

Make In India Scheme

Highlight's

Origin -

- This initiative has its origin in the Prime Minister's Independence Day speech where he gave a clarion call to 'Make In India' and 'Zero Defect; Zero Effect' policy.

Announcement -

- On 15th August 2014

Launched -

- On 25th September 2014 by Our Honourable Prime Minister Sri Narendra Modi & Governed by Gov. of India

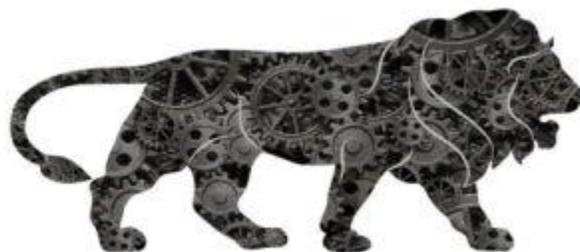
Objective –

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.

Aim –

1. To convert India into a global manufacturing hub
2. To help create jobs and boost economic growth.
3. To urge both local and foreign companies to invest in India.

Logo -



- The logo is a striding lion made of cogs, symbolizing strength, manufacturing and national pride.

Key Elements –

1. 25 sectors to work on initially

Make In India Scheme

- 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

List of 25 Sectors Involved -

Automobiles	Leather	Aviation	Biotechnology	Chemical
Food Processing	Defence Manufacturing	Automobile Components	Electrical Machinery	Electronic Systems
Roads and Highways	IT and BPM	Textile Garments	Media and Entertainment	Tourism and Hospitality
Mining	Pharmaceuticals	Ports	Railways	Renewable Energy
Construction	Space	Wellness	Thermal Power	Oil and Gas

Explication

Why Make In India -

- The first and most important condition in order to make in India is to have a low inflation regime where policies are predictable and consistent.
- High inflation reduces two ingredients of a successful make in India campaign

- 1) Capital accumulation &
- 2) The rate of change in productivity.

- Beyond inflation, make in India investors will look for policy stability with respect to trade, duties i.e both import and export and taxation.

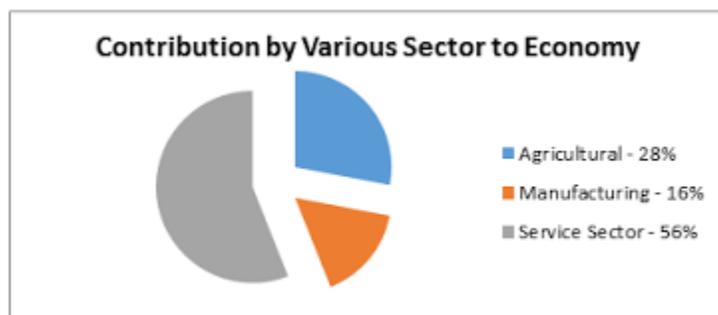
Highlight's of Prime Minister speech –

- Need to boost investor sentiment
- “First Develop India ” vs. “ Foreign Direct Investment”

Make In India Scheme

- “Corporate government responsibility” for effective governance
- Boost manufacturing to help growth of the middle class and create jobs
- Develop a growth oriented environment to enhance ease of doing business
- “3D” outlook : Democracy, demography and demand
- Channelise India’s rich demographic dividend for competitive advantage
- Train man power in an industry-aligned fashion
- Implement “Digital India” for an informed citizenry
- “Look East and Link West” approach
- Integrated clusters with roads, rails, airports and associated infrastructure
- State and Centre coordination for export promotion

Contribution by the Sectors to Economy



Reasons to Choose Manufacturing Sector –

- 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.

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- 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

Current Issue –

- India imports 65% of the current demand for electronic products, most of it from China. If the situation is left unchanged, the country's electronics import bill may well surpass its oil import expenses by 2020
- While the demand for electronics hardware in India is projected to increase to \$400 billion by 2020, the estimated domestic production could rise to \$104 billion only
- India imported \$38.46 million worth of USB flash drives from China in 2013-14

How this would be achieved -

- 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 and others.
- 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.
- Over 1000 training centres would be opened across India in the next 2 years.

Benefits from Make In India Campaign -

- This will help in creating job market for over 10 million people in India
- Manufacturing done here would boost India's GDP, trade and economic grow

Top Companies Attended Make In India Campaign -

- Tata Group
- Reliance Industries
- Biocon
- Samsung
- Honda
- Airbus
- Wipro
- Vodafone , etc

Top 2 Reasons: Why 'Make in India' is positive for markets, economy -

Make In India Scheme

- **FIRST REASON** - "We should manufacture goods in such a way that they carry zero defects, so that our exported goods are never returned to us. We should manufacture goods with zero effect that they should not have a negative impact on the environment" PM Modi said in his speech on 68th Independence Day.
- **SECOND REASON** - Need to increase FDI . Each 1 percent increase in FDI adds about 0.4 per cent to a country's GDP growth. So, to boost GDP growth by about 2 per cent, India will need about 5 per cent increase in FDI.

Sector Focused in Make in India -

- General Manufacturing
- Electronics
- Automobile
- Metals and metallurgical products
- Pharmaceuticals and Biotech
- Food Processing
- Agro
- Heavy Engineering
- Information Technology
- Services sector

Behind The Scenes –

- It is designed by a creative agency known as ‘Wieden and Kennedy’
- The backend is an agency called ‘Invest India’, which is a joint venture between industry chamber FICCI (Federation of Indian Chambers of Commerce and Industry: 51% equity), the central government’s DIPP (Department of Industrial Promotion and Policy: 35% Equity), and state governments, each of whom hold 0.5% equity.

Five things ‘Make In India’ will do -

- **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.

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- **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.

Turning Vision into Reality -

- 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

Achievements in Past Year's -

- 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.

Key Impact – Growth in FDI

- 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.

Key Impact – Improving competitiveness

- 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.

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- The rankings show India ranked 55 out of 140 countries - an improvement over last year's 71 out of 144

Pillars of New Resurgent India -

- New Process
- New Design
- New R&D
- New Mindset
- New Innovation
- New Sectors

Easy of Doing Business -

- Make India the easiest and simplest place to do business Eliminate paperwork, processes, procedures, rules & acts
- Use technology to leapfrog Converge & integrate departments

Area Focused in Easy of Doing Business –

- Starting business - Streamline investment approvals and provision of utilities Skill Development Programs Labour Development Initiatives
- Registering properties - Facilitate land acquisition process
- E-Biz - Govt's portal for connecting all government divisions
- Resolving Insolvency - Clear exit guidelines
- Efficient and effective enforcement of laws
- Encouraging more & more cross border transactions

PMO Lists of Steps for Easy of Doing Business -

- Unique identity number - A unique identity number for all firms and three forms instead of 17 for imports and exports.
- Ambitious goal of moving India from 142nd to the 50th slot in the EoDB ranking list
- Ownership reform process - Each secretary was asked to take ownership of the reform process
- Online approvals and clearance processes
- One-stop shop and prepare a common application form
- Reduce the number of inspections, a key concern with the industry .
- All licenses for export and import, including for restricted items, will be issued online from January.
- Providing electricity connections in the two cities - Will be made easier
- Environment ministry to do away with pollution control certificate as a prerequisite for a connection.
- Standard sale deed - The ministry of urban development has been asked to prepare a standard sale deed to ease the registration process for land

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- Land resources department for digitization of land records, municipal tax records, sub-registrar data and also integrate them.

Radical Reforms - Easy of Doing Business -

- No minimum capital. No common seal. No declaration of commencement of business
- Online & real-time registration with ESIC & EPFO, PAN & TAN
- Combined returns under 8 labour laws
- Documents for exports and imports reduced from 11 to 3.
- Delicensing of defense items – 56 % of defense items taken out of licensing requirement
- NRI investments be treated as Indian investments

Liberalized FDI Regime –

India today is one of the most open economies of the world Defence - 49%

- Insurance and pension funds - 49%
- Railways - 100%
- Construction - 100%
- Medical Devices - 100%
- Telecom Sector – 100%
- Asset Reconstruction Companies – 100%
- Single-brand retail – 100%

Creating New World Class Infrastructure -

- Delhi – Mumbai industrial corridor
- Amritsar – Kolkata industrial corridor
- Chennai – Bengaluru industrial corridor
- Bengaluru – Mumbai industrial corridor
- Chennai – Vizag industrial corridor

New Mindset - Red Tape to Red Carpet -

- 24x7 online service to investors across the world
- Response query mechanism
- Proactive intervention with all state governments
- Follow-up with all Government of India departments

100 Smart Cities Highlight's -

- Transforming lives, transforming India\
- Urban India will contribute 75% of GDP by 2030
- 700 million Indians to get in the process of urbanization
- Creating an innovative, sustainable India

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- Urbanisation - a unique opportunity

Using technology to leapfrog – JAM

- Meaning of JAM - Jan Dhan yojna , Aadhar , Mobile .
- Jan-dhan Yojna – 160 million new bank accounts of households
- Aadhar – 1 billion aadhar enrolments, Unique identity movement
- Mobile – 900 million cell phone users (370 mn in rural areas)
- India using mobile technology, unique identity & bank accounts

Skill India - key challenge -

- Demographic Dividend – 62% of population in Working Age Group
- 104 Million to be skill trained by 2022
- New dynamic Skill Development & Entrepreneurship Policy
- National Occupation Standards laid down by Sector Skill Councils
- NSDC provides funding to build scalable, for-profit vocational training institutions (nsdcindia.org)

New Initiatives -

- Digital India - Transform India into a digitally empowered society and knowledge economy
- Swachh Bharat Abhiyaan and Clean Ganga - Focuses on building toilets, especially for women and make India the cleanest country & Clean Ganga aims to clean and rejuvenate the river Ganges

Highlighted Key Factors -

Major 25 Sectors involved in Make in India Programme

1. Automobiles:

- India's car market potential: 6+ Millions units annually by 2020

2. Auto-components:

- Over 35 IPOs of Global OEMs & Tier 1 procuring from India

3. Aviation:

- 9th largest civil aviation market in the world

4. Biotechnology:

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- Amongst top 12 biotech destinations in the world; 3rd in the Asia-Pacific region.

5. Chemicals:

- 3rd largest in Asia & 6th largest by output in the world.

6. Construction:

- Approx. USD 650 billion required for urban infrastructure over the next 20 years

7. Defence:

- Up to 49% FDI is now allowed under the government route and beyond 49% with the approval of cabinet committee

8. Electrical Machinery:

- The industry has grown close to USD 25 billion. It contributes 1.4% to the nation's GDP and 10% to the manufacturing growth.

9. Electronic Systems :

- Expected demand to reach USD 400 Billion by 2020, aided by government schemes

10. Food Processing:

- National Food Processing Policy aims to increase the level of food processing from 10% in 2010 to 25% in 2025.

11. IT & BPM:

- The IT-BPM sector constitutes 8.1% of the country's GDP and contributes significantly to public welfare

12. Leather:

- Total production value of US\$11 bn with great potential for exports and a huge domestic market

13. Media and Entertainment:

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- The industry is expected to register a CAGR of 14.2%, reaching INR 1785.8 Billion in 2018

14. Mining:

- India has vast minerals potential with mining leases granted for longer durations of 20 to 30 years

15. Oil and Gas:

- Threefold increase in energy demand expected in India by 2035 to 1,516 mn tonnes of Oil Equivalent from 563 mn Tonnes of Oil Equivalent in 2012.

16. Pharmaceuticals:

- Expected to rank among top 3 pharmaceutical markets in terms of incremental growth by 2020.

17. Ports:

- Special Economic Zones are being developed in close proximity to several ports – comprising coal-based power plants, steel plants and oil refineries

18. Railways:

- 100% FDI under the auto route in the railway infrastructure segment

19. Roads and Highways:

- Extensive road network of 4.86 mn kms: 2nd largest in the world

20. Renewable Energy:

- India stands fifth in the world in the overall renewable energy capacity installation with an installed capacity of 33,792MW

21. Space:

- India is a world leader in low cost space exploration and Indian space program stands out as the most cost effective in the world

22. Textiles:

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- India has the second-largest manufacturing capacity globally.

23. Thermal Power:

- 4 ultra mega power projects awarded and five more ultra mega power projects), under the plug and play model will be set up with total investments of 1 trillion

24. Tourism:

- Foreign tourist arrivals to India has risen 7.1% to 7.5 million in 2014.

25. Wellness:

- The sector is growing at 20% from year to year and is projected to amount to INR 162 Billion in 2014

Live Projects -

- The project is featured in KPMG's '100 Most Innovative Global Projects.
- Delhi-Mumbai Industrial Corridor (DMIC) and it utilize the 1,483 km-long, high-capacity western Dedicated Railway Freight Corridor (DFC) as the backbone.
- Twenty four manufacturing cities are envisaged in the perspective plan of the DMIC project.

First Phase -

In the first phase, seven cities are being developed.

- Uttar Pradesh
- Haryana
- Rajasthan
- Madhya Pradesh
- Gujarat
- Two in Maharashtra.
- The Phase I is initially is to be completed by 2019.

DMIC states (Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat & Maharashtra) contribute 43% to the country's GDP.

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 hassle-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 ace 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.

Our View Point - What we Want -

- Sustainability - Short, Medium & Long Term
- Principle of Co-Existence with Nature
- Innovations and Creativity
- Gainful Productive Employment
- Dignity of Labour & Equality
- Self Reliance, Sovereignty & Leadership
- Export Surplus Nation