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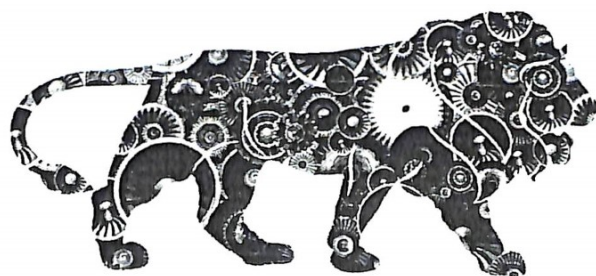
International Conference

on

MAKE IN INDIA

OPPORTUNITIES, CHALLENGES & ITS IMPACT

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MAKE IN INDIA: PROSPECTS AND CHALLENGES

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Abstract :

Today make in India is one of the business friendly reforms invited by our Hon. Prime Minister Narendra Modi. Applying Say's law 'supply creates its own demand. India's unique combination of democracy, demography and demand makes it possible to harness the top fruits of globalization. The main aim of this project showing a pure classical economics after liberalization, privatization and globalization (LPG). In the area of health and tourism sector and the food processing industries, the Govt. can attract FDI. In the educational sector there is scope for increasing number of foreign students earn foreign exchange. Make in India, since its very appearance on the political and economic front has grasped the attention of policy makers and thinkers all around the world in general and of India in particular for a successful. In this way nearly two decades of economic liberalization, couple with huge domestic demand a growing middle class, a young population and high return on investment make in India an incredible investment destination.

Keywords : *Make in India, LPG, FDI, Educational, Health and food Processing Sector.*

Objectives of the Study :

- (1) To understand the concept of make in India
- (2) To study the necessity of make in India
- (3) To analyse the changes of make in India
- (4) To evaluate the prospects of make in India

Research Methodology :

This paper is based on secondary data extracted from various authenticated websites, reference books, Journals, magazines and various newspaper articles.

Introduction

The Make In India movement started in September 2014. The main aims of make in India is creating such an environment to lure foreign producers and investors to come and create jobs in our country and enable domestic firms to compete globally. However this program is to exploit every possible source to raise the share of manufacturing in GDP from 16% to 25% by 2022 and also to create 100 million manufacturing jobs over the same period make in India initiative is based on four pillars i.e. new processes, new infrastructure, new sectors and new mindset. The campaign make in India focuses on 25 sectors i.e. automobiles, construction, food processing, defense manufacturing, chemicals, IT & BPM, railways, electrical machinery, pharmaceuticals, thermal power, textiles and garments, roads and highways, media and entertainment, space, parts, wellness tourism and hospitality leather, mining,

renewable energy, electronic systems, biotechnology etc along with live projects like industrial corridors, FDI policies and details of investor facilitation cell.

'Make in India' concept was already in existence in India right from the times of East India Company when the SKF Bearings company had started its manufacturing plant in Calcutta before 150 years. In this way, this campaign is to boost up Indian manufacturing sector by attracting business from around the world to generate huge employment increase trade and spur economic growth.

Needs of Make in India :

- The manufacturing in India by MNCs is to be promoted under make in India concept.
- India has basically to promote the health and tourism sector. This will attract foreign currency in India.
- The initiative of make in India is expected to attract the FDI for capital investment purposes and the technological investment in various economics sectors in Indian Economy. However the investment prospects by Japan, Germany, South Korea in the various rail and road project is the outcome of the make in India concept. Today, discussion on the smart cities and Metro rail project for various cities in India is the outcome of make in India concept.
- This concept is expected to increase the growth in infrastructure. It is essential to promote the growing services and industrial sector in Indian economy.
- Make in India will help increasing job opportunities which are now sometimes on the basis of the outsourcing of the work. This is especially in the IT and related sector.
- Focus is being on various aspects i.e. job create and skill development in various sectors of economy specially IT, bio-technology, electronics, chemicals and pharmaceuticals. In this way 25 are to be taken under the concept of make in India.

In this way the manufacturing sector has played a modest role in providing formal employment which partially explains India's low growth elasticity of poverty reduction in urban areas.

The main objective of the mega program is to ensure that manufacturing sector which contributes around 15% of the country's Gross domestic Products (GDP) is increased to 25% in next few years.

Environment for make in India :

Late President of India A.P.J. Abdul Kalam has stated in his writings advantages India, that it has to follow from challenges to opportunities with this aspect there are various reasons why in India, make in India programme can be successful. Therefore there are various aspects which will help India to make success of the make in India programme launched by Hon. Prime Minister Narendra Modi.

- With reference of IMF Report 2015, India has emerged as 3rd largest economy in the Asia after China and Japan and 9th in the world.
- Human capital is the biggest strength of make in India.
- Demographic factors are in favour of India. The young and vibrant population in India is driving the economic growth of the country and the world.
- India being developing economy so the rest of the world has shown the interest in investing India. Because industrial revolution made clear demarcation as Rich and Poor countries.

- By the year 2040 nine out of every ten Indians will belong to global middle class group with increasing purchasing power.

Expected Economic growth due to make in India :

- Due to make in India programme there will be removal of excess work force on agriculture and development activities in service and industrial sector.
- In spite of global financial crisis , the Govt. has set up a target of 8% growth rate during the current five year plan i.e.2012-2017.
- Research and Innovation in industrial and services sector will help to increase the quality of production and decrease the selling prices This will create the consumer friendly atmosphere in the market.
- Some industrialist have started the manufacturing of consumer need based products in India e.g. Nano Car by Tata Motors in expensive hand held electro cardiogram (EGC) by GE health care and water purifies by Tata chemicals.
- In agriculture sector because of make in India programme there is concentration of utmost utilization of cultivable land.
- The foreign investors cannot ignore the large size of Indian market and at the same time the appropriate industrial environment created by the new government.

Some success stories of make in India :

Electronics :

- Oppo, ZTE, Phicomm invest in India
- Fox conn announces 10-12 facilities in India.
- One plus, ASUS announces mobile manufacturing.

Railways :

Ministry of Railways signed formal agreement with global giants Alstom BSE-0.50% and GE Transport to set up locomotive manufacturing factories in madhepura and marhaura in Bihar state.

Defence :

- Hyundai to build worships.
- Sun Group to build Russian helicopters.
- Reliance and international partners to build nuclear submarines and stealth worships.

Aviation :

- Airbus to increase its exports from India up to €2 bn USD.
- Pratt & Whitney evinced interest to make in India.

Automobiles :

- Mercedes Benz invest aggressively in India
- BMW increases 50% locations.
- Volvo , Ford in with R&D facility.

The clarion call "Come make in India " has transformed into an effective strategy and become a huge success in creating a buzz globally. Govt. of India is organizing a landmark event called the "Make in India week" in Mumbai on 13 to 18 February 2016. This week-long event will be inaugurated by the Prime Minister of India.

Major issues and challenges :

The concept could face the following major issues and challenges.

Land Acquisition :

Land acquisition is a major issue and challengeable as the existing laws have made the acquisition of land more complex and costly. These law create hurdles in investment in to preferred sector like manufacturing, construction ,infrastructure and mining. In this way the difficult balancing act between providing sufficient rights and safeguards to landowners and easing acquisition procedures has been introduced through the proclamation of the presidential ordinance.

Lack of skilled manpower :

India adds 12 million people to its workforce every year less than 4 percent have ever received any formal training. Our workforce readiness is one of the lowest in the world and a large chunk of existing training infrastructure is irrelevant to industry needs. Skills cannot be overnight. In short the government has its task cutout. What is needed is a willingness to act and to take the difficult decisions that can help realize the 'skill India' dream.

Low employability of workers with higher education :

While India has an extensive system for higher education - the nations is projected to contributed 27 percent of the global growth in tertiary – educated workers between 2010 and 2030 – quality remains a big problem. Graduates of Indian engineering and computer sciences college still need to be trained extensively to make them job ready. This is clear indication of some of challenges facing higher education in India.

World class standards :

Foreign companies demands higher level of qualitative work which is known as “World class standards”. The quality of product under make in India initiative should not differ with foreign product. Therefore the issue is to make Indian labour achieve such competencies to make high quality of product through skill development programs.

Retaining Talent :

When ever human talent goes in some foreign country it is known as Brain Drain several reasons like lethargic bureaucracy ,lower salary structure and less employment opportunity may be some of the causes. The talented youth migrating to foreign countries can come back and make our mission of “Make in India” more effective and powerful.

India's rapidly evolving e-commerce market :

The upsetting power of e-commerce has not been felt year in India. Only 0.3 percent of Indian retail sales took place online in 2013 Indian companies such as Flip Kart and global players such a Amazon are developing e-commerce business models that are adapted to the unique challenges of the Indian economy.

Lack of affordable and quality power :

The 2015 edition of BP's Energy outlook projected India's energy production rising by 117% to 2035, while consumption grows by 128%. According to MCKinsey and company 30% import share in fuel demand, 24% electricity lost in transmission and distribution and 300 million people lack electricity. So one third of the population is not connected to any grid.

Unleashing India's Innovation :

Lack of the main means of tapping into global knowledge are trade, foreign direct investment technology licensing, copying and reverse engineering foreign education and training and accessing foreign technical print information and through the internet. On all these counts' China has been more aggressive and systematic than

has India.

Enterprise specific Performance Requirements (ESPR)

Some of the enterprises require several performance standards. Therefore special efforts are needed to achieve such specific performance standards without interference with the internal commercial decisions of the enterprises.

Gender disparity in the literacy rate :

This is always been a characteristic feature of Indian demography from last so many years. The low female literacy rate has had a dramatically negative impact on family planning and population stabilization efforts in India.

Recommendations and Suggestions :

The following suggestions are proposed that will help the make in India campaign
Improving the employability of general and engineering graduated through skill development.

Strengthening the capabilities of the CISF to meet the growing demand for industrial security.

The tax burden can be lightened by introducing a single nationwide goods and services tax.

Corruption must be met with insistent approaches like imposing Jan Lokpal Bill stringently.

Reducing administrative burdens for firms by cutting red tape improving online processing options.

Overcoming land acquisition challenges and coordinating state and central policies for the same.

Conclusion :

With the help of the above information and data, it is concluded that ,the issues and challenges involved in the concept of make in India are being resolved through the big thrust in policy initiatives and further commitment by the government to ease rules of doing business. It is also concluded that the forthcoming Union Budget is a big tool in the hands of government for bringing such major reforms.

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