

Make in India: An overview and the accomplishments

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Abstract

Make in India initiative launched by Prime Minister Narendra Modi on 25th September last year was an initiative aimed at making India a global manufacturing hub. It was also rolled out with the aim of creating millions of jobs in the country. 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. As PM Modi's flagship program completes a year, this paper represents an overview of the basics of the 'Make in India' initiative and what has the accomplishments been till now.

Keywords: Make in India.

Introduction

The program Make in India was launched by our esteemed Prime Minister Narendra Modi on 25 September 2014. The major objective behind the initiative was to focus on job creation and skill enhancement in twenty-five sectors of the economy. The initiative also aimed at maintaining high quality standards and minimizing the impact on the environment. The initiative hoped to attract capital and technological investment in India.

25 major 'Make in India' focus areas were

Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Construction, Defense 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%), Defense (49%) and News Media (26%).

The 'Make in India' program was launched to encourage companies to increase manufacturing in India. This not only included attracting overseas companies to set up shop in India, but also encouraging domestic companies to increase production within the country. It aimed at increasing the GDP and tax revenues in the country, by producing products that meet high quality standards, and minimizes the impact on the environment.

Policies under 'Make In India' Initiative

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

1. New Initiatives: This initiative was to improve the ease of doing business in India, which included increasing the speed with which protocols are met with, and increasing transparency. The government has already rolled out the following- 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%), 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.

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. 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:

The objective being 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.

Accomplishments

In January 2015, the Spice Group said it would start a mobile phone manufacturing unit in Uttar Pradesh with an investment of ₹500 crore (US\$75 million). A memorandum of understanding was signed between the Spice Group and the Government of Uttar Pradesh.

In January 2015, Hyun Chill Hong, the President & CEO of Samsung South 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 centre. It is also in the process of setting up a Telecom hardware manufacturing plant in Chennai, the approvals of which have been granted by the central government. 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 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 that the first manufacturing unit was operational and introduced the Xiaomi Redmi 2 Prime, a smartphone that was assembled at the facility. Xiaomi India chief executive Manu Jain stated, "We announced our Make in India plans in the beginning of this year [2015]. We thought it would take us two years to set up this manufacturing plant. But surprisingly we were able to set up everything and our production started within seven months."

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

On 8 August 2015, Foxconn announced that it would invest US\$5 billion over five years to set up R&D and hi-tech semiconductor manufacturing facility to be set up in Maharashtra. Less than a week earlier, General Motors had announced that it would invest US\$1 billion to begin manufacturing automobiles in the state.

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 Ltd. The plant has separate manufacturing lines for Lenovo and Motorola, as well as quality assurance, and product testing. The first smartphone manufactured at the facility was the 4G variant of the Motorola Moto E (2nd generation).

On 16 October 2015, Boeing chairman James McNerney said that the company could assemble fighter planes and either the Apache or Chinook defence 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.

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. A company spokesperson stated, "The government's 'Make in India' campaign, coupled with the country's growing consumption, makes an excellent case for the Indian manufacturing sector to emerge as a global manufacturing hub across sectors."

On 30 November 2015, the Ministry of Railways signed formal agreements with Alstom and GE Transport worth ₹400 billion (US\$6.0 billion) to set up locomotive manufacturing factories in Madhepura and Marhaura in Bihar.

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. Qualcomm chairman had promised Prime Minister Modi that they would do so during the latter's visit to Silicon Valley in September 2015. As part of the program, the company will set up an Innovation Lab in Bangalore to provide technical and engineering support to the selected companies. In the same month, Micromax announced that it would three new manufacturing units in Rajasthan, Telangana and Andhra Pradesh at a cost of ₹300 crore (US\$45 million). The plants will begin functioning in 2016, and will each employ 3000-3500 people.

Following Japanese Prime Minister Shinzo Abe's visit to India in December 2015, it was announced that Japan would set up a US\$12 billion fund for Make in India related projects called the "Japan-India Make-in-India Special Finance Facility". In late December, phone manufacturer Vivo Mobile India began manufacturing smartphones at a plant in Greater Noida. The plant employs 2200 people.

Conclusion

The government has under the Make In India program, received Rs 1,10 lakh crore worth of proposals so far, from various companies that are interested in manufacturing electronics in India. Companies like Xiaomi, Huawei have already set up manufacturing units in India, while iPhone, iPad manufacturer Foxconn is expected to open a manufacturing unit soon. Recently, Lenovo also announced that it has started manufacturing Motorola smartphones in a plant near Chennai. Thus, on the completion of one year we can say the Make in India campaign has so far been a great success.

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