

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. India hoped to emerge, after initiation of the programme in 2015 as the top destination globally for foreign direct investment, surpassing the United States of America as well as the People's Republic of China. In 2015, India received US\$63 billion in FDI.

History

Narendra Modi and Cabinet ministers at the concluding session of the national workshop on Make in India in New Delhi, 10 December 2014

Prime Minister Narendra Modi launched "Make in India" on 25 September 2014 in a function at the Vigyan Bhavan.^[1] On 29 December 2014, a workshop was organised by the Department of Industrial Policy and Promotion which was attended by PM Modi, his cabinet ministers and chief secretaries of states as well as various industry leaders.

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 licences was made available online and the validity of licences 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 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.^[9]

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

Plans

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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 field and providing an enabling environment. It makes the Indian economy better.

Ease of doing business

India ranks 130th out of 189 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.

A survey of 17 Indian cities in the World Bank's *Doing Business in India 2009* report ranked Ludhiana, Hyderabad, Bhubaneswar, Gurgaon, and Ahmedabad as the top five easiest cities to do business in India.

Sectors

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%).

Responses

January–June 2015

In January 2015, the Spice Group said it would start a mobile phone manufacturing unit in Uttar Pradesh with an investment of ₹5 billion (US\$74 million). A memorandum of understanding was signed between the Spice Group and the Government of Uttar Pradesh.

In January 2015, Hyun Chil 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 2015.¹ 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 an MoU with OIS Advanced Technologies to set up a manufacturing plant in India to manufacture drones.

July–December 2015

On 8 August 2015, Foxconn announced that it would invest US\$5 billion over five years to set up a research and development and hi-tech semiconductor manufacturing facility 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\$5.9 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 ten 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 programme, the company will set up an Innovation Lab in Bengaluru 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 ₹3 billion (US\$45 million). The plants will begin functioning in 2016, and will each employ 3,000-3,500 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 2,200 people.

A defence deal was signed during Prime Minister Narendra Modi's visit to Russia in December 2015 which will see the Kamov Ka-226 multi-role helicopter being built in India. This is widely seen as the first defence deal to be actually signed under the Make in India campaign.

Make in India Week

A "Make in India Week" event was held at the MMRDA Grounds at the Bandra-Kurla Complex in Mumbai from 13 February 2016. The week long multi-sectoral industrial was attended by 2500 international and 8000 domestic, foreign government delegations from 68 countries and business teams from 72 countries. 17 Indian states, mostly BJP-ruled, also held expos. At the close of the event, DIPP Secretary Amitabh Kant stated that it had received over ₹15.2 lakh crore (US\$230 billion) worth of investment

commitments and investment inquiries worth ₹1.5 lakh crore (US\$22 billion). Maharashtra led all other states receiving ₹8 lakh crore (US\$120 billion) of investments.

Planning

In August 2015, Hindustan Aeronautics Limited (HAL) began talks with Russia's Irkut Corp to transfer technology of 332 components of the Sukhoi Su-30MKI fighter aircraft under the Make in India program. These components, also called line replacement units (LRUs) refer to both critical and non-critical components and fall into four major heads such as Radio and Radar; Electrical & Electronics System; Mechanical System and Instrument System.

The Ministry of Defence is auctioning a ₹600 billion (US\$8.9 billion) contract to design and build a Fighting Infantry Combat Vehicle (FICV) in India. The contract will be awarded in 2016.

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.

FDI

In 2015, India received US\$63 billion in FDI.

Public relations

"*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.

Aarisa Pitha of Odisha, 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.

The 35th edition of the India International Trade Fair (IITF) held at Pragati Maidan in November 2015, had *Make in India* as its theme.