

## RETROSPECT & PROSPECTS FOR MAKE IN INDIA

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### ABSTRACT

A vision of making India a super power around the globe, Shri Narendra Damodardas Modi, the Prime Minister of India launched a new program “Make in India” on 25<sup>th</sup> September 2014. The campaign includes the new initiatives to increase investment and job opportunities, foster skill enhancement and innovation, protect intellectual property and build the best manufacturing hub. The major objective of the paper is to understand the outlook of various sectors, growth dynamics, opportunities and challenges for the firms in Madhya Pradesh. The study is based on secondary data collected through research journals, magazines, websites etc.

**Keywords: Make in India, retrospect, informal sector**

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## INTRODUCTION

Make in India is an international marketing campaigning slogan launched by the Prime Minister of India, Narendra Modi to attract businesses from around the world to invest and manufacture in India. The campaign has been concentrated to fulfill the purpose of Job Creation, Enforcement to Secondary and Tertiary sector, Boosting national economy, converting the India to a self-reliant country and to give the Indian economy global recognition.

The logo for the Make In India campaign is a an elegant lion, inspired by the Ashoka Chakra and designed to represent India's success in all spheres. The campaign was dedicated by the Prime Minister to the eminent patriot, philosopher and political personality, PanditDeenDayalUpadhyaya who had been born on the same date in 1916.

### Key policies:

1. Ease of business
2. Skill and jobs for the youth
3. Making India a manufacturer
4. Getting away with archaic laws
5. 100 smart cities
6. Disinvestment of PSU

### Sectors in focus

For the Make in India campaign, the government of India has identified 25 priority sectors that shall be promoted adequately. These are the sectors where likelihood of FDI (Foreign Direct Investment) is the highest and investment shall be promoted by the government of India. On the campaign launch, the Prime Minister Shri Narendra Damodardas Modi said that the development of these sectors would ensure that the world shall come to India where the availability of both democratic conditions and manufacturing superiority made it the best destinations, especially when combined with the effective governance intended by his administration.

The specific 25 sectors are as follows:-

Automobiles, Automobile Components, Aviation, Biotechnology, Chemicals, Mining, Thermal Power, Construction, Oil and Gas, Food Processing, Renewable Energy, IT & BPM, Roads and

highways,Leather,Space,Media&Entertainment,Textiles&garments,Tourism&Hospitality, Defence manufacturing, Pharmaceuticals, Wellness, Electrical Machinery,Ports& Shipping, Electronic Systems, Railways.

The study emphases on the growth prospects and challenges of various sectors in the state of Madhya Pradesh.

### OBJECTIVES:

1. To study the concept and origin of Make in India
2. To know the structure of various sectors in Madhya Pradesh
3. To study the key issues and challenges.
4. To analyse the growth prospects of the various sector in MP.

### METHODOLOGY

**Type of Data:** Secondary Data.

**Research Type:** Descriptive Research

The present study is based on **secondary data**. Basically, the required information has been derived from:

1. Various books.
2. Articles from Newspapers, Magazines and Journals, and
3. From the various related web-sites which deal directly or indirectly with the topics related to various sectors of MP. After searching the important web-sites, relevant information was analysed to address the objectives of present study.
4. The main sources are the agencies like Central Statistical Organisation, (Directorate of Economics and Statistics, State' Planning Board). The publications and web sites of Economic and Political weekly (EPW), Statisticstimes, hindustantimes, Centre for Monitoring Indian Economy (CMIE) and Confederation of Indian Industries (CII) also were made use of in the collection of data for the study.

**Limitations of the study**

1. The study is based on published data and information. No primary data is being collected.
2. Secondary data may be lacking in accuracy, or they may not be completely current or dependable.
3. The biasness can always be there

**Structure of the economy:**

Madhya Pradesh is a state in central India and is often known as the “Heart of India” because of its geographical location. The state is second largest state in the country in terms of area and sixth largest in terms of population. It borders the states of Uttar Pradesh, Chhattisgarh, Maharashtra, Gujarat and Rajasthan.

Madhya Pradesh has a subtropical climate. The state abounds great river basins and the watershed of a number of rivers. The state straddles the Narmada River, which runs east and west between the Vindhya and Satpura ranges. Infact these ranges and the Narmada river mark the traditional boundary between the North and South of India. Madhya Pradesh is endowed with rich and diverse forest resources and is home to nine National Parks.

The state has an agrarian economy. The major crops of Madhya Pradesh are wheat, soybean, gram, sugarcane, rice, maize, cotton, rapeseed, mustard and arhar. Minor Forest Produce (MFP), such as tendu leaves used to roll beedi, sal seed, teak seed, and lak also contribute to state's rural economy.

The state has several major industries such as automobiles, pharmaceutical, textile, heavy engineering etc. across major clusters in Bhopal, Indore, Jabalpur and Gwalior. Further, the state is also expected to benefit from the DMIC influence area which covers Neemuch, Mandsaur, Ratlam, Dhar and Jhabua districts.

Madhya Pradesh has 5 Special Economic Zones (SEZs): 3 IT/ITeS (Indore, Gwalior), 1 mineral-based (Jabalpur) and 1 agro-based (Jabalpur). Because of the state's central location, a number of consumer goods companies have established manufacturing bases in MP.

### Madhya Pradesh: A part of DMIC project

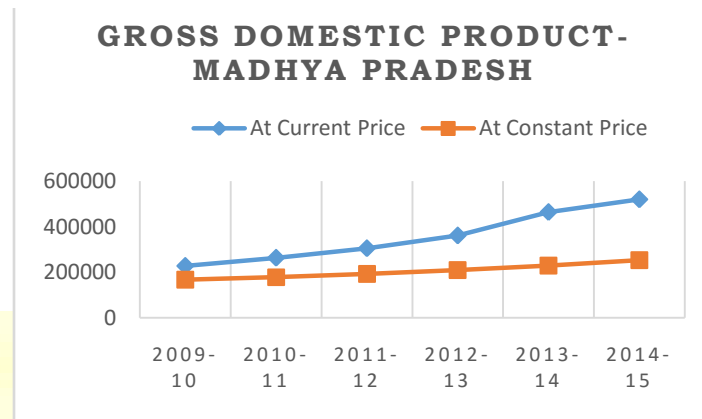
The Delhi Mumbai Industrial Corridor (DMIC) was launched by the government in 2006 spans the six states of Uttar Pradesh, Haryana, Madhya Pradesh, Rajasthan, Gujarat and Maharashtra. The corridor project, being developed in co-operation with the government of Japan, is one of the largest infrastructure projects planned in India, aiming to develop new industrial cities as “Smart Cities”. Government is developing DMIC as a global manufacturing and investment destination utilizing the 1,483 km-long, high-capacity western Dedicated Railway Freight Corridor (DFC) as the backbone.

The DMIC states (Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra)

Initially, one Investment Region/ Industrial Area in M.P. have been taken up for development in the first phase of DMIC i.e. Pithampur-Dhar-Mhow. The master plans for all the nodes have been completed and accepted by the State Governments. The area under project influence area is 2866 sq km which is only 1% of Total area of the impacted state (M.P.)

### GROSS STATE DOMESTIC PRODUCT (GSDP)

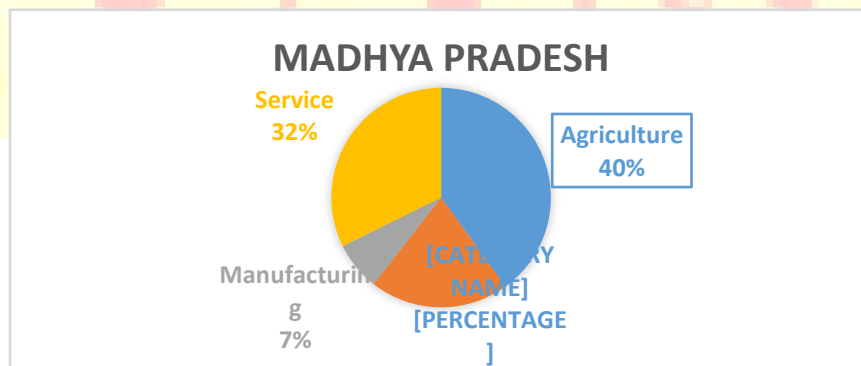
- In 2014-15, GSDP (at constant prices 2004-05) of Madhya Pradesh was INR 253533 Cr representing an annual growth rate of 10.2%.
- In 2014-15, GSDP (at current prices) of Madhya Pradesh was INR 520030Cr representing an annual growth rate of 12.03%.
- At the national level, GDP for all-India during 2014-15 (at current price) represented a growth rate of 10.5 % and (at constant price) showed a growth rate of 7.3%. over the GDP for the year 2013-14



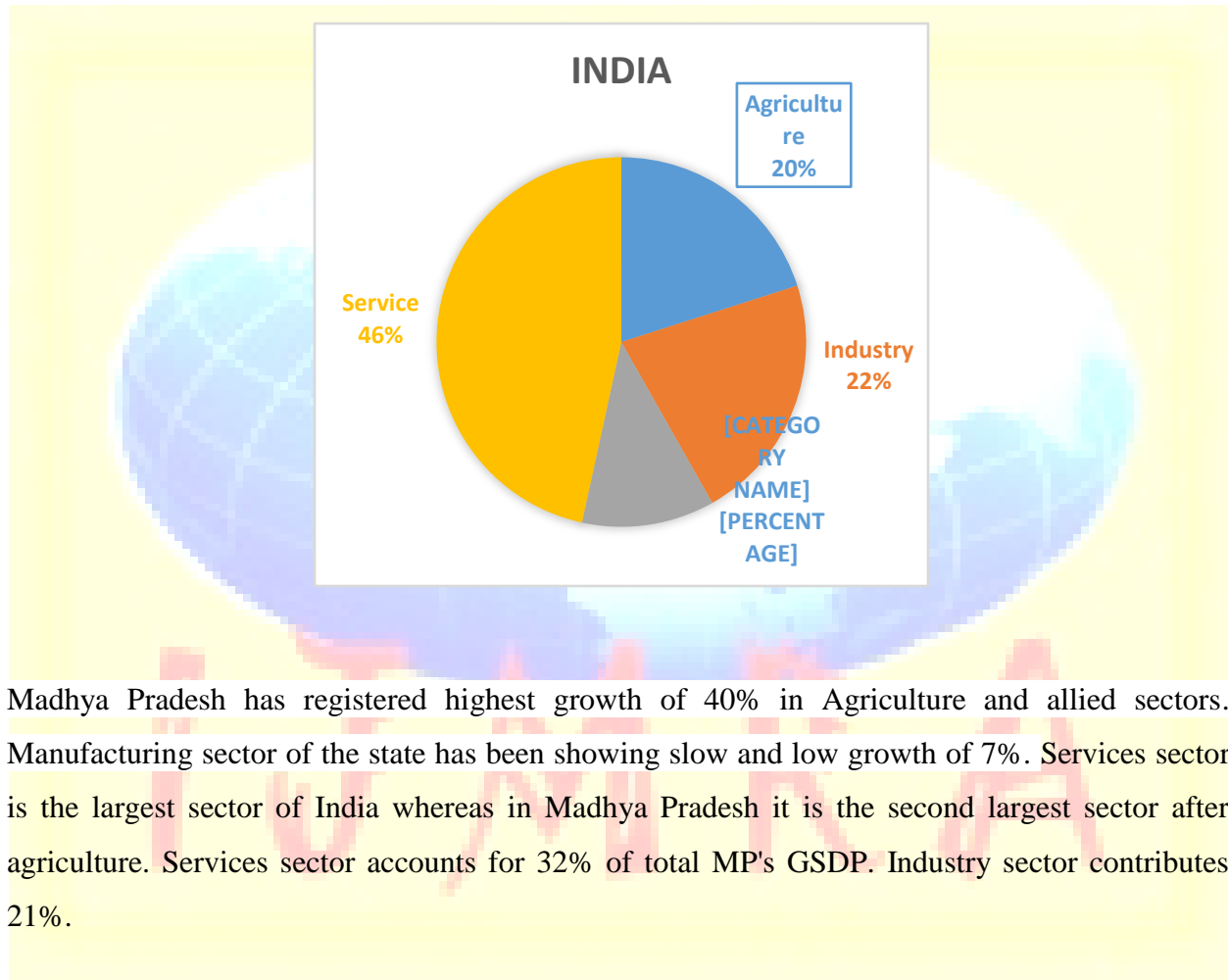
- The economy of the state has grown at a good momentum and registered an average growth rate of more than 17% between FY2009 to FY2014 (at current prices). Despite of some ups and downs, the state has exhibited steady economic growth from around 15.4% in FY2009 to more than 12% in FY2014.

### STATUS OF VARIOUS SECTORS IN MP

MADHYA PRADESH (MP) is one of the leading states in India in terms of area and population. The state has acquired a significant position in the country based on economic growth and investment. In the last few years the state has developed a robust infrastructure, favourable policy environment and industrial growth centres, which has accelerated the growth of industrialization. As a result Madhya Pradesh's state domestic product grew at 12.03 % during 14-15 whereas India's GDP grew at 10.5% during the same period.



Economy of Madhya Pradesh is classified in major Four sectors — Agriculture and allied, Manufacturing, Industry and Services. MP is the largest producer of Aromatic Flowers, Pulses including Gram, Garlic and Gooseberry in India. Second Largest producer of Citrus fruits, Onion, Peas, Orange and Coriander in India. Third Largest producer of Wheat, Tomato, Custard Apple and Rapeseed & Mustard in India. With several other irrigation projects underway, agriculture sector has potential for further growth in the state.



Madhya Pradesh has registered highest growth of 40% in Agriculture and allied sectors. Manufacturing sector of the state has been showing slow and low growth of 7%. Services sector is the largest sector of India whereas in Madhya Pradesh it is the second largest sector after agriculture. Services sector accounts for 32% of total MP's GSDP. Industry sector contributes 21%.

MP today contributes just about 4.1% to India's GDP, which appears to be a relatively small contribution given its endowments in terms of location, land area, natural resources and available human capital.

MP has received 'Krishi Karman' award for three consecutive years (FY 2012, FY 2013 & FY 2014\*) for highest agriculture production

## KEY ISSUES AND CHALLENGES IN MADHYA PRADESH

The state of Madhya Pradesh is largely resource driven and leveraging the state's natural wealth in the form of limestone, coal, soya, cotton, bauxite, iron-ore, silica etc due to which the state has a strong industrial base. The industrial sector of the state contributed nearly 21% in the state's GSDP in 2014-15. Despite the wealth of its resources and tremendous potential, Madhya Pradesh faces a number of challenges, in terms of environment and development

1. Problems in land acquisition for industrial and manufacturing purposes
2. Loss in transportation between electricity generation and transmission
3. Industry in Madhya Pradesh face administrative bottlenecks.
4. Infrastructural constraint in the form of deficiency of airports is also a cause of agitation for industries of MP.
5. Industries also face the problem of double taxation which influence their future growth and ease of doing business in MP.
6. Unavailability of technology centres to innovate, less awareness among rural mass about various schemes.
7. Shortage of skilled and trained workforce.
8. High cost of developing products including duties, taxation capital and infrastructure are leading to a slow pace.

## CONCLUSIONS

MP's small and medium scale industries can play a major role in making the state take the next big step in manufacturing. MP should be more focused towards creativity and innovation for these sectors. The government has to chalk out plans to give special privileges to these sectors. The complex taxation system and poor infrastructure facilities of the state lead to low rank in terms of doing business. Rapid skill enhancement is needed because skill intensive sectors are dynamic sectors in MP, otherwise these sectors would become uncompetitive. The state should motivate research and development which is currently less in Madhya Pradesh and should give more room for innovation. MP is the largest producer of various agricultural products. With several other irrigation projects underway, agriculture sector has potential for further growth in the state.



### Suggestions

1. Increasing investments in agricultural infrastructure can generate better momentum in the coming years in the agriculture sector in MP
2. Enormous availability of educated unemployed youth.
3. Taxation system should be simplified and rationalised.
4. Labour laws should be amended in a way to create more jobs in the market.
5. Land acquisition policy should be framed in such a way that it simplifies the acquisition process
6. The capacity of railways, highways and expressways should be increased
7. Domestic and international markets should be linked physically through roads, railways and airports.
8. More industrial areas/regions of the State should be covered under the Development projects of industrial corridors

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