Viability of “Make in India” - India’s Manufacturing Competency in Global Market

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ABSTRACT

The government of India has taken several schemes for growth of the manufacturing sector in the country; the most remarkable thing is 'Make in India' programme by Honorable Prime Minister of India, Mr. Narendra Modi. Asia is congregate into an outsourcing hub in world and India is also one of the biggest manufacturing destinations for many organizations. The role of existing manufacturing industry contributed to national GDP was 15%. At present “Make in India” campaign will increase the GDP 25% like other developing nations in Asia. There are twenty five key sectors has been selected to reach the perspective of Make in India. This paper works to investigate the possibilities of Indian manufacturing industries exploiting the successfully startup ecosystem to adoptive improvement and gain significant competitive advantage over the multinational companies examines the viability of the Make in India and the recent development on the manufacturing industries and also how Indian companies can use opportunities and give tough competition to the multi-national firms and remain relevant in the global market.

INTRODUCTION

The Make in India plan launched recently by the Government of India is an extremely powerful a single and is for seen to end up being having a big effect on the condition of the Indian overall economy. With this initiative, the government is encouraging multi-national businesses to create their manufacturing bottom in India and also have India as one of their essential strategic locations. The government has

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taken many steps in plan making to be able to ensure simple business to multinationals. The initiative shall foster incredible growth in a variety of sectors like Manufacturing, Defence, and Aerospace etc. The policy changes brought about for the Make in India initiative will also encourage Indian company to maximization their processes in India. It will also give confidence a lot of start-ups to take up position from beginning the several sectors examined under this program and come up with creative products and solutions. For the Indian companies, the Make in India program means increased competition from large multi-national companies as they setup their bases in India. These big companies with deep pockets could make large investments in production facilities and research in order to develop cheaper and better products than Indian companies. Without cost arbitrage advantage, the Indian companies shall be suddenly facing these giant companies with competing products in the same market segments. This paper tries to examine the viability of the Make in India and the recent development on the manufacturing industries and also how Indian companies can use opportunities and give tough competition to the multi-national firms and remain relevant in the global market.

1.1 Review of Literature

Vijayaragavan., T (2014) Our Prime Minister said in Hannover, Germany India is a changed country now due to the regulatory regime is much more transparent, responsive and stable. “Make in India” campaign which has the explicit aim of lifting manufacturing's share of the country’s GDP from 15 percent to 25 percent. Recent policy measures and strategic direction defined by new government especially its ambitious Make in India campaign hold the promise of re-igniting growth in the years to come We must deepen our outstanding in several areas such as digitization and big data analytics, and develop an innovation and technology road map to effectively serve evolving customer needs to make this campaign a grand success.

Burange. L. G. (2006) in his articles “Industrial Growth and Structure; Manufacturing Sector in Maharashtra” efforts are made to analyze industrial structure and growth of the manufacturing sector in Maharashtra with as much disaggregation as possible. The share of the state in the country’s industrial sector has declined. The share of the secondary sector in state domestic product is stagnating at around 33 percent to 34 percent, while the share of the tertiary sector increasing. The share of consumer goods in value added declined to less than 20 per cent while the share of capital and intermediate goods industries increased to more than 80 per cent over the period of 36 years. The industrial recovery is clearly experienced by the state during the post liberalization period.

Sheila Devi (2008) in her study “A Disaggregated Estimation of Growth and Total Productivity in Traditional Industries in India 1973-74 to 1979-80” with reference to ASI data, she has taken into account seven manufacturing industries including basic metal and alloys of three digit level classification. To examine the trends and pattern of growth by analyzing (i) number of industrial establishments, (ii) net fixed capital stock, (iii) employment, (iv) emoluments paid to workers and (v) value added. The conclusions are: the employment growth was about 50 per cent lesser than the growth in capital
stock, a more consistent growth in capital stock, value added, emoluments and employment.

Nagaraj (2008) found in his study that there has been a turnaround in Indian manufacturing since 2002-03, ending the period of deceleration that lasted for seven years since 1995-96. The annual average growth rate in manufacturing between 2002-03 and 2006-07 was 8.8 percent, up from 5.6 percent during previous years. The study ascertained that there is no unanimity among the researchers regarding the impact of reforms on growth of Indian manufacturing.

1.2 Objectives
- To study on the viability of “Make in India” – India’s manufacturing industries competency
- To examine the recent developments in manufacturing industries in India.

1.3 The Vision of “Make in India”

The contribution of the manufacturing industry to national GDP is just over 15%. The main of the “Make in India” movement is to increase GDP to 25% like other on the increase nations in Asia. Through this movement the Government needs to attract more FDI, creating new jobs and transforming India into a most preferred manufacturing center approximately the globe. The Prime Minister is maintaining strong relationship with entrepreneurs and corporate by stepping towards Developing India. He also laid strong foundation to the vision of a technology-knowledge Digital India as a complementary to “Make in India” movement. This is also concerned on employment creation and poverty improvement that imperatively complements the achievement of “Make in India” movement. Moreover, job creation will improve the skill development and also helps the Government to generate more tax revenues to increase GDP growth rate within the country.

There are twenty five key sectors has been selected to reach the vision of “Make in India” initiative such as, 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, Defense manufacturing, pharmaceuticals, Wellness, Electrical Machinery, Ports, Electronic systems and Railways.

1.4 Reasons for Resistance in Manufacturing in India

In India many states are facing electricity problems, so there is no proper power supply, logistics and transportation facilities are not readily available. There are many problems faces manufacturing industries like, underemployment rather unemployment, following stringent labour laws, lack of investment in research and development, people are prefer mostly professional jobs, numerous tax planning and laws for location an new projects in the country and with monster alteration and scams the fends off international investors. Before, Make in China achieved energy in earlier period decade. But, now India is converge that energy into a country. India is going to overtake China
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in Outsourcing, manufacturing and services business in future. There are many problems prevailing within the country is non-operational in logistics services in the country. To gain the privileged status of the manufacturing hub, Government needs to enhance or provide robust transportation networks and eliminating the corruption will help the manufacturers industries to achieve timely and adequate production. The Government has under oath to eliminate these hurdles and making India into an ideal goal for investors to set up manufacturing industries in India.

1.5 “Make in India”: Enhancing Manufacturing Competence

One of the major things in manufacturing companies can do is to invest in methodologies or tools such as lean manufacturing, six sigma, total quality management, etc., to develop their manufacturing processes and achieve world-class quality. Whereas a few Indian manufacturers have achieved global recognition for quality, if India is to extent its manufacturing to the next level of group skill, a set of more companies will need to join the quality movement. The main element success factors for manufacturing industries are productivity and efficiency. Engineering plays an important role in this, specifically as it pertains to difficult plant life and machinery throughout various manufacturing facilities. That’s why a higher level of performance is crucial at the engineering stage itself to make production quicker, more flexible and even more intelligent. A well-integrated commercial automation system ensures effective interoperability of most automation elements. Globally, the trend is usually towards adopting an open up program architecture that covers the whole production procedure and is dependent on the consistent existence of shared characteristics: constant data management, global criteria, and uniform software program and hardware interfaces.

1.6 Developments in the Manufacturing Sector

Recently a study done by global management consulting firm McKinsey and Company, the Indian manufacturing industry is expected to touch US$ 1 trillion by 2025. Industry experts accredit the increasing demand of manufacturing units and the desire for setting up low-cost plants in India by multinational firms for this possible development. Around 90 million domestic employments are still waiting to be creating by that timeframe as well as the manufacturing segment contributing about 25-30% of India’s gross national manufacture product. India’s at fast expanding nation is giving both international entrepreneurs and home players an array of opportunities to venture out and grow.

1.7 Key Market Drivers for the Indian Manufacturing Industry

- The manufacturing industry has been developing their growth due to deceleration on investment
- The domestic manufacturing scheme suggests increase the share of manufacturing in GDP to 25% in order to create 100 million jobs in the coming decades.
- Additional capacities are being planned to be installed in all the major manufacturing units.
A public achievement scheme has been prospective incorporating technology along with common facility centres while the Khadi Mark movement has been started to further Micro Small and Medium Enterprises.

1.8 India Brand Equity Foundation

CONCLUSION

The manufacturing industries ensure efficient interoperation ability on all automation workings. Innovation will be a key driver for success for Indian manufacturing companies in the Indian markets once MNCs start their operations in India following the Make in India initiative. Indian manufacturing industries and startups will have to gear up for the challenge by inventing in India through collaboration. Innovative techniques along with traditional techniques will ensure success of manufacturing industries that are undertaken under collaborations and help in building sustainable competitive advantage to all the participating Indian firms. The sector not only enhances productivity and make increase more inclusive but also contributes towards the overall development of the country. Technologies such as these are changing the status in manufacturing. If India has made it its mission to give manufacturing a new lease of life, companies that 'Make in India' must do so with the advanced practices and technology tools.

REFERENCES

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