FAQs

Make in India

About?

The Indian government announced the ‘Make in India’ initiative to encourage manufacturing in India and galvanise the economy with dedicated investments in manufacturing and services in 2014.

What were its objectives and How it has Performed?

OBJECTIVE	ASSESSMENT
1) To increase the manufacturing sector’s growth rate to 12-14% per annum in order to increase the sector’s share in the economy	Gross fixed capital formation of the private sector, a measure of aggregate investment, declined to 28.6% of GDP in 2017-18 from 31.3% in 2013-14 (Economic Survey 2018-19). **Analysis-** Household savings have declined, while the private corporate sector’s savings have increased. Though the private sector’s savings have increased, but investments have decreased, despite policy measures to provide a good investment climate.
2) To create 100 million additional manufacturing jobs in the economy by 2022	Employment, especially industrial employment, has not grown to keep pace with the rate of new entries into the labour market.
3) To ensure that the manufacturing sector’s contribution to GDP is increased to 25% by 2022 (revised to 2025) from the current 16%.	The monthly index of industrial production(IIP) pertaining to manufacturing has registered double-digit growth rates only on two occasions during the period April 2012 to November 2019. For some months it was Negative also implying contraction in sector.

FAQs

What could be the reason for Under performance of Make in India?

1. The schemes relied much on foreign capital for investments and global markets for produce, which created an inbuilt uncertainty, as domestic production had to be planned according to the demand and supply conditions elsewhere.
2. Problem of implementation which is visible in large number of stalled project.
3. It set out ambitious growth rates for the manufacturing sector to achieve. An annual growth rate of 12-14% is well beyond the capacity of the industrial sector, which has not been achieved historically in India.
4. The initiative brought in too many sectors into its fold which led to a loss of policy focus.
5. The policy devoid of any understanding of the comparative advantages of the domestic economy.
6. Uncertainties of the global economy and ever-rising trade protectionism.