of a country. The countries with high skilled labour can do much better than others. But the situation in India is very gloomy with huge skill gaps .Although India has improved a lot in education but its competitors are much ahead in this area ("Skill Development," 2006, p. 2).As per the report named "*Higher Education in India: Vision 2030"* by FICCI and Ernst&Young, 75% of IT graduates are deemed *'unemployable'*, 55% in manufacturing, 55% in healthcare and 50% in banking and insurance graduates are deemed unemployable. Further in India only 3.5 million workers are undergoing skills courses a year, compared with 90 million in China. The quality of higher education is also low. As per NAAC report "the quality of education in 90% of the uniniversities and 70% of the colleges is below par".

4. Ease of Doing Business: Ease of doing business is the major obstacle to the growth of the manufacturing sector. The World Bank's "Ease of doing Business 2015" report has ranked India at 142ndout of 189 countries for its ease of doing business.Registering property, gaining access to electricity, paying taxes, etc. The easier and simple process gives a country a good rank. The more the complex and time consuming process the poorer is the rank given. It is a matter of great concern that more than two decades have passed since the commencement of economic reforms and still India lags behind in providing business encouraging environment and the other facilities as are provided by other countries of the world. Like the average time consumed in acquiring a land is 14 months. It requires 1420 days to enforce a contract in India as compared to 527 days in OECD nations and 655 days in Low and Middle income nations ('Make in India'- Pressing the Pedal," 2015, p. 28).Construction permits are also a costly pursuit, involving 34 procedures and taking 196 days. In the exports section also, getting approvals require long time and huge cost. All these obstacles discourage the growth of manufacturing sector.

5. Research and Development: The expenditure on Research and Development in India is just 0.9 of GDP. Moreover around 3/4th the share comes from public sector and just 1/4th is invested by private sector showing severe contrast to the trends followed in US and China. The credit of the faded growth of manufacturing goes to the low technological depth of the sector. Indian R&D sector is still under explored as India lags behind her competitors in infrastructural and technological development. Therefore it poses a big challenge to the investors to improve further in skill and standardization of the issues.

6. Land Acquisition: Land acquisition is another major issue involving lengthy and cumbersome process. It is one of the main reasons for delay of the projects. About 70% of the infrastructure projects got delayed due to it. It takes 14 months on an average to acquire land . Another difficulty is to establish the land title due to incomplete land records which becomes a cause of litigation later. Also the owners of the land are often inadequately compensated which again leads to disputes and delays.

7. MSME: The Micro, Small and Medium Enterprises of India play an important role in providing huge employment and contributing considerably in manufacturing output. Their presence in the rural areas checks the migration of workforce to urban areas. They are the ancillary units to the large industries providing them various consumables and other services. This sector contributes nearly 45% of manufacturing output and 40% of total exports of the country and employs around 69 million persons in over 29 million units throughout the country. Despite such a big contribution from MSMEs there are various challenges still suffered by them in the areas of skill, credit, infrastructure, technology, etc. MSMEs are the highest credit defaulters which accounts for 5% of advances for the last three years. Even the process of providing loans to these enterprises is costly as there is a need of intensive field work and high levels of scrutiny for the processing of each application.

8. Exports: Exports play a major role in the growth of the manufacturing sector. But the share of India in global merchandise exports has been very low as compared to other countries like it rose from 0.5% in 1990 to 1% in 2006 and 1.8% in 2013. Whereas the developing countries' share in global merchandise exports rose from 24% in 1990 to 38% in 2006 and 45% in 2013 (Frances, 2015, p. 2).Of India's export basket, 62% comprise of manufacturing exports (as of 2013) which is the lowest among most Asian economies with China having 94%, Japan 88%, Philippines 77%, Singapore 70% and Thailand having 74% .The major reasons behind the declining manufacturing exports are the slow rate of growth of the sector, the small share of high tech exports, inadequate infrastructure, etc.

9. Environment Clearance: Slogan of "Go Green" in the present day requires the businesses to be environmentally sustainable. 'Being green' should be the main focus of the businesses and should be taken as a duty by the manufacturing sector to preserve the environment. But the situation is challenging for MSMEs who use obsolete and inefficient technologies. There is an urgent need to develop new techniques that help in protecting the environment .As many as 17 highly polluting industries have been identified by the Central Pollution Control Board, the majority of which are manufacturing industries. MSMEs, in particular, can significantly affect the environment as the technology used by them is generally obsolete and inefficient. About 70% of the total industrial pollution load of India is attributed to MSMEs**.**

Initiatives for the success of Make in India

Make in India initiative is a good move and it will boost up the economy of our nation and help in sharing the burden of deficit financing.As India is very rich in resources both natural and human. The problem being faced in India is the direction and financial investment in different areas, because of which our economic growth is very slow and restricts us to compete with the developed nations. But, before getting the fruitful results of 'Make in India' we have take following initiatives:

- We can make use of all the resources to the best possible extent
- We can stop youngsters running abroad
- Their talents can be best utilized and can increase production in the country
- We can also increase exports
- Our foreign exchange reserves will increase
- We can have better position in international market
- All this is possible only when
- If Good number of talented youngsters come forward to take initiative in setting up enterprises
- For this the govt. should identify their talents give them scholarships extend all financial support
- The govt. Can also fix some time bound targets
- Encourage healthy competition among the youngsters
- Enhance infrastructural facilities

Concluding remarks:

The poor condition of India's manufacturing sector has been slowly improving with the efforts of PM Narendra Modi's "Make in India" campaign. Moreover his one after another visits to other countries have brought commitments to investments in India. Like Japan has committed to invest USD 35 billion, and US committed to a USD 42 billion investment over the next two to three y. As per the CIIBCG manufacturing survey 2014 85% of the respondents expect manufacturing growth between 5 and 10% over the next five years versus only 65% in 2013 .So the optimism and the expectation among the CEOs of manufacturing companies is getting a boost. In another survey, a leading 32% of international investors ranked India as the most attractive market, while 60% placed the country among the top three investment destinations. Respondents believe that ongoing economic reforms are increasing opportunities for them to develop their companies profitably in India. Enthusiasm is strongest among companies with annual revenue exceeding US$2b. Also Foreign Direct Investment in manufacturing sector during the first half of 2015 witnessed a 221% increase as compared to the first half of 2014 with US$ 24.8 billion Equity.

Manufacturing's share of FDI raised to 80% and FDI projects raised by 22%.

The government is taking various positive steps to make the campaign successful like making its functions more efficient, reforms of the processes required in getting approvals and environment clearance by introducing the use of online system to speed up the process, policies to help the expansion of MSMEs, enhancing the business ease, attracting FDIs, actions to improve skill and thereby strengthening the hope of achieving the manufacturing target growth of 25% share to GDP by the year 2022 but still there is a long way to go. There is an urgent need to clear all the hurdles in the way of growth of this sector before getting assured of the targets. India is still ranked at 142nd place out of 189 economies of the world for its ease of doing business (World Bank Report, 2015). There is a lot of work to be done in providing the ease to the investors in areas like starting a business, dealing with construction permits, payment of taxes, enforcing contracts, etc. A business-friendly environment is a base for the growth of an economy. So the government of India is required to address the various issues that creates hurdles in the way of the growth of the manufacturing sector for making Make in India" a success.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India: Major Challenges

Dr.K. Swaroop Kumar,
Head of the Department of Economics
D.A.R. College, NUZVID-521201

Abstract: The Make in India campaign launched by Prime Minister Narendra Modi is drawing mix reactions. Political parties, political analysts, businessmen, industrialists and social activists are articulating diverse opinions. But all said and done, 'Make in India' has moved far beyond the catch phrase to take concrete shape. Yet there are plenty of challenges and hurdles, which pose threat to this initiative. This initiative is launched to give boost to different sectors like automobiles, chemicals, IT, pharma, textiles, engineering & manufacturing, aviation, railways, defense, renewable energy, mining, bio-technology, electronics, leather, tourism & hospitality etc. The initiative also aims to transform India from highly potential market to the powerhouse of manufacturing, thereby creating millions of job opportunities. In short the campaign is conceived and designed to achieve multiple objectives and far reaching impact on the economy. However, if the 'Make in India' has to succeed, we need to see the challenges and limitations in India. From this point of view, we need to acknowledge our present limitations in manufacturing: We need to admit that India, from technological point of view is lagging behind the western world, as far as manufacturing is concerned. Experts say, we are still about a decade behind advanced countries, when it comes to usage of technology and manufacturing excellence. But we can turn this situation in to our advantage. We can learn from the mistakes of the western world and try to adopt the best ever technology in the years to come. We have capabilities, we have set up and talent but we drag our own feet because of 'chalta hein' attitude. It invokes complacency and limits our vision about quality and excellence.

Key words: chalta hein, businessmen, industrialists

Introduction:

The Make in India campaign launched by Prime Minister Narendra Modi is drawing mix reactions. Political parties, political analysts, businessmen, industrialists and social activists are articulating diverse opinions. But all said and done, 'Make in India' has moved far beyond the catch phrase to take concrete shape. Yet there are plenty of challenges and hurdles, which pose threat to this initiative. This initiative is launched to give boost to different sectors like automobiles, chemicals, IT, pharma, textiles, engineering & manufacturing, aviation, railways, defense, renewable energy, mining, bio-technology, electronics, leather, tourism & hospitality etc. The initiative also aims to transform India from highly potential market to the powerhouse of manufacturing, thereby creating millions of job opportunities. In short the campaign is conceived and designed to achieve multiple objectives and far reaching impact on the economy.

However, if the 'Make in India' has to succeed, we need to see the challenges and limitations in India. From this point of view, we need to acknowledge our present limitations in manufacturing: We need to admit that India, from technological point of view is lagging behind the western world, as far as manufacturing is concerned. Experts say, we are still about a decade behind advanced countries, when it comes to usage of technology and manufacturing excellence. But we can turn this situation in to our advantage. We can learn from the mistakes of the western world and try to adopt the best ever technology in the years to come. We have capabilities, we have set up and talent but we drag our own feet because of 'chalta hein' attitude. It invokes complacency and limits our vision about quality and excellence.

Our thought about purchase or procurement is more or less 'cost centric' about technology rather than value conscious. Induction of any new technology involves significant capital investment. But focus is more about the thought, 'Kitna deti hein'. Hence, more often than not in Indian Industry may enjoy the cost benefits but lose on value addition.

The famous European machinery manufacturer, in a bid to market his products, visited China. In a meeting with one of the Chinese buyer. He offered his machinery with standard features at a certain amount. The buyer asked about advanced features in order to make full optimum utilization of the machinery. The supplier pointed out that these features would be of no use to him, considering his present set-up and processes and more importantly, they would come at additional cost. Yet the supplier insisted to have them installed at extra cost. Thus the cost of machinery was increased by about 25%. Now the buyer asked for standard discount to which the European agreed to extend 10% discount. The buyer further asked that instead of giving discount, the supplier should provide best ever features and ensure that advanced features are fully made operational at customer's end within a span of six months, with no extra cost. The deal was finalized, as the buyer was keen to utilize advanced machinery to optimum extent, in a very short span of time.

Then the manufacturer visited one of the Indian customers to sell his machinery. Similar discussions took place and the Indian buyer sought to have discount on the standard price. It was offered 10%. The buyer still bargained hard to obtain additional discount and after lot of negotiations, the supplier agreed for extra special discount. The buyer was happy that he had cracked the deal at a very low price and thus saved company's money. After the deal was finalized the supplier went back to Europe, retrieved the old drawings, which had long been archived 10-15 years back. In the bargain the machinery was received with very old features, which had become obsolete in Europe long before.

Moral of the story is simple. We try to bargain on cost instead of insisting for best features and in the process, lose on value. We get a momentary pleasure of saving the cost but in the long run, we stand to lose because we don't add value to our investment usage of low cost technology often poses problems in terms of product quality, reliability, consistency and performance. Our delivery commitments are fired. Many of us in India generally think that low investment means low manufacturing cost, which is utterly wrong. This conception is perhaps developed because we find lot of low cost Chinese products in the market.

We look at their cost but overlook their inconsistency in performance, durability and quality. On the other hand, a Swiss company producing ball pen tips, uses best ever automation and manufacturing practices. Their manufacturing process runs unmanned, 24/7 unabated, 365 days a year. Still the company has been able to keep their manufacturing cost lowest in the world. This is because they have ignored the cost or investment and strived to deliver the value.

We have to challenge and change this scenario. We should be more demanding and insist for superior technology or superior quality, that is used elsewhere in the advanced world. Investment in such machinery, tooling or equipments may appear high but its results and returns will be incredibly quicker and higher.

In many of the Indian industries, people insist for manual skill because they apprehend that adoption of advanced technology will result in redundancy of human resource, which is abundantly available in India. As such they resist the change and introduction of new technology. However, technology driven processes with minimum human intervention will guarantee manufacturing excellence.

Major challenges that the 'make in India' could face:

1. Administrative machinery:

Creating healthy business environment will be possible only when the administrative machinery is efficient. India has been very stringent when it comes to procedural and regulatory clearances. A business-friendly environment will only be created if India can signal easier approval of projects and set up hasstle-free clearance mechanism.

2. Competitiveness of manufacturing:

India should also be ready to tackle elements that adversely affect competitiveness of manufacturing. To make the country a manufacturing hub the unfavorable factors must be removed. India should also be ready to give tax concessions to companies who come and set up unit in the country.

3. Small and medium-sized industries:

India's small and medium-sized industries can play a big role in making the country take the next big leap in manufacturing. India should be more focused towards novelty and innovation for these sectors. The government has to chart out plans to give special sops and privileges to these sectors.

4. China's supremacy:

India's make in India campaign will be constantly compared with China's 'Made in China' campaign. The dragon launched the campaign at the same day as India seeking to retain its manufacturing prowess. India should constantly keep up its strength so as to outpace China's supremacy in the manufacturing sector.

5. **Where is the money?**

India needs funds to build industries, which in turn need infrastructure, which is in itself in short supply and requires more finance. The Make In India week is happening at a time the Supreme Court wants to know about the pile-up of bad loans in India's banking system which is not in a position to lend much unless its balance sheets are cleared. State-controlled banks are neck-deep in losses after making provisions to cushion bad loans.

6. **Robots block the way:**

In the new scheme of things, can India look for human employment on a large scale when robots may take over manufacture worldwide -- and still stay competitive? Vivek Wadhwa, Stanford University fellow who is at the forefront of alerting the world on the robotic threat, told the BBC recently that it was now "indisputable" that a new kind of industrial revolution was in the offing – one that won't require many humans. "In a decade or two you'll find that robots and artificial intelligence can do almost every job that human beings do. We are headed into a jobless future," he says. Scary? Just think of Google's self-driving cars – and the fact that your smart phone is now good enough to be an ECG machine on the basis of an app. Of course some jobs may be had in making robots.

7. Trade unions:

What do Maruti, Nokia, Ford and Hyundai have in common? All have had had strikes and protests in India at their manufacturing plants in the past two years alone. Unlike in China, where a communist government can (strangely) keep workers in control and wage costs in check, India has labour laws and organised unions that can hinder smooth expansion. It is not easy for the Modi government to change laws to make a dramatic impact.

The Congress-affiliated Indian National Trade Union Congress controlled more than 33 million workers as of two years ago.The BJP-friendly Bharatiya Mazdoor Sangh (BMS), controlled 17 million. Communist party-run unions had 20 million on their rolls.

8. Training Skills:

A report by consulting firm Ernst & Young said in 2012 that India lags far behind other nations in imparting skills training to its workers. Not too much has changed since then. While engineering colleges mushroom, the same cannot be said of industry-specific technical skills for shop floors. A major effort has got underway under the National Skill Development Corporation (NSDC), but this needs time to develop.

The government's Economic Survey said last year that the skilled workforce in India is counted at a mere 2%, while the NSDC estimated a need for 120 million skilled people in the non-farm sector– which would make it 10% of the population at current levels. Dearth of vocational education facilities and lack of training facilities are a key part of India's industrial landscape.

9. World class R&D:

India must also encourage high-tech imports, research and development (R&D) to upgrade 'Make in India' give edge-to-edge competition to the Chinese counterpart's campaign. To do so, India has to be better prepared and motivated to do world class R&D. The government must ensure that it provides platform for such research and development.

Criticism and Concerns

There is need of reforms in industrial strategies to make India a manufacturing hub. Favorable industrial framework need to be established that should attract more and more domestic as well as foreign industrialists towards Indian Territory. Favorable investment climate, assistance of financial services, relax and

industry favorable government policies and labor reforms are the essential ingredients.
Which are fundamental for the success. A number of layoffs in companies such as Nokia India cast long shadows over the campaign. A number of technology based companies have not been enthused by the campaign launch and have professed to continue getting their components manufactured by China.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

The four pillars of make in India

Dr. B. Naga Padmavathy, Vice-Principal, SG Lecturer in History, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

M.P. Karthik Madhav, II M.B.A., GITAM Deemed University, Visakhapatnam.

Abstract: Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The Government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy. The campaign Make in India is aimed at making India a manufacturing hub and academic transformation in India while eliminating the unnecessary laws and regulations and make Government more transparent responsive and accountable. Zero defect, Zero effect is a key phrase which has come to be associated with the Make in India campaign. The main objective of this paper is to analyze vision of Make in India and four pillars that built for the success of the mission.

Key words: Make in India, Manufacturing hub, Gross Domestic Product, Foreign Direct Investment, Zero defect, Zero effect.

Introduction:

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The Government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of receiving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. Prime Minister Mr. Narendra Modi launched the Make in India campaign on September 25, 2014. India's ailing infrastructure scenario and defunct logistics facilities make it difficult for the country to achieve an elite status as a manufacturing hub. The bureaucratic approach of former governments, Access to Finance, Land, Logistics, Labour Laws, Power Supply, Taxation and Incentives, Special Economic Zones (SEZs), Low productivity, no large scale economics, Entry and exit barriers are the main hurdles of the Manufacture sector in India. Narendra Modi's government has vowed to remove these hurdles and make the nation an ideal destination for investors to set up industries.

The main objective of this paper is to analyze vision of Make in India and four pillars that built for the success of the mission.

The manufacturing industry currently contributes just over 15% to the national GDP. The aim of this campaign is to grow this to a 25% by the year 2025. In the process, the government expects to generate jobs, attract much foreign direct investment and transform India into a manufacturing hub preferred around the globe that the Make in India initiative promises administration would aid the investors by making India a pleasant experience and that government considered overall development of the nation an article of faith rather than a political agenda. The major objective behind the initiative is to focus on 25 sectors of the economy which range from Automobile to Information Technology and business process management for job creation and skill enhancement. The initiative hopes to increase GDP growth and tax revenue. The initiative hopes to attract capital and technological investment in India.

The Make in India focuses on the following seven points:

First develop India and then Foreign Direct Investment, Look-East on one side and Link-West on the other, Highways and 'I-ways, Facilities investment, Foster innovation, Protect intellectual property, Build best-in-class manufacturing infrastructure.

The Logo for the Make in India campaign is an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. Wheel denotes peaceful progress and dynamism lion has been official emblem of India'' and it stands for "courage, tenacity and wisdom—all Indian values. The campaign was dedicated to the eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhayaya who had been born on the same date in 1916.

It also seeks to facilitate job creation, foster innovation, enhance skill development and protect intellectual property. The logo itself reflects the Integral role of manufacturing in government's vision and national development. The initiative is built on four pillars which are as follows:

New Processes: 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. A large number of components of "Defence Products" list have been excluded from the purview of Industrial Licensing. The application process for Industrial License and security clearance from Ministry of Home Affairs has been increased. The process of registration with Employees' Provident Fund Organization and Employees' State Insurance Corporation has been made on line and real-time. Process of obtaining environment and forest clearances has been made online. The Department of Industrial Policy and Promotion has advised Ministries and State Governments to simplify and rationalize the regulatory environment through business process reengineering and use of information technology. 14 Government of India services have been integrated with the online single window eBiz portal.

New Infrastructure: Infrastructure is integral to the growth of any industry. The government of India is developing Industrial parks, National investment and manufacturing zones, Special economic zones, sector specific clusters, country specific zones, industrial corridors and build smart cities with state-of-the-art technology and high-speed communication. The Government of India is developing the Delhi-Mumbai Industrial Corridor (DMIC) as a global manufacturing and investment destination utilizing the 1,483 km-long, high-capacity western Dedicated Railway Freight Corridor (DFC) as the backbone. The objective is to increase the share of manufacturing in the GDP of the country and to create smart sustainable cities where manufacturing will be the key economic driver. Other four corridors: planned include Bengaluru Mumbai Economic Corridor (BMEC); Amritsar - Kolkata Industrial Development Corridor (AKIC); Chennai Bengaluru Industrial Corridor (CBIC), East Coast Economic Corridor (ECEC) with Chennai Vizag Industrial Corridor as the first phase of the project (CVIC) Rs. 2500 crores were allotted to this project. The central Government and Asian Development Bank made an agreement to develop 800 KMs Industrial corridors (ECEC). Innovation and research activities are supported by a fast-paced registration system and improved infrastructure for Intellectual Property Rights (IPR) registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also addressed. A multi-skill development programme has been initiated with a mission for job creation and entrepreneurship for all socio-economic classes. It endeavours to establish an international equivalent of the Indian framework on skill development, creating workforce mobility and enhancing youth employability.

New Sectors: ‘Make in India’ has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal. The Government has allowed 100% FDI in Railway and removed restrictions in Construction. The government has allowed 100% FDI in all the sectors except Space (74%), Defence (49%) and News Media (26%). FDI restrictions in tea plantation has been removed, while the FDI limit in defence sector has been raised from the earlier 26% to 49% currently.

New Mindset: Government in India has always been seen as a regulator and not a facilitator. This initiative intends to change this by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country alongside the corporate sector. India is on the threshold of major reforms and is poised to become the third-largest economy of the world by 2030. In the words of our Hon’ble Prime Minister, India offers the 3 'Ds' for business to thrive— democracy, demography and demand. Add to that a tech-savvy and educated population, skilled labour, robust legal and IPR regime, and a strong commitment to calibrated liberalization — India is a destination that investors cannot overlook. India's manufacturing sector has evolved through several phases - from the initial industrialization and the license raj to liberalization and the current phase of global competitiveness. Today, Indian manufacturing companies in several sectors are targeting global markets and are becoming formidable global competitors. Many are already amongst the most competitive in their sectors. Since the launch of Make in India in September 2014, FDI inflows of USD 77 billion including equity inflows of USD 56 billion has been received for the period October 2014 to March 2016. This represents about a 44% increase in FDI Equity inflows over the same corresponding period.

'Zero defect zero effect' is a key phrase which has come to be associated with the Make in India campaign. Which means the manufacturing does not have an adverse effect on our environment".

Within the short span of time, there are many instances of the initiative's success. In December 2015, Micromax announced that it would put up three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh. Japan announced it would set up a USD 12 billion fund for Make in India-related projects, called the "Japan-India Make-in-India Special Finance Facility" after the Japanese Prime Minister Shinzo Abe's visit to the country. Huawei opened a new Research and Development (R&D) campus in Bengaluru and is in the process of setting up a telecom hardware manufacturing plant in Chennai. France-based LH Aviation signed a Memorandum of Understanding (MOU) with OIS Advanced Technologies to set up a manufacturing facility in India for producing drones. Foxconn announced it would invest USD 5 billion over five years for R&D and creating a hi-tech semiconductor manufacturing facility in Maharashtra. Samsung said it would manufacture the Samsung Z1 in its plant in Noida while General Motors declared that it would invest USD 1 billion to begin producing automobiles in the capital state. And this is only the tip of the iceberg as there are many more proposals in the pipeline.

Conclusion:

The Make in India campaign although attracted more than INR 2000 crore worth investment proposals, there is lot of criticism on the negative effects of it. It has been felt that the government doesn't walk its talk. Labour reforms and policy reforms which are fundamental for the success of the Make in India project have not yet been implemented. Critics say that 'Make in India' is an invitation to global corporate capital to come loot and plunder the natural commons, to destroy the environment, to dispossess populations made dispensable and to exploit cheap Indian Labour; it is invitation to global corporations who are being forced out of their home countries because high environmental and labour costs have been long been eating into their profits. Now exports is not really India's strong point and that would make in India even more difficult. The Government should focus on making business as easy and honest as possible, avoiding artificial props, curbing inflation and fiscal deficits, ensuring a realistic exchange rate, and letting the market decide which sectors should flourish. Investors from everywhere will then rush in to make in India.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India - A roaring lion

Lt.U.L.Sundari Bai , Lecturer in Mathematics, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku
Smt.K.Padmaja Rani ,Lecturer in Physics, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

Abstract: The concept of Make in India is a good initiative taken by our prime minister shri Narendra modi and it is definitely going to effect the socio-economic growth of our country, especially in providing employment opportunities and industrial growth. The direct benefits would be in terms of inflow of foreign exchange, job creation leading to decrease poverty, unemployment and also technological up gradation. Logo of Make in India-a lion made of gear wheels itself reflects striding lion made of cogs with the campaign name across its body. Make in India initiative is a good move and it will boost up the economy of our nation and help in sharing the burden of deficit financing. It is very much rich in both human resource and natural resource. Finally I conclude that the Make in India programme will be grand success in future and this is helpful to all talented ,hardworking youngster in India not only for their upliftment but also taking our country to international market to a top rank.

Key words: Make in India, upliftment, deficit financing

Introduction:

The concept of Make in India is a good initiative taken by our prime minister shri Narendra modi and it is definitely going to effect the socio-economic growth of our country, especially in providing employment opportunities and industrial growth. The direct benefits would be in terms of inflow of foreign exchange, job creation leading to decrease poverty, unemployment and also technological up gradation.

Logo of Make in India-a lion made of gear wheels itself reflects striding lion made of cogs with the campaign name across its body.

Make in India initiative is a good move and it will boost up the economy of our nation and help in sharing the burden of deficit financing. It is very much rich in both human resource and natural resource. The problem we are facing in India is financial investment in different areas. In order to get fruitful results of make in India we should take some initiatives like

- Make best use of all our resources.
- Stop brain drain.
- Increase exports.
- Our youngsters talents can be best utilized in the direction of developing our country.
- More number of youngsters should come forward to take initiative in setting up enterprises or giving innovative thoughts for the upliftment of our country.
- Government should give some financial support to the interested people.
- Government should take necessary steps to increase their skills by

conducting skill developing programmes.

- Government should also fix some time bound targets.
- Make in India aims at increasing the GDP and tax revenues in the country, producing high quality products and minimizing the impact on the environment.
- Make in India is concentrating various areas like chemicals, automobiles, oil and gases, railways and electronic goods etc.
- Make in India is impossible if we continue doing business with China which is a major rival to India. China is number one in outsourcing , manufacturing and business. Modi's aim is to remove various hurdles and make the nation an ideal destination for investors to setup industries.

What are the advantages we get from make in India:

- Unemployment problem will be solved.
- There will be a chance to start small scale industries.
- It will help to reduce brain drain.
- Poverty will be reduced.
- Value of Indian currency will be increased.
- Foreigners will also come forward to start industries in our country.
- Exports from India will also be increased.
- India will get a better position in international market.
- Law and order ,terrorism, crime rate may also be decreased.
- The main aim of intellectual property rights is to establish a vibrant intellectual property regime in the country.
- It also helps to lower the per capita income and help in sharing the burden of Government.

No doubt that the above discussed advantages of Make in India concept will increase our economic growth and the initiative taken by the Government is being welcome by every corner of the world. It is possible to make India the power house of manufacturing sector in the world.

The dreams of our prime minister thoughts can be worked out and convert this imaginary market to reality .We are fortunate enough that there are large number of labour and big domestic market in India .All these will be improved by stopping tax terrorism, improve infrastructure, reform labour laws, investment in skill development, easy land acquire laws, transparency in all aspects etc. Government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure and using state of the art technology

Conclusion:

Finally I conclude that the Make in India programme will be grand success in future and this is helpful to all talented ,hardworking youngster in India not only for their upliftment but also taking our country to international market to a top rank.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India-prospects and challenges

P.Aravind Swamy, Lecturer in Economics,
GDC, Ganapavaram, West Godavari Dt.-534198.

Abstract : India is the fastest growing economy and third-largest economy in the world regarding its purchasing power parity according to the World Bank with the GDP of over USD 2.1 trillion. It was named amongst the top 10 Foreign Direct Investment (FDI) destinations in 2015. Looking at these statistics, one cannot deny that India has an incredible potential to rise as an economic power with a prosperous future. But on the other hand India ranked low on the World Bank's report of 'Ease of Doing Business', having been cited to have a myriad of regulations and bureaucratic red tape. The desired dynamism in the manufacturing sector has remained elusive. The share of manufacturing has largely remained stagnant averaging around 15.5% of GDP over the last 35 years. India is still struggling for a manufacturing led export growth to take root. India has an added advantage with numerous favorable conditions such as cheap abundant labour, rich availability of raw materials, domestic consumer market etc., for the success of Make in India initiative. Low rank regarding 'Ease of Doing Business', multi-tier regulatory frameworks and complex procedures making, lack of clear-cut policies on land acquisition, lack of R&D and multiple tax regime are the main impediments for "Make in India initiative". . If India can overcome the challenges and provide world class infrastructure and logistics, the Make in India initiative can turn India into the world largest economy very soon.

Key words: Make in India, 'Ease of Doing Business, dynamism

Introduction

India is the fastest growing economy in the world today – an impressive position it has held since it overtook China in the year 2015 – with the International Monetary Fund (IMF) predicting that India is likely to retain this status till 2020. With the Gross Domestic Product (GDP) of the country growing at more than 7% since 2014, the IMF has kept projections for India's growth in 2016-2017 at 7.5%, which is remarkable since there has been a forecast of the global growth predicted at 3.4% in 2016 and 3.6% in 2017, as reported by the national daily, The Hindu. India is also the third-largest economy in the world regarding its purchasing power parity according to the World Bank with the GDP of over USD 2.1 trillion. It was named amongst the top 10 Foreign Direct Investment (FDI) destinations in 2015.The country is home to the 2nd largest English-speaking population in the world after the Unites States. It also has the largest youth population in the world at 650 million with more than half the population below 25 years of age. This demographic is arguably India's greatest strength.

Looking at these statistics, one cannot deny that India has an incredible potential to rise as an economic power with a prosperous future. A decade-long study by Harvard University's Centre for International Development predicts the country's GDP will continue to expand at an average of over 7% which means nominal GDP will nearly double to around USD 4.50 trillion (at current exchange rate) in 2025. India's purchasing power parity in 2025 will thus be around USD 15 trillion by a similar calculation. It is also set to be the 5th largest consumer market by the same year.

But on the other hand India ranked low on the World Bank's report of 'Ease of Doing Business', having been cited to have a myriad of regulations and bureaucratic red tape. While India has metamorphosized from an agrarian economy into an economy driven by the services sector, the desired dynamism in the manufacturing sector has remained elusive. The share of agriculture in India's GDP has declined from 35% in 1980 to 18% in 2013 and the corresponding share of services has risen from 40% to 57%; however the share of manufacturing has largely remained stagnant averaging around 15.5% of GDP over the last 35 years. The share of manufacturing in India's GDP stood at a meagre 12.8% in 2013. India is still struggling for a manufacturing led export growth to take root. Of India's export basket, 62% comprise of manufacturing exports (as of 2013) which is the lowest among most Asian economies (China 94%, Japan 88%, Phillipines 77%, Singapore 70% and Thailand 74%). Harnessing India's manufacturing potential is the key to ensure a sustainable long term growth. The government of India has already taken several steps for some much-needed change in the country. Numerous national developmental projects such as Digital India, Start Up India, Skill India, Pradhana Mantri Jan-Dhan Yojana, Smart City, National Manufacturing Policy (NMP) etc., have been launched in the recent years that cover a wide array of sectors to initiate economic reform as well as target social change.

With the country already witnessing an increase in FDI by nearly 44% since the launch of such initiatives, India seems on its way to achieving its stated target with the government leading the way. 'Make in India' is the proof that the nation is willing to embrace growth by adopting changes on the journey to becoming an economic superpower. Reinforcing the vision to develop India into a global manufacturing giant, Prime Minister Narendra Modi unveiled a national program of 'Make in India' on 25th September 2014' with an aim to facilitate investments, foster innovation and build world class manufacturing infrastructure. . Under the 'Make in India' initiative, the government has, since its inception, announced several steps to improve the business environment by easing processes to do business in the country. It represents a comprehensive overhaul of processes and policies. It represents a complete change of the Government's mindset - a shift from issuing authority to business partner, in keeping with Prime Minister Modi's tenet of 'Minimum Government, Maximum Governance'.

With the objectives of making India a global manufacturing hub, encouraging Domestic companies and Multinationals to manufacture their products in India, creating millions of jobs in the country and attracting foreign investment, the initiative focuses on 25 sectors of the economy for job creation and skill enhancement. Some of these sectors are automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, design manufacturing, renewable energy, mining, bio-technology and electronics. The initiative hopes to increase GDP growth and tax revenue. It also aims at high quality standards and minimizing the impact on the environment. It hopes to attract capital and technological investment in India. The envisaged creation of smart cities and investment corridors, allowing higher FDI in sectors such as defence and railways, actions to foster project execution including faster approvals and clearances, appeasing investor sentiment, correcting inverted duty structures amongst others, have been some of the encouraging efforts that the Government has undertaken over the last few months.

India has an added advantage with numerous favorable conditions for the success of Make in India initiative. Cheap abundant labour gives India a natural comparative advantage in low-value added, labour intensive manufacturing goods .With a population of 1.2 bn people, and the world's highest youth population (India has 572 mn people under the age of 24); labour is a vital factor of production for India. India's harnessing of its manufacturing potential will lie in tapping its low cost labour. India fairs as the most competitive economy in terms of both average monthly wages and minimum monthly wages as compared to its Asian peers. Cheap semi-skilled and unskilled labour intensive products give India a natural competitive advantage .

India has rich availability of raw materials inputs such as cotton, coal and iron ore. India has the world's 5 largest coal reserves, India is the fourth largest iron ore producer accounting for 5% of global production, and is likely to overtake China as the largest cotton producer. Abundant raw materials give India a comparative advantage in terms of low-cost manufacturing inputs, reducing the overall cost of production. Further, domestic availability of raw materials can insulate India's manufacturing sector from global commodity cycles. There is a room for India in the global markets to export labour intensive products like clothing, textiles, footwear, furniture, plastic products, bags and toys. India's domestic demand offers tremendous potential to tap economies of scale in manufacturing consumer goods segment. India's domestic consumer market is the most rapidly growing consumer market in Asia. The new aspiring Indian middle class is expected to touch 267 mn over the next 5 years as per National Council of Applied Economic Research (NCAER), presenting tremendous opportunities to realize economies of scale for fast moving manufacturing consumer goods. With consumerism and disposable incomes on the rise, retail sector can experience rapid growth in the coming decades with many global players entering the Indian market.

Inspite of prospects discussed above, there are several problems for the success of Make in India initiative. India ranked low on the World Bank's report of 'Ease of Doing Business', having been cited to have a myriad of regulations and bureaucratic red tape. According to World Bank's 'Ease of Doing Business' survey 2014, India ranks 142 out of a total of 189 countries, significantly behind its Asian peers (Singapore ranks 1, Hong Kong ranks 3, Malaysia 18, China 90, Philippines 95 and Indonesia 114), highlighting that the procedures and costs of doing business are particularly cumbersome for India. Start up procedures to register a business requires 12 days in India as compared to 5 days in OECD nations and 8 days in Low and Middle Income nations. Further, 1420 days are required to enforce a contract in India as compared to 527 days in OECD nations and 655 days in Low and Middle income nations. India is characterized by multi-tier regulatory frameworks and complex procedures making it tedious for investors to venture into manufacturing projects. Relative labour productivity in India falls behind its global peers, despite a cheap and abundant labour resource. As a result of poor education, labour productivity remains low in India, serving as a deterrent for attracting investment and manufacturing opportunities. Infrastructure and logistics in India lag far behind international standards adding significantly to the cost of doing business. Highways, bridges, world-class airports, reliable power and clean water are in short supply. Indian ports have a vessel turnaround time of 3-5 days as against only 4-6 hours in Singapore and Hong Kong.

Lack of clear-cut policies on land acquisition, multiplicity of authorities and bureaucratic hurdles lead to delays in the implementation of industrial and infrastructure projects in India. India's expenditure on R&D as a share of GDP is a paltry 0.8% as compared to 2.4% in OECD nations and 1.2% in Low & Middle income nations. Currently the taxation regime faces challenges such as double taxation, inverted duty structure and lower incentives which have rendered the manufacturing sector uncompetitive. The indirect taxation regime is riddled with double taxation such as sales tax on cenvat, sales tax on central sales tax, entry tax on sales tax, and income tax on service tax. Further, the current direct tax structure is a major impediment towards building an investor friendly ambience and boosting consumer sentiment. Taxes on income profits and capital gains comprise 45% of total revenues in India with comparable ratios at 23% in OECD nations and 21% in low income nations, reflecting disincentives the current tax structure at present imposes.

Today, India’s credibility is stronger than ever. There is visible momentum, energy and optimism. Make in India is opening investment doors. Multiple enterprises are adopting its mantra. The world’s largest democracy is well on its way to becoming the world’s most powerful economy. If India can overcome the challenges and provide world class infrastructure and logistics, the Make in India initiative can turn India into the world largest economy very soon.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India: New Paradigm for Socio-Economic Growth in India

Smt. G. Aruna Kumari, Lecturer in Economics, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

Smt. K. Vani, Lecturer in Commerce, S.K.S.D. Mahila Kalasala UG & PG (A), Tanuku

Abstract:

Make in India is an international marketing campaigning slogan coined by the Prime Minister of India, Narendra Modi to attract businesses from around the world to invest and manufacture in India. The campaign has been concentrated to fulfill the purpose of Job Creation, Enforcement to Secondary and Tertiary sector, Boosting national economy, Converting the India to a self-reliant country and to give the Indian economy global recognition. Make in India which is the recipe of PM Narendra Modi's aims to make India the manufacturing hub of the world. The Prime Minister Narendra Modi, prior to the commencement of his maiden US visit, last month launched 'Make in India', a major national initiative which focuses on making India a global manufacturing hub. Key thrust of the programme would be on cutting down in delays in manufacturing projects clearance, develop adequate infrastructure and make it easier for companies to do business in India. The 25 key sectors identified under the programme include automobiles, auto components, bio-technology, chemicals, defence manufacturing, electronic systems, food processing, leather, mining, oil & gas, ports, railways, ports and textile. The national programme aims at time-bound project clearances through a single online portal which will be further supported by the eight-member team dedicated to answering investor queries within 48 hours and addressing key issues including labor laws, skill development and infrastructure.

Key words: railways, ports and textile, service sector, infrastructure

Introduction

'Make in India' is the initiative taken by the present government and our Prime Minister Shri Narinder Modi had formally declared the policy pertaining to Make in India on September 25th, 2016 and within a very short span large number of countries are supporting this concept and started investing in different areas. The results till now have been mixed. It takes time to set up factories and thus capabilities and only then the returns can be judged. To give a good example, Foxconn (Apple iPhone maker) has signed an MOU with Maharashtra government which will bring investment worth $5 billion to the country and create thousands direct and indirect jobs but this won't start before 2017. Ford has also decided to set up an automobile factory in Gujarat which is going to employ thousands again. Even Asus has decided to set up a handset manufacturing unit in India in Andhra Pradesh.

Considering the above stories, the direct benefits would be in terms of inflow of foreign exchange, job creation leading to lower unemployment and also technological up-gradation. India since 1990's has particularly seen a rapid growth in service sector. For a country with 1.25 billion individuals and thousands joining the labor force every month, service sector is definitely not the best bet to absorb the job seekers.

Concept of Make in India

The **'Make in India'** program is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production with the country.

Make in India is intended to make India a manufacturing hub of the world (at least Asia, for that matter). The idea was to increase the contribution of the manufacturing sector to India's GDP.

Make in India aims at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards and minimizing the impact on the environment.

Following are the major focused areas on which the Make in India is concentrating:-

- Automobiles
- Biotechnology
- Aviation
- Oil and Gases
- Tourism and Hospitality
- Chemicals
- Railways and many more

Government of India has allowed 100 % FDI (Foreign Direct Investment) in all sectors except Spare (74%), Defense 49%) and News Media 26%) and had launched four major policies under the `Make in India ' program.

Policy for New Initiatives : This initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency in Administration. Under this policy, the Government has already rolled out:

- Environment clearances can be sought online.
- All income tax returns can be filled online
- Validity of industrial licence is extended up to three years
- Paper registers are replaced by electronic register by businessmen.
- Approval of the head of the department is necessary to undertake an inspection.

Policy for Foreign Direct Investment

Government of India has allowed 100 % FDI (Foreign Direct Investment) in all sectors except Spare (74%), Defense 49%) and News Media 26%). FDI restrictions in tea plantation has been removed, while the FDI limit in defense sector has been raised from the earlier 26% to 49% currently.

Policy for Intellectual Property Facts

The Government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state of the art technology. The main aim of intellectual property rights is to establish a vibrant intellectual property regime in the country.

Policy for National Manufacturing

The vision of Make in India is to increase manufacturing sector growth to 12-14% p.a. over the medium term and to increase the share of manufacturing in the country's GDP from 16% to 25% by the year 2022. Further, the vision is to create appropriate skill sets among rural migrants and the urban poor for inclusive growth and to ensure the sustainability of growth, particularly with regard to environment.

Initiatives for the success of Make in India

Make in India initiative is a good move and it will boost up the economy of our nation and help in sharing the burden of deficit financing. As India is very rich in resources both natural and human. The problem being faced in India is the direction and financial investment in different areas, because of which our economic growth is very slow and restricts us to compete with the developed nations. But, before getting the fruitful results of 'Make in India' we have take following initiatives:

- We can make use of all the resources to the best possible extent
- We can stop youngsters running abroad
- Their talents can be best utilized and can increase production in the country
- We can also increase exports
- Our foreign exchange reserves will increase
- We can have better position in international market
- All this is possible only when
- If Good number of talented youngsters come forward to take initiative in setting up enterprises
- For this the govt. should identify their talents give them scholarships extend all financial support
- The govt. Can also fix some time bound targets
- Encourage healthy competition among the youngsters

The objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country's Gross Domestic Products is increased to 25% in next few years.

However, for making India an investment hub, the first and foremost importance step would be to create a efficient administrative machinery which would cut down on delays in project clearances. Economists say that India has been very stringent when it comes to giving procedural and regulatory clearances. Besides a time bound clearance from all regulatory authority would create a conducive environment for business.

The Prime Minister acknowledged that India being ranked low on the 'ease of doing business' ranking by World Bank and added that he has started to sensitize the Government officials in this regard. On his recent meeting with World Bank President Jim Yong Kim, Modi said "World Bank President was also expressing this worry. Probably we were 135th in the world at that time. If we have to come to 50 from 135 then Government alone can do this. If Government brings transparency in its decisions and rules, pushes works with simplicity we can occupy number 50 from 135 in ease of doing business,".

Delay in getting regulatory clearances lead to rise in cost of production. A leading multinational automobile major said "costs of production in India increase because of various government policies, procedures, regulations and the way some of the laws are implemented,". The quicker the government addresses these challenges its better for the industry to set up facilities in the country.

For providing better infrastructure for the industry, there has been a big constraint in term of land acquisition. Often land acquisition for the industrial purpose run into trouble at the local level.

Tax sops & focus on innovation

Economists have noted that with the globalization becoming a reality, Indian manufacturers will have to compete with the best and cheapest the rest of the world has to offer even in the domestic market.

They urged for providing tax concessions to any industry which would set up manufacturing facility in the country. Besides a critical aspect is the country's huge small and medium-sized industries which could play a big role in making the country take the next big leap in manufacturing.

"India should be more focused towards novelty and innovation for the sectors indentified and integration with the country's premier institute for carrying out research and development would be critical to the success of the make in India programme," a leading industrialist said.

Besides the skill development, labour law flexibility is a key element for the success of this campaign for increasing manufacturing in the country. Economists say that "labour law flexibility does not imply 'hire and fire' policy, it's about providing a sound social safety net to workers."

Experts say that the country has some of the most comprehensive labour laws at the same time a large parts of working population do not have access to social security net. Prime Minister had stressed the faster the bulk of Indian middle class increases, the faster people move from poverty to middle class, the faster will be their conversion into a favourable market for the world. He said his government's focus will be on physical infrastructure creation as well as creating a digital network for making India a hub for global manufacturing of goods ranging from cars to software's, satellites to submarines and paper to power.

A leading Economist said the big challenge for 'Make in India' campaign would face constant comparison with China's 'Made in China' campaign. The China launched the campaign at the same day as India seeking to retain its manufacturing prowess. "India should constantly keep up its strength so as to outpace China's supremacy in the manufacturing sector," he noted.

Categorically stating that there is a need for some fundamental changes in Indian economy so that the country emerges as global manufacturing base, Modi explained "on the one hand, manufacturing growth is to be promoted, at the same time we need to ensure that direct benefit goes to the youngsters of India. He should get employment so that there is improvement in the economic situation of even the poorest family. These poor should move towards middle class and there purchasing power should improve. This will lead to manufacturing growth and growth of the market,".

Demographic dividend

According to reports by 2020, India is set to become the world's youngest country with 64% of its population in the working age group.

With the Western countries, Japan and even China aging, this demographic potential offers India and its growing economy an edge that economists believe could add a significant 2% to the GDP growth rate annually.

Prime Minister also had said that India is the only country in the world which offers the unique combination of democracy, demography, and demand from a rising middle class.

Besides, the campaign would ensure closer centre and states relations for promoting India as a global manufacturing hub. "If investment comes in the States, it comes in India also. States and Centre should work collectively, shoulder to shoulder as a team. they should find solution together and things move forward,". Modi urged.

Although a sound beginning has been made for the Make in India campaign, now the ball is in the government's court to ensure its success.

Conclusion

Make in India is an ambitious project, but it is one that India desperately needs to kick start and sustain its growth momentum. With relentless policies towards this end, it is possible to make India the powerhouse of manufacturing sector in the world. At this moment, our Prime Minister's Make in India campaign appears to be an imaginative marketing campaign. In addition, with China's competitive advantage in manufacturing eroding. India has the opportunity to take some share of global manufacturing away from China. All we have to do to improve the ease of doing business in India are these 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, Implementation of Goods and Services Tax (GST) 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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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India: Welcome to invest in Biotechnology Sector of India

K. Venkata Reddy, Dept of Biotechnology, SKSD Mahila Kalasala UG&PG (A), Tanuku, West Godavari District, Andhra Pradesh

K. Srilakshmi, Dept of Botany, S.V.K.P & Dr. K.S. Raju A&S College, Penugonda, West Godavari District, Andhra Pradesh

Abstract: India is amongst the top 12 biotech destinations in the world and ranks third in the Asia Pacific region. India has the second highest number of U.S. Food and Drug Administration (USFDA)-approved plants, after the USA. Huge domestic market and Large consumer base with increasing disposable income The Indian biotech sector is divided into five major segments- bio-pharma, bio-services, bio-agri, bio-industrial and bio-informatics. The bio-pharmaceutical sector accounts for the largest share of the biotech industry with a share of 62% of total revenues in 2015, followed by bio-services (18%), bio-agri (15%), bio-industrial (4%) and bio-informatics (1%). And supported 104 new startups, 346 companies, 509 projects including 115 collaborative projects through BIRAC, a Public Sector Unit of Government of India.

Key words: Make in India, biotech sector, bio-agriculture

Introduction: 'Make in India' is an initiative launched by the government of India to encourage multi-national, as well as national companies to manufacture their products in India. It was launched by Prime Minister Sri Narendra Modi on 25September 2014 in a function at the Vigyan Bhavan on 29 December 2014, a workshop was organized by the department of Industrial Policy and Promotion. The DIPP initiated this process by inviting participation from Union Ministers, Secretaries to the Government of India, state governments, industry leaders, and various knowledge partners. Next, a National Workshop on sector specific industries in December 2014 brought Secretaries to the Government of India and industry leaders together to debate and formulates an action plan for the next three years, aimed at raising the contribution of the manufacturing sector to 25% of the GDP by 2020. Within a very short span large number of countries is supporting this concept and started investing in different areas.

The biotechnology sector is one of the country's major sectors. As per the Association of Biotechnology Led Enterprises (ABLE), the sector was estimated at around USD 4 billion in 2011. Various estimates suggest that the sector is poised to increase to USD 10 billion by 2015. India is amongst the top-12 biotech destinations in the world and ranks second in Asia, after China. It is also the largest producer of the recombinant Hepatitis B vaccine in the world.The Indian biotechnology sector is presently divided into five segments of bio-pharmaceuticals, bio-services, bio-agriculture, bio-industrial and bio-informatics. Bio-pharma accounts for 60% of total revenues in the biotechnology sector, followed by bio-services at 20%, bio-agri at 14%, bioindustrials at 4% and bio-informatics at 2%. Revenues from biotech exports were USD 1.57 billion in 2009–2010, constituting 52% of the biotech industry's total revenues. Data obtained from the Department of Industrial Policy and Promotion (DIPP) shows that the drugs and pharmaceuticals sector attracted an impressive level of FDI worth USD 3,208 million between April 2011 and January 2012. DIPP is a part of the Ministry of Commerce and Industry and is responsible for framing the country's FDI policy. India is among the top 12 biotech destinations in the world and ranks third in the Asia-Pacific region. India has the second-highest number of US Food and Drug Administration (USFDA)–approved plants, after the USA and is the largest producer of recombinant Hepatitis B vaccine. Out of the top 10 biotech companies in India (by revenue), seven have expertise in bio-pharmaceuticals and three specialise in agri-biotech. India has no dearth of talent in biotechnology, as a number of institutions, both government and autonomous, provide the necessary opportunities for the students seeking to obtain a degree in this sector. The Government of India has provided adequate scope to this sector by providing facilities for Research and Development (R&D) in the field of biotechnology.

Concept of Make in India

To start a movement, you need a strategy that inspires, empowers and enables in equal measure. Make in India needed a different kind of campaign: instead of the typical statistics-laden newspaper advertisements, this exercise required messaging that was informative, well-packaged and most importantly, credible. It had 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 sectors are Automobiles, textiles and Garments, Biotechnology, Wellness, Defence, Manufacturing, Ports, Food Processing, Mining, Media and Entertainment, IT and BPM, Pharmaceuticals, Renewable Energy, Roads and Highways, Railways, Thermal Power, Oil and Gas, Space, Leather, Construction, Aviation, automobile components, chemicals and Electronic System.The Department of Industrial Policy & Promotion (DIPP) worked with a group of highly specialised agencies to build brand new infrastructure, including a dedicated help desk and a mobile-first website that packed a wide array of information into a simple, sleek menu. Designed primarily for mobile screens, the site's architecture ensured that exhaustive levels of detail are neatly tucked away so as not to overwhelm the user. 25 sector brochures were also developed: Contents included key facts and figures, policies and initiatives and sector-specific contact details, all of which was made available in print and on site.

Make In India: Why you should invest in 'Biotechnology Sector' in India?

India is home to one-seventh of the world's population, i.e. approximately 1.2 billion people. This huge population of the country saw a laudable dream of India becoming the 'manufacturing hub' of the world after Prime Minister Narendra Modi launched his 'Make in India' campaign. Achieving this vision is not going to be an easy task but sooner later we will get there. The good thing is that the country has already started taking its baby steps towards making this dream come true.India already has many of the necessary ingredients such as a talented and enthusiastic scientific workforce, equipments and infrastructure needed in order to grow its bio-economy. This industry can provide significant economic growth and development to the people of India and around the world and has the potential to become the jewel of the Indian economy. It has the capacity to address the substantial healthcare, food, energy, environmental and other critical issues of the country.

This has been possible due to increase in investments, outsourcing activities, exports and the government's focus on the sector. Also, the country is able to produce a strong pool of scientists and engineers who are capable of developing cost-effective manufacturing capabilities. Moreover, concrete steps taken towards setting up of national research laboratories, centers of academic excellence and several other institutes in medical science , educational and training institutes offering degrees and diplomas in biotechnology, bio-informatics and biological sciences have given a boost to sector.

As per the statistics (from Make in India site), the sector's market size is expected to go up to USD 11.6 Billion by 2017. This will take place due to a range of factors such as growing demand for healthcare services, intensive R&D activities and strong government initiatives, fast-developing clinical capabilities with the country becoming a popular destination for global companies for clinical trials, contract research and manufacturing activities. Furthermore, The Indian biotech industry is expected to grow at an average growth rate of around 30% a year and touch USD 100 Billion by 2025.

The biotech industry in India is being watched by 'The Department of Biotechnology, Ministry of Science & Technology, Government of India' and 'The Association of Biotechnology Led Enterprises' which are two major agencies in India in biotech segment. The Department of Biotechnology has established Operational biotech parks in various parts of the country including at Lucknow in Uttar Pradesh, Bangalore in Karnataka, Kalamassery and Kochi in Kerala, Guwahati in Assam and Chindwara in Madhya Pradesh to facilitate product development, R&D, and the development of biotechnology industrial sector.

Additionally, investments by global companies such as Limagrain (France), Endo Pharmaceuticals (USA), Sanofi Aventis (France) in pharmaceuticals are permitted up to 100% by Foreign Direct Investment (FDI) policy.

All these factors come together to reinforce each other and produce a solid ground which represents new business potential in India in biotech sector. The industry is in the phase of witnessing huge growth in terms of revenue and is heading on an evident path to success. So, if you are looking forward to invest without associating much risk to your investment then the industry is more than eager to receive your attention. The land is filled with opportunities to become a major player in the biotechnology sector across the world!

Market size

The Indian biotech industry holds about 2 per cent share of the global biotech industry. The biotechnology industry in India, comprising about 800 companies, is valued at US$ 11 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. The government has to invest US$ 5 billion to develop human capital, infrastructure and research initiatives if it is to realise the dream of growing the sector into a US$ 100 billion industry by 2025, as per Union Minister for Science and Technology, Mr Harsh Vardhan. Biopharma is the largest sector contributing about 64 per cent of the total revenue followed by bioservices (18 per cent), bioagri (14 per cent), bioindustry (3 per cent), and bioinformatics contributing (1 per cent). The high demand for different biotech products has also opened up scope for the foreign companies to set up base in India. India has emerged as a leading destination for clinical trials, contract research and manufacturing activities owing to the growth in the bioservices sector.

Investments

India's biotech sector has attracted significant amount of attention over the past two decades. Several global companies have aggressively joined hands with Indian companies due to India's strong generic biotechnology potential. Some of the recent investments and developments in this sector are as follows:

- The Telangana state government's flagship pharma and biotech event - BioAsia 2017 attracted investments to the tune of Rs 3,382 crore (US$ 507.3 million).
- During the Vibrant Gujarat Global Summit-2017, 54 MoUs worth Rs 5,022 crore (US$ 736.1 million) in the biotechnology sector were signed by 37 companies.
- Syngene International Ltd, the contract research services arm of Biocon Ltd, is setting up a drug discovery and development center in Bengaluru for Amgen Inc., a biotechnology company based in the US.
- US-based medical devices maker Boston Scientific Corp. plans to make India its biggest research and development (R&D) hub outside the US, as it plans to develop devices such as stents, catheters and pacemakers at its Gurgaon facility for the Asia Pacific, Middle East and African markets.
- Frost & Sullivan has signed a memorandum of understanding (MoU) with The Neotia University (TNU) to set up biotechnology parks in India.
- Biotechnology giant Monsanto has planned to set up a seed plant in Buldhana district of Maharashtra.
- Global beverage major Pepsi has planned to set up another unit in the state of Maharashtra to manufacture mango, pomegranate and orange-based citrus juice.
- Biotechnology Industry Research Assistance Council (BIRAC), the funding agency of Department of Biotechnology, has planned to allocate around Rs 100-200 crore (US$ 15-30 million) for its biotech equity fund, which aims to provide

financial assistance to biotech and life sciences start-ups.

- Canada's Centre for Commercialisation of Antibodies and Biologics (CCAB) has partnered with Zydus Cadila to manufacture antibody-based cancer treatments.
- Shantha Biotechnics Private Limited has started building a facility to manufacture Insuman, an insulin product to treat diabetes. French pharmaceutical company Sanofi SA, which acquired Shantha Biotechnics in 2009 through its vaccines division, Sanofi Pasteur SA, is investing Rs 460 crore (US$ 69 million) to build the facility that, at full capacity, will produce 60 million Insuman cartridges annually, company executives said.
- Hyderabad headquartered vaccine manufacturer Indian Immunologicals Limited (IIL), part of the National Dairy Development Board, is setting up a new vaccine manufacturing facility in Puducherry involving an investment of Rs 300 crore (US$ 45 million). This is the fourth facility for IIL, which currently has two facilities in Hyderabad and one in Ooty.
- Bristol-Myers Squibb and Syngene International, the contract research subsidiary of Biocon, have announced a five-year extension of their drug discovery and development collaboration in India.
- The Bhabha Atomic Research Centre (BARC) through its Centre for Incubation of Technologies (BARCIT) has signed an MoU with M/s Veena Industries, Nagpur, for incubation of technology for biodegradable and edible films for food and pharmaceuticals packaging.
- Aurobindo Pharma announced that its Board of Directors have approved the proposal for setting up a Joint Venture (JV) with Tergene Biotech, a vaccine development company based in India. Tergene is currently working on development of the Pneumococcal Conjugate Vaccine (PCV) through use of novel vaccine technology compressing time and cost, thereby, making such vaccine available at an affordable cost.

Government Initiatives

A Network of Technology Centres and promotion of start-ups by Small Industries Development Bank of India (SIDBI) are among the steps taken by the Government of India to promote innovation and entrepreneurship in the agro industry proposed by the Ministry of Micro, Small & Medium Enterprises (MSME) in a new scheme. The Government of India has taken several initiatives to improve the biotechnology sector in the country as well as offer enough scope for research in this field. The Department of Biotechnology (DBT) along with other government funded institutions such as National Biotechnology Board (NBTB) and many other autonomous bodies representing the biotechnology sector, are working together in order to project India as a global hub for biotech research and business excellence. Some of the recent major initiatives are as follows:

- In the Union Budget 2017-18, the Department of Biotechnology (DBT) received Rs 2,222.11 crore (US$ 333.31 million), an increase of 22 per cent, to continue implementing the department's national biotech strategy and target increasing the turnover from the sector to $100 billion by 2025 from $7 billion in 2016.

- The Telangana government also inked an MoU with PE firm Cerestra to explore a 'Life Sciences Infrastructure Fund' with a corpus of Rs 1,000 crore (US$ 150 million) to create a sophisticated modular plug and play infrastructure for pharma, biotech and medical devices industry.
- Dr Harsha Vardhan, Union Minister for Science and Technology & Earth Sciences, inaugurated India first cellulosic alcohol technology demonstration plant developed through indigenous technology with capacity of 10 ton per day.
- The Regional Centre for Biotechnology Bill, 2016 has been approved in Lok Sabha, which aims to provide the status of national importance to the Regional Centre for Biotechnology, for facilitating transfer of technology and knowledge and making it a hub for biotechnology expertise in the Asian region.
- The Government of India has relaxed norms for import and export of human biological samples, doing away with import licences or export permits, in an effort to improve the ease of doing business in the industry.
- The Government of India has signed a cooperation agreement with the *European Molecular Biology Organization (EMBO) to* strengthen scientific interaction and collaborative research between India and Europe.
- The Government of India aims to scale-up the number of start-ups in biotechnology sector to 1,500-2,000 over next two to three years from 500 currently.
- The Government of India is planning to launch a venture capital fund of Rs 1,000 Crore (US$ 150 million) under the department of pharmaceuticals, to support start-ups in the research and development in the pharmaceutical and biotech industry.
- The Government of Karnataka plans to raise Rs 50 crore (US$ 7.5 million) for a biotechnology-dedicated fund in addition to the existing Semiconductor Fund of Rs 100 crore (US$ 15 million) in order to engage with the emerging technology and biotech space in the state.
- CSIR-Institute of Himalayan Bioresource Technology (CSIR-IHBT) has signed an MoU with Phyto Biotech to formalise transfer of technology, for production of unique autoclavable super oxide dismutase (SOD) enzyme, used in cosmetic, food and pharmaceutical industries for end applications.
- DBT has announced the Indo-Australian Career Boosting Gold Fellowships under which it will support the researchers to undertake a collaborative research project at a leading science institute or university in Australia for a period of up to 24 months.
- DBT has allocated Rs 4.6 crore (US$ 0.68 million) to the University of Agricultural Sciences (UAS) to support a national multi-institutional project titled 'A value chain on jackfruit and its products'.
- Under the 12th Five Year Plan, the Government of India plans to strengthen regulatory science and infrastructure, which involves setting up of Biotechnology Regulatory Authority of India (BRAI) and a central agency for regulatory testing and certification laboratories.
- Foreign Direct Investment (FDI) up to 100 per cent is permitted through the automatic route for Greenfield and through the government route for Brownfield, for pharmaceuticals.

- National guidelines have been laid down to ensure that research with human stem cells is conducted in a responsible and ethical manner and complies with all regulatory requirements pertaining to biomedical research in general and of stem cell research in particular.

Government Policy and Promotion

The Indian government has been proactive and supportive in driving the growth of the biotechnology sector by offering grants and tax incentives, and implementing investment-friendly regulations.FDI up to 100% is permitted through the automatic route for the manufacture of drugs and pharmaceuticals. The Department of Biotechnology (DBT) is the nodal agency for the sector's policy promotions regarding R&D, global cooperation and manufacturing activity. Towards this end, DBT set up 35 facilities between 2002 and 2007 to produce and supply biologicals, reagents, culture collections and laboratory animals to scientists, industries and students at nominal costs.

The government has taken several initfiatives to promote the growth of the Indian
biotechnology sector. Some of these are:

 Biotechnology Regulatory Authority of India: The Indian government has proposed the setting up of this authority by drafting the Biotechnology Regulatory Authority of India Bill, 2011. This authority is aimed to be set up as an independent body and legal committee to control the production, research, transport, import, and usage of organisms and products of modern biotechnology.

 Biotechnology Industry Research Assistance Council: This council has been set up to support innovation and provide infrastructure and services to the Indian biotechnology sector. It will also address sector needs by providing a suitable environment to promote and support high-end innovation.

 Venture Fund: The Indian government has set up a USD 2.2 billion venture fund for supporting drug discovery and research infrastructure development projects. This is a crucial step as it increases the funding required for innovative work by the Indian biotech sector.

 Clinical Establishments Bill: The Indian government passed the Clinical Establishments Bill in the year 2010. This move is aimed at standardizing procedures for various clinical trial-related tasks. The bill aims to make registration of clinical trials, as well as clinical research organisations, mandatory throughout India.

 Food security plan for sustainable crop production research for international development: The Government of India has undertaken this initiative with the specific aim of increasing global partnerships between India and the UK in the field of biological and biotechnological research.

Major Players

South India, with biotech hubs such as Bangalore in Karnataka and Hyderabad in Andhra Pradesh, represents the biggest hub for biotech companies. The number of biotech companies in South India was 172 in 2010. In fact, almost half of the biotechnology companies in India are based out of the state of Karnataka.

- Apart from Karnataka, states such as Andhra Pradesh, Maharashtra, Tamil Nadu and Kerala have been proactive in supporting the biotech sector by establishing world-class biotech parks and clusters.
- A total of 350 companies operate in the biotechnology sector in India. Some of the successful biotechnology companies in India are Biocon, Serum Institute of India, Panacea Biotech, Panacea Biotec, Nuziveedu Seeds, Reliance Life Sciences, Quintiles, Rasi Seeds, Novo Nordisk, Shantha Biotechnics, Venkateshwara Hatcheries, Indian Immunologicals, TransAsia Biomedics and Mahyco.
- Foreign players are also establishing their presence in the Indian biotech space. For instance, Denmark-based global biotech company Novozymes has partnered with Bangalore-based biotech company Sea6 Energy in January 2012 for exploratory research and to jointly develop a process for the production of biofuels from seaweed. Novozymes has planned to provide research, develop and manufacture enzymes for the conversion process, while Sea6 Energy will contribute its offshore seaweed cultivation technology.
- Lonza, a global leader in the production and support of pharmaceutical and biotech products, is planning to set up a manufacturing base in India at an investment of USD 150 million at Hyderabad.
- In a similar move, India-based Clinigene International, a subsidiary of Biocon, and Seattle based Pacific Biomarkers Inc. (PBI) announced a collaborative agreement in January 2012 to address the specialty biomarker and high-end clinical trial laboratory needs of the global pharmaceutical and biotechnology industry. Clinigene offers end-to-end clinical and laboratory services for accelerating clinical research and PBI provides premier biomarker and specialty efficacy testing services to the drug development industry. This partnership with Clinigene provides PBI access to India, an emerging hub for drug development and contract research

Conclusion

With the country offering numerous comparative advantages in terms of R&D facilities, knowledge, skills, and cost effectiveness, the biotechnology industry in India has immense potential to emerge as a global key player. India constitutes around 8 per cent of the total global generics market, by volume, indicating a huge untapped opportunity in the sector. Outsourcing to India is projected to spike up after the discovery and manufacture of formulations. Hybrid seeds, including GM seeds, represent new business opportunities in India based on yield improvement. India currently has a marginal share in the global market for industrial enzymes. Hence, there is an opportunity in focused R&D and knowledge-based innovation in the field of industrial enzymes, which can innovatively replace polluting chemical processes into eco-friendly processes that also deliver environmental sustainability. Another interesting field of study is the area of bio-markers and companion diagnostics, which will enable to optimise the benefits of biotech drugs. India has all the ingredients to become a global leader in affordable healthcare. If there is an annual investment of US$ 4.01 billion to US$ 5.02 billion in the next five years, the biotech industry can grow to US$ 100 billion by 2025, with a 25 per cent return on investment, and set a growth rate of 30 per cent year-on-year.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

GST: A Game Changer - “Make In India”

T. Tirupati naidu
Lecturer in Economics, MR College (Autonomous), Vizianagaram

Abstract: *In India the poor in the working classes spend greater proportion of their income on essential consumption compared t the wealthier classes. That is way indirect taxes are considered regression compared to direct taxes. Shift from the present multistage tax structure (charged differently from different states and union government separately) leading to cascading effect of indirect taxes. To overcome this, the constitution Amendment Bill for GST (Goods and services Tax) has been approved by the President of India post its passage in the Parliament (Upper and lower houses) and ratification by more than half of state legislatures. Now the government of India is ready to replace all the indirect taxes levied on goods of services by centre and states and deployment GST by April 2017. It is perhaps breath taking UN President in modern global tax history. No doubt its takes our economy to the next level for the better-off. The question of using the fiscal autonomy to the states does not arise, as they can retain their autonomy to levy top- up taxes on special goods. Make in India will be successful only by beginning India on a single tax platform. GST will improve tax governance, as it aims to simplify and harmize the indirect tax regime in India. The cascading effect which is a burden on majority of common man was addressed by GST. Finally the GDP is expected to increase by 2 percent. In the long run the GST is expected to attract FDI and help in reducing the cost of capital goods, raise manufacturing and exports, increase tax collection and most importantly create jobs which are the need of the hour.*

Key words: *indirect tax, special goods tax collection,*

Introduction

Tax reforms are nothing but an integral part of development process of any nation. Even the developed countries like UK, USA, are acting as role models for developing countries like India to understand and follow tax reforms. The GST replaces 15 existing states and federal taxes and could help India increase at economic growth by 0.5 and 2 percentage points. Benefits of GST will be indeed slow to come, may be by 2019 we may reap the fruits there is an ocean that it may lead to inflation but GST is a single uniform tax PAN India that will be a friendly and fresh to the business as well as investors

At present, goods and services tax (GST) in tax reforms, plays an important role to inspire confidence of manufacturers and investors. GST is a giant leap for the country in tax reforms to push the economy forward. The GST which is a outcome of legislative measure that will help transform the economy harshening in transparency in most of all, bringing the concept of one country’ one tax’ into practice.

Need: GST will improve tax governance, as it aims to simplify and harmize the indirect tax regime in India. The cascading effect which is a burden on majority of common man was addressed by GST. Finally the GDP is expected to increase by 2 percent.

The question of using the fiscal autonomy to the states does not arise, as they can retain their autonomy to levy top- up taxes on special goods. Make in India will be successful only by beginning India on a single tax platform In the long run to achieve the growth through foreign investment which helps in reducing the cost of capital goods GST is a must. It not only raises manufacturing but also helps in exports. It increases tax collections and will help in employment. It is prized as the mother of all economic reforms at present in India. it is expected that GST will put an end to " taxes terrorism"

Tax reforms don't end with GST. As envisaged by the government its seeks to replace the Indian Income Tax act of 1961 by emending all laws relating to direct taxes, to help increase the tax GDP ratio.

The business argument:

- simplifies tax administration
- makes compliance easier
- prevents cascading effect
- could add to GDP

The political argument:

- reduces states fiscal and political economy
- states can't exempts some goods and services
- lowers state's ability to raise money for welfare
- indirect taxes burden lower income groups more

Tax GDP Ratio and progressivity of taxes in India: A country's tax- GDP ratio is an important indicator that helps to understand how much tax revenue is received by the government as compared to the overall size of the economy. A higher tax GDP ratio gives more places in government's budget so that it can spend more without borrowings.

Shift from the present multistage tax structure (charged differently from different states and union government separately) leading to cascading effect of indirect taxes. To overcome this, the constitution Amendment Bill for GST has been approved by the President of India post its passage in the Parliament (Upper and lower houses) and ratification by more than half of state legislatures. Now the government of India is ready to replace all the indirect taxes levied on goods of services by centre and states and deployment GST by April 2017. It is perhaps breath taking UN President in modern global tax history. No doubt its takes our economy to the next level for the better-off.

The GST will put an end to the complex procedure in indirect taxes that appear at present and it will replace with one indirect tax GST. Though GST is a single tax, it will comprise two components, a central GST and state GST.

It is hoped that the present GST approach defiantly help to simplify and reduce the burden of audit in an easy way because of rationalization and this system increase efficiency and compliance. For the first time in India all political parties came together and passed the GST Bill unanimously. The GST is the world's most complex tax reform, where 7.5 million businesses can register, and make payments, on GST portal. It is really big relief for business because of layers of taxes and exemptions, the cost of tax compliance too high.

Table I: Tax GDP Ratio

Year	Total tax - GDP Ratio	Direct tax –GDP Ratio	indirect tax –GDP Ratio
2001-02	13.39	3.11	10.28
2002-03	14.08	3.45	10.63
2003-04	14.59	3.86	10.73
2004-05	15.25	4.23	11.02
2005-06	15.91	4.54	11.37
2006-07	17.15	5.39	11.77
2007-08	14.45	6.39	11.06
2008-09	16.26	5.83	10.43
2009-10	15.5	5.8	9.6
2010-11	16.3	5.8	10.50
2011-12	16.3	5.6	10.7
2012-13	16.9	5.6	11.3
2013-14	17.1	5.7	11.4
2014-15	17.4	5.8	11.6
Source: indian public finance statistics, 2014-15, Govt. of India			

Conclusions:

- In 2010 the 13th finance commission recommended 12 percent GST. This will mean revenue loss for state as VAT is already 13-14 percent.
- In 2014 state government representatives mooted a revenue neutral rate of 2 percent. This is will be an enormous tax burden on wage earners both are revenue losses for states and burden to wage earners.

What is the right rate: Finally to answer the question rate that will neutralize or rate at which tax revenues for states and central will remain the same as before GST of 27 percent may the right rate. The ideal way to bring down the GST is to include the most goods and services under its purview. But, this may hit the lower income groups. In fact the ideal way is no loss to the states and to the general public which is acceptable to the masses because ultimately it is the average citizen who has to bear the burden.

Though we find many indisputable and evident merits in GST, the devil lies in the details. Then only time will tell if it is a success.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Foreign Direct Investment – In India

Kalyanam Satyanaryana, Research Scholar, Dravidian University, Kuppam & Associate Professor, Department of Management, Godavari Institute of Engineering & Technology, Rajanagaram, Rajahmundry,

Dr J. Chandra Prasad, Director, SKSD Mahila College, Tanuku.

Abstract: Make in India was initiated by Prime Minister Mr. Narendra Modi launched on September 25, 2014, with the primary goal of making India a global manufacturing hub, by encouraging both multinational as well as domestic companies to manufacture their products within the country. Led by the Department of Industrial Policy and Promotion, the initiative aims to raise the contribution of the manufacturing sector to 25% of the Gross Domestic Product (GDP) by the year 2025 from its current 16%. Make in India has introduced multiple new initiatives, promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector. It targets 25 sectors of the economy which range from automobile to Information Technology (IT) and Business Process Management (BPM). My paper mainly concentrated on Foreign Direct Investment (FDI) to facilitate job creation, foster innovation, enhance skill development and protect intellectual property. The logo of 'Make in India'– a lion made of gear wheels – itself reflects the integral role of manufacturing in government's vision and national development.
Key Words: Make in India, Foreign Direct Investment, Information Technology, Business, Process management

Introduction: Foreign Direct Investment (FDI) plays an important role in India and it inflows to India remained sluggish, when global FDI flows to EMEs had recovered in 2010-15, despite sound domestic economic performance ahead of global recovery. The paper gathers evidence through a panel exercise that actual FDI to India during the year 2010-15 fell short of its potential level (reflecting underlying macroeconomic parameters) partly on account of amplification of policy uncertainty as measured).

Foreign Direct Investment (FDI) inflows to India witnessed significant moderation in 2010-15 while other Emerging Market Economies (EMEs) in Asia and Latin America received large inflows. This had raised concerns in the wake of widening current account deficit in India beyond the perceived sustainable level of 3.0 per cent of Gross Domestic Product (GDP) during April-December 2015. This also assumes significance as FDI is generally known to be the most stable component of capital flows needed to finance the current account deficit. Moreover, it adds to investible resources, provides access to advanced technologies, assists in gaining production know-how and promotes exports.

A perusal of India's FDI policy vis-à-vis other major emerging market economies (EMEs) reveals that though India's approach towards foreign investment has been relatively conservative to begin with, it progressively started catching up with the more liberalized policy stance of other EMEs from the early 1990s onwards, inter alia in terms of wider access to different sectors of the economy, ease of starting business, repatriation of dividend and profits and relaxations regarding norms for owning equity.

This progressive liberalization, coupled with considerable improvement in terms of macroeconomic fundamentals, reflected in growing size of FDI flows to the country that increased nearly 5 fold during first decade of the present millennium.

Though the liberal policy stance and strong economic fundamentals appear to have driven the steep rise in FDI flows in India over past one decade and sustained their momentum even during the period of global economic crisis (2008-09 and 2009-10), the subsequent moderation in investment flows despite faster recovery from the crisis period appears somewhat inexplicable. Survey of empirical literature and analysis presented in the paper seems to suggest that these divergent trends in FDI flows could be the result of certain institutional factors that dampened the investors' sentiments despite continued strength of economic fundamentals. Findings of the panel exercise, examining FDI trends in 10 select EMEs over the last 7 year period, suggest that apart from macro fundamentals, institutional factors such as time taken to meet various procedural requirements make significant impact on FDI inflows. This paper mainly concentrated on the traces the evolution of India's FDI policy framework, followed by cross-country experience reflecting on India's FDI policy vis-à-vis that of select EMEs. It includes.

New Processes: 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.

New Infrastructure: 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. Innovation and research activities are supported by a fast-paced registration system and improved infrastructure for Intellectual Property Rights (IPR) registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being addressed.

New Sectors: 'Make in India' has identified 25 sectors to promote with the detailed information being shared through an interactive web-portal.[1] The Government has allowed 100% FDI in Railway[2] and removed restrictions in Construction.[3] It has also recently increased the cap of FDI to 100% in Defense and Pharmaceutical.[4]

New Mindset: Government in India has always been seen as a regulator and not a facilitator. This initiative intends to change this by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country alongside the corporate sector.

Since the launch of Make in India in September 2015, FDI inflows of USD 77 billion including a equity inflows of USD 56 billion has been received for the period October 2014 to March 2015. This represents about a 44% increase in FDI Equity inflows over the same corresponding period.

'**Zero defect zero effect'** is a key phrase which has come to be associated with the Make in India campaign. In the words of Prime Minister Narendra Modi, "Let's think about making our product which has **'zero defect'... and 'zero effect'** so that the manufacturing does not have an adverse effect on our environment". Thus, sustainable development in the country is being made possible by imposing high-quality manufacturing standards while minimising environmental and ecological impact.

Within the short span of time, there are many instances of the initiative's success. In December 2015, Micromax announced that it would put up three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh. Japan announced it would set up a USD 12 billion fund for Make in India-related projects, called the "Japan-India Make-in-India Special Finance Facility" after the **Japanese Prime Minister Shinzo Abe's** visit to the country. Huawei opened a new Research and Development (R&D) campus in Bengaluru and is in the process of setting up a telecom hardware manufacturing plant in Chennai. France-based LH Aviation signed a Memorandum of Understanding (MoU) with OIS Advanced Technologies to set up a manufacturing facility in India for producing drones. Foxconn announced it would invest USD 5 billion over five years for R&D and creating a hi-tech semiconductor manufacturing facility in Maharashtra. Samsung said it would manufacture the Samsung Z1 in its plant in Noida while General Motors declared that it would invest USD 1 billion to begin producing automobiles in the capital state.[6] And this is only the tip of the iceberg as there are many more proposals in the pipeline.

"Come make in India. Sell anywhere, [but] make in India." Prime Minister Narendra Modi said while introducing his vision to the public. And it seems that the world is more than ready to embrace this vision, which is already set on a path to become a reality.

Manufacturing: The Government of Karnataka in collaboration with the Department of Industrial Policy and Promotion (DIPP) and Confederation of Indian Industry (CII) organised the Make in India Conference – 'Karnataka Calling' in Bengaluru on 13th and 14th February 2017. The two-day Conference featured 10 sectoral sessions that were attended by prominent dignitaries, industry leaders and investors. More than 2,500 delegates from India and abroad were a part of the Conference, with around 600 B2B meetings scheduled across different focus sectors. The Conference, a part of the "**Make in India**" initiative, was held to seek investments in key sectors such as electronics, aerospace and defence among others, as well as to showcase Karnataka's potential as an investment hub. The Make in India initiative has been making consistent strides to create a vibrant atmosphere for investors, entrepreneurs and startups.

The positive climate for investments in the country today can be greatly attributed to the government's efforts to streamline processes such as single-window clearances for project approvals, building plan approvals and getting electricity, among others. The Foreign Direct Investment (FDI) regime has also been liberalised by the government, making India one of the most open economies in the world. Recognizing this, **Arun Jaitley, Minister of Finance and Corporate Affairs,** during his inaugural address at the Conference, reiterated that the future of India lies in manufacturing.

Despite the global slowdown, India's economic situation has improved over the years and there are no 'whispers of protectionism' as seen in developed countries, he added. One of the major focus areas for the government, which is poised to play a big role in the "Make in India" initiative, is the Aerospace and Defence sector. India's aviation market is growing at a rapid pace and is anticipated to become the third-largest globally by 2020. With regard to the defence sector, the government's thrust towards indigenisation and relaxation of FDI norms in the sector has led to a significant increase in participation from both domestic and foreign industry. Additionally, the country's technological capabilities and robust infrastructure have driven many foreign OEMs to establish their Research and Development (R & D) centers in India. **Manohar Parrikar, Union Minister for Defence,** highlighted the country's potential to become a defence manufacturing hub. He added that the next few years would be critical for the growth of the sector and also drew attention to the government's efforts in changing mindsets and increasing receptivity towards private players in the sector.

Another sector that is crucial for the growth of the economy is the Heavy Equipment and Machine Tools sector. Regarded as the '**backbone' of the manufacturing sector**, this industry is touted to reach USD 2 trillion by 2018. The session on 'Reinventing the new growth paradigm – Machine Tools and Heavy Engineering' discussed India's potential to become a major hub for the heavy engineering industry. One of the highlights of the Conference was the signing of a Memorandum of Understanding (MoU) between the Government of Karnataka and Government of India to set up India's first integrated machine tools park in Tumkur.

The Conference also featured a session 'moving towards Global Competitiveness: Biotechnology and Pharmaceuticals'. India is already ranked among the top 12 biotechnology destinations in the world and second in Asia. With its potential to stimulate growth in the manufacturing sector, the industry is set to reach USD 100 billion by 2025. The pharmaceutical industry too, with its enormous variety of medicines and unmatched quality, has been a key contributor to the growth of the country's economy. Kiran Mazumdar Shaw, one of the biggest pioneers of biotechnology in India, who delivered the keynote address at this Session, echoed the significance of manufacturing to propel the future of the country. She welcomed the emergence of startups in the sector, but emphasised the need for innovation.

The startup movement is inextricably linked to the "Make in India" initiative. With the technology landscape undergoing an evolution in India, there is a rising breed of manufacturing startups that are driving innovation and opening wider avenues for growth in the country. Most of these startups are working towards the application of modern technologies in domains such as automobiles, logistics and food processing, among others. The session on **'Manufacturing Startups'** featured discussions among startup founders and industry leaders on how to best leverage the startup ecosystem to encourage manufacturing. Several startup CEOs also shared their success stories, highlighting the support they received along the way.

During the valedictory session, Parrikar assured the industry of greater support from the government to spur growth in the manufacturing sector. **Ramesh Abhishek IAS, Secretary, DIPP, Government of India,** said that the government is considering investor-friendly policies to incentivize the manufacturing sector. He added that both the central and state governments would work towards addressing the issues faced by the industry.

On the sidelines of the Conference, Bengaluru also hosted the **'CNN Asia Business Forum',** where top business leaders and influencers engaged in discussions about India's position in a turbulent global economy. The forum also featured sessions on India's growing prospects in the aviation sector as well as the dominant role of digital technology in the transformation of India's economy.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Enabling 'make in India' through effective tax reforms

Dr. Kota Pallavi, Dr. Kota Pallavi, Assistant Professor(C), Dr. B.R. Ambedkar College of Law, Andhra University, Visakhapatnam.

Abstract : Today, a number of medium and large units are masquerading as small units to avail of tax exemption benefits, because "small" is defined on the basis of turnover rather than ownership. The Goods and Service Tax (GST) will encourage small units to grow and reap the benefits of scale. Compliant units will benefit from a level playing field. If there is any measure that will strengthen the Make in India effort, especially in goods, it is the goods and services tax (GST). One of the main objectives of GST would be to eliminate the cascading impact of taxes on production and distribution cost of goods and services. The exclusion of cascading effects i.e. tax on tax will significantly improve the competitiveness of original goods and services which leads to beneficial impact to the GDP growth. It is felt that the GST would serve a superior reason to achieve the objective of streamlining indirect tax regime in India which can remove cascading effects in supply chain till the level of final consumers only when all such above mentioned indirect taxes are completely included in GST. GST is the most logical steps towards the comprehensive indirect tax reform in our country since independence.

Key words: Goods and Service Tax, Make in India, tax reforms

Introduction

India stands out as a country with immense potential and opportunity given the current global environment. It is once again creating an interest and excitement in the global arena as hopes build for its reforms agenda to be carried forward. Industry expects tax reforms to be at a priority position in this agenda. Around the world, the discussions on tax policy have become centric to checking tax base erosion and enhancing transparency in terms of exchange of information. India's tax policy is no exception and is changing in response to the global developments. However, India needs to strike the right balance between checking tax avoidance and making the tax environment more facilitative compared to other jurisdictions competing for investments. More than low rates of tax or tax incentives, the investors look for a responsive tax administration that provides certainty and consistency in tax treatment.

The Government has already embarked on the journey to deliver a litigation-free and a certain tax environment. It has taken positive steps to correct some of the policy and administrative decisions taken by the tax department in the last couple of years which resulted in immense uncertainty and angst among the taxpayers. The Budget 2014 also announced measures to improve the existing disputes minimisation and resolution mechanisms. The focus now needs to be on an effective implementation of these measures and building trust between the tax administrators and taxpayers. A facilitative tax environment is crucial to creating a more positive image for India as an investment destination and to make the Prime Minister's mission for 'Make in India' a success. With the various action items on the OECD BEPS Action plan gathering momentum, it is also seen that the policy responses are varying across the globe. The Government should engage with the industry actively on all the BEPS Action items to develop a coordinated response. The risk of unilateral policy, legislative or enforcement response could compound the pre-existing backlog of tax litigation and further damage the investment climate.

At present, the most awaited tax reform in India is the Goods and Services Tax. While the Centre and the States are still engaged in discussions on the design of the tax system, the industry hopes for an early consensus for a comprehensive GST that will put the economy on the high growth trajectory. This Paper explores the emerging tax trends across the globe. It also discusses the policy and administrative reform measures needed for a stable, certain, less litigious and facilitative tax environment in India that supports investments and growth.

Historical background of GST

In the year 2000, for the first time the idea of initiating the GST was made by the then BJP Government under the leadership of Atal Behari Vajpayee. An empowered committee was also formed for that, headed by Asim Dasgupta (the then Finance Minister of the West Bengal Government). The committee was formed to design the model of the GST and at the same time inspect the preparation of the IT department for its rollout. In 2011, the previous United Progressive Alliance (UPA) Government also introduced a Constitution Amendment Bill to facilitate the introduction of the GST in the Lok Sabha but it was rejected by many States.

Goods and Services Tax Bill

The Constitution Amendment Bill for Goods and Services Tax (GST) has been approved by The President of India post its passage in the Parliament (Rajya Sabha on 3 August 2016 and Lok Sabha on 8 August 2016) and ratification by more than 50 percent of state legislatures. The Government of India is committed to replace all the indirect taxes levied on goods and services by the Centre and States and implement GST by April 2017.

With GST, it is anticipated that the tax base will be comprehensive, as virtually all goods and services will be taxable, with minimum exemptions.

GST will be a game changing reform for the Indian economy by creating a common Indian market and reducing the cascading effect of tax on the cost of goods and services. It will impact the tax structure, tax incidence, tax computation, tax payment, compliance, credit utilization and reporting, leading to a complete overhaul of the current indirect tax system.

GST will have a far-reaching impact on almost all the aspects of the business operations in the country, for instance, pricing of products and services, supply chain optimization, IT, accounting, and tax compliance systems.

GST was first recommended by Kelkar Task Force on implementation of Fiscal Reforms and Budget Management Act 2004 but the First Discussion Paper on Goods and Services Tax in India was presented by the Empowered Committee of State Finance Ministers dtd.10th Nov.10th, 2009. In 2011, the Constitution (115th Amendment) Bill, 2011 was introduced in Parliament to enable the levy of GST. However, the Bill lapsed with the dissolution of the 15th Lok Sabha. Subsequently, in December 2014, the Constitution (122nd Amendment) Bill, 2014 was introduced in Lok Sabha. The Bill was passed by Lok Sabha in May 2015 and referred to a Select Committee of Rajya Sabha for examination.GST Bill Passed in Rajya Sabha on 3rd August 2016 (03-08-2016)

The government may be keen to roll out the goods and services tax from April 1, 2017 but passage of the Constitution Amendment Bill in the Rajya Sabha is just one significant but small step in the actual introduction of the indirect tax reform.

The Constitution Amendment Bill will now require the President's assent, following which the all-important GST Council will also be set up. The Bill will then have to be ratified by at least 50 per cent of the States. Simultaneously, the real nitty-gritty of the GST will have to be worked out. The Empowered Committee of State Finance Ministers along with the Union Finance Minister will now have to finalise the modalities of the legislations on Central GST, State GST and inter-State GST. The Bills will also have to be passed in the ensuing Winter and Budget Sessions of Parliament and State assemblies.

Objectives of GST

One of the main objectives of GST would be to eliminate the cascading impact of taxes on production and distribution cost of goods and services. The exclusion of cascading effects i.e. tax on tax will significantly improve the competitiveness of original goods and services which leads to beneficial impact to the GDP growth. It is felt that the GST would serve a superior reason to achieve the objective of streamlining indirect tax regime in India which can remove cascading effects in supply chain till the level of final consumers only when all such above mentioned indirect taxes are completely included in GST. It is understood that alcohol, tobacco and petroleum products will not be enclosed by GST as alcohol and tobacco are considered as Sin Goods, and governments do not like to allow free trade on these property.

Definition of GST: "GST is a tax on goods and services with value addition at each stage having comprehensive and continuous chain of set of benefits from the producer's / service provider's point up to the retailers level where only the final consumer should bear the tax."

Salient features of the GST: Keeping in view the report of the Joint Working Group on Goods and Services Tax, the views received from the States and Government of India, a dual GST structure with defined functions and responsibilities of the Centre and the States is recommended. An appropriate mechanism that will be binding on both the Centre and the States would be worked out whereby the harmonious rate structure along with the need for further modification could be upheld, if necessary with a collectively agreed Constitutional Amendment. Salient features of the proposed model are as follows:

(i) The GST shall have two components: one levied by the Centre (hereinafter referred to as Central GST), and the other levied by the States (hereinafter referred to as State GST). Rates for Central GST and State GST would be prescribed appropriately, reflecting revenue considerations and acceptability. This dual GST model would be implemented through multiple statutes (one for CGST and SGST statute for every State). However, the basic features of law such as chargeability, definition of taxable event and taxable person, measure of levy including valuation provisions, basis of classification etc. would be uniform across these statutes as far as practicable.

(ii) The Central GST and the State GST would be applicable to all transactions of goods and services made for a consideration except the exempted goods and services, goods which are outside the purview of GST and the transactions which are below the prescribed threshold limits.

(iii) The Central GST and State GST are to be paid to the accounts of the Centre and the States separately. It would have to be ensured that account-heads for all services and goods would have indication whether it relates to Central GST or State GST (with identification of the State to whom the tax is to be credited).

(iv) Since the Central GST and State GST are to be treated separately, taxes paid against the Central GST shall be allowed to be taken as input tax credit (ITC) for the Central GST and could be utilized only against the payment of Central GST. The same principle will be applicable for the State GST. A taxpayer or exporter would have to maintain separate details in books of account for utilization or refund of credit. Further, the rules for taking and utilization of credit for the Central GST and the State GST would be aligned.

(v) Cross utilization of ITC between the Central GST and the State GST would not be allowed except in the case of inter-State supply of goods and services under the IGST model which is explained later.

(vi) Ideally, the problem related to credit accumulation on account of refund of GST should be avoided by both the Centre and the States except in the cases such as exports, purchase of capital goods, input tax at higher rate than output tax etc. where, again refund/adjustment should be completed in a time bound manner.

(vii) To the extent feasible, uniform procedure for collection of both Central GST and State GST would be prescribed in the respective legislation for Central GST and State GST.

(viii) The administration of the Central GST to the Centre and for State GST to the States would be given. This would imply that the Centre and the States would have concurrent jurisdiction for the entire value chain and for all taxpayers on the basis of thresholds for goods and services prescribed for the States and the Centre.

(ix) The present threshold prescribed in different State VAT Acts below which VAT is not applicable varies from State to State. A uniform State GST threshold across States is desirable and, therefore, it is considered that a threshold of gross annual turnover of Rs.10 lakh both for goods and services for all the States and Union Territories may be adopted with adequate compensation for the States (particularly, the States in North-Eastern Region and Special Category States) where lower threshold had prevailed in the VAT regime. Keeping in view the interest of small traders and small scale industries and to avoid dual control, the States also considered that the threshold for Central GST for goods may be kept at Rs.1.5 crore and the threshold for Central GST for services may also be appropriately high. It may be mentioned that even now there is a separate threshold of services (Rs. 10 lakh) and goods (Rs. 1.5 crore) in the Service Tax and CENVAT.

(x) The States are also of the view that Composition/Compounding Scheme for the purpose of GST should have an upper ceiling on gross annual turnover and a floor tax rate with respect to gross annual turnover. In particular, there would be a compounding cut-off at Rs. 50 lakh of gross annual turn over and a floor rate of 0.5% across the States. The scheme would also allow option for GST registration for dealers with turnover below the compounding cut-off.

(xi) The taxpayer would need to submit periodical returns, in common format as far as possible, to both the Central GST authority and to the concerned State GST authorities.

(xii) Each taxpayer would be allotted a PAN-linked taxpayer identification number with a total of 13/15 digits. This would bring the GST PAN-linked system in line with the prevailing PAN-based system for Income tax, facilitating data exchange and taxpayer compliance.

(xiii) Keeping in mind the need of tax payer's convenience, functions such as assessment, enforcement, scrutiny and audit would be undertaken by the authority which is collecting the tax, with information sharing between the Centre and the States.

Benefits of GST : According to experts, by implementing the GST, India will gain $15 billion a year. This is because, it will promote more exports, create more employment opportunities and boost growth. It will divide the burden of tax between manufacturing and services. In the GST system, taxes for both Centre and State will be collected at the point of sale. Both will be charged on the manufacturing cost. Individuals will be benefited by this as prices are likely to come down and lower prices mean more consumption, and more consumption means more production, thereby helping in the growth of the companies.

A View on Goods and Service Tax

With respect to Tax the threshold limit for turnover above which GST would be levied will be one area which would have to be strictly looked at. First of all, the threshold limit should not be so low to bother small scale traders and service providers. It also increases the allocation of government resources for such a petty amount of revenue which may be much more costly than the amount of revenue collected. The **first** impact of setting higher tax threshold would naturally lead to less revenue to the government as the margin of tax base shrinks; **second** it may have on such small and not so developed states which have set low threshold limit under current VAT regime.

With respect to nature of taxes The taxes that are generally included in GST would be excise duty, countervailing duty, cess, service tax, and state level VATs among others. Interestingly, there are numerous other states and union taxes that would be still out of GST.

With respect to number of enactments of Statutes There will two types of GST laws, one at a centre level called 'Central GST (CGST)' and the other one at the state level - 'State GST (SGST)'. As there seems to have different tax rates for goods and services at the Central Level and at the State Level, and further division based on necessary and other property based on the need, location,geography and resources of each state.

The proposed Goods and Services Tax (GST) is said to replace all indirect taxes levied on goods and services by the Government, both Central and States, once it is implemented. The GST will consolidate all State economies. It will be one of the biggest taxation reforms to take place in India once the Bill gets the official green signal. The basic idea is to create a single, cooperative and undivided Indian market to make the economy stronger and powerful. The GST will make a significant breakthrough paving way for an all-inclusive indirect tax reform in the country.

Both SGST and CGST will be levied on the taxable value of a transaction. All goods and services, leaving aside a few, will be brought into the GST and there will be no difference between goods and services. The GST system will combine Central excise duty, additional excise duty, services tax, State VAT entertainment tax etc. under one banner.

The GST is basically an indirect tax that brings most of the taxes imposed on most goods and services, on manufacture, sale and consumption of goods and services, under a single domain at the national level. In the present system, taxes are levied separately on goods and services. The GST is a consolidated tax based on a uniform rate of tax fixed for both goods and services and it is payable at the final point of consumption. At each stage of sale or purchase in the supply chain, this tax is collected on value-added goods and services, through a tax credit mechanism.

Introduction of a GST is very much essential in the emerging environment of the Indian economy.There is no doubt that in production and distribution of goods, services are increasingly used or consumed and vice versa. Separate taxes for goods and services, which is the present taxation system, requires division of transaction values into value of goods and services for taxation, leading to greater complications, administration, including compliances costs. In the GST system, when all the taxes are integrated, it would make possible the taxation burden to be split equitably between manufacturing and services.

GST will be levied only at the final destination of consumption based on VAT principle and not at various points (from manufacturing to retail outlets). This will help in removing economic distortions and bring about development of a common national market.

It will also help to build a transparent and corruption-free tax administration. Presently, a tax is levied on when a finished product moves out from a factory, which is paid by the manufacturer, and it is again levied at the retail outlet when sold.

Regulatory Mechanism of GST

A new set up by Government of India named as 'GST Council'. The GST

Council consists of (a)the Union Finance Minister (as Chairman), (b) the Union Minister of State in charge of Revenue or Finance, and (c) the Minister in charge of Finance or Taxation or any other Minister, nominated by each state government.

All decisions of the GST Council will be made by three fourth majority of the votes cast; the centre shall have one-third of the votes cast, and the states together shall have two-third of the votes cast.

GST Is an Instrument to Boost 'Make in India'

If there is any measure that will strengthen the Make in India effort, especially in goods, it is the goods and services tax (GST). There are a number of reasons why this is so: First, it is expected that the total incidence of duty on manufacturing (goods) will come down from the present level of 26.5 per cent (Centre: 14 per cent, state value-added tax: 12.5 per cent). This will happen mainly through a more balanced sharing of the tax burden between the goods and the services sector. Second, it will create a level playing field between imports and domestic manufacturing. Today, the effective central excise duty rate on non-oil domestic manufacturing is nine per cent but the countervailing duty (CVD) neutralisation on the import side is only six per cent, creating a negative protection against domestic industry. This will go away with the introduction of the GST with the phasing out of all exemptions, including CVD exemptions, and the same GST rate will apply to both imports and domestic manufacturing. Third, today the general perception is that it is more profitable to trade than to manufacture. An important reason for this is that the tax burden on trading is much less than on manufacturing, which is compounded by tax leakages in the trading segment of the value chain. Concurrent taxation by the Centre and the states of the same taxable base from raw material to retail will facilitate better compliance verification. This will create a level playing field between domestic manufacturing and trading. Fourth, lower threshold limits for manufacturing under GST will prevent fragmentation of units. Today, a number of medium and large units are masquerading as small units to avail of exemption benefits, because "small" is defined on the basis of turnover rather than ownership. The GST will encourage small units to grow and reap the benefits of scale. Compliant units will benefit from a level playing field.

Status of Implementation of GST

To be fully viable by law in all the States, the GST Bill needs to be passed by a two-thirds majority in both Houses of Parliament and by the legislatures of half of the 29 States. In December 2014, Finance Minister Arun Jaitley introduced the constitutional amendment Bill of the GST in the Lok Sabha. He announced that the GST would be a major reform in India's taxation system since 1947, which would reduce transaction costs for business and boost the economy.

Earlier, the Bill was rejected by a few States saying that it does not include the issues of compensation, entry tax and the tax on petroleum products. Jaitley while introducing the Bill said that all efforts have been taken to make sure that the States do not suffer any loss of revenue with the implementation of the GST. The States will receive Rs 11,000 crore this fiscal year so that it would compensate the losses suffered by them for decline in Central sales tax (CST) and subsequently financial assistance would be provided for a five-year period.

All said and done, the GST Bill which was conceived way back in the year 2000 has not seen the light of the day as yet. If everything goes well, most likely the Bill will be legislated by April 2016. According to a study by the National Council of Applied Economic Research (NCAER), full implementation of the GST could expand India's growth of gross domestic product by 0.9-1.7 percentage points. By removing the system of multiple Central and State taxes, the GST can help in reducing taxation and filing costs and expand business profitability, thereby attracting investments and promoting GDP growth. Simplification of tax norms can help in improving tax compliance and increasing tax revenues.

According to latest reports, the GST Bill is most likely to get passed in the ongoing Monsoon session of the Parliament. Main opposition Congress has agreed to a five-hour-long discussion on the proposed tax reform in Rajya Sabha. It is estimated that some kind of breakthrough may be at hand. The BJP-led NDA government and opposition party Congress have reached consensus on two clauses of the tax reform bill. The parliamentary debate would focus more on the technicalities of fixing a limit on the GST rate. The ruling government has committed to waiving the 1 per cent additional tax which was demanded by the Congress. According to sources, the government may be open to adding a proposal in the proposed Bill to set up a dispute resolution mechanism that would be chaired by the Union Finance Minister.

Given the above and in order to resonate well with the "Make in India" program, it is imperative that certain tax incentives are offered to investors, which will go a long way in providing a much-needed impetus to the manufacturing sector. Given the same, we have listed below some of the key incentives, which are already provided in the Income tax Act, 1961 (the Act) along with our humble recommendations and a wish list for the future.

In order to encourage the growth of India as a manufacturing hub, the domestic tax provisions should exempt foreign principals from creating a taxable presence in India in case of toll manufacturing arrangement with Indian manufacturers. A reasonable cost plus margin should be prescribed for toll manufacturing/contract manufacturing arrangements by MNCs with its Indian manufacturing units under transfer pricing regulations.

On the backdrop of the recent demonetisation and the ensuing introduction of the Goods and Service Tax (GST), the finance minister presented the Budget for 2017-18, classifying these two as the tectonic policy initiatives of the government.

Conclusion

To encourage Make in India and reduce costs, the finance minister has reduced custom duties on LNG, nickel, and machinery required in the specified renewable energy sector. Further, to address the problem of the inverted duty structure in textiles, chemicals and petrochemicals, metals and renewable sectors, the basic custom duty has been reduced on inputs/raw materials. Towards encouraging cashless transactions, Machines and Parts and Components of such machines have been exempted from customs duties.

Simultaneously, the real nitty-gritty of the GST will have to be worked out. The Empowered Committee of State Finance Ministers along with the Union Finance Minister will now have to finalise the modalities of the legislations on Central GST, State GST and inter-State GST.

As introduction of the GST is looking possible from July 1, the industry was not anticipating major changes in indirect taxes. As expected, Arun Jaitley did not make any major changes in the area of indirect taxes. The budgetary changes proposed are limited to tweaking of rates/duties, correction of inverted duty structure, changes on the procedural aspect, etc.

However, the finance minister has used the opportunity to achieve the stated objectives of the government such as encouraging the Make in India initiative, correcting the inverted duty structure, promoting cashless transaction and the interest of public health by imposing additional taxes on tobacco.

The government may be keen to roll out the goods and services tax from April 1, 2017 but passage of the Constitution Amendment Bill in the Rajya Sabha is just one significant but small step in the actual introduction of the indirect tax reform. The Constitution Amendment GST Bill will now require the President's assent to make an effective Tax Reforms on the economy of India. Besides it, it will also become an instrument to succeed the Government's initiative i.e. 'Make in India'.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

The making of Amaravti - linkage to make in India

Lt K Umanageswari , Asst. Prof. Dept. of MBA, Dr. LB College Visakhapatnam ,

Satyanarayana Kanakala ,
Asst. Prof. Dept. of MBA, PYDAH PG College, Visakhapatnam

K Venkatalaxmi, MA (Pre), Dr VS Krishna PG College, Visakhapatnam

Abstract: *Success does not come through magic. It needs necessary skills to succeed and to achieve growth. As per the Labour Bureau Report 2014, the current size of India's formally skilled workforce is only 2 per cent. The Indian education system has been churning out brilliant minds but lacking in the skill sets required for specific jobs. The need is for appropriate and adequate skill development and training which can convert this force into the largest source of technically skilled manpower. India's educational system is still undergoing a content reformation. Our focus has always been on education but unfortunately not on overall skill development. The next 5 to 10 years are extremely crucial for our country to meet the challenges ahead, in making India, the human resource capital of the world. The first and foremost step that the Government took in shaping the skills landscape was the creation of a separate Ministry for Skill Development & Entrepreneurship (MSDE). The county already had an existing skill ecosystem created by NSDC which includes 37 sectors skill councils and 235 training partners with 3611training centers spread across 450 plus districts across the country. On the other hand, the Skill India Mission and the Skill Policy 2015, aim to skill 40 crore youth in the country by 2022. The vision of the policy is to create an ecosystem conducive to an empowered economy which has a job ready skilled workforce by skilling on a large scale with speed and quality. Over 70-odd skill Development Programmes (SDPs), have been running, each with its own norms for eligibility criteria, duration of training , cost of training, outcomes, monitoring and tracking mechanism etc. In this paper the writers wish to correlate the make in India programme with making of Amaravati through skill development programmes to create more employment at the national and state level.*

Keywords: Economic Growth, Human development, skill development

Introduction

Make-In- India is expected to increase manufacturing activity across various sectors as well as enhance its contribution to gross domestic product (GDP). It is also expected that with the increase in manufacturing activity, a substantial number of jobs will be created for the skilled work-force that the country is preparing. In line with the same, the Government has recently launched the **Skill** India Mission which will act as a pivot for all the other national missions like Make in India. Digital India, Smart Cities and Others**.**

According to UN estimates, India is home to the largest youngest population,883 million people in India are under the age of 35 years, a strong 66 percent, as compared to the 47 percent in China. The Youth Unemployment Rate was 12.9 percent. According to the World Bank estimation, India had 179.6 million people Below the Poverty Line. In other words, while having 17.5 percent of total world's population, India is home to 20.6 percent of the worlds poor.

Need: India has embarked on a mission for 'Make-In- India. The objective is that, its large population does not depend more and more on imports as its industrial consumption increase, as a result of economic development. At the same time, the make in India mission is expected to create large employment that the country needs as a significant percentage of its population shift from agriculture. Over the last two and half decades as its economy grow, India has become dependent on imports for all kinds of goods, which led to increase in import bill and on the other hand does not promote industrial output visa-visa employment for its population. This needed correction.

Skill development for inclusive growth is therefore, an imperative to ensure that young people from different background participate in the development story. While Industry has received impetus through 'Make in India', only 3 percent of organised sector cannot perhaps absorb all those joining the labour market. Further, initiatives such as Skill India, Digital India, Swachh Bharat, Namami Gange and several other socio-economic infrastructure development programmes will require an army of skilled professionals. Learn and earn, where skilling in traditional trades and employment in informal sector is being recognised as a skilling outcome for the first time. This, therefore calls, for skill development programmes that empower people to seek employment both in the form of jobs or self employment.

Today, there is a huge mismatch between education, skill training and employment. According to a report from McKinsey, only 54 percent of youth believe that post-secondary education improved their employment opportunities. 56 percent of students drop out between high school and higher education. Taking all these facts and figures into account, only a fraction of people are employed and trained. The report also suggests that 53 percent of Indian employers find skill shortage as one of the prime reasons for entry level vacancies. Hence, we clearly see that there is a mismatch between the aspirations of the Indian youth and the expectations of the employer and thus there exists a huge gap between employment and employ ability. The key challenge that the country faces is finding jobs for the millions of youth below 25 years of age constituting 50 percent of the population.

Role of Government

Government of India has nurtured the skills ecosystem in close partnership with the private sector, and international agencies like ILO, World Bank, OECD, EU among others/ Through various skill development schemes, 20+departments have launched programmes which are outcome drive, now steered by the Ministry of Skills Development & Entrepreneurship (MSDE). The largest of the Government initiative is Grameen Kaushalya Yojana (GKY) under Ministry of Rural Development and Integrated Skill Development Scheme(ISDS) by Ministry of Textiles that have reached out to youth from Bottom of Pyramid (BOP) groups in rural and urban areas, backward regions and hilly areas, economies under stress of civil conflict and extremism, minority communities. The following have been the key driver in making skills development a standardized, scalable viable model.

A) Industry Partnerships: Skills is the bridge between jobs and workforce. It is estimated that the incremental HR requirement (2013-2022) for high growth industries like textiles, engineering, construction, service industries, will be 120.8 million people.

B) Infrastructure: One of the key limitations which triggered the current skills programmes was poor infrastructure and its availability in tier 2.3 cities and rural areas.

Technology:

One of the key challenges facing quality in TVET is the lack of trained trainers. To deliver a training mandate of 300 million people by 2022, India would need a minimum of 10 million trainers across domains and areas of expertise. They will require training on domain skill sets, class management, knowledge of conducting practical's and several powerful training tools which make learning effective.

We need skilled manpower and more importantly, we need to skill our youth. However, today India as compared to other nations lacks formally trained manpower in a variety of industry required skills. The Government plans to skill more than 150 million youth by 2022 which means skilling about 45,000 youth each year for next ten years. This ambitious target can be achieved only if the industry, academic and government come together and form a golden triangle.

To understand the various skills gaps and requirements of the industry the NSDC is playing an active role and has formed various Sector Skill Councils comprising experts from the industry and other stakeholders. During their research of over four years, they interviewed thousands of students and over a hundred faculty/ trainers involved in this area. Some of the important issues are, lack of good infrastructure and poor quality of courses. The infrastructure in the most skill training organizations or centers is of poor quality and not upgraded. Hence, the gap between what the industry desires and the machinery being used for training become wide both at the public sector as well as the private sector training institutions.

Poor quality of Trainers - The trainers who impart the skill training are not up-to-date with the skills required by the industry and hence the outcome of training is not as per desired quality. As such students who complete these courses also do not find ready employment in the industry.

Lack of initiative from the industry - The industry especially the small and medium enterprises do not emphasize on vocational certification or formal training as this sometime increases the cost of manpower. At times, it is observed that such SMEs prefer to hire an untrained or semi trained worker at a cheaper pay-out than a formally trained or skilled worker.

Making of Amaravati:

June 2nd, 2014 is a 'bad day' for people of Andhra Pradesh, What people thought at that time. But, presently we make the dream of Amaravti as our state capital. Let us see the strengths and opportunities of the newly formed state taking the resources into account and on the other side reducing the weaknesses and threats mostly political.

AP started with a revenue deficit of about Rs 16000 crore following the bifurcation. The state came into existence with financial deficit, now performing well economically by registering a double digit economic growth and became power surplus, a key factor of economic growth. The process to achieve growth is possible only through development of infrastructure / service sector which act as engine for development.

Urbanization, no doubt an index of development it also promotes industralisation, needs a holistic urban planning with a focus to build "Smart City". Traditionally, initiatives like smart cities mission (SCM) are indicators of developed economies. A city or country comes under the category of developed not only by the infrastructure it had, but also the citizens/ people. The recently developing cities in Andhra Pradesh are Vijayawada, Guntur, and Visakhapatnam are still lagging behind, not because of lack of infrastructure but lack of upgraded and responsible smart citizens.

It is evident that, the positive relation providing infrastructure in the name of smart city, which will help in the make in India and attract more investment, more industries and more output. The Narendra Modi led govt. is planning to invest rupees 7060 crore in 100 smart cities with an aim of modernizing the physical infrastructure, social infrastructure and governance of cities (MOUD 2014). There is much more emphasis on private and citizen participation in the draft notes which was to a certain extent highlighted under the JNNURM as well. The Centre also has plans to replace the JNNURM with the Atal Mission for Regeneration and Urban Transformation (AMRUT) to be rolled out for 500 cities across the country with a budgeted allocation of rupees 50,000 crore

Conclusions

The Government of India as well as the AP Government are of the view to attract more new companies to be established in the country as well in the state in the coming years in the name of Make- In- India. This needs large number of skilled human resources to bridge the gap. Therefore it is suggested that skill development should be given top priority than awarding degrees (technical and Non technical) to the youth of the country. Though there are many skill development programmes both at the Central and state level the results are not encouraging. Candidates who attend skill development programmes should acquire more technical knowledge theoretical as well as practical. Sincere efforts between the industry and the institutions will make it success. It is better to educate the youth in the form of Learn and Earn and not earn while you learn.

Lack of education and lack of skills is a pestilence that we need to overcome in the present globalization. Education definitely opens the doors to lead a life of liberty, but skills makes that liberty meaningful by allowing one to achieve prosperity. We like to see India as well as the state of Andhra Pradesh as the 'Skills Capitals' of the world by creating a skilled and productive workforce matching international standards of quality, technology.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make In India-a critical review

Dr.Ratna Mary.P, Lecturer in Economics, St Theresa's Autonomous college for women, Eluru

Abstract: The objective of make in india is to make India a renowned manufacturing hub for key sectors. Companies across the globe would be invited to make investment and set up factories and expand their facilities in India and use India's highly talented and skilled manpower to create world class zero defect products. Mission is to manufacture in India and sell the products worldwide**.** Skill development programs would be launched especially for people from rural and poor ones from urban cities. 25 key sectors have been short listed such as telecommunications, power, automobile, tourism, pharmaceuticals etc., Individuals aged 15-35 years would get high quality training in the following key areas such as welding, *masonries*, painting, nursing to help elder people. Skill certifications would be given to make training process, a standard. Currently manufacturing in India suffers due to low productivity rigid laws and poor infrastructure resulting in low quality products getting manufactured**.**

Key words: Invest ,Skill enhancement, FDI,GDP,manufacture, infrastructure.

İntroduction

Make in India is an initiative launched by the Government of India to encourage multi/national, as well as national companies to manufacture their products in India. It was launched by the Prime Minister Narendra Modi on 25 September 2014. India emerged, after initiation of the programme in 2015,as the top destination globally for foreign direct investment (FDI), surpassing the United States of America as well as the People's Republic of China. In 2015,the major objective behind the initiative is to focus on job creation and skill enhancement. The initiative hopes to attract capital and technological investment in India.

In August 2014, the Cabinet of India allowed 49%foriegn direct investment (FDI) in the defence sector and 100% in railways infrastructure.The defence sector previously allowed 26% FDI and FDI was not allowed in railways. This was in hope of bringing down the military imports of India. Earlier, one Indian company would have held the 51% stake, this was changed so that multiple companies could hold the 51%.

Between September 2014 and November 2015, the government received 1.20 lakh crore (US$ 18 billion) worth of proposals from companies interested in manufacturing electronics in India.

With the demand for electronic hardware expected to rise rapidly to US$400 billion by 2020, India has the potential to become an electronic manufacturing hub. The government is targeting to achieve net Zero imports of electronics by 2020 by creating a level playing fields and providing an enabling environment.

India ranks 130th out of 190 countries in the World Bank's 2016 ease of doing business index, covering the period from June 2014 and June 2015. India was ranked 134th in the 2015 index.

In February 2017, the government appointed the United Nations Development Programme (UNDP) and the National productivity Council to 'to sensitize actual users and get their feedback on various reform measures". The World Bank does not consider reforms initiated by a government in its ease of doing business index, but instead considers feedback from actual beneficiaries of those reforms. The move is intended to take advantage of this fact to improve India's ranking on the index, and marks a shift from India's previous policy of questioning the World Bank's ranking methodology. In particular, the government criticized the World Bank's decision to survey only two cities – Delhi and Mumbai – and use it to rank the whole of India.

Prime Minister Narendra Modi launched the Make in India initiative on September 25, 2014, with the primary goal of making India a global manufacturing hub, by encouraging both multinational as well as domestic Companies to manufacture their products within the country. Led by the Department of Industrial Policy and Promotion, the initiative aims to raise the contribution of the manufacturing sector to 25% of the Gross Domestic Product (GDP) by the year 2025 from its current 16%.

Make in India has introduced multiple new initiatives, promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector.

In targets 25 sectors of the economy which range from automobile to information Technology (IT) & Business Process Management (BPM).

It also seeks to faciliatate job creation, foster innovation, enhance skill development and protect intellectual property. The logo of 'Make in India'_ a lion made of gear wheels – itself reflects the integral role of manufacturing in government's vision and national development.

The initiative is built on four pillars which are as follows:

1. **New Processes:** 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.
2. **New Infrastructure:** 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. Innovation and research activities are supported by a fast-paced registration system and improved infrastructure for Intellectual Property Rights (IPR) registrations. Along with the development of infrastructure, the training for the skilled workforce for the sectors is also being addressed.
3. **New Sectors:** 'Make in India' has identified 25 new sectors to promote this policy. The Government has allowed 100% FDI in Railways and removed restrictions in Construction. It has also recently increased the cap of FDI to 100% in Defense and Pharmaceutical.

4. **New Mindset:** Government in India has always been seen as a regulator and not a facilitator. This initiative intends to change this by bringing a paradigm shift in the way Government interacts with various industries. It will focus on acting as a partner in the economic development of the country alongside the corporate sector.

Since the launch of Make in India in September 2014, FDI inflows of USD 77 billion including equity inflows of USD 56 billion has been received for the period October 2014 to March 2016. This represents about a 44% increase in FDI Equity inflows over the some corresponding period.

'Zero defect zero effect' is a key phrase which has come to be associated with the Make in India campaign. In the words of Prime Minister Narendra Modi, "Let's think about making our product which has 'zero defect'... and 'zero effect' so that the manufacturing does not have an adverse effect on our environment". Thus, sustainable development in the country is being made possible by imposing high-quality manufacturing standards while minimizing environmental and ecological impact.

Within the short span of time, there are many instances of the initiative's success. In December 2015, Micromax announced that it would put up three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh. Japan announced it would set up a USD 12 billion fund for Make in India-related projects, called the "Japan –India Special Finance Facility" after the Japanese Prime Minister Shinzo Abe's visit to the country. Huawei opened a new Research and Development (R&D) campus in Bengaluru and is in the process of setting up a telecom hardware manufacturing plant in Chennai. France-based LH Aviation signed a Memorandum of Understanding (MoU) with OSI Advanced Technologies to set up a manufacturing facility in India for producing drones. Foxconn announced it would invest USD 5 billion over five years for R&D and creating a hi-tech semiconductor manufacturing facility in Maharashtra. Samsung said it would manufacture the Samsung ZI in its plant in NOIda while General Motors declared that it would invest USD 1 billion to begin producing automobiles in the capital state. And this is only the tip of the iceberg as there are many more proposals in the pipeline.

What are the advantages of this policy? Are there any adverse effects?

To answer this question lets first take a look at some facts

- Intense industrialization in Europe during the mid 18th to 19th century lead to increase in pollution,overcrowded cities, unhealthy residents and Lack of sanitation
- China is the living example of an overly industrialized country which is economically well off but is a masterpiece of POLLUTION to such extent that some 1.6 million Chinese people die per year because of it and rest suffer from serous lung diseases. Wearing a mask when outdoors is a common practice there
- Blindfolded Industrialization in India has led to incidents like Bhopal Gas Tragedy.
- Even today residents of some major industrial cities like

Chennai ,Mumbai ,Kolkata are facing serious pollution and health problems.

So even if industries create job opportunities and economy, we can't simply erect them recklessly only to become the next CHINA !

We must have a firm control on the number and type of industries being build

This is something which Mr Modi should keep in mind before openly inviting foreign firms and telling them to 'Make in India' and assuring them easy land and labor.Yes, we do need moderate industrialization but we should definitely avoid the excess hunger for it.But if we don't industrialize enough, how would we generate economy and employment?Take a look at Arab countries. Their main source of economy and employment is petroleum extraction because they are naturally gifted with petroleum resources for it.

India also has a sector in which it is exceptionally gifted than others, a sector which is being considered a rather dead one for the past few decades, **Agriculture**. We should develop employment in this field.

Advantages of Make in India

1. Develop Job Opportunity

One of the main purposes of make in India crusade, is to provide job opportunities for as many citizens of India as possible. It has targeted the young generation of the country as its prime beneficiary. The investments in the targeted sectors, i.e. telecommunications, pharmaceuticals, tourism etc. will encourage the young entrepreneurs to come forth with their innovative ideas without worrying about the source of speculation.

2. Ameliorate the Vicinity

In order to manufacture in India, a particular industry requires a promising location to set up machinery as well as factories. To fulfill this requirement, not only the areas chosen would be improved but also the neighboring locations will be highly benefited.

For a developing nation, such as ours' an initiative of this kind is extremely crucial. In addition, the labor hired, from the locality would also improve the financial status of the families living nearby.

3. Expand GDP

Due to the manufacturing of products in India, economic growth is inevitable, which will not only boost the trade sector but also will increase the GDP of Indian economy as with the setting up of new factories and various investments being speculated in the Indian commercial sectors the flow of income will be humongous. Various sectors such as exportation, architecture, textiles, telecommunications etc. are likely to flourish inevitably, strengthening the Indian economy which is already the seventh largest in the world.

4. Fortify the Rupee

The emergence of the manufacturing industries would automatically convert India into a hub for the fabrication of various commercial products; as a result, there would be a grand collection of the FDI, which, in turn, would strengthen the rupee against the domination of the American dollar.

5. Increase in Brand Value
Most of the urban population prefers international brands rather than putting their faith in Indian retailers. As a result, the small manufacturing companies suffer extreme loss in the market.

Due to the make in India campaign, such small manufacturers will be provided with a real shot at business. With, companies investing in such small time retailers from all around the world, the brand value of Indian merchandise will increase dramatically.

6. Up-gradation of Technology
India being an underdeveloped country obviously lack various latest mechanization, which, is a big hurdle in the path to development of the nation. Hence, with myriad of countries coming forth by the make In India crusade, India will be given with the opportunity to make use of the latest technology these countries bring along. Not only will India benefit from the knowledge and use of the technology but also, the concerned nations will be provided with a skilled and erudite labor.

7. Ease of Business
India is a nation which ranked 130th on the ease of doing business scale. But with the open invitation given to the entire world to manufacture their products in India, the various restrictions opposed over the entrepreneurs will be lifted and aspiring businessmen from all over the globe could invest in India with no stress at all.

8. Availability of Young Minds
Most of the young generation of India plans to move out of the country in the hope of a better future. Due to the lack of young labor, India has always been deprived of innovative and new ideas. With the make in India campaign, the young population would not only be provided with employment but also their young and fresh minds would take the industrial sector to new heights. Making it a win win situation for the India as well as the concerned countries.

9. Development of Rural Areas
It is a well-known fact, that a factory set up not only improves a particular area, but also provides for the locals with employment, thus the quality of life of people would automatically enhance. Amenities like schools, hospitals and other public conveniences will be developed for the betterment of the public.

10. Flow of Capital
Since the beginning of capitalization, the Indian currency is being spent on the foreign countries. with the introduction of make in India, the capital will not only remain in India, 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.

We also have disadvantages too from make in India in disguise:

Disadvantages of Make in India

1. Negligence of Agriculture
The most negative impact of the make in India campaign will be on the agriculture 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 somewhat.

2. Depletion of Natural Resources
Since Make in India is primarily based on manufacturing industries, it demands the set-up of various factories. Usually such projects consume the natural resources such as water, land etc. on a large scale. With the rapid devouring of such precious resources, India might be left with zero opportunity to replenish them, threatening the survival of such a large population in the near future.

3. Loss for Small Entrepreneurs
The make in India campaign, welcomes foreign countries to manufacture in India with open arms, this automatically eases up the various restrictions over trade with foreign countries, inviting attention of the international commercial companies. However, these companies will not only seduce the Indian population but also would dominate the small local entrepreneurs and force them out of business.

4. Disruption of Land
As stated above, India is very rich in the agriculture sector. About 60% of the Indian soil is arable. With the emphasis being given to the make in India campaign, thousands of companies would come forth to set up their factories on the land which could be used for cultivation. Eventually this set up of manufacturing factories would lead to the permanent disruption of the agrarian land in the near future.

5. Manufacturing based Economy
Indian economy is one of the largest economies in the world. It constitutes of three sectors i.e. agriculture, industry and services. Now 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 remain static. This eventually will be a huge loss for the other economic sectors and would automatically reduce the advancement of make in India.

6. Interest in International Brands
As stated earlier, the brand value of Indian merchandise will definitely increase. But the Indian upper class, which can actually afford such merchandise, is addicted with foreign label. This will eventually become a big hurdle for the local entrepreneurs as a great level of promotion is required to build the confidence of people in the local brands.

7. Pollution
One of the biggest problems 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. Eventually, making the condition in India worse. Hence, Make in India might be economically but it will have an inverse effect ecologically.

8. Bad Relations with China

The Indo-China relation is already a problematic cause for the country, with the initiation of the make in India crusade, India stands as one of the most promising rivals for China. This automatically has worsen the India's long term feud with China, gradually with the success of Make in India, it is possible for the situation to become worse among the two economically growing countries because India has the advantage of young and skilled work force over China which will expectedly take make in India to new heights in the near future.

But looking at the disadvantages we can't neglect make in India. We should take steps to reduce the effect of disadvantages. "Come make in India. Sell anywhere but make in India." Prime Minister Narendra Modi said while introducing his vision to the public. And it seems that the world is more than ready to embrace this vision, which is already set on a path to become a reality.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Impact of foreign direct investment on insurance sector in India

A. Nageswararao, Research Scholar, Dept. of law Andhra University, Visakhapatnam

Abstract: The study concluded that increase in foreign direct investment (F.D.I.) is optimistic move for the future of Indian Life Insurance Sector, since this sector need huge amount of capital investment which can be done effectively only through increase in FDI and it enhance overall performance of insurance sector. Innovative insurance product and services, better use of technology, increase in employment and competition etc. are by-product of increase in F.D.I in insurance Sector. Government of India through Insurance Regulatory and Development Authority of India (I.R.D.A.I.) and Reserve Bank of India (R.B.I.) need to keep regular check on the outflow of India currency. India is growing economy and many consider it an attractive country for investment in mainly to its fast growing and changing insurance market. Indian insurance industry is still less penetrated and has huge growth potential. Foreign direct investment (F.D.I.) plays significant role in the economic development of the country. This study is based on secondary data collected from I.R.D.A and research papers from various journals.
***Keywords*:** India; Foreign Investment; FDI; Life Insurance; Insurance Industry

1. Introduction

In the post liberalization period life insurance sector has started gaining new shapes with newer innovations. Big brands like Reliance, Birla, ICICI, TaTa Nature of Insurance Sharing and transfering of risks Vysya etc. have tied up with foreign insurance partners. Before privatization life insurance was only provided by the LIC of India. They have monopoly in life insurance sector. Even though the growth has been remarkable over years, yet the insurance penetration is pretty low. The life insurance average index shows that the number of policies sold is very low viz., 13.2 per 100 persons in India compared to the Asian counterparts' countries like Malaysia and Japan where it is 37.0 and 201.4 respectively. Even the life insurance premium as a percentage of Gross Domestic Product is very low too and which is expected in increase in coming years indicating a vast potential for all the life insurance players.

2. Meaning of insurance

There are countless risks in every field of life, it is something commonly accepted phenomenon. The chances of occurrences of the events causing losses are quite uncertain because these may or may not take place. Therefore, with this view in mind, people facing common risks come together and make their small contributions in the common fund. While it may not be possible to tell in advance, which person will suffer the losses, it is possible to work out how many persons on an average out of the group, may suffer losses. When risks occur, the loss is made good out of the common fund. In this way each and every one shares the risks. In fact, they share the loss by payment of premium, which is calculated on the likelihood of loss. Nature of Insurance

3. Nature of Insurance

1. **Sharing and transfer of risk**

Insurance is a financial instrument adopted to share the financial losses that might occur to an individual or his family on the happening of a specified event. The event may be death in case of life insurance, theft in case of *theft* and burglary *insurance and motor accident in case of motor insurance etc.* The losses occurring from these events if insured, are shared by all the insured in the form of premium. Hence, risk is carried out from one individual to group.

2. Highly co-operative instrument

One of the key features of any insurance plan is that highly co-operative instrument under which a group of persons who agree to share the financial loss agreed together. To compensate all the losses from his own capital is not possible any insurer. Insurer is able to pay the amount of loss by insuring a large number of persons. Since insurance plans are co-operative instruments, there is no compulsion here on any person to purchase the insurance policy.

3. Risk valuation

Evaluation of the risk is done before insuring to charge the amount of share of an insured, called as premium. Evaluation of risks can be done through several methods. Higher insurance premium may be charged, if there is expectation of higher risk. In this way the probability of loss is calculated at the time of insurance.

4. Payment at certain contingency

The amount of insurance is paid for the certain contingency. Payment is made whenever contingency occurred. The insurance contract can be life and non-life insurance contract. The life insurance contract is considered to be a contract, of certainty, as the contingency and the death or the expiry of insurance policies term, will definitely happen and the payment is certain. There are some types of life insurance policies in which payment is not certain due to uncertainty of a specific contingency within a specific period. For example in term insurance policies, the payment is made only when death of the insured person happened within the particular term or duration, may be one or two years. Likewise in pure endowment payment is made only at the survival of the insured at the maturity of the insured period. In other types of insurance contracts, the contingency can be the fire or the marine risks etc., which may or may not happen. Therefore, if the contingency happens, payment is made; otherwise no amount is given to the policy-holder.

5. Amount of payment

In case of non-life insurance the purpose is to make good the financial loss suffered. So amount of payment depends upon the value of loss suffered due to the specific insured risk only if insurance is there up to that amount. Whereas in life insurance, the purpose is not to make good the financial loss suffered. The insurer promises to pay a fixed sum on the happening of certain contingency. If the contingency takes place, the payment falls due if the policy is valid and in force at the time of the contingency.

Meaning of F.D.I

A foreign direct investment (F.D.I) is an investment made by a company in one country, into a company in another country. It refers to an investment made to acquire lasting or long-term interest in company or entity based operating outside of the economy of the investor.

The investment is direct because the investor, which could be a foreign person, company or group of entities, is seeking to control, manage, or have significant influence over the foreign enterprise. FDI is a major source of external finance which means that countries with limited amounts of capital can receive finance beyond national borders from wealthier countries. (Source: available from http://www.usforeignpolicy.about.com/od/ introtoforeignpolicy/a/ what-is-FDI.htm)
Foreign Direct Investment can further be divided into :
;Green field Foreign Direct Investment
;Brown field Foreign Investment.

Guidelines for F.D.I in Indian insurance market:

The Insurance Laws (Amendment) Act 2015 introduced some much awaited reforms, including, increasing the foreign investment cap in the insurance sector to 49 percent, permitting overseas reinsurers to open branch offices to carry out reinsurance business in India, etc. The Insurance Laws (Amendment) Act, 2015 also provides for "Indian Owned and controlled" requirement for an Indian Insurance Company. The Insurance Laws (Amendment) Act, 2015 defines Indian insurance company under Section 2(7A) as under:
"Indian insurance company" means any insurer, being a company which is limited by shares, and, (a) Which is formed and registered under the companies Act, 2013 as a public company or is converted into such a company within one year of the commencement of Insurance Laws (Amendment) Act, 2015; (b) In which the aggregate holdings of equity shares by foreign investors, including portfolio investors, do not exceed forty nine per cent of the paid up equity capital of such Indian insurance company, which is Indian owned and controlled, in such manner as may be prescribed. Explanation – For the purpose of this sub clause, the expression "control" shall include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreement or voting agreements; (c) Whose sole purpose is to carry on life insurance business or general insurance business or reinsurance business or health insurance business. In exercise of the powers conferred by clause (aaa) of subsection (2) of section 114 of the Insurance Act, 1938 read with clause (b) of subsection (7A) of section 2 of the Insurance Act, 1938 and section 24 of the Insurance Regulatory and Development *World Scient i f ic News 47(2) (2016) 190-201*-196- Authority Act, 1999 (41 of 1999), the Central Government has notified the Indian Insurance Companies (Foreign Investment) Rules, 2015. These Rules mainly govern Indian control of Indian Insurance Company, Indian ownership and issues relating to foreign investment. The definition of "Indian ownership" has since been amended by Indian Insurance Companies (Foreign Investment) Amendment Rules, 2015.
As per the above definition, control can be exercised by the virtue of
(a) Shareholding; (or)
(b) Management rights; (or)
(c) Shareholders agreements; (or)
(d) Voting agreements; or
(e) Any other manner as per applicable laws.
In order to bring more clarity on the issue of compliance with the manner of "Indian owned and controlled", the Authority, in exercise of powers conferred under Section 14 (1) of the IRDA Act

1999, lays down the following guidelines on compliance of "Indian owned and controlled".

Applicability: These guidelines are applicable to Indian Insurance Companies which a) May come into existence after notification of the Act; b) May propose to hike their foreign investment from the existing level; and
c) Do not intend to increase their current foreign stake from the existing level.

Total foreign investment: Both direct and indirect holding in an Indian insurance company shall not exceed 49 percent. Total foreign investment shall be computed in accordance with Rule 2 (P) read with Regulation 11 of the IRDAI (Registration of Indian Insurance Companies) Regulations, 2000.

Control: Control can be exercised by any one or more of the following criteria:
(a) Virtue of shareholding; (or)
(b) Management rights; (or)
(c) Shareholders agreements; (or)
(d) Voting agreements; (or)
(e) Any other manner as per the applicable laws.

Indian Control: The Indian insurance company shall ensure the following:
i. Majority of the directors excluding independent directors should be nominated by the Indian promoter (s) / Indian investor (s);
ii. Appointment of key management person including Chief Executive Officer / Managing Director /Principal officer should be through the Board of Directors or by the Indian promoter (s) and / or Indian investor (s); However, Key Management Person (s) excluding CEO may be nominated by the foreign investor provided that the appointment of such Key Management person is approved by the Board of Directors, *World Scient i f ic News 47(2) (2016) 190-201*
-197- herein majority of the directors excluding independent directors are the nominees of Indian promoter (s) / Indian investor (s).
iii. The control over significant policies of the insurance company should be exercised by the Board, provided that the constitution of the Board is compliant with para (i) above.
iv. Where the Chairman of the Board is having a casting vote, such Chairman should be nominated by the Indian promoter (s) and / or Indian investor (s);
v. Quorum: Quorum shall mean and include presence of majority of the Indian directors irrespective of whether a foreign investor's nominee is present or not. The right of a Foreign Investor's nominee to constitute valid quorum for meetings is only a protective right and to that extent would not amount to control within the meaning of Explanation to Clause (7A) (b) as long as the presence of nominees of Indian Promoter (s) / Investor (s) are also mandatorily taken into account for the purposes of quorum. (Provided that provisions of Companies Act, 2013 shall come into force in case of an adjournment.)

Manner of ensuring compliance of "Indian Owned and Controlled"

i. An undertaking to this effect shall be filed by all Indian Insurance Companies duly signed by the Chief Executive Officer and Chief Compliance Officer confirming the compliance of "Indian owned and controlled".
ii. Every undertaking shall be accompanied by :
a) A certified copy of resolution passed by the Board of Directors confirming the

compliance of "Indian owned and controlled";

b) Where applicable, certified copy of the agreement / Joint venture agreement where amendments have been carried out to these agreements / joint ventures agreement to give effect the provisions of "Indian owned and controlled".

Insurance Intermediaries: These guidelines are also applicable to Insurance Intermediaries as defined in the IRDA Act, 1999 such as Brokers, Third Party Administrators, Surveyors and Loss Assessors etc. However, in case of an insurance intermediary having more than 50 percent of its revenue from the noninsurance activities, these guidelines shall not be applicable to such insurance intermediaries.

Time Limit for Compliance : i. Compliance by Existing Indian insurance companies: Existing Indian insurance companies stated at para 1 (b) and (c) above are required to comply with "Indian Owned and controlled" guidelines within a period of three months from the date of issue of these guidelines. However, the Authority may, on an application made to it by an existing insurer, for valid reasons, grant a further period of three months to comply, provided that the total time taken by an existing insurer to comply with "Indian owned and controlled" stipulations does not extend beyond six months.

Guidelines of R.B.I for foreign direct investment: An Indian company may receive Foreign Direct Investment under the two routes as given under:

i. Automatic Route : FDI is allowed under the automatic route without prior approval either of the Government or the Reserve Bank of India in all activities/sectors as specified in the consolidated FDI Policy, issued by the Government of India from time to time.

ii. Government Route

FDI in activities not covered under the automatic route requires prior approval of the Government which are considered by the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, Ministry of Finance. Application can be made in Form FC-IL, which can be downloaded from http://www.dipp.gov.in. Plain paper applications carrying all relevant details are also accepted. No fee is payable.

An Indian company issuing shares /convertible debentures under FDI Scheme to a person resident outside India shall receive the amount of consideration required to be paid for such shares /convertible debentures by:

(i) Inward remittance through normal banking channels.

(ii) Debit to NRE / FCNR account of a person concerned maintained with an AD category I bank.

(iii) Conversion of royalty / lump sum / technical know how fee due for payment or conversion of ECB, shall be treated as consideration for issue of shares.

(iv) Conversion of import payables / pre incorporation expenses / share swap can be treated as consideration for issue of shares with the approval of FIPB.

(v) Debit to non-interest bearing Escrow account in Indian Rupees in India which is opened with the approval from AD Category – I bank and is maintained with the AD Category I bank on behalf of residents and non-residents towards payment of share purchase consideration.

If the shares or convertible debentures are not issued within 180 days from the date of receipt of the inward remittance or date of debit to NRE / FCNR (B) / Escrow account, the amount shall be refunded. Further, Reserve Bank may on an application made to it and for sufficient reasons permit an Indian Company to refund / allot shares for the amount of consideration received towards issue of security if such amount is outstanding beyond the period of 180 days from the date of receipt.

Benefits of increase in foreign direct investment in insurance sector of India: increase in wide and innovative insurance products and services in India. Better competitive market. Better exposure of technology and other services from foreign partner.
Increase in insurance penetration and density. Increase in employment opportunities.

Conclusion: Increase in foreign direct investment (F.D.I.) is optimistic move for the future of Indian Life Insurance Sector, since this sector need huge amount of capital investment which can be done effectively only through increase in F.D.I. and it enhance overall performance of insurance sector. As of now, Insurance companies are in hesitation about to take positive steps towards F.D.I. There are good chances that increase in F.D.I. will improve the Insurance penetration and density. Along with that innovative insurance product and services, better use of technology, increase in employment and competition etc. are by-product of increase in F.D.I. in insurance Sector. Government of India through Insurance Regulatory and Development Authority of India (I.R.D.A.I) and Reserve Bank of India (R.B.I.) need to keep regular check on the outflow of India currency.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

India as the Attractive Investment Destination: A discussion paper

Dr.K.V.Ramana Murthy
Assistant Professor, Department of Management Studies
Andhra University Campus,Kakinada,India

Sk Shabeena Banu and G Vani Sailaja
Second semester students, Department of Management Studies
Andhra University Campus,Kakinada, Andhra Pradesh, India

Abstract: World second highest population, robust domestic demand, high purchasing power, economic liberalization, cheap labor attracts foreign investment in India. Cost competitiveness and epic pool of talent makes India as one of the most preferred destination for FDI. We are able to attract FDI in India but we are unable to maintain that FDI for a long time, because of the problem faced by investors in India. In this paper we try to analyze the various factors which affect the image of India as a preferred investment destination in global economy.

Keywords: FDI, Global Economy, Economic Liberalization.

Introduction:

With the population of more than 1.2 billion, India is world largestdemocracy. Over the past decade Indian economy is showing impressive growth. India has now emerged as a global player with the world fourth largest economy in purchasing power parity terms (The World Bank India overview, 2012). The Economicindicators which are also considered to be the mirrors of economic scenario show the real picture of the development of a country like India. Accordingly, Foreign Direct Investment (FDI) can be termed in this regard and it can represent India as one of the developing indicators in terms of development structure. To smoothly run the wheel of economy of a developing country like India Foreign Direct Investment (FDI) is considered to be one of the important determinants which can help enhance the economic growth. Today India is changing and is becoming the land of opportunities. In current scenario global economy is facing the problem of financial crises but Indian economy is facing the problem of confidence crises because of the policy paralysis. India will have to work hard to maintain the position as an in- vestment destination. Kearney's Annual Global Retail DevelopmentIndex (GRDI) for the year 2012, India has been placed at fifth rank (after Brazil, Chile, China and Uruguay) on the basis of retail investment attractiveness. The growing Indian market has attracted a number of foreign retailers and domestic corporate to invest in this sector.

Factors affecting attractiveness of India as an Investment destination:

1).Time it takes to register a company- In India's booming start up sector,where nearly 2 companies are launched everyday,starting up is proving to be the easy part but still it takes a maximum time to register in India(3-30 days or more)while in Singapore it takes only 15 minutes and in Mauritius & Delaware

(US) it takes only 1 day and 10-30 days respectively.

2).Capital gain tax- In India Capital gain tax where shareholders taxed on their equity is too high (10%-30%) for equity held for less than 1 year, 20% for more than 1 year. On the other hand the same is very less in Singapore (0%), Mauritius (0%) and Delaware (0-20%)

3).Corporate tax and Indirect tax- There are 16 different direct and indirect taxes each in India that amount to 33.99% as opposed to a onetime 17% tax in Singapore, or 8.7% in Delaware in United states and 0-15% in Mauritius.

4).Weak Intellectual Property Laws- Weak IP laws are concerned with Technology companies. India's position in protectionof Intellectual property is very poor, Companies feel safer to register their IP in USA then India. Although the cost are ten times more than India, A Patent filled in US is more valuable.

5). Poor IP Score-A 2013 report by the US Chamber of Commerce ranks India last among 25 countries surveyed with regard to protection of intellectual property. IP score of India is very low (6.95/30) in comparison to Singapore (25.12/30) and Delaware in US (28.52/30). Mauritius was not included in the survey.

6). Rank in global competitiveness report- India's Rank is 42 and Delaware in United States got 36 rank.
7). Cumbersome paper work - India's cumbersome paperwork have been a drag for the companies more interested in boosting business in India. This is especially true for technological startups that creates intellectual properties .

8).RBI Regulations for Credit Card payment- In India Companiesare stymied by a RBI mandate-meant to protect credit card user-that prevent companies from debiting money

Literature Review

Kumar Gajendran Lenin, Karthika S (2010) concluded that ForeignDirect Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the place of their economic growth. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country.

Agarwal and Khan (2011) stated that 1% increase in FDI would result in 0.07%increase in GDP of China and 0.02% increase in GDP of India. We also found that China's growth is more affected by FDI, than India's growth.

R. Anitha(2012) Analyzed that FDI plays an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of the domestic economy through transfer of technology, strengthening infra- structure, raising productivity and generating new employment opportunities. The huge market size, availability of highly skilled human resources, sound economic policy, abundant and diversified natural resources all these factors enable India to at- tract FDI. Further, it was found that even though there has been increased flow of FDI into the country during the post liberalization period, the global share of FDI in India is very less when it is compared to other developing countries. To overcome this situation, the Government should revise the sectoral cap and bring more sectors under the automatic route. Further, India should sign the agreement of Double Taxation treaties with other countries tries in order to increase bilateral trade. Therefore, there is an urgent need to adopt innovative policies and good corporate governance practices on par with international standards, by the Government of India, to attract more and more foreign capital in various sectors of the economy to make India a developed economy.

Jasbir Singh, Ms. Sumita Chadha, Dr. Anupama Sharma (2012) Analysed that International Economic Integration plays a vital role in Economic Development of any country. Foreign Direct Investment is one and only major instrument of attracting International Economic Integration in any economy. It serves as a link between investment and saving. Many developing countries like India are facing the deficit of savings. This problem can be solved with the help of Foreign Direct Investment. These investments met the financial requirement for building up the basic and essential infrastructure industries of priority sector. He concluded his research with We should welcome inflow of foreign investment in such way that it should be convenient and favourable for Indian economy and enable us to achieve our cherished goal like rapid economic development, removal of poverty, internal personal disparity in the development and making our Balance of Payment favourable.

Alak Kumar Saha (2012) Discussed that The Economic indica- tors which are also considered to be the mirrors of economic scenario show the real picture of the development of a country like Bangladesh. Accordingly, Foreign Direct Investment (FDI) can be termed in this regard and it can represent Bangladesh as one of the developing indicators in terms of development structure. The research was focused the position of FDI in Bangladesh along with its problems and remedies.

AlkaGolani (2013) stated that as the fourth largest economy in the world in PPP terms India is a preferred destination for FDI during 2000-10 the country attracted $ 178 billion as FDI .The FDI scenario in India is currently witnessing a gradual shift with liberalised reforms over last few years and an attractive Investment climate making a positive impact on the inflow. With a steady increase in volume of FDI, India has attracted more than 90 countries till 2010 (29 countries in 1991) across the globe to invest in India making it up stage US in the list of top investment destinations in the world in the UNCTAD WIP Report. She conclude that a recent study finds that Wal-Mart en- try increases retail employment in the year of entry while contrasting evidence indicates that each WalMart worker replaces approximately 1.4 retail workers representing a 2.7 percent reductions in average retail employment. The Indian Government, however, recommends that retail firms source a percentage of manufactured products from the small and medium domestic enterprises. Moreover, expansion in the retail sector could also generate significant employment potential, especially among rural and semi-urban youth. So it is very difficult to predict the future of Indian retail sector. But the government of India must be cautious about the apprehensions raised by the critics and adequate safeguards must be taken so that the positive effects may outweigh the negative ones and the traditional retailers co- exist even after big foreign retailers enter the market.

Research Methodology : This is a descriptive study followed by empirical calculation. This study is based on secondary data and the data has been collected from CMIE data base. We have studied the significance of India as a potential investment destination. Statistical techniquelike multiple regression method and percentage analysis was used for purpose for analysing the data.

Selection of Variables

The study applies the multiple regression method to find out whether the variables influence the flow of the FDI in to the country. After thorough analysis of the different combination of the variables, the present study includes the following macroeconomic indicators: Gross Domestic Product at Factor Cost (GDP), Coal Production (COAL), and Wages paid (WAGE), Electricitygenerated (ELEC), Inflation (INFL), Deficit in Balance of Payment (DEFICIT) and Trade Openness (OPEN), as independentvariables which influence the flow of FDI into the country. These macroeconomic indicators are considered as the pull factors of FDI inflows in the country.

TABLE 1: Result of multiple regression determining FDI in- flows

Variables	U nstandardized Coefficient	S E	S tandardized Coefficient	t Value	S E
F DI inflow	1 50.25	- 320.05		4 .75	0 .001**
GDP at factory cost	0 .801	0 .082	8 .21	7 .232	0 **
Coal production	- 738.5	2 01.7	- 0.816	- 0.976	0 .515*
W ages paid	2 .362	1 .382	0 .332	6 .649	0 .024*
Electricity generated	- 294.93	2 25.4	7 .85	1 2.46	0 .001**
Deficit in BOP	- 0.873	0 .223	- 0.81	- 0.331	0 .048*
I nflation	- 3220.114	8 24	- 0.289	- 8.663	0 .008**
Trade openness	- 1894.677	7 56.64	0 .069	3 .65	0 .143*

* denotes significance at 5% level ** denotes significance at 1% level

Multiple R value = 0.998
R Square value = 0.996
F - Value = 520.281
Durbin – Watson test value = 3.051

The Multivariate Regression was applied to find how the institutional factors influencing the flow of FDI into India. The Regressions result as in table 2 shows that the calculated F value is 520.281 which is greater than the table value of 161.15 at 1 % level of significance. Since the calculated value is greater than the table value the hypothesis is rejected. Hence, it is inferred that the above variables have influenced the flow of FDI in India. Further the estimated results are analysed by using the relevanteconometric techniques viz. coefficient of determination, standard error, f- ratio, t- statistics, Durbin Watson (D-W statistics) etc. The multiple correlation coefficients which measure the degree of relationship between the independent values are 0.998 and they indicate that the relationship between the independent variables is quite strong and positive. The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the pro- portion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is 0.996 means that nearly 99.6 percent of the variation in adjustment is explained by the estimated SRP. In order to take care of autocorrelation problem, the Durbin – Watson (D-W statistics) test is used. The D-W Statistic is found to be 3.051, which confirm that there is no autocorrelation problem in the analysis.

Interpretation

One percent increase in GDP causes 8.21 percentage increase in FDI inflows in India. The positive relationship between GDP and FDI has to be read in conjunction with India's objective to achieve a higher growth rate. There is a negative relationship between Coal production and FDI in India. There is a positive relationship between Wages paid and FDI. One percent increase in Wages paid causes 0.332 percentage increase in FDI inflows in India. There is a positive relationship between Electricity generatedand FDI. One percent increase in Electricity generated causes 7.85 percentage increase in FDI inflows in India. There is a negative relationship between Deficit in BOP and FDI. One percent increase in Deficit in BOP causes 0.81 percentage de- crease in FDI inflows in India. There is a negative relationship between Inflation and FDI. One percent increase in Inflation causes 0.289 percentage decrease in FDI inflows in India. There is a positive relationship between Trade Openness and FDI. One percent increase in Trade Openness 0.069 percentage increase in FDI inflows in India.

Suggestion : Government must support the FDI inflows as a high value sec- tor for the nation's long-term good. That can be done through certain steps like Government should simplify tax procedure so that additional burden can be reduced on Enterprises willing to open their venture in India. Registering a company is massive Procedure which involved longer time in comparison to other destinations so that it should be cut down. Few steps should be taken in order to decrease corporate income tax-33.9% for domesticcompanies on the other hand capital gain tax and Indi- rect tax should also be decreased. Improvement should be done in higher education landscape in the country. Cut down the red tape involve in starting and closing business. Intellectual propertylaws should be strengthening to foster the growth of large enterprises and business houses. Cumbersome paper work and tiresome process of starting a venture are also biggest challengesin the same manner.

Conclusion

On the basis of study we draw conclusion that maximum global foreign investment's flows are attracted by the developed countries rather than developing and under developing countries. Foreign investment flows are supplementing the scare domestic investments in developing countries particularly in India. But foreign investor never adopts environment friendly technique to maximize their profit. These investments met the financial requirement for building up the basic and essential infrastructureindustries of priority sector. We should provide the better environment for attracting the foreign investment through direct as well as indirect methods. We should welcome inflow of foreign investment in such way that it should be convenient and favourable for Indian economy and enable us to achieve our cherishedgoal like rapid economic development, removal of poverty, internal personal disparity in the development and making our Balance of Payment favourable.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Polices under 'Make in India'

Dr. Ch. Rama Devi, Guest Faculty, Dr. B. R. Amedhkar Law College,
Andhra University.

Abstract: Under the 'Make in India' initiative, the government has, in the last one year, announced several steps to improve the business environment by easing processes to do business in the country, and attract foreign investments. It is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production within the country

Key words: business environment, Make in India', Industrial Policy and Promotion

Introduction

Make in India initiative launched by Prime Minister Narendra Modi on 25th September, with the primary goal of making India a global manufacturing hub, by encouraging both multinational as well as domestic companies to manufacture their products within the country.[1] Led by the Department of Industrial Policy and Promotion, the initiative aims to raise the contribution of the manufacturing sector to 25% of the Gross Domestic Product (GDP) by the year 2025.[2] It targets 25 sectors of the economy which range from automobile to Information Technology (IT) & Business Process Management (BPM). The main aims of 'Make in India' are to facilitate job creation, foster innovation, enhance skill development and protect intellectual property. The logo of 'Make in India' – a lion made of gear wheels – itself reflects the integral role of manufacturing in government's vision and national development.[3]

Under the 'Make in India' initiative, the government has, in the last one year, announced several steps to improve the business environment by easing processes to do business in the country, and attract foreign investments. It is an initiative launched to encourage companies to increase manufacturing in India. This not only includes attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production within the country.[4] Make in India has introduced multiple new initiatives, promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector and it also aims at increasing the GDP 'Gross Domestic Product' and tax revenues in the country, by producing products that meet high quality standards, it also extends to Fostering innovation, protecting intellectual property, and enhancing skill development and minimising the impact on the environment.

[1] http://www.makeinindia.com/article/-/v/make-in-india-reason-vision-for-the-initiative

[2] ibid

[3] Id

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Polices under 'Make in India' initiatives:

The initiative of 'Make in India' is built on four major policies which are as follows:

1. **New Initiatives:**

This initiative is to improve the ease of doing business in India, by improving business processes and procedures open up new avenues of opportunities and create confidence among entrepreneurs, which includes increasing the speed with which protocols are met with, and increasing transparency.

the steps taken by the government towards new initiatives are as follows:[5]

- Environment clearances can be sought online.
- All income tax returns can be filed online.
- Validity of industrial license is extended to three years.
- Paper registers are replaced by electronic registers by businessmen.
- Approval of the head of the department is necessary to undertake an inspection.
- Drive economic growth and improve the quality of life of citizens by enabling industrial and urban infrastructure development.[6]
- Aviation industry with target of becoming 3rd largest by 2030 and to cater international and domestic traffic.[7]

2. **Foreign Direct Investment (FDI):**

India has already noticeable its presence as one of the fastest rising economies of the world. It has been ranked among the top 10 attractive destinations for inbound investments. Since 1991, the regulatory environment in terms of foreign investment has been consistently eased to make it investor-friendly. The measures taken by the Government are directed to open new sectors for foreign direct investment, increase the sectoral limit of existing sectors and simplifying other conditions of the FDI policy. FDI policy reforms are meant to provide ease of doing business and accelerate the pace of foreign investment in the country.[8] The government has allowed 100% FDI in all the sectors except Space(74%), Defence (49%) and News Media (26%). FDI restrictions in tea plantation has been removed, while the FDI limit in defence sector has been raised from the earlier 26% to 49% currently.The government has allowed 100% FDI in all the sectors except Space(74%), Defence (49%) and News Media (26%). Mainly it concentrated on three type of investors namely

➢ Individual [FVCI (Foreign Venture Capital Investors),Pension/Provident Fund and Financial Institutions]

➢ Company [Foreign Trust, Sovereign Wealth Funds,NRIs (Non Resident Indians)/ PIOs (Persons of Indian Origin)]

➢ Foreign Institutional Investors (Private Equity Funds, Partnership / Proprietorship Firm)

Envisaged for NRI investments in Construction development, Ground Handling & Air transport services, NRI

[5] Supra 4

[6] http://www.makeinindia.com/home

[7] Ibid.

[8] Ibid.

investing on non repatriable basis, FDI from NEPAL & BHUTAN is allowed in Indian rupees.

3. Intellectual Property Facts

The government has decided to improve and protect the intellectual property rights of innovators and creators by upgrading infrastructure, and using state-of-the-art technology.

The main aim of intellectual property rights (IPR) is to establish a vibrant intellectual property regime in the country.

These are the various types of IPR:[9]

- Patent: A patent is granted to a new product in the industry.
- Design: It refers to the shape, configuration, pattern, colour of the article.
- Trade mark: A design, label, heading, sign, word, letter, number, emblem, picture, which is a representation of the goods or service.
- Geographical Indications: According to the website, it is the indication that identifies the region or the country where the goods are manufactured.
- Copyright: A right given to creators of literary, dramatic, musical and artistic works.
- Plant variety Protection: Protection granted for plant varieties, the rights of farmers and plant breeders and to encourage the development of new varieties of plants.
- Semiconductor Integrated Circuits Layout-Design: The aim of the Semiconductor Integrated Circuits Layout-Design Act 2000 is to provide protection of Intellectual Property Right (IPR) in the area of Semiconductor.

4. National Manufacturing

The need to raise the global competitiveness of the Indian manufacturing sector is imperative for the country's long term-growth. The National Manufacturing Policy is by far the most comprehensive and significant policy initiative taken by the Government. The policy is the first of its kind for the manufacturing sector as it addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism and other pertinent factors related to the growth of the sector.[10]

Response to the 'Make in India' initiative:

India is on the doorsill of major reforms and is on the brink to become the third-largest economy of the world by 2030.[11] India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the *country. With Asia developing as the outsourcing hub of the world, India is soon becoming the* preferred manufacturing destination of most investors across the globe.[12] To start a movement and to make a success, need a strategy that motivates, empowers and enables in equal measure. importantly, credible. It had to[13]

[9] Supra 4

[10] Ibid

[11] Supra 1

[12] www.mapsgovernment-of-india/make-in-india.htmlofindia.com/

[13] Infra 1

(a) Inspire confidence in India's capabilities amongst potential partners abroad, the Indian business community and citizens at large; Make in India needed a different kind of campaign: instead of the typical statistics-laden newspaper advertisements, this exercise required messaging that was informative, well-packaged and most

(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.

Within the short span of time, there are many instances of the initiative's success.

- FDI is surging -- Foreign direct investment between October and May was up 40% to $23.7 billion from the same period a year earlier.
- Industrial production is warming -- The pick-up in investments is starting to show in the country's industrial production numbers. Official data show India's industrial production rose an average 2.7% year-over-year in the seven month period from October to May. Nothing spectacular one may say.
- Foxconn bet billions -- Contract-manufacturing giant Foxconn last weekend announced plans to spend $5 billion on factories and research and development in the western Indian state of Maharashtra.
- GM doubled down -- General Motors Co. recently announced it will invest another $1 billion.
- Uber is ramping up its roll out -- While it is a services company and not a manufacturer, ride-hailing app Uber Technologies is ramping up its commitment to India. India is already its second-largest market in terms of cities served. To meet growing demand, Uber recently announced will invest $1 billion over nine months to build its network in India.

Today, everyone is well aware of the Make in India initiative and the motives that this initiative holds. On the other hand, the impact of this campa
is no secret, either. This is going to make India, one of the leading nations in the entire world if followed dutifully. Today, India's credibility is stronger than ever. There is visible momentum, energy and optimism. Make in India is opening investment doors. Multiple enterprises are adopting its mantra. The world's largest democracy is well on its way to becoming the world's most powerful economy.[15]

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

An outline on achievement of food processing sector during make in India programme

Dr.M.Bala Swamy, HOD, Dept. of Economics, SKBR College Amalapuram, AP

Abstract: *In this Research paper an attempt has been made to have an overview of the current status of Food Processing sector as well as its role in the economic development of the nation in general and economic condition of rural people in particular. It has also been tried to trace various problems faced by small scale industry with regard to food processing units and how to cope-up with these problems.*
***Key words: -** Food Processing, Economic Development, Food Processing Centers.*

Introduction:

The overall growth of an economy especially developing one largely depends upon the growth of Small Scale Industries. In the developing economies like India, SSIs constitute a reasonable share in the GDP, exports, employment generation etc. As almost 60% of our population depends on agriculture and agriculture based activities, the role of agro-based industries enhances from the point of view of development of rural and backward people. In India the main challenge before the economic planners is the scarcity of capital and infrastructural facilities. So Small Scale Industries are getting their relevance over the other sectors as these industries require relatively less amount of funds and mainly based upon labour intensive technologies as well as locally available raw material used in the production activities. Food processing sector has become the second largest employment provider after agriculture. It has benefitted people engaged in agro- based manufacturing units as well as rural artisans and consequently increasing their per capita income. Direct relation with agriculture is a feature of this industry which has better prospects for production, consumption, export and growth.

Processed Food Sector

Ever since the country attained independence and the Government initiated economic planning for the balanced economic development, serious efforts have been made to boost the small and medium industries. Because of low capital base and backward technology a major emphasis has been given to these industries which act as a positive catalyst to ensure the quality of life to the poor people. At the same time the labour intensive processed foods sector was considered to be a significant area of operation for those who are directly or indirectly engaged in agriculture and allied activities. During the economic reform period small scale industries outperformed the rest of manufacturing sector. The average rate of growth of manufacturing sector during 1991-92 to 1999-2000 periods was around 6% while SSI recorded 8% growth. Despite of good economic condition at present, this sector is still facing some problems. Seasonal or disguised unemployment, poverty, women deprivation, unplanned education, health hazards and impact of globalisation are big and challenging problems and all these need our active attention towards processed food industries.

Present Status of Food Processing Sector-

If we look at the statistics available in the government and non-government publications, we find that India produces annually 110 million tones of milk which is highest in the world, followed by 150 million tonnes of fruits and vegetables standing at second position in terms of production capacity. If we look at the latest data available, we find that India stood at third position in the world in the production of food grains as well as fisheries. India ranks first in livestock accounting for 485 million. At the same time there is production of 489 million poultry and 45,200 million eggs. As compared to the level of production, a very low percentage of total produce is being processed which is the main cause for non-exportability of these products. Only 2.2% of fruits & vegetables, 6% of poultry and 26% for marine products comes under processing for making them high quality goods. This is why in total world trade of processed food sector India's share is merely 1.5% presently. Not only for export, even very low percentage of food and vegetables consumed within the nation undergo processing. Because of shortage of processing and proper storage facility a large amount of fruits & vegetables approximately 35% of total production goes waste, resulting a loss of revenue for the producers and distributors. It is therefore desired to extend a vibrant infrastructure in order to enable the farmers getting a fair and full remuneration as well as in reduction of wastages. The respective participation of Food Processing institutions in total manufacturing sector can also be understood by the following diagram.

Ease of Doing Business

A Food Map identifying surplus and deficit areas of various agricultural and horticulture produce in the country has been developed and made available on the Ministry's website. This will aid investors in identifying availability of raw materials in various regions of the country.

To facilitate Single Window Clearance for customs, online connectivity has been established between Customs and Government Partner Agencies such as Food Safety and Standards Authority of India (FSSAI), Department of Plant Protection, Quarantine and Storage (DPPQ&S), Drug Controller (CDSCO), Animal Quarantine (AQCS), Wild Life Crime Control Bureau (WCCB) and Textile Committee. Clearances can now be obtained online and no hard copy of 'No Objection Certificate' (NOC) is required for clearance of goods thereby reducing dwell time and cost of doing business. This facility is currently available at Jawaharlal Nehru Port Trust, TughlakabadInland Container Depot (ICD), and PatparganjICD. A Single Window Facilitation Cell has been set up by MoFPIsince 17.05.2016 for addressing queries, facilitating and hand holding foreign investors investing in the food processing sector in India.

India is the largest producer of milk and second largest producer of a variety of fruits and vegetables in the world. India's farm output is second worldwide. However, food is being wasted at the harvest point and during transportation. India witnesses nearly 4.6 - 15.9 % wastage in fruits and vegetables annually, due to lack of modern

International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

harvesting technologies and cold chain infrastructure. The wastage levels in other perishables are also significantly high; 5.2 % in inland fish, 10.5 % in marine fish, 2.7 % in meat and 6.7 % in poultry[2] . To tackle this critical issue, Government is sanctioning and operationalizing more cold chain infrastructure in the country with the objective of reducing food wastage by 50% over next 2 years. In addition, by opening up the sector, the Government is keen to bring in advanced technology into the supply chain thereby combating the losses incurred during the value chain. These measures will benefit the farmers with remunerative prices and lower losses.

Market Size

The food industry, which was valued at USD 39.71 billion in 2013 is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 percent to USD 65.4 billion by 2018. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 percent of the sales. Food has also been one of the largest segments in India's retail sector, which was valued at USD 490 billion in 2013. The Indian food retail market is expected to reach USD 894.98 billion by 2020[3].

Indian food service industry is expected to reach USD 78 billion by 2018.The Indian gourmet food market is currently valued at USD 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 percent. India's organic food market is expected to increase by three times by 2020. Similarly, the online food ordering business in India is in its nascent stage, but witnessing exponential growth. The organized food business in India, which is worth USD 48 billion, of which food delivery is valued at USD 15 billion, has a huge potential[4].

Major Investments & FDI Inflows

The sector has witnessed over a billion dollars in FDI inflows over the 2 year period. An indicative list of some of the major investments by foreign investors and domestic investors are listed below.
Some of the Investments received in the last two years from foreign investors. LindeGroup has invested USD 200 million in seafood segment in Andhra Pradesh. The group plans to set up an air circulation plant, lab and skill development academy. MondelezInternational, the US-based confectionery, food, and beverage major, has inaugurated its new manufacturing plant in Andhra Pradesh on 25th April, 2016. The manufacturing plant has been set up with an investment of Rs1,265 crore (US$ 190 million), with an annual production capacity of 250,000 tonnes. Mars International India Pvt. Ltd, one of the world's leading chocolate manufacturers, has invested USD 114.63 million in Chocolate manufacturing plant in Pune. The project is expected to generate direct employment opportunities for over 200 people and indirect employment opportunities to over 1,000 people.

RoquetteFreres, a French-based family owned company which produces more than 650 by-products from the starch extracted from corn, wheat, potatoes and peas, has invested USD 96.09 million. It has bought a majority stake in Riddhi

Siddhi Pvt. Ltd and is also expanding its existing facilities in Gujarat, Karnataka and Uttarakhand.

•Ferrero India, a global confectionary major has set up its manufacturing facility in Baramati, Maharashtra. The company currently provides employment to 300 persons. The company has already invested USD 78.72 million in India since June 2014.

•United Biscuits, a British multinational food manufacturer, makers of McVitie'sbiscuits has invested USD 35.91 million in Himachal Pradesh.

•Kellogg, the world's largest cereal maker inaugurated its second manufacturing plant at Sri City (Andhra Pradesh) in June 2014. With total investment of USD 33.96 million, the unit provides employment to 500 persons. The company is already planning to set up an R&D facility and their third cereal facility in Mumbai, India.

•Dr. OetkerIndia Holdings, a leading purveyor of western cuisine in India, has invested USD 27.14 million in BhiwadiRajasthan. The product range includes mayonnaises, sauces, spreads, salad dressings, cakes, dessert toppings amongst others.

•DanoneAsia Pacific Holdings PTE Ltd., one of largest producers of Fresh Dairy Products, Waters, Baby Nutrition and Medical Nutrition has invested USD 24.24 million. It is expanding its manufacturing facility in Lalrunear Chandigarh.

•Kerry Group BV, a leading manufacturer and marketer of branded chilled foods to the UK & Irish consumer foods markets has invested USD 22.94 million. A Regional Development & Application Centre has been set up in Bangalore.

•Canada based McCain Foods Ltd., the world's largest producer of French Fries and Potato Specialties has invested USD 21.47 million in Gujarat.

•ChipitaIndia Pvt. Ltd., a company producing and marketing savourysnacks has invested USD 21.19 million in its plant in Navi, Mumbai. Chipitais currently present internationally in 4 major product categories-croissants and similar dough products, savourysnacks (Bake Rolls), cakes and confectionery.

•Hershey International, a leading manufacturer of fruit or vegetable juices and their concentrates, squashes and powder has invested USD 17.32 million.

•WM Wrigley Jr. Company, a leading manufacturer of other cocoa, chocolate, sugar confectionery products etc. has invested USD 16.16 million.

Conclusion

In view of the availability of physical, natural and human resources available in India, it can be concluded that food processing sector has a potential to change the socio-economic conditions of rural India. A Strong and dynamic food processing sector can play a significant role in diversification of agricultural activities, improving value-addition opportunities and creating surplus for export of agro-food products. This requires policies and plans for improvement of food processing infrastructure including up gradation of technology and enforcement of quality standards, promoting investment in food processing, thus assisting in domestic market and export growth. For getting the fruitful results, there needs a vibrant infrastructure as well as full financial and technological support from the government to the food processing units. It is found that only one percent of total meat production is converted to value added products. India is the largest milk producer in the world but only 15% of total milk is processed through the organized sector because of lack of processing centers and proper logistic system. A major concern of our economic planners should be on the development of agriculture sector which is the base of most of the Food processing activities. This sector has given a hope for betterment to the people engaged in agriculture. It reduces the wastages and ensure the adequate supply of food products and hence, stabilizing the economy by maintaining the price at a moderate level. It is also found that food processing industry covers the wide range of sub sectors what have potential to increase the employment and controls the migration of workforce to the other states as well as other nations.

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International Journal of Academic Research
ISSN: 2348-7666; Vol.4, Issue-3 (2), March, 2017
Impact Factor: 4.535; Email: drtvramana@yahoo.co.in

Make in India - The Zero Defect and Zero Effect Policy

R. Sudarsana Rao ,
Member, IV state finance commission , Government of Andhra Pradesh

Dr. G. Steeven Raju, Lecturer and Head of the Department of Economics, Ideal College of Arts and Sciences Kakinada

Dr. K.Yamuna, Asst Gr II, Andhra Pradesh State Civil Supplies Corporation Ltd, Kakinada

Abstract: As per the FDI Markets, a Financial Times, London data service -India has surpassed China and the US to take the pole position in attracting largest FDI in the first half of 2015. India is in pole position to pass both China and the US in the FDI league tables this year. India has jumped 16 places in the World Economic Forum's Global Competitiveness Report 2015-16 - a result of the positive way in which the current government is viewed by investors. The rankings show India ranked 55 out of 140 countries - an improvement over last year's 71 out of 144.
Key words: FDI Markets, Financial Times, Global Competitiveness

Introduction

Make in India is an initiative launched by the Government of India to encourage multi-natizonal, as well as national companies to manufacture their products in India. It was launched by Prime Minister Narendra Modi on 25 September 2014. India emerged, after initiation of the programme in 2015, as the top destination globally for foreign direct investment (FDI), surpassing the United States of America as well as the People's Republic of China. In 2015, India received US$63 billion in FDI. The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India. The campaign was designed by Wieden Kennedy. Under the initiative, brochures on the 25 sectors and a web portal were released. Before the initiative was launched, foreign equity caps in various sectors had been relaxed. The application for licenses was made available online and the validity of licenses was increased to three years. Various other norms and procedures were also relaxed. In August 2014, the Cabinet of India allowed 49% foreign direct investment (FDI) in the defence sector and 100% in railways infrastructure. The defence sector previously allowed 26% FDI and FDI was not allowed in railways. This was in hope of bringing down the military imports of India. Earlier, one Indian company would have held the 51% stake, this was changed so that multiple companies could hold the 1%.Between September 2014 and November 2015, the government received Rs 1.20 lakh crore (US$18 billion) worth of proposals from companies interested in manufacturing electronics in India.24.8% of smartphones shipped in the country in the April–June quarter of 2015 were made in India, up from 19.9% the previous quarter.

Objectives of Make In India:

1. Ultimate objective is to make India a renowned manufacturing hub for key sectors. Companies across the globe would be invited to make investment and set up factories and expand their facilities in India
2. Using India's highly talented and skilled manpower to create world class zero defect products.

Aims of Make In India:

To convert India into a global manufacturing hub, To help create jobs and boost economic growth. To urge both local and foreign companies to invest in India.

Functions of 'Make In India'

- Guide Foreign Investors : Invest India will act as the first reference point for guiding foreign investors on all aspects of regulatory and policy issues and to assist them in obtaining regulatory clearances.
- Assistance to Foreign Investors : Investor facilitation cell will provide assistance to the foreign investors from the time of their arrival in the country to the time of their departure, with focus on green and advanced manufacturing and helping these companies to become an important part of the global value chain.
- Prompt Response : Prospective investors can post questions on the Make In India portal and they will be answered by a panel of experts within 72 hours.
- Provide Relevant Information : Visitors registered on the website or raising queries will be followed up with relevant information and newsletter.
- Proactive Approach : A pro-active approach will be deployed to track visitors for their geographical location, interest and real-time user behavior.

Key Elements of Make in India

- 25 sectors to work on initially
- 24 manufacturing cities identified
- 10% subsidy on production of equipments of pollution control, reducing energy consumption & water conservation
- To speed up the decisions
- Time bound resolving of issues within 48 hours; unaddressed queries to go to DIPP secy, & to be resolved within 24 hours.
- A digital campaign just like " Incredible India to go global.
- Inclusion of all states to mobilize the policy, ministries and local bodies

Sectors:

Make in India focuses on the following twenty-five sectors of the economy:

Table : Key sectors allowed Make in India. And as per new Government policy FDIs permitted in the respective sectors.

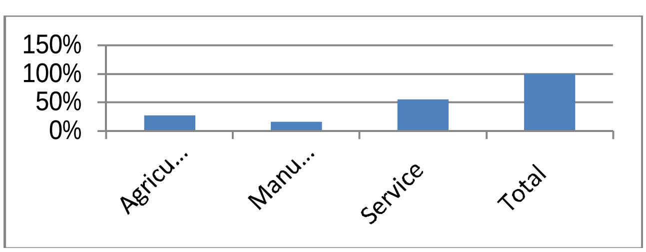
S.No	Sectors	% of FDIs Allowed
1	Automobiles	100
2	Automobile Components	100
3	Aviation	100
4	Biotechnology	100
5	Chemicals	100

6	Construction	100
7	Defence manufacturing	49
8	Electrical Machinery	100
9	Electronic systems	100
10	Food Processing	100
11	IT and BPM	100
12	Leather	100
13	Media and Entertainment	26
14	Mining	100
15	Oil and Gas	100
16	Pharmaceuticals	100
17	Ports and Shipping	100
18	Railways	100
19	Renewable Energy	100
20	Roads and Highways	100
21	Space and astronomy	74
22	Textiles and Garments	100
23	Thermal Power	100
24	Tourism and Hospitality	100
25	Wellness	100

Table: Sector Wise Contribution :

S.No	Sector	Contribution to the economy
1	Agriculture	28%
2	Manufacturing	16%
3	Service	56%
		100.00%

Figure: Sector wise contribution to the economy



Why the Manufacturing Sector Chosen –

- Manufacturing sector because major workforce of the country consists of unskilled labor which is engaged in manufacturing sector.

- During 2005-2012, India has only created 15 million jobs while as per the data, 10 million people join its workforce every year
- Manufacturing offers the surest way to employ millions of workers in middle-income jobs
- According to Justin Lin , a former chief economist at the world bank, China will shed 85 million manufacturing jobs in the next few years because of the fast rising wages. India can attract some of these jobs if it can cut bureaucratic hurdles that scare away new business.

GDP Composition –

- Manufacturing contributes 17% of India"s GDP compared to 69% that comes from services and 14% from agriculture
- And, of the 474 million Indians who are gainfully employed, only 100 million do manufacturing jobs compared to 232 million who work on farms and 142 million employed in the services businesses.
- SME"s contribute 90% of all industrial units and 40% export within the manufacturing sector
- Between 2004 and 2011 manufacturing sector has registering annual growth of around 7.25 per cent

An initiative designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure Aimed at creating 100 million jobs over the next decade and bringing manufacturing up to 25% of Indian GDP

The Increase In Year-on-year Growth In Foreign Direct Investment Inflows Recorded For The Period October 2014 To April 2015 – PIB, India, 2015 India's Position in the Rating of The World's Fastest Growing Economies – IMF report, April 2015 India's Rank Amongst The World's Topmost Investment Destinations, From 110 Countries polled – Baseline profitability Index, 2015 India's Position Amongst 100 Countries On The Growth, Innovation And Leadership Index – Frost & Sullivan, 2016 India's Position Amongst World's Best Prospective Investment Destinations – UNCTAD report, 2015 The Number Of Government Services That Can Be Availed Of By An Investor At A Single Window Online Portal.

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Major Challenges:

1. Existing stringent procedural and regulatory clearances: a business-friendly environment will only be created if India can signal easier approval of projects and set up hastle-free clearance mechanism.
2. High Tax Rates : To make the country a manufacturing hub the unfavorable factors must be removed. India should also be ready to give tax concessions to companies

who come and set up unit in the country.

3. Need of focus on MSME Sector: MSME can play a big role in making the country take the next big leap in manufacturing. India should be more focused towards novelty and innovation for these sectors. Special sops and privileges should be given.
4. Competition from China: Make in India is being constantly compared with Made in China campaign. India should constantly keep up its strength so as to pace china's supremacy in the manufacturing sector.
5. To increase Imports and R & D: High-tech imports, research and development (R&D) to upgrade 'make in India' should be encouraged. Should be better prepared and motivated to do world class R&D with Govt.'s support.

Conclusion:

The initiative has its horizon the Prime Minister's Independence day speech where he gave a clarion call to Make in India and zero defect zero effect policy. Indian manufacturing goods in such a way that they carry zero defects so that India exported goods are never returned. The manufacture goods with zero effect that they should not have a negative impact on the environment. Besides the above reason, Make in India need to increase FDI. Each 1% increase in FDI adds about 0.4% GDP to a country. So, to boost GDP growth by 2% will need about 5% increase in FDI. So that the Make in India is positive for market economy.

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