



Make in India Celebrates 10 Years

For Prelims: [Make in India initiative](#), [Make in India 2.0 phase](#), [Foreign Direct Investment \(FDI\)](#), [PLI Schemes](#), [PM GatiShakti](#), [Semicon India Programme](#), [NLP](#), [India's Logistics Performance Index \(LPI\)](#), [Smart Cities](#), [Startup India Initiative](#), [Goods and Services Tax \(GST\)](#).

For Mains: Major Initiatives Taken under Make in India initiative, Critical analysis of Make in India initiative, Challenges and concerns regarding MII.

[Source: PIB](#)

Why in News?

The ['Make in India' initiative](#), launched on **25th September 2014**, completes a landmark decade of empowering India to become a global manufacturing hub.

What is the 'Make in India' Initiative?

- **About:** The campaign was launched to **facilitate investment, foster innovation, enhance skill development**, protect intellectual property & build best-in-class manufacturing infrastructure.
- **Objectives:**
 - **Increase** the growth rate of the **manufacturing sector to 12-14% per annum**.
 - Create **100 million additional manufacturing jobs** by 2022 (revised to 2025).
 - Increase the **manufacturing sector's contribution to GDP to 25% by 2025**.
- **Pillars of 'Make in India':**
 - **New Processes:** Recognized **'ease of doing business'** as vital for entrepreneurship, implementing **measures to improve the business environment for startups** and established enterprises.
 - **New Infrastructure:** The government **prioritised developing industrial corridors and smart cities** to create world-class infrastructure.
 - It also enhanced innovation and research through streamlined registration systems and improved [intellectual property rights \(IPR\)](#) infrastructure.
 - **New Sectors:** [Foreign Direct Investment \(FDI\)](#) was significantly opened up in various sectors including **Defence Production, Insurance, Medical Devices, Construction, and Railway infrastructure**.
 - **New Mindset:** The government **embraced a role as a facilitator rather than a regulator**, partnering with industry to drive the country's economic development.
- **Make in India 2.0:** The ongoing ["Make in India 2.0" phase](#), encompassing 27 sectors, continues to propel the program forward, consolidating India's role as a significant player in the global manufacturing arena.

Made in China 2025

- This initiative aims to transform China's economy **from a low-cost manufacturing base to a**

producer of high-value products and services. The plan's goals include:

- Increasing the **share of core materials** sourced domestically from **40% in 2020 to 70% in 2025**.
- Achieving **technological breakthroughs in 10 key sectors**, including semiconductors, aerospace, and robotics.
- Reducing energy and resource consumption.
- Developing globally competitive firms and industrial centres.

What are the Major Initiatives Taken to Enable Make in India?

- **Production Linked Incentive (PLI) Schemes:** The **PLI Schemes** aim to **enhance domestic manufacturing and boost exports** by covering 14 key sectors.
 - **Progress as of July 2024:** Total investment reached Rs 1.23 lakh crore and approximately 8 lakh jobs have been generated.
- **PM GatiShakti:** It was **launched** with the aim of achieving a **USD 5 trillion economy by 2025**.
 - The initiative focuses on **establishing multimodal and last-mile connectivity infrastructure** to enhance economic growth.
 - The **initiative operates through seven primary engines:** Railways, Roads, Ports, Waterways, Airports, Mass Transport, and Logistics Infrastructure.
- **Semiconductor Ecosystem Development:** The **Semicon India Programme** was approved in **2021** to develop a sustainable semiconductor and display ecosystem.
- **National Logistics Policy (NLP):** It was **launched** to focus on **enhancing India's logistics sector through advanced technology**, improved processes, and skilled manpower.
 - Its goals include reducing logistics costs, **boosting India's Logistics Performance Index (LPI) ranking to be in the top 25 by 2030**, and developing a data-driven decision support system.
- **Industrialization and Urbanization:** The **National Industrial Corridor Development Programme** is India's flagship infrastructure initiative, **aimed at developing "Smart Cities" and advanced industrial hubs**.
- **Startup India:** It was **launched** to support entrepreneurs, build a robust startup ecosystem, and transform India into a nation of job creators rather than job seekers.
 - As of September 2024, India has the **third-largest startup ecosystem globally**, with 148,931 DPIIT Recognized Startups that have generated over 15.5 lakh direct jobs.
- **Tax Reforms:** **Goods and Services Tax (GST)** marked a significant reform in India's tax system.
- **Unified Payments Interface:** **UPI processes 46% of global real-time payment transactions**, emphasizing its critical role in digital finance.
 - From April to July 2024, UPI facilitated nearly Rs 81 lakh crore in transactions, reflecting its robustness and increasing consumer trust.

What are the Major Achievements under Make in India?

- **Global Supply of Vaccination:** India achieved record **Covid-19 vaccination coverage**, powered by indigenous vaccines, and emerged as a leading exporter, **supplying nearly 60% of the world's vaccines**.
- **Vande Bharat Trains:** It is **India's first indigenous semi-high-speed trains**, exemplifying the 'Make in India' initiative.
 - Currently, 102 services (51 trains) are operational, enhancing connectivity and showcasing advancements in rail technology.
- **Defence Production Milestones:** The launch of **INS Vikrant**, **India's first domestically produced aircraft carrier**, signifies progress in self-reliance in defence.
 - In 2023-24, defence production reached Rs. 1.27 lakh crore, with exports to over 90 countries.
- **Electronics Sector Growth:** India's electronics sector has **expanded to USD 155 billion in FY23, with production nearly doubling since FY17**. Mobile phones account for 43% of this production, establishing India as the second-largest mobile manufacturer globally.

- **Export:**
 - **Merchandise:** It amounted to USD 437.06 billion in FY 2023-24.
 - **Defence Footwear: 'Made in Bihar' boots** have been **incorporated into the Russian Army's equipment.**
 - **Kashmir Willow Bats:** These have gained international popularity, demonstrating **India's craftsmanship and influence in cricket.**
 - **Amul's International Expansion:** Amul has **launched its dairy products in the US,** underscoring the global appeal of Indian dairy.
- **Textile Industry Employment:** The **textile sector has created approximately 14.5 crore jobs,** significantly contributing to the employment landscape.
- **Toy Production:** India produces around 400 million toys annually, innovating with 10 new toys developed every second.

What are the Challenges Related to the Make in India Programme?

- **Global Manufacturing Index:** As of 2023, **India ranked 5th in the Global Manufacturing Index,** trailing behind countries like China and the USA, indicating the need for enhanced competitiveness .
- **Manufacturing Contribution to GDP:** The **manufacturing sector contributed approximately 17% to India's GDP in FY 2022-23,** highlighting the necessity for policies that stimulate growth in this area .
 - However, **to reach the goal of 25% contribution by 2025, substantial reforms are essential.**
- **Skill Development Deficiencies:** The **India Skills Report 2024,** indicate that around **60% of the workforce in India lacks relevant skills for manufacturing jobs,** which hampers the potential growth of the sector .
- **Supply Chain Challenges:** The Covid-19 pandemic exposed **vulnerabilities in global supply chains,** which continue to affect India's manufacturing landscape.
 - A shift towards localizing supply chains is necessary but remains underdeveloped .
- **Investment Targets:** The government set a target to attract USD 100 billion in manufacturing investment by 2025.
 - As of 2023, only about USD 23 billion has been achieved, **underscoring the gap between goals and reality .**
- **Innovation and R&D:** India's research and development (**R&D**) **expenditure-GDP ratio of 0.7%** is very low when compared to **major economies and is much below the world average of 1.8%.**

Way Forward

- **Streamlining Regulations:** Simplify bureaucratic processes and labour laws to create a more business-friendly environment.
 - For example, **Four labour codes** passed in India in 2019 and 2020 are yet to be implemented.
- **Investment in Infrastructure:** Upgrade transportation networks and logistics systems to improve manufacturing efficiency.
- **Skill Development Programs:** Implement targeted skill development initiatives to address workforce skill gaps.
 - Countries like **South Korea have 90% skilled population rate** and India have to work as per industry need.
- **Incentivizing R&D Investment:** Promote innovation through increased investment in research and development, including tax incentives.
- **Promoting Local Supply Chains:** Strengthen domestic supply chains to reduce dependency on imports and enhance resilience.
- **Enhancing Foreign Relations:** Foster trade relations to attract foreign investment and facilitate technology transfer.
 - **Economic Survey of 2023-24** suggests that India can **benefit from Chinese investments** by attracting FDI from China.
- **Monitoring and Evaluation:** Establish a framework for monitoring the initiative's impact to identify bottlenecks and areas for improvement.

Drishti Mains Question:

Evaluate the progress and challenges of the Make in India initiative ten years post-implementation.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims:

Q. What is/are the most likely advantages of implementing 'Goods and Services Tax (GST)'? (2017)

1. It will replace multiple taxes collected by multiple authorities and will thus create a single market in India.
2. It will drastically reduce the 'Current Account Deficit' of India and will enable it to increase its foreign exchange reserves.
3. It will enormously increase the growth and size of the economy of India and will enable it to overtake China in the near future.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (a)

Mains:

Q. "Success of 'Make in India' program depends on the success of the 'Skill India' programme and radical labour reforms." Discuss with logical arguments. (2015)

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