



MAKE IN INDIA: A DECADE OF TRANSFORMATION – PAPER III



The 'Make in India' initiative, launched on September 25, 2014, by Prime Minister Narendra Modi, has now completed a decade of substantial progress. Aimed at turning India into a global manufacturing hub, the programme has been pivotal in driving economic growth, fostering innovation, and enhancing India's competitiveness on the world stage. From mobile manufacturing to steel production, renewable energy, and defence exports, 'Make in India' has triggered a manufacturing revolution, not only strengthening India's domestic industry but also boosting its global standing.

Introduction to the Programme

When the 'Make in India' initiative was launched, India's manufacturing sector was largely untapped, and the country was heavily reliant on imports to meet its industrial and technological needs. The government's vision was to reverse this trend by attracting investments, fostering innovation, and promoting skill development across industries. The core idea was to position India as the preferred global destination for manufacturing by streamlining regulations and improving infrastructure.

One of the standout elements of 'Make in India' is its ambition to focus on 25 sectors, including automobiles, textiles, biotechnology, and pharmaceuticals, to stimulate growth. The initiative also



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strives to ease the process of doing business in India through policy reforms and enhancing the country's infrastructure, such as transport, power, and logistics, to facilitate manufacturing at scale.

The ultimate goal of 'Make in India' was not just to boost the manufacturing sector but to create millions of jobs, raise India's export potential, and contribute significantly to the country's GDP. A decade later, the progress is evident.

Major Achievements of Make in India

Over the last ten years, the 'Make in India' initiative has delivered remarkable outcomes across several key sectors:

Mobile Manufacturing

India's mobile manufacturing sector is one of the most celebrated success stories under the 'Make in India' initiative. Back in 2014, there were only two mobile manufacturing units in the country. Today, that number has soared to over 200. This surge has not only made India the second-largest mobile phone manufacturer in the world but also transformed India into a major exporter of mobile phones. Exports in the sector have skyrocketed by an incredible 7,500%, with figures reaching Rs 1.2 trillion. What's more, 99% of the mobile phones used in India are now made domestically.

Steel Industry

India's steel production has also witnessed substantial growth. Since 2014, production has increased by more than 50%, positioning India as a net exporter of finished steel. The expansion of this industry has contributed to infrastructure development within India and increased exports globally.

Semiconductor Industry

One of the more futuristic advancements is in the semiconductor industry. With over Rs 1.5 trillion worth of investments, India is poised to become a key player in global semiconductor manufacturing. New plants are being developed to produce more than 70 million chips daily, marking India's entrance into a highly strategic and technologically advanced sector.



Renewable Energy and Electric Vehicles (EVs)

The renewable energy sector in India has experienced an impressive 400% increase in capacity over the last decade. Today, India is the fourth-largest producer of renewable energy in the world, reflecting the nation's commitment to sustainable growth. Simultaneously, the electric vehicle (EV) industry, virtually non-existent in 2014, has blossomed into a \$3 billion industry, paving the way for greener mobility solutions in the country.

Defence Exports

India's defence manufacturing sector has made significant strides, with defence exports growing from Rs 1,000 crore to Rs 21,000 crore. Indian-made defence products are now being exported to over 85 countries, contributing to India's global stature as a reliable exporter of sophisticated defence technology.

Startup Boom

The 'Make in India' programme has been a catalyst for the startup ecosystem in India. In 2014, there were only about 350 startups in the country. Today, the number has exploded to 1.48 lakh, underlining India's potential as a global innovation hub. The government has also highlighted that 45% of these startups come from Tier II and Tier III cities, showcasing inclusive growth across the country.

Distinguished Features of Make in India

Several key features have distinguished the 'Make in India' programme from previous economic initiatives:

1. Focus on Ease of Doing Business: The government implemented numerous reforms to simplify business regulations, making India a more attractive destination for foreign investors. India's ranking in the World Bank's Ease of Doing Business index has improved substantially over the last decade, helping to attract significant foreign direct investment (FDI).



2.Infrastructure Development: To facilitate manufacturing, the government has prioritized infrastructure development, including new industrial corridors, improved transport systems, and access to reliable power supplies.

3.Sector-Specific Growth: The initiative's focus on 25 key sectors allowed for targeted policies and investments, fostering innovation in industries such as automobiles, textiles, and electronics.

4.Skill Development: Recognizing the importance of a skilled workforce, the government launched various skill development programs to ensure that India's labor force can meet the demands of modern manufacturing.

5.Promotion of MSMEs: Micro, small, and medium enterprises (MSMEs) have been a major beneficiary of the initiative. The revised definition of MSMEs in 2020, which expanded the ambit of enterprises to include those with a turnover of up to Rs 250 crore, has encouraged growth in the sector while retaining benefits.

The Role of Production-Linked Incentive Schemes

One of the critical elements driving the success of 'Make in India' has been the introduction of production-linked incentive (PLI) schemes. These schemes have encouraged manufacturers to set up production units in India by offering financial incentives tied to production outputs.

The PLI scheme has already generated investments worth Rs 1.28 lakh crore and created over 8.5 lakh jobs. It has also been a boon for India's export sector, boosting exports by more than Rs 4 lakh crore. These incentives have helped build capacities in various industries, including electronics, pharmaceuticals, and textiles, thus making India a key player in global supply chains.

Significance to the Indian Economy

The 'Make in India' initiative has had a profound impact on India's economy. The rise in manufacturing output, coupled with growing exports, has strengthened India's position as an emerging economic powerhouse. Industries like mobile manufacturing, renewable energy, and EVs have not only contributed to domestic consumption but also enhanced India's export capabilities, helping to reduce trade deficits.



The initiative has also created millions of jobs, particularly in the MSME sector, which now accounts for 30.1% of India's GDP. The growth of the startup ecosystem has also generated significant employment, with an estimated 15 lakh jobs created in the past decade.

India's focus on manufacturing has also helped it become more self-reliant, particularly in strategic industries such as defence, electronics, and pharmaceuticals. With India's growing importance in global supply chains, the country is now viewed as a critical player in global manufacturing and trade.

Conclusion

As the 'Make in India' initiative celebrates its 10th anniversary, its impact on India's manufacturing landscape is undeniable. From mobile phones to steel, renewable energy, and defence exports, India has made remarkable progress in becoming a global manufacturing hub. The production-linked incentive schemes and reforms aimed at improving the ease of doing business have played a key role in fostering investment and innovation.

Looking ahead, Prime Minister Modi has urged India's youth to take the initiative to even greater heights by focusing on quality, innovation, and excellence. As India continues to rise as a major player in global supply chains, the 'Make in India' initiative stands as a testament to the collective resolve of 140 crore Indians to transform the nation into a powerhouse of manufacturing and innovation.

Main Practice Questions

- 1. What are the key sectors that have experienced significant growth under the 'Make in India' initiative, and how have these sectors contributed to India's economic transformation over the past decade?**
- 2. Explain the role of Production-Linked Incentive (PLI) schemes in the success of the 'Make in India' initiative. How have these schemes influenced investments, job creation, and exports in India?**



Answer Guidelines:

1. What are the key sectors that have experienced significant growth under the 'Make in India' initiative, and how have these sectors contributed to India's economic transformation over the past decade?

Key Points to Include in the Answer:

- **Mobile Manufacturing:**
 - Growth from 2 manufacturing units in 2014 to over 200.
 - India became the second-largest mobile manufacturer globally.
 - Exports increased by 7,500%, contributing to Rs 1.2 trillion in exports.
 - 99% of mobile phones used domestically are manufactured in India.
- **Steel Industry:**
 - Over 50% increase in steel production since 2014.
 - India became a net exporter of finished steel, reducing dependence on imports and contributing to foreign exchange.
- **Semiconductor Industry:**
 - Investments worth Rs 1.5 trillion.
 - New plants set up for large-scale chip production (70 million chips daily).
- **Renewable Energy:**
 - 400% increase in capacity.
 - India became the 4th largest renewable energy producer, enhancing energy security and sustainability.
- **Electric Vehicles (EVs):**
 - Growth from a nearly non-existent sector in 2014 to a \$3 billion industry.
 - Supported the clean energy transition and contributed to environmental goals.
- **Defence Exports:**
 - Surge from Rs 1,000 crore to Rs 21,000 crore in defence exports.
 - Indian-made products exported to over 85 countries, boosting India's global standing.

Economic Contribution:

- **Job Creation:** Large-scale job creation in manufacturing, especially in MSMEs and startups.



- **Exports:** Boosted India's export competitiveness across several sectors.
- **Self-reliance:** Reduced dependence on imports, especially in critical industries like electronics and defence.
- **GDP Growth:** Enhanced contribution of the manufacturing sector to India's GDP.

2. Explain the role of Production-Linked Incentive (PLI) schemes in the success of the 'Make in India' initiative. How have these schemes influenced investments, job creation, and exports in India?

Key Points to Include in the Answer:

- **Purpose of PLI Schemes:**
 - Provide financial incentives to manufacturers based on production output.
 - Designed to attract investments, increase manufacturing output, and boost exports.
- **Impact on Investments:**
 - PLI schemes have resulted in investments worth Rs 1.28 lakh crore.
 - Incentivized both domestic and foreign companies to set up manufacturing units in India.
 - Facilitated sectoral growth, particularly in electronics, pharmaceuticals, and textiles.
- **Job Creation:**
 - Over 8.5 lakh jobs generated as a direct result of PLI schemes.
 - Indirect job creation across supply chains and related industries.
- **Exports:**
 - PLI schemes have increased India's exports by over Rs 4 lakh crore.
 - Enhanced global competitiveness in sectors such as electronics, mobile manufacturing, and textiles.
- **Strengthening of Key Industries:**
 - Boosted the electronics and mobile manufacturing sector, enabling India to become a major exporter.
 - Supported sectors like pharmaceuticals, textiles, and automotive components, further diversifying India's export portfolio.



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Conclusion:

- **Role in 'Make in India':**
 - PLI schemes were instrumental in realizing the goals of the 'Make in India' initiative by driving sectoral investments, creating jobs, and enhancing export capacity.
- **Long-Term Significance:**
 - Contributed to India's self-reliance and competitiveness on the global stage.
 - Helped position India as a critical player in global supply chains.

