

“MAKE IN INDIA” AND INVESTMENT OPPORTUNITES

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Abstract : Accounts are a pure social science which helps to improve the societal economic value of a human being in the society through current scenario. Accounts is that branch of science which is a continuous process due to environment changes from time to time. Information technology is a pure science which helps human being for recording, record keeping, controlling, summarizing and auditing. It also helps in collecting data functioning of its accounting system. Information system allows companies to create individual reports quickly and easily for management decision making in different fields.

Keywords: Competitive, SMEs, Growth Curve, Destabilizing Forces.

1 INTRODUCTION

Make in India is an international marketing strategy, conceptualized by the Prime Minister of India, Narendra Modi on 25 September 2014 to attract investments from businesses around the world, and in the process, strengthen India's manufacturing sector. The campaign's purpose is to enhance job creation, boost the national economy, and convert India to a self-reliant country and to give the Indian economy global recognition. The campaign is under control of the Central Government of India.

The highlights and purpose of Make in India include making India a manufacturing hub and economic transformation in India, eliminating laws and regulations, making bureaucratic processes easier and shorter, and make government more transparent, responsive and accountable. And a government emphasized a help site for investor queries about including labor laws, skill development and infrastructure. Investors have included.

OBJECTIVES OF STUDY

1. Identifying the investment opportunities available in different industrial sectors in India.
2. As India veers toward a higher growth curve, it faces destabilizing forces arising from the magnitude of its growth.
3. The major objective behind this initiative is to focus upon the heavy industries and public enterprises while generating employment, empowering secondary and tertiary sector and utilizing the human resource present in India.

POTENTIAL INDUSTRIAL SECTORS IN INDIA

Ĉ	AUTOMOBILES	ĈĈ	MEDIA AND ENTERTAINMENT
ĉ	AUTOMOBILE COMPONENTS	ĈÇ	MINING
ċ	AVIATION	ĈD	OIL AND GAS
ç	BIOTECHNOLOGY	ĈĎ	PHARMACEUTICALS
D	CHEMICALS	ĈĐ	PORTS
Ď	CONSTRUCTION	ĈĚ	RAILWAYS
Đ	DEFENCE MANUFACTURING	ĈE	RENEWABLE ENERGY
Ď	ELECTRICAL MACHINERY	ĉĈ	ROADS AND HIGHWAYS
E	ELECTRONIC SYSTEMS	ĉĈ	SPACE
ĈĈ	FOOD PROCESSING	ĉĈ	TEXTILES AND GARMENTS
ĈĈ	IT AND BPM	ĉĈ	THERMAL POWER
ĈĈ	LEATHER	ĉÇ	TOURISM AND HOSPITALITY
		ĈD	WELLNESS

1. AUTOMOBILES

- ❖ Passenger vehicles: passenger cars, utility vehicles, multi-purpose vehicles.
- ❖ Two-wheelers: mopeds, scooters, motorcycles.
- ❖ Three-wheelers: passenger carriers, goods carriers.
- ❖ Commercial vehicles: light commercial vehicles, medium and heavy commercial vehicles.
- ❖ Huge demand for low-cost electric vehicles that is suited for safe short-distance urban commutes that are rugged enough to perform reliably through India’s summers and its monsoon. It is estimated that total electric vehicles sales would amount to 6-7 Million units by 2020.

2. AUTOMOBILE COMPONENTS

- ❖ New technological changes like turbochargers and common rail systems.
- ❖ Outsourcing to gain traction in the short to medium term.
- ❖ Replacement market share in sub-segments such as clutches is likely to grow due to rising traffic density.
- ❖ The entry of global players is expected to intensify competition in sub-segments such as gears and clutches.
- ❖ The segment is estimated to witness high replacement demand, with players maintaining a diversified customer base in the replacement and OEM segments besides the exports.
- ❖ The entry of global players is likely to intensify competition in sub-segments such as shock absorbers.
- ❖ Companies operating in the replacement market are likely to focus on establishing a distribution network, brand image, product portfolio and pricing policy.

3. AVIATION

- ❖ 300 business jets, 300 small aircraft and 250 helicopters are expected to be added to the current fleet in the next 5 years.
- ❖ The development of new airports – the Airports Authority of India aims to bring around 250 airports under operation across the country by 2020.
- ❖ The Airports Authority of India plans to spend USD 1.3 Billion on non-metro projects between 2013 and 2017, focusing on the modernization and up gradation of airports.
- ❖ Indian airports are emulating the SEZ Aerotropolis model to enhance revenues, focus on revenues from retail, advertising and vehicle parking, security equipment and services.

4. BIOTECHNOLOGY

- ❖ The parks offer investors incubator facilities, pilot plant facilities for solvent extraction and laboratory and office spaces.
- ❖ India constitutes around 8% of the total global generics market, by volume, indicating a huge untapped opportunity in the sector.
- ❖ Outsourcing to India is projected to spike up after the discovery and manufacture of formulations.
- ❖ Hybrid seeds, including GM seeds, represent new business opportunities in India based on yield improvement.

5. CHEMICALS

- ❖ India is the third largest producer of agro-chemicals globally.
- ❖ India exports about 50% of its current production and exports are likely to remain a key component of the industry.
- ❖ The specialty chemicals market has witnessed a growth of 14% in the last five years; the market size is expected to reach USD 70 Billion by 2020.
- ❖ The Indian colourant industry is valued at USD 6.8 Billion, with exports accounting for nearly 75%.

6. CONSTRUCTION

- ❖ Construction development in residential, retail, commercial and hospitality sectors.
- ❖ Technologies for the promotion of low cost and affordable housing.
- ❖ Sustainable and environmentally friendly building materials.
- ❖ Training and skill development of construction sector workers.

7. DEFENCE MANUFACTURING

- ❖ Defence products manufacturing.
- ❖ Supply chain sourcing opportunity.
- ❖ Defence offsets.

8. ELECTRICAL MACHINERY

- ❖ Generation machinery: boilers, turbines, generators
- ❖ By 2022, the generation equipment industry in India is projected to grow to USD 25-30 Billion. The industry is sized at USD 6.7 Billion in 2012-13.
- ❖ Transmission machinery: By 2022, the T&D equipment market in India is expected to grow to USD 70-75 Billion from USD 17.3 Billion in 2012-13.

9. ELECTRONIC SYSTEMS

- ❖ Setting up of Electronics Manufacturing Clusters, Semiconductor Wafer Fabrication
- ❖ Electronic Components, Semiconductor Design, Industrial/ Consumer electronics.
- ❖ Electronics Manufacturing Services (EMS), Telecom products.

10. FOOD PROCESSING

- ❖ Supply chain infrastructure – this niche has investment potential in food processing infrastructure, the government’s main focus is on supply chain related infrastructure like cold storage, abattoirs and food parks.
- ❖ The establishment of food parks – a unique opportunity for entrepreneurs, including foreign investors to enter in the Indian food processing sector.

11. IT AND BPM

- ❖ The setting up of IT services, BPM, software product companies, shared service centres.
- ❖ Fast-growing sectors within the BPM domain – knowledge services, data analytics, legal services, Business Process as a Service (BPaaS), cloud-based services.

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❖ IT Services and fast-growing sectors within it such as solutions and services around SMAC, IS outsourcing, IT consulting, software testing.

12. LEATHER

❖ The National Manufacturing Policy released in Nov. 2011 identifies leather as a special focus sector, for growth and employment generation.

❖ The Department of Industrial Policy and Promotion has notified the Mega Leather Clusters (MLCs) sub-scheme. Its objective is to create new production centres for the leather industry with all the required infrastructure and support services.

13. MEDIA AND ENTERTAINMENT

❖ Television advertisement revenue is also expected to witness robust growth and increase from INR 125 Billion in 2012 to a projected INR 253 Billion by 2018.

❖ To promote joint productions, co-production agreements have been signed with Italy, Germany, Brazil, UK, France, New Zealand, Poland, Spain and Canada.

❖ Phase-III of e-auctions for FM radio licenses will provide an impetus to the segment.

❖ The size of the music industry is expected to grow to INR 17.8 Billion by 2018, growing at a CAGR of 13.2% over the period 2013-18.

14. MINING

❖ The iron and steel segment offers a product mix which includes hot rolled parallel flange beams and columns rails, plates, coils, wire rods, and continuously cast products such as billets, blooms, beams, blanks, rounds and slabs as well as metallics and ferro alloy.

❖ The base metals market consists of lead, zinc, copper, nickel and tin.

15. OIL AND GAS

❖ Compared to advanced economies like the US, where more than 60% of petroleum product movement happens by pipeline, in India, currently, only 35% of product movement happens over pipelines.

❖ India is already a refining hub with 21 refineries and expansions planned for tapping foreign investment in export-oriented infrastructure, including product pipelines and export terminals.

16. PHARMACEUTICALS

❖ India is expected to be the third largest global market for active pharmaceutical ingredients by 2016, with a 7.2% increase in market share.

❖ The formulations industry – India is the largest exporter of formulations with 14% market share and ranks 12th in the world in terms of export value. Double-digit growth is expected over the next five years.

17. PORTS

Port development – the opportunity to serve the spill-off demand from major ports.

Port support services – operation and maintenance services such as pilotage, dredging, harboring and provision of marine assets such as barges and dredgers.

Ship repair facilities in ports – demand for ship repair services will increase, providing opportunities to build new dry docks and set up ancillary repair facilities.

18. RAILWAYS

Manufacture of components.

Infrastructure projects:

1. High speed train projects.
2. Railway lines to and from coal mines and ports.
3. Projects relating to electrification, high-speed tracks and suburban corridors.
4. Dedicated freight corridors.
5. The re-development of railway stations.
6. Power generation and energy-saving projects.

19. RENEWABLE ENERGY

- ❖ India has vast untapped renewable energy resources — wind energy has installed capacity of 21.1 GW and an estimated potential of 102.8 GW.
- ❖ Small hydro has installed capacity of 3.8 GW and an estimated potential of 19.7 GW.
- ❖ Bio-power (including biomass and bagasse co-generation) has an installed capacity of 4.1GW as opposed to an estimated potential of 22.5 GW. Solar power has installed capacity of 1.7 GW against the potential of 6 GW.

20. ROADS AND HIGHWAYS

- ❖ The Public Private Partnership model will continue to be the favoured way of executing the remaining NHDP phases.
- ❖ Priority expressway project for implementation on the Public Private Partnership Mode.
- ❖ The Special Accelerated Road Development Programme for the North-eastern region (SARDP-NE) is aimed at developing road connectivity between remote areas in the North-eastern region with state capitals and district headquarters – a three phase project; facilitating connectivity of 88 district headquarters in the North – eastern state to the nearest national highways.

21. SPACE

- ❖ Through the last four decades, India’s space program has attracted global attention for its accelerated rate of development.
- ❖ India’s cost-effective space program has launched 40 satellites for 19 countries to date and has the potential to serve as the world’s launchpad.

22. TEXTILES AND GARMENTS

- ❖ Entire value chain of synthetics.
- ❖ Value added and speciality fabrics.
- ❖ Fabric processing set-ups for all kind of natural and synthetic textiles.
- ❖ Technical textiles.
- ❖ Garments.
- ❖ Retail brands.

23. THERMAL POWER

- ❖ Power Generation
- ❖ Transmission & Distribution
- ❖ Power Trading
- ❖ Power Exchanges

24. TOURISM AND HOSPITALITY

- ❖ The segment offers opportunities across various sub-segments such as timeshare resorts, convention centres, motels, heritage hotels and the like.
- ❖ Investment opportunities in the setting up of tour operations and travel agencies cater to burgeoning tourist inflow.
- ❖ Eco-tourism is at a nascent stage, but there are conscious efforts to save the fragile Himalayan eco-system and the culture and heritage of indigenous people.

25. WELLNESS

- ❖ Ayurveda drug manufacturing (nutraceuticals, food supplements, cosmetics and rejuvenatives).
- ❖ Setting up of specialised treatment centres.
- ❖ Medical tourism for curative and rejuvenation treatments.

These are the potential areas with different investment opportunities available for making “Make in India” a reality. A major new national program. Designed to facilitate investment. Foster innovation. Enhance skill development. Protect intellectual property. And build best-in-class manufacturing

infrastructure. There's never been a better time to make in India. To insure the country's place as a global manufacturing powerhouse, the government, industry and civil society must work in tandem to restore investor and public confidence in 'Make in India'.

CONCLUSION

Implementing the aforesaid action items requires a detailed roadmap, including the development of uniform standards and procedures, introducing common application forms for seeking approval from central and state governments, and building a model for a single window mechanism. When developed economies like the United States are renewing focus on reviving manufacturing, 'Make in India' is not just an option but a national imperative that is needed to keep pace with global growth. Transforming the vision to reality requires a concrete roadmap that will support not just the manufacturing of today.

This is truly a time of great expectations for India, and this is probably the only time in recent past where our odds of driving breakout growth in manufacturing are very high. We have a strong, pro-industry government, global economy is picking up, and our core advantages are still strong and relatively unaffected from the global slowdown. Having said that, there is a long journey ahead of us, one that starts with reviving the industry, and then achieving global competitiveness followed by claiming global leadership. A good start has been made with the government announcing its intent and making a few small yet important changes to improve manufacturing sector.

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