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FINALE CASE STUDY
MAKE IN INDIA

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ABSTRACT:

Launched with the vision of transforming India into a global manufacturing hub with a special focus on job creation and skill enhancement through domestic and foreign investment; the initiative 'Make in India' was launched by PM Narendra Modi on September 25th, 2014. The purpose of this case study is to understand and analyse the impact of this initiative and going forward, come up with a differentiated business & marketing and promotional strategy to make sure the Make in India initiative remains a lucrative proposition for domestic and global investors.

INTRODUCTION: THE INDIAN GROWTH STORY:

India currently represents a unique opportunity for investors across the globe due to multiple reasons; its rapid growth rate, intense pace of govt. reforms, political and economic stability and favourable demographics. Owing to these factors, India managed to trump China and the USA to attract the lion's share of foreign capital inflows in the first half of 2015 (India attracted USD 31 billion of FDI in H1 2015, ahead of USD 28 billion of China and USD 27 billion of US).

Over the past decade India has achieved 7.4% growth and is projected to grow around 7.5% in 2016, according to the International Monetary Fund (IMF). This is significantly higher than the average for Asia at 5.4%, and that of the ASEAN - 5.0%. Only a handful of countries are expected to grow at higher rates but the base of these countries is relatively small.

THE REFORM DRIVE:

The past 18 months of the BJP led NDA government has seen a number of major initiatives and a slew of reforms initiated which have catapulted the nation back on the high growth trajectory. Initiatives like 'Make in India'; Digital India; Atal Mission for Rejuvenation & Urban Transformation (AMRUT); and Smart Cities Mission present significant opportunities for foreign investors to support India in its development and in turn benefit from the growth potential that the country offers.

“Come, 'Make in India'”, from automobiles to agro value addition “Come, 'Make in India'”, paper or plastic,
“Come, 'Make in India'”, satellite or submarine “Come, 'Make in India'”. Our country is powerful.
Come, I am giving you an invitation.

- PM Narendra Modi

Independence Day Speech, 2014

PM Narendra Modi's clarion call during his Independence Day speech was a clear indication of the vision of the incumbent govt; “To transform India into a global manufacturing hub” which eventually lead to the ambitious launch of “Make in India”, 40 days later.

WHAT IS MAKE IN INDIA?:

The 'Make in India' initiative was as part of the Government of India's renewed focus on invigorating the country's manufacturing sector. The initiative had a host of proposals designed for local and foreign companies to invest in India and it invited companies to invest in 25 sectors. It was launched globally on September 25th, 2014.

WHICH SECTORS DOES IT COVER?:

The focus of the 'Make in India' initiative was on creating jobs and skill enhancement in these 25 sectors;

- Automobiles
- Automobile Components
- Aviation
- Biotechnology
- Chemicals
- Construction
- Defence Manufacturing
- Electrical Machinery

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- Electronic Systems
- Food Processing
- IT and BPM
- Leather
- Media and Entertainment
- Mining
- Oil and Gas
- Pharmaceuticals
- Ports and Shipping
- Railways
- Renewable Energy
- Roads and Highways
- Space
- Textiles and Garments
- Thermal Power
- Tourism and Hospitality
- Wellness

MAJOR POLICIES UNDER THE MAKE IN INDIA INITIATIVE:

As per the 'Make in India' website, there are 4 major policies under the initiative which are detailed as follows:

- **New Initiatives:** 'Make in India' is designed to foster innovation, safeguard intellectual property, enable investment and build state-of-the-art manufacturing infrastructure. Ease of Doing Business is one such initiative which strictly focusses on increasing the speed with which the protocols are met with greater transparency. It has effectively used technology to converge and integrate departments. 14 services are integrated with eBiz portal which will function as a single window portal for obtaining clearances from various government agencies.
- **Foreign Direct Investment (FDI):** India has already marked its presence as one of the fastest growing economies of the world. It has been ranked among the top 3 attractive destinations for inbound investments. The Government has eased FDI norms in 15 major sectors and the regulatory environment in terms of foreign investment has also been consistently relaxed to make it further investor friendly.
- **Intellectual Property Facts:** Several initiatives have been taken the Govt. of India to create a favourable environment for the protection of IPR of innovators by bringing about changes at legislative and policy level. Additionally, specific focus has been placed on improved service delivery by upgrading infrastructure, building capacity and using world class technology for the functioning of intellectual property offices within the country.
- **National Manufacturing:** The need to raise the global competitiveness of the Indian manufacturing sector is very crucial for the long term growth of the economy. The National Manufacturing Policy is by far the most important significant initiative taken by the Government focusing on the areas of regulation, infrastructure, skill development and technology to name a few. The larger vision is to increase manufacturing sector growth to 12 to 14% per annum in the medium term and to 16 to 25% in the long run.

IMPACT OF MAKE IN INDIA:

It has been over 15 months since the 'Make in India' campaign was launched and it has managed to create a strong impact in the form of improved business environment and economic growth:

- India is now the 1st amongst the world's fastest growing economies [IMF]
- India is 1st amongst the world's foremost greenfield FDI destinations, January – June 2015 [FT, FDI Markets]
- India is 1st amongst the 100 Countries in the growth innovation and leadership index [Frost and Sullivan]

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- India is 1st choice for technological MNCs to set up their R&D centre outside their home countries [Zinnov Management Consulting Report]

The growth in FDI too has been significant after the launch of 'Make in India' initiatives, with a 48% increase in FDI equity inflows during October 2014 to April 2015 over the corresponding period last year. The global investor community has responded with growing confidence with the announcement of large-scale investment and expansion plans across sectors.

But the big question remains how do we sustain it?

CHALLENGES AHEAD – ISSUES FOR CONSIDERATION:

The "Make in India" initiative has been received with great aplomb; companies like IKEA, Airbus, General Motors, Uber, Foxconn Technology Group etc have all recently announced their long term association. Early signs suggest the 'Make in India' initiative has been successful in improving the perception of the country as an attractive investment destination and in the process spur job creation but the key for long term success is to make it sustainable, if we wish to see India move towards becoming the global manufacturing powerhouse of the world.

- 1) As the Govt. of India tries to incentivise domestic and global investors, evaluate the current strategies undertaken in the 'Make in India' initiative.
- 2) How do we overcome the archaic labour laws and the lack of skilled labour in India, the two things fundamental to a manufacturing led economy?
- 3) The current Infrastructure is a major bottleneck too; in terms of creating a pertinent environment for manufacturing, transport and logistical support are key for any economy. Going forward how do we resolve this?
- 4) Suggest an extensive promotion and communication plan along with digital amplification which will help India create a niche for itself in the global market that can further maintain a high brand recall in the coming years.