



## A critical evaluation of make in India campaign of government of India

Naveen Kumar

Assistant Professor in Management Studies, SVP Cluster University, Mandi, Distt. Mandi, Himachal Pradesh, India

### Abstract

India is one of the fastest growing economies of the world. To accelerate the pace of economic growth Prime Minister Mr. Narendra Modi launched Make in India campaign on 25<sup>th</sup> September 2014. The objective of Make in India campaign was to turn India into global manufacturing hub by attracting foreign investors to invest in India. It is an invitation to all the global companies to manufacture their products by investing in the selected priority sectors. This campaign focuses on 25 priority sectors with Objectives of job creation, skill development, ease of doing business and increase the share of manufacturing sector in GDP. In this paper an attempt has been made to understand the concept of Make in India campaign, study its advantages and disadvantages, to study the present status of priority sectors and to assess its impact on the FDI inflow in manufacturing sector.

**Keywords:** manufacturing, foreign direct investment (FDI), growth, make, India

### Introduction

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India. The Indian Prime Minister, Mr. Narendra Modi first mentioned the key phrase in his maiden Independence Day address from the ramparts of Red Fort and over a month later launched the campaign in 25<sup>th</sup> September 2014. The campaign was dedicated by the Prime Minister to eminent patriot, philosopher and political personality, Pandit Deen Dayal Upadhyaya who had been born on the same date in 1916. The logo for the Make in India campaign is an elegant lion, inspired by Ashoka Chakra and designed to represent India's success in all spheres.

The Make in India initiative targeted 25 economic sectors for job creation and skill enhancement and aimed to transform India into a global design and manufacturing hub. It was launched with three major objectives:

- To increase manufacturing sector's growth rate to 12-14% per annum in order to increase the sector's share in the economy.
- To create 100 million additional manufacturing jobs in the economy by 2022.
- To ensure that the manufacturing sector's contribution to GDP in increased to 25% by 2022, revised later to 2025.

### Review of Literature

Sagar (2016) in his paper concluded that keeping in mind the conflicting views expressed from different quarters, the analysts are divided about the success of Make in India programme. On the one hand there is a group of people who expresses its satisfaction and having high expectations of

success. They are expecting more and more investments by free flow of capital. On the other there are people who are of the opinion that instead of giving incentives to export centric industries and encouraging manufacturing alone, we must push all kinds of entrepreneurship and increase the domestic demands.

Mathur & Vaishnav (2016) in their paper observed that Make in India is a long term initiative which will realize the dream of transforming India into manufacturing hub. Start-ups in core manufacturing sectors are poised to play a crucial role in the success of Make in India ambition. There is a need of reforms in industrial strategies to make India a manufacturing hub. Favorable industrial framework need to be established to attract more and more domestic as well as foreign industrialist to towards Indian Territory. The development, prosperity and sustainability of India as a manufacturing hub clearly depend upon the immense potential of its human resources and the financial services that are available for the domestic and foreign players.

Aneja (2016) in his paper concluded that Make in India is an ambitious project, but it is one that India desperately needs to kick start and sustain its growth momentum. With relentless policies towards this end, it is possible to make India the powerhouse of manufacturing sector in the world. At this moment, our Prime Minister's Make in India campaign appears to be an imaginative marketing campaign. But there is much thought and even more work that is required to convert this into reality. Fortunately, we have many natural advantages including a big labour pool and large domestic market. In addition, with China's competitive advantage in manufacturing eroding, India has the opportunity to take some share of global manufacturing away from China.

Kumar (2016)<sup>[4]</sup> in his paper studied Make in India-success or failure and concluded that Make in India was framed to increase the manufacturing activities in India and present

India before world as the most attractive place for Investment activities. No, doubt it has been successful in attracting various companies to invest in India. But there are some deficiencies in this program. It has been further concluded that service sector is growing at a faster pace than the manufacturing sector for which Make in India was launched.

Mir (2017) <sup>[5]</sup> examined the strategic importance of Make in India campaign to empower Indian Economy. The researcher concluded that Make in India has helped the Indian economy grow and the government continues to encourage more investments by offering certain fiscal incentives to the investors. Make in India strategy have power of a lion to boost Indian economy as it has proved it to an extent. Huge growth in FDI in some sectors after the launch of this campaign speaks about its success itself. However, some sectors are even today neglected by foreign investors. These sectors need much attention of Government for balanced development of the economy. Make in India is one among such strategies which has power to make India a developed economy with exponential speed.

Shaikh & Khan (2017) <sup>[6]</sup> examined that Make in India is ambitious project, with an aim of sustainable growth of the economy. At this moment, Make in India campaign appears to be an imaginative marketing campaign. But there is much thought and even more work that is required to convert this into reality. Make in India theme is an opportunity before us and we must cash it. This project will help us to stand globally with strong economy along with our Indian brand thought. Make in India creates job opportunities and looks for overall development of India, like every coin has two sides; Make in India is not in favour of agriculture development. Make in India is one of long term initiative which will realize the dream of transforming India into manufacturing hub.

Sahoo (2018) <sup>[7]</sup> in his paper concluded that the measures taken by Government are directed to open new sectors for foreign direct investment, increase the sectorial limit for existing sectors and simplifying other conditions of the FDI policy. FDI policy reforms are meant to provide ease of doing business and accelerate the pace of foreign investment in the country. Overall scenario of Make in India and FDI was a positive summon to prospective investors from all over the world. It represents a wide-ranging refurbish of processes and policies.

Bhatia & Agrawal (2018) <sup>[8]</sup> in their paper observed that Government has been successful to a great extent in terms of positioning India as a global manufacturing hub not only on the basis of slogans and propaganda, but on the basis of small steps taken in every sphere of economy. These small actions from reducing the exports formalities to setting up an Investor Facilitation Cell have been the real catalyst behind this campaign and are at its core. It is also evident that the campaign has great opportunities for India's future and hence must be pursued with equal vigor in the coming years. However, the Government also needs to strike a balance when it comes to spending money on infrastructure and should use Public Private Partnership Model as an alternative to the same. Gauba et al. (2018) <sup>[9]</sup> discussed Make in India- an initiative to change the economic landscape of the country. The researchers concluded that Mr. Modi's government has risen

to power with a lot of expectations from its people especially the youth of the nation who believe that this Make in India initiative will empower them, encourage them to dream big and will provide a medium to turn their dream into reality. There is an army of mechanical, electrical and industrial engineers along with pool of educated persons, who have not been tapped yet or are underutilized. The employment generated by this initiative will provide them opportunity to produce high tech manufacturing center. The manufacturing industry has been ailing for many years and was neglected in the stride of development. This initiative has been launched to revive the manufacturing sector.

### Objectives of the Study

- To understand the concept of Make in India.
- To study the advantages and disadvantages of Make in India.
- To understand the present status of different sectors under Make in India.
- To study the impact of Make in India on of FDI inflow in manufacturing sector.

### Research Methodology

Research Methodology is the systematic and theoretical analysis of the methods applied to a field of study. It includes the process used to collect information and data for the purpose of making decisions. In the present paper, the secondary source of information has been used. The data has been collected from journals, books, annual reports of RBI and websites.

### Advantages of Make in India

#### Creation of job opportunities

One of the main objectives of Make in India is create and provide jobs to maximum number of people, especially to the younger generation of the country. The jobs will be created in the targeted sectors like telecommunication, tourism, pharmaceuticals, chemicals, constructions etc. The younger entrepreneur of the country will be encouraged to come up with their innovative ideas for the development of the nation.

#### Up-gradation of technology

India, being a developing country, lacks latest technologies, which is big hurdle in the path of development. The foreign companies coming to India, as a result of Make in India, will also bring latest and advance technologies.

#### Development of Areas

When a factory or industry is set up in an area, it attracts labour, improve communications, develop infrastructure. As a result of this, the financial status of people living nearby places, also improves. The area, its neighboring places and the people living in these places also develop all together.

#### Increase in GDP

With the manufacturing of products in India, economic growth is inevitable, which will not only boost the trade sector but also increase the Gross Domestic Product (GDP) of Indian economy. Various sectors like

exportation, textiles, architecture, communication etc. will develop, which in turn, will make Indian economy stronger.

▪ **Ease of Business**

Make in India is an open invitation for investing in India to the manufacturers of the whole world. For encouraging the maximum number of investors of the world for investing in India, the government has simplified business process by removing many restrictions.

▪ **Appreciating the value of Indian Rupee**

The emergence of manufacturing industries would automatically convert India into a hub for fabrication of various commercial products; as a result, there would increase in FDI inflow, which in turn would strengthen the Indian rupee against American dollar.

▪ **Brand value creation**

Most of Indian prefer international brands and do not pay much attention to indigenous brands, which results in loss to indigenous producer. With Make in India, indigenous products will get its recognition in the country and the brand value of Indian products will increase dramatically.

**Disadvantages or Limitations of Make in India**

▪ **Negligence of Agriculture**

India is an agrarian country with about 60% of the total land under cultivation. Make in India encourages industrial development and neglect agriculture sector.

▪ **Excessive exploitation of natural resources**

Make in India focuses on developing manufacturing industries, various new factories and projects will be set up. These projects require the natural resources like water, land etc. on large scale. This excessive exploitation of natural resources will endangered the survival of human being in near future,

▪ **Loss to small entrepreneurs**

The Make in India campaign welcome the manufacturers of other countries to set-up their manufacturing unit in India. They attract the local people towards them, thereby bringing loss to small entrepreneurs of India, who are already struggling to set-up their position.

▪ **Loss of cultivable land**

As a result of Make in India campaign, thousands of companies will set-up their manufacturing unit in India on the land, which could otherwise be used for agriculture purpose. This would lead to the permanent disruption of agriculture land in the near future.

▪ **Pollution**

One of the biggest problems of Make in India campaign is that, with the setting-up of so many factories, it will further increase the pollution level.

**Priority Sectors to be focused under Make in India Campaign**

The Government of India has identified 25 priority sectors to be promoted for the Make in India campaign. These are the sectors which have the highest likelihood of foreign direct investment (FDI).

Prime Minister Mr Narendra Modi, at the time launching the campaign, said that the development of these sectors would ensure that the world shall readily come to Asia, particularly 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. 25 sectors to be focused are as follows:

**Table 1**

Automobiles	Food Processing	Renewable Energy
Automobiles 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
Defence Manufacturing	Pharmaceuticals	Wellness
Electrical Machinery	Ports	
Electronic Systems	Railways	

**Table 2:** Status of Each Sector under Make in India Campaign

Name of the Sector	Programs Launched	Progress
Automobile	<ul style="list-style-type: none"> <li>Faster adoption and manufacturing of Hybrid and Electrical Vehicles (FAME) &amp; National Electric Mobility Mission Plan 2020 (NEMMP) has been launched to promote electric cars.</li> <li>The Fame India Scheme II is proposed to be implemented from 1<sup>st</sup> April 2019, for faster adoption of electric mobility and growth of electric and hybrid technology to improve the eco-system in the country.               <ul style="list-style-type: none"> <li>National Automotive Testing and R&amp;D Infrastructure Project (NATRIP) Centres are set up.</li> <li>100% FDI under automatic route subject to all applicable regulations and laws is available</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Top players have inaugurated manufacturing units namely ISUZU Motors in Sri City Andhra Pradesh, Tata Motors &amp; Fiat jointly have opened up Rajangaon Pune, Suzuki Motors in Ahmedabad, Mercedes Benz in Chaken etc</li> <li>India's annual production has been 29.08 mn vehicles in FY as against 25.33 mn in FY 2017, registering a healthy growth of 14.8%.</li> <li>The Automobile industry in India has followed a robust growth path, growing at a CAGR of 6.26% in FY 2018-19.</li> </ul>
Aviation	<ul style="list-style-type: none"> <li>Ude Desh Ka Aam Nagrik (UDAN) was introduced for regional connectivity.</li> <li>Incentives in the form of tax concessions are provided.</li> <li>National Civil Aviation Policy 2016 was announced for establishing an integrated ecosystem, to encourage tourism and increase employment.</li> </ul>	<ul style="list-style-type: none"> <li>The passengers carried by scheduled domestic airlines have increased by 29%.</li> <li>Common User Domestic Cargo Terminals have been operationalized in 16 cities so as to facilitate everything related to cargo services under one roof.</li> <li>Revival and operationalization of 160 airports.</li> </ul>

	<ul style="list-style-type: none"> <li>Airports are being developed under the public-private partnership mode to encourage private participation.</li> <li>GPS aided Geo Augmented Navigation System (GAGAN) to support direct air routes, reduce fuel consumption, and improve safety is initiated.</li> </ul>	<ul style="list-style-type: none"> <li>Domestic passenger traffic crossed the 100 mn mark in 2017, reaching 123.32 mn during 2017-18.</li> <li>Approval provided for 18 Greenfield airports.</li> </ul>
Bio-Technology	<ul style="list-style-type: none"> <li>100% FDI for Greenfield Pharma via the automatic route, 100% FDI for Brownfield Pharma (up to 74% via automatic route) and 100% FDI for medical devices via automatic route.</li> <li>Biotechnology Industry Research Assistance Council (BIRAC) was set up to assist the industry through funding, mentoring, handholding and infrastructure support.</li> </ul>	<ul style="list-style-type: none"> <li>Current Good Manufacturing Practices (GGMP) a plant was inaugurated in 2016 for the manufacture of Phytopharmaceuticals.</li> <li>A virtual centre was launched across five Indian Institutes of Technology, in 2015 to develop and advance technologies in the area of biofuels.</li> <li>30 Bio-incubators and Biotech Parks were supported/established from April 2014 to September 2016.</li> <li>First indigenously developed and manufactured rotavirus vaccine 'Rotavac' was launched in 2015.</li> </ul>
Chemicals & Petrochemicals	<ul style="list-style-type: none"> <li>The Aasam Gas Cracker project is one of the biggest project which is expected to produce 2.8 lakh MT polymers per annum and also expected to provide employment to 1,00,000 people indirectly.</li> <li>A scheme is developed to set up need based plastic parks with good infrastructure facilities with financial assistance up to 50% of the project cost.</li> </ul>	<ul style="list-style-type: none"> <li>FDI equity inflows in the sector increased by 107%.</li> <li>0.44 Million MT Per Annum Polypropylene Plant is commissioned at Mangalore.</li> <li>Two new plastic parks are being set up in states of Jharkhand and Madhya Pradesh.</li> </ul>
Construction	<ul style="list-style-type: none"> <li>A city challenge competition was held under the 100 smart cities missions with an intention to achieve infrastructure development.</li> <li>Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is a mission which concentrates on providing basic infrastructure facilities.</li> <li>Swachh Bharat Mission established to promote healthy sanitation practices.</li> <li>Heritage City Development and Augmentation Yojana (HRIDAY) focuses on revitalizing the Indian Heritage Sites</li> </ul>	<ul style="list-style-type: none"> <li>1.7 million Houses have been constructed under Pradhan Mantri Awas Yojana (Gramin) houses.</li> <li>Construction sector is the industry which stands 2<sup>nd</sup> in line in terms of providing employment after agriculture. A whopping 35 million people have been employed.</li> <li>Investment of \$31.7 Billion has been proposed by 99 cities under the smart city initiative.</li> <li>The government target to build five crore homes over the next five years.</li> </ul>
Defence	<ul style="list-style-type: none"> <li>The opening up of the defence sector to private sector is paving the way for strategic partnerships.</li> <li>100% FDI (Up to 49% automatic route and above 49% government route).</li> <li>A Make in India portal for defence production has been launched.</li> <li>The 10<sup>th</sup> edition of 'DefExpo' was organized from April 11 to 14, 2018 in Chennai, Tamil Nadu.</li> </ul>	<ul style="list-style-type: none"> <li>Various products manufactured in India like HAL Tejas light combat aircraft by sourcing 95% of the resources required locally.</li> <li>Defence equipment amounting to Rs.2059.18 crore has been exported to 28 countries in FY 2015-16.</li> <li>The government has decided to set up two Defence Production corridors, one each in Uttar Pradesh and Tamil Nadu.</li> </ul>
Electrical Machinery	<ul style="list-style-type: none"> <li>Incentives for capacity addition in power generation will serve as a means to increase the demand for electrical machinery.</li> <li>100% FDI in allowed in the automatic route subject to rules and regulations.</li> <li>The electric machinery industry has been de-licensed, along with 100% FDI allowed in this sector.</li> </ul>	<ul style="list-style-type: none"> <li>This industry recorded a double-digit growth rate of 12.8% over 2017-18.</li> <li>India has turned around from a net importer of electricity to a net exporter of electricity.</li> <li>Electrical equipment market production is estimated to touch \$100 Billion by 2022.</li> </ul>
Electronic System	<ul style="list-style-type: none"> <li>The modified SIPS scheme has been developed in order to attract investment into this sector.</li> <li>Export incentives 2-3% are made available under the Merchandise Export from India Scheme.</li> <li>The export promotion capital goods scheme offers zero custom duty for import of capital goods used for pre-production, production and post-production.</li> <li>The National Policy on Electronics (NPE) 2019 envisions to position India as global hub for ESDM.</li> </ul>	<ul style="list-style-type: none"> <li>Around 38 mobile manufacturing units have been set up which have created employment of about 38300.</li> <li>Under Digital Saksharta Abhiyan (DISHA) around 99.56 lakh candidates have been enrolled for training.</li> <li>In 2017 this industry witnesses a remarkable jump of 27% where in the total volume reached 1.57 lakh crore from 1.43 lakh crore in 2016.</li> </ul>
Food Processing	<ul style="list-style-type: none"> <li>RBI has classified loan to food and agro based processing units and cold chain under agriculture activities for Priority Sector Lending (PSL).</li> <li>A special fund called Food Processing Fund has been deposited with the NABARD in order to provide funds to designated food parks.</li> <li>MoU signed during 'World Food India 2017' between Government of India and the United Nations World Food</li> </ul>	<ul style="list-style-type: none"> <li>The growth rate of Gross Value Added has increased form 1.91% in 2013-14 to 5.78% in 2014-15 at constant prices.</li> <li>There has been an FDI equity inflow of USD 1.7 billion form April 2014 to December 2016.</li> <li>88 cold chain projects have been operationalized out of the 134 projects which have been sanctioned.</li> <li>The government has sanctioned 42 mega food</li> </ul>

	Programme for cooperation during 2019-23.	<ul style="list-style-type: none"> <li>▪ parks of which 8 have been operationalized.</li> <li>▪ 296 Approved Cold Chain Projects on May 2019.</li> <li>▪ 222 labs accredited by National Accreditation Board for quality testing of food created.</li> </ul>
IT & IBM	<ul style="list-style-type: none"> <li>▪ Favourable government policies and initiatives serve as an incentive to invest in this sector.</li> <li>▪ The Digital India campaign has pumped in a lot of investment with digital delivery standing as a focus point.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Total FDI equity inflow in Computer software and hardware sector saw a major growth from 2.3 billion to 5.9 billion.</li> </ul>
Leather	<ul style="list-style-type: none"> <li>▪ The leather product sector is entirely de-licensed which serve as an icing on the cake.</li> <li>▪ In-principal approval for the mega leather cluster in Best Bengal with employment potential for around 7000 people.</li> <li>▪ Indian Footwear, Leather and Accessories Development Programme, a special package for employment generation in the leather and footwear industry has been launched in December 2017.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The FDI equity inflow amounted to USD 53.39 million in this sector.</li> <li>▪ India boasts of being the second largest exporter of leather garments.</li> </ul>
Mining	<ul style="list-style-type: none"> <li>▪ The Mines and Minerals Development and Regulation Act (MMDR) has been amended with greater transparency as its motive.</li> <li>▪ District Mineral Foundation set up to grievance redressal and also to improve the image of mining.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In terms of Gross Value Added this sector has grown by 10.5% in 2016-17 and 12.5% in 2017-18.</li> <li>▪ By November 2016-17 mineral blocks across 7 states have been auctioned.</li> <li>▪ Auction resulted in additional revenues amounting to Rs.47551 crores and total revenues of Rs.59639 crores.</li> </ul>
Media & Entertainment	<ul style="list-style-type: none"> <li>▪ In order to give a lift to the exports, treaties have been signed with countries like Brazil, Italy, UK and Germany.</li> <li>▪ Basic custom duty for digital still image camera has been brought down to zero.</li> <li>▪ National Film Heritage Mission has been introduced to archive films through the National Film Archive of India.</li> <li>▪ The Government announced 90% subsidy for the North Eastern States and 75% subsidy for other states in setting up of community radio stations.</li> <li>▪ The National Digital Communication Policy (2018) has been announced with certain objectives.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Growth in FDI in the information and broadcasting area from USD 1.9 billion (2010-14) to USD 3.4 billion (2014-18), which is 1.8 times within a span of 8 years.</li> <li>▪ 283 billion to 263 billion, a 20 billion leap in the growth recorded by the print industry.</li> <li>▪ Film and Television Institute approved in Arunachal Pradesh.</li> </ul>
Oil and Gas	<ul style="list-style-type: none"> <li>▪ Hydrocarbon Exploration and Licensing Policy (HELP) provides for a uniform licensing system.</li> <li>▪ Additional depreciation of 15% on the installation of capital equipment acquired is permitted.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In Gujarat India has invested in refineries especially for exports.</li> <li>▪ Crude oil strategic storage of 5.33 MMT capacities was built at Visakhapatnam, Mangalore and Padur.</li> <li>▪ IOCL refinery with a capacity of 15 mn metric tons per annum (MMPTA) commissioned at Paradip, Odisha.</li> </ul>
Pharmaceuticals	<ul style="list-style-type: none"> <li>▪ The National Pharmaceutical Pricing Policy 2012 mainly focuses on the regulation of the price of the drugs.</li> <li>▪ Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBAJ) December 2018 launched.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indian Drug and Pharmaceuticals Limited has enabled the mass manufacture of the products in various fields.</li> <li>▪ Pharma Jan Samadhan, customer grievance redressal launched in March, 2015.</li> <li>▪ Pharma Sahi Dam provides real-time information on the prices of medicines.</li> <li>▪ National Pharmaceutical Pricing Authority (NPPA) has fixed retail prices of 357 new drugs under DPCO 2013 in 2018.</li> </ul>
Ports and Shipping	<ul style="list-style-type: none"> <li>▪ New Berthing Policy for Dry Bulk Cargo for all major ports was introduced to facilitate the movement of higher cargo throughput from major ports.</li> <li>▪ Funds amounting to USD 25 million for major ports and USD 21 million for minor ports have been earmarked.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Under the Sagarmala Project, 89 projects were completed, while 443 projects worth \$617.9 Billion are under various stages of implementation and development.</li> <li>▪ More than 50 projects with an investment of \$1.4 Billion and involving capacity addition of 90 MMTPA are being awarded during 2018-19.</li> </ul>
Railway	<ul style="list-style-type: none"> <li>▪ Public-Private Partnership Model to enhance passenger amenities.</li> <li>▪ Project Swarn targets on improving the passenger experience.</li> <li>▪ Mission Raftaar has at its core the doubling of an average speed of freight trains.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A noteworthy achievement in the year 2017-18 is 51 trains have been speeded up by more than an hour.</li> <li>▪ The Gatimaan Express is the fastest train in India which covers a distance of 188 kms in 1 hour and 40 minutes.</li> <li>▪ The semi-high speed (160 kmph) self-propelled</li> </ul>

		<ul style="list-style-type: none"> <li>Train 18 is being manufactured in India.</li> <li>Over 4405 km of railway track renewal was carried out in 2017-18.</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>A bouquet of fiscal incentives has been provided.</li> <li>To promote clean-energy co-operation a joint Indo-US PACE Setter Fund has been established with a contribution of USD 4 million.</li> </ul>	<ul style="list-style-type: none"> <li>The world's largest solar power plant was commissioned in Tamil Nadu with a huge capacity of 648 MW.</li> <li>40 Solar Parks have been sanctioned to 21 states and Rs.356.63 crores has been provided to Solar Energy Corporation of India for the same.</li> <li>More than 100 bn kWh of power was generated in the country during 2017-18 from all renewable sources.</li> </ul>
Roads & Highways	<ul style="list-style-type: none"> <li>The government takes burden of cost on project feasibility study, shifting of utilities, environment clearances etc.</li> <li>Subsidy of up to 40% of the project cost is provided as an incentive.</li> <li>The Ministry of Road Transport &amp; Highways has provided funds to the state government to develop roads.</li> </ul>	<ul style="list-style-type: none"> <li>Achievements for year 2017-18 are 8088 km of road length awarded, 7589 km of construction completed and 2156 km of highways tolled.</li> <li>The length of national highways has been substantial growth from 91287 km in 2014 to 115435 km in 2017.</li> </ul>
Space	<ul style="list-style-type: none"> <li>GSLV III launched for satellites which are heavier in nature.</li> <li>ISRO has entered co-operative arrangements with 33 countries and 3 multinational bodies.</li> </ul>	<ul style="list-style-type: none"> <li>Antrix Corporation Limited has undertaken various initiatives for the marketing of space products and services and global level.</li> <li>India is the first nation in the world to reach mars successfully in the 1<sup>st</sup> attempt. The spacecraft was called Mangalyaan.</li> <li>India plans to send manned spacecraft to space by 2022 and India will be fourth country to do so.</li> </ul>
Textiles and Garments	<ul style="list-style-type: none"> <li>The Merchandise Exports from India Scheme served as an incentive by providing duty rewards to the extent of 2-5% of FOB value.</li> <li>To reduce the burden on Indian investors, interest equalization scheme was introduced.</li> <li>Special textiles packages have been approved with a view to create jobs, encourage exports and to draw in investments.</li> </ul>	<ul style="list-style-type: none"> <li>The total exports increased to 15% (2015-16) from 13% (2013-14).</li> <li>There has been a substantial growth in FDI of 2.5 times in 2014-18 against 2010-14.</li> <li>The existing textile park has seen the entry of new production units totaling to 200 in number in the recent past creating jobs for 11000 persons.</li> </ul>
Thermal Power	<ul style="list-style-type: none"> <li>The Revised Tariff Policy 2016 guarantees a good return on investment and ensures the safety of investment to investors.</li> <li>The Ultra Mega Power Projects having a huge capacity of 4000 MW have been set up by the Government of India.</li> </ul>	<ul style="list-style-type: none"> <li>India boasts of having the fifth largest installed capacity in the world.</li> <li>The electricity generation increased by 5.9% in 2016-17 as compared to 2015-16.</li> <li>April 2014 to October 2016 has witnessed an addition of 50471.41 MW to the generation capacity.</li> <li>98.8% of the villages have been electrified.</li> </ul>
Tourism and Hospitality	<ul style="list-style-type: none"> <li>Swadesh Darshan scheme had been launched to serve mass and niche tourism.</li> <li>The National Mission for Pilgrimage Rejuvenation and Spiritual Augmentation Drive had the beautification of pilgrimage sites as its focus.</li> <li>The e-tourist visa facility has been extended to travelers of 150 countries.</li> </ul>	<ul style="list-style-type: none"> <li>India crawled up 13 places from 65 to 52 as per the Travel and Tourism Competitiveness Index 2015 of World Economic Forum.</li> <li>This sector is among the top 10 sectors when it comes to the FDI inflows.</li> </ul>
Wellness	<ul style="list-style-type: none"> <li>100% FDI is permitted in the AYUSH sector.</li> <li>Central Sector Scheme for promotion of international cooperation has at its aim the creation of awareness about the strength and utility of AYUSH and its promotion at the international level.</li> <li>The Government of India has set up the AYUSH Sector Innovation Council.</li> </ul>	<ul style="list-style-type: none"> <li>India stands as the 2<sup>nd</sup> largest exporter of AYUSH and herbal products.</li> <li>This industry has a huge potential to create jobs to the level of 3 million jobs.</li> <li>Ayushman Bharat, a flagship of Government of India was launched to achieve the vision of Universal Health Coverage.</li> </ul>

Source: Compiled from <https://www.makeinindia.com/sectors>

### Foreign Direct Investment (FDI) Inflow in India

Foreign direct investment (FDI) can be defined as an investment made by a company or entity based in one country, into a company or entity based in another country. Foreign Direct Investment differs substantially from indirect investment such as portfolio flows, wherein overseas

institutions invest in equity listed on a nation's stock exchange. Entities making direct investment typically have a significant degree of influence and control over the company into which investment is made. The investing company may make its overseas investment in number of ways-either by setting up a subsidiary or associate company in the foreign

country, by acquiring shares of an overseas company or through a merger or joint venture.

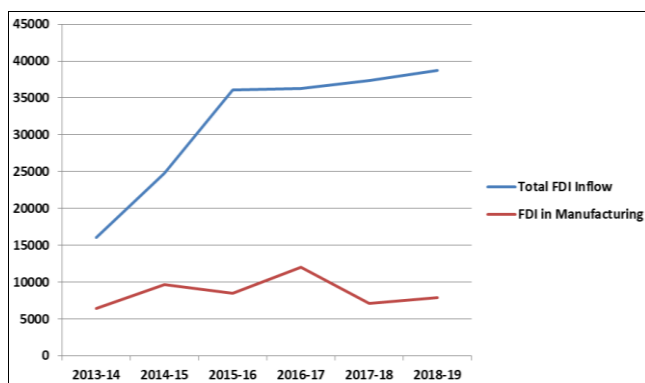
The accepted threshold for a foreign direct investment relationship, as defined by the OPCD, is 10%. That is the foreign investor must own at least 10% or more of voting stock or ordinary share of the investee company. The foreign direct investment in any country is the net inflow of investment (capital or other), in order to acquire management control and profit sharing or the whole ownership of the company operating in the receiving country. The foreign direct investment generally encompasses the transfer of technology and expertise and participation in joint venture or management.

The following table shows the amount of total FDI inflow and FDI in manufacturing sectors in India from FY 2013-14 to FY 2018-19:

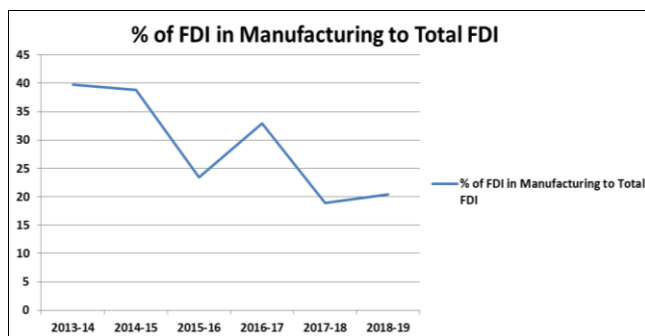
**Table 3**

Year	Total FDI Inflow	FDI in Manufacturing	Percentage of FDI in Manufacturing to Total FDI
2013-14	16054	6381	39.74
2014-15	24748	9613	38.84
2015-16	36068	8439	23.40
2016-17	36317	11972	32.97
2017-18	37366	7066	18.91
2018-19	38744	7919	20.44

**Source:** Annual Reports of RBI from FY 2013-14-2018-19



**Fig 1**



**Fig 2**

It is evident from Table 1.1 and Graph 1.1 & 1.2 that the amount of total FDI inflow has increased continuously from FY 2013-14 to FY 2018-19. The amount of total FDI was US\$ 16054 in 2013-14, which increased to US\$ 38744 in 2018-19.

However, amount of FDI in manufacturing sector has a fluctuating trend during the study period. The amount of FDI in manufacturing sector in 2013-14 was US\$ 6381, which increased to US\$ 9613 in the next year. In 2015-16 it dropped to US\$ 8439 and bounced back significantly in 2016-17 to US\$ 11972. In 2017-18, it dropped sharply to US\$ 7066 and recovered slightly in the next year to US\$ 7919. The amount of FDI in manufacturing as percentage to total FDI received, also show fluctuating and sharp declining trend during the study period. The percentage of FDI in manufacturing sector to total FDI was 39.74% in 2013-14, which dropped sharply to 20.44% in 2018-19. On the basis of above analysis, we can conclude that after launching the make in India campaign in 2014, amount of FDI in manufacturing, as a percentage of total FDI inflow, has decreased significantly, instead of increasing. This shows that in spite of efforts of the Government of India, we have failed to convince the foreign investors to invest and make in India.

### Conclusion

India is one of the fastest growing economies of the world. Manufacturing sector has a major share in the economic growth of India. To further accelerate the growth of manufacturing sector and to make India as a manufacturing hub, Modi government launched Make in India campaign in 2014. The Make in India campaign has many advantages like creation of jobs, up-gradation of technology, increase in GDP, ease of business, creation of brand value etc. It also has certain disadvantages like negligence of agriculture, excessive exploitation of natural resources, loss to small entrepreneurs, pollution etc. The advantages of Make in India campaign certainly outweighed the disadvantages. Looking at the present status of different priority sectors it can be concluded that Government has launched many programmes and provided many incentives for the success of Make in India. All the priority sectors are doing well. However, if we look at the FDI inflow in manufacturing sectors after the launch of Make in India, trends are not favourable. The FDI inflow in manufacturing as whole and as percentage of total FDI inflow is decreasing. To conclude we can say that in spite of many achievements in manufacturing sectors, the Make in India campaign has failed to convince the foreign investors to invest in India. We are far behind the achievement of objectives of Make in India.

### References

1. Sagar Anand. Make in India program: an analytical review. *International Journal of Management and Applied Sciences*. 2016; 2(6):134-136.
2. Mathur Anshu, Vaishnav Ankita. Make in India-scheme for makeover India. *International Journal of Engineering Applied Sciences and Technology*. 2016; 1(4):58-61.
3. Aneja Puneet. Make in India: new paradigm for socio-economic growth in India. *Paripex-Indian Journal of Research*. 2016; 5(4):295-297.
4. Kumar Vinay. Make in India-success or a failure. *International Journal for Innovative Research in Multidisciplinary Field*. 2016; 2(9):311-314.
5. Mir Irshad Ahmad. Strategic importance of Make in India

- campaign to empower Indian economy. *Imperial Journal of Interdisciplinary Research*. 2017; 3(3):1123-1127.
6. Shaikh Aftab Anwar, Khan Eram. Make in India campaign-pros, cons and impact on Indian economy. *Pune Research Times, An international Journal of Contemporary Studies*. 2017; 2(1):1-8.
  7. Sahoo BB. Make in India: Impact on Indian Economy. *International Journal of Research Culture Society*. 2018; 2(3):483-489.
  8. Bhatia Rishabh, Agrawal Sarthak. Make in India: a quantitative approach. *International Journal of Applied Research*. 2018; 4(2):152-156
  9. Gauba Ritika, Nandita, Dhingra Ravi. Make in India- an initiative to change the economic landscape of the country. *Amity Journal of Economics*. 2018; 1(2):88-10.
  10. Annual Reports of RBI
  11. <https://www.makeinindia.com>
  12. <https://www.rbi.org.in/>