



Make in India: Path of Growth for the Business of Indian Small Sector

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Abstract

Indian small and medium sector is the \$5 billion sector and is developing day by day at the rapid speed. This sector is providing employment to over eight crore people in the country. The sector is responsible for 40 percent of the total exports of the country. Government has launched the 'make in India' programme to develop the industrial economy including 25 sectors. These all sectors are including small industries directly and indirectly. This programme will help the small manufacturers to think of ways by which indigenous products will not only fulfill the domestic demand but also give the boost to exports by reducing imports so that foreign exchange may be generated for economic development.

Key Words:

Indian Industrial Economy, 'Make in India'; Small Sector; MSMED; Act 2006.

Indian Industrial Economy

Indian economy is a developing economy. Indian economy is having the eleventh rank all over the world in terms of nominal Gross Domestic product. After independence a lot of restrictions were imposed on private entrepreneurs in the country. But after the process of liberalisation in 1991,

Government has initiated the process of giving more importance to privatization, liberalization and globalization. Experts are having the belief that Indian Economy will attain the position of a leading industrial economy of the world up to 2020. Our industries especially small scale units has achieved the wonderful achievements by enthralling various opportunities under the liberalization process. Industries are contributing towards the GDP upto 28 percent.

Objectives of the study

Prime objective of this paper is to analyse the importance of 'Make in India' programme of the Indian Government. In the concluding part an effort has been made to draw the inferences as how much this programme is effective for giving the speed to the development of small and medium sector.

Design and Methodology

Present study is based on various published and online sources and covers the Indian small and medium industries. Secondary data are the main sources from which necessary informations have been collected for the purpose. The main limitation of the study is that it is based on secondary data. The inferences drawn in the conclusion cannot be

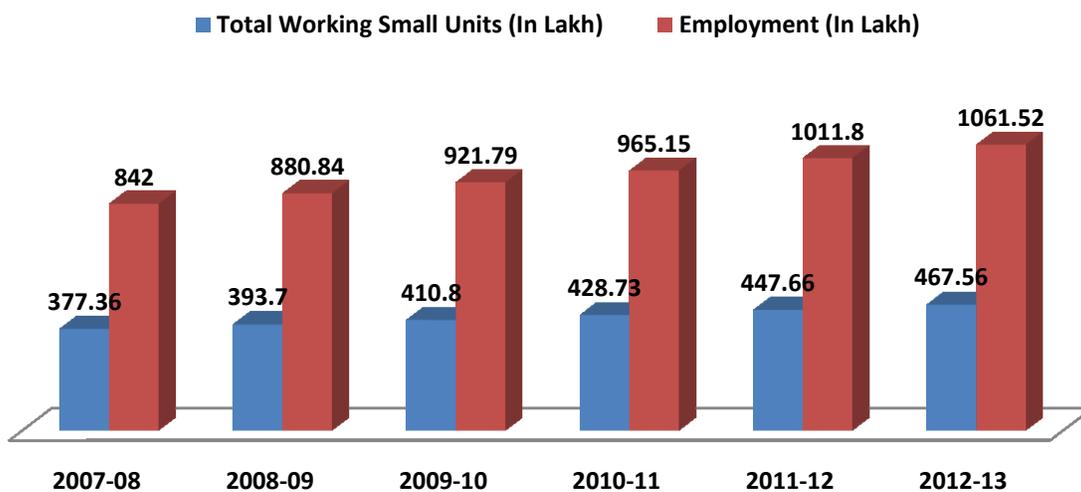
applied any particular segment or area of the industry.

Small Scale Sector

Small industries of our country has achieved vital position by performing very well in the production, employment, exports and in terms of growth in the number of industrial units. This sector has attained more than 10 percent growth in recent years. Micro, Small and Medium Enterprises Development Act. (MSMED, Act) 2006 has categorized the small sector into micro, small and medium enterprises in terms of manufacturing and service units. Manufacturing micro units are

those units in which capital investment is up to Rs. 25 Lakh, small units are those in which capital investment is between Rs. 25 lakh to Rs. 5 Crore and medium units are those in which capital investment is between Rs. 5 Crore to Rs. 10 crore. Similarly for the service micro units this limits has been fixed up to Rs. 10 lakh, Small service units includes in investment limits above Rs. 10 Lakh and up to Rs. 2 crore while medium service units includes the industries having investment limits starting from Rs. 2 crore to Rs. 5 crore. Indian small industrial units are producing more than 6000 products including traditional as well as high-tech items.

Table 1: Total Working Small Units and Employment Trends (Projected)



Source: Annual Report 2013-14, Government of India, Ministry of Micro, Small and Medium Enterprises.

In 2007-08 there were only 377.36 lakh units were working in the country which has increased up to 467.56 lakh in 2012-13. When the employment provided by the sector is considered then the reader observes that in 2012-13 1061.52 lakh people were engaged in these industries as compared to 842 lakh people in 2007-08. Small and medium sector

is progressing day by day and is resulting into wonderful results. This sector is contributing up to 35 percent of the direct exports and 15 percent of the indirect exports of the economy. US, Japan and EU are the main markets where the demand for the products manufactured by the Indian small and medium sector holds a prime place. These industries account for the



40 percent of the gross industrial value added of the country in terms of industrial economy.

‘Make in India’ and Small Sector

Make in India is the unique campaign of Government of India to promote the industrial development of the country. This programme was launched on 25 September 2014 to make the Indian industrial sector more vibrant by facilitating domestic and foreign direct and indirect investment, nurturing innovation, increasing skills among work force, protecting intellectual property rights and creating a growth oriented manufacturing scenario.

This campaign includes 25 sectors of the economy including automobile, bio-technology, aviation, construction, chemicals, electronics, electrical machinery, defense, leather, information technology, food processing, media, entertainment, mining, oil and gas, pharmaceuticals, railways, ports, roads, space, energy, textiles, thermal power, tourism and health. Small scale industries are engaged directly or indirectly in almost these sectors. The main aim of the Make in India is to generate vast employment opportunities in the state along with economic growth.

This programme will help the small manufacturers to think of ways by which indigenous products will not only fulfill the domestic demand but also give the boost to exports by reducing imports so that foreign exchange may be generated for economic development. The logo of this campaign is a lion made of cogs which will be a motivational element for the Indian small firms. This programme aims to provide employment to 100 million people by 2022 in

the manufacturing sector and the small sector has the strong potential for generating employment opportunities. This sector is responsible for the 50 percent of the industrial output including three million SME units in the region.

Conclusion

‘Make in India’ will certainly give a rapid path of growth to the small and medium industrial units by enabling them to use modern technology, to access international markets, to make the products qualitative, to facilitate the workers more easiest ways of working and to avail the capital and financial resources on lower cost. Government has set up the venture capital fund worth Rs.10000 crore for the purpose. Thus it can be said the ‘Make in India’ will certainly be proved a boon for the Indian small sector.

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