



india.gov.in

Post Budget Webinar on “Make in India for the World”

3 March 2022

Sabka **Saath**
Sabka **Vikas**
Sabka **Vishwas**
Sabka **Prayas**

75
Azadi Ka
Amrit Mahotsav





Table of contents

1 **OVERVIEW OF WEBINAR:
Focus on Manufacturing, Exports, MSME**

2 **Brief presentation on:**

A Macroeconomic scenario

B Key initiatives & achievements

C Vision for manufacturing, exports, MSME

D Budget announcements

WEBINAR – Session's overview post inaugural

Time	Session	Details
1100 – 1230 Hrs	“Paradigm Shift In Manufacturing In India@100”	Engagement on key sectors of manufacturing, led by Industry (along with Ministries & States), to develop an action plan for the future of manufacturing.
1230 – 1400 Hrs	“Realizing India’s Trillion Dollar Goal in Export”	Engagement on key sectors of importance for Exports to develop an action plan to spur growth towards a Trillion Dollars in exports.
1400 – 1430 Hrs		Lunch Break
1430 – 1600 Hrs	“MSMEs as the Growth Engine for Indian Economy”	Engagement on key sectors of the MSME industry to develop an action plan for the future of MSME growth.
1600 – 1630 Hrs		Break period to finalise action plan for 3 themes
1630 – 1730 Hrs	Closing Session	Presentation of Action Plans by Session moderators (Industry)

Breakout Session 1

Session 1: “Paradigm Shift In Manufacturing In India @ 100”

- **Time:** 11:00 AM – 12:30 PM
- **Sectors:** Industry 4.0, Auto & Auto Components, Telecom, Steel, Pharma & Medical Devices, Textiles, Drones
- **Moderator:** Shri Baba Kalyani, Chairman & MD, Bharat Forge will coordinate Industry Presentation (40 mins)
- **Discussion on queries from the Industry (20 mins)**
- **Remarks of Industries Principal Secretaries of States:** Gujarat, Uttar Pradesh, Telangana (15 mins)
- **Remarks of concerned Secretaries:** M/o Heavy Industries, D/o Telecom, D/o Pharma, M/o Steel (15 mins)

Breakout Session 2

Session 2: “Realizing India’s Trillion Dollar Goal in Export”

- **Time: 12:30 PM – 2:00 PM**
- **Sectors:** Electronics, Agriculture & Food Processing, Textiles, Additive Manufacturing, Robotics
- **Moderator:** Shri Vir S Advani, VC & MD, Blue Star Ltd. will coordinate Industry Presentation **(40 mins)**
- **Discussion** on queries from the Industry **(20 mins)**
- **Remarks of Industries Principal Secretaries of States:** Maharashtra, Punjab, Karnataka **(15 mins)**
- **Remarks of concerned Secretaries:** D/o Commerce, MeitY, M/o Agriculture **(15 mins)**

Breakout Session 3

Session 3: “MSMEs as the Growth Engine for Indian Economy”

- **Time: 2:30 PM – 4:00 PM**
- **Sectors:** Furniture, Leather & Footwear, Gems & Jewelry, Textiles, Food Processing
- **Moderator:** Shri Vinod Kumar, President, India SME Forum will coordinate Industry Presentation **(40 mins)**
- **Discussion** on queries from the Industry **(20 mins)**
- **Remarks of Industries Principal Secretaries of States:** Haryana, MP, Assam, Tamil Nadu **(15 mins)**
- **Remarks of concerned Secretaries:** MSME, MOFPI, M/o Textiles **(15 mins)**

Closing Session

- **Time: 4:30 PM – 5:30 PM**
- **Session Flow –**
 - Presentation of **Action Plans** by Session Moderators (**15 mins each**)
 - **Concluding Remarks** by Hon'ble Commerce & Industry Minister (**10 mins**)
 - **Vote of Thanks** (**2 mins**)



Expected Outcomes

- Generate specific suggestions, understand implementation issues, with focus on **EoDB 2.0 & reduction in compliance burden**
- Leveraging stakeholders' expertise & experience to finalize Action Plan for way forward & monitoring framework for **effective implementation**
- Identification of **gaps & interventions** needed in planned initiatives of Government.
- Strategies for **employment & job creation** including requisite skill development initiatives
- Engagement with State governments & **capacity building** at cutting-edge level







Macroeconomic scenario: India

- **India's GDP** is estimated to grow by **9.2 per cent** in **2021-22**
- **Manufacturing** is estimated to grow by **12.5 per cent** in **2021-22**
- India registered **46.53% growth** in **merchandise exports** during **April - January 2022: USD 335.44 Billion**. This was USD 228.9 Billion during same period last year.
- Highest ever **GST Collection** of **Rs 1,40,986 Crore** during **January 2022** since it's inception
- India registered **highest annual FDI Inflow** in 2020-21 : **USD 81.97 Billion**.



Macroeconomic scenario: Global Comparative

Real GDP Growth Rate

	2021	2022	2023E
	5.9%	4.4%	3.8%
	9.0%	9.0%	7.1%
	8.1%	4.8%	5.2%
	5.6%	4.0%	2.6%



Key Initiatives & Achievements: Manufacturing (I/IV)

Production Linked Incentive Schemes:

- PLI Schemes for **14 key sectors** with **outlay of Rs 1.97 lakh Crore**; potential creation of more than **60 lakh new jobs** & additional **production of Rs 30 Lakh Crore** during next five years. **Over INR 4500 crore** already invested

Empowered Group of Secretaries & Project Development Cells (PDC):

- Constituted **high-level mechanism**, headed by Cabinet Secretary, to promote an investment friendly ecosystem. PDCs constituted in **29 Ministries & Departments** to handhold investors. PDCs pursuing investment interest worth **~\$126 bn, with 1000+ investors**.

Foreign Direct Investment:

- **Liberalised** most **FDI Policies**; including petroleum & natural gas, telecom, defence & insurance sector. India **registered highest ever annual FDI Inflow of USD 81.97 Bn** (provisional figure) in **FY 2020-21**



Key Initiatives & Achievements: Manufacturing (II/IV)

Public Procurement:

- **Restricting global bidding** for purchases **less than INR 200 Crore**; Providing **purchase preference** to suppliers with **minimum 50% DVA**; **Restrictions** on participation of suppliers with items having **less than 20% DVA**.

Quality Control Orders:

- **33 QCOs for over 120 products** issued for providing safe reliable quality goods; for promoting exports & substitute imports

Reduction in Compliance Burden:

- Exercise of reducing & eliminating burdensome compliances. **Over 27,000 compliances** have been reduced across States/UTs & Central Ministries



Key Initiatives & Achievements: Manufacturing (III/IV)

Intellectual Property Rights:

- Backlog reduced after Process Digitization & human resource augmentation; special support for Startups, SMEs, Female applicants. Issue of patents, trademarks & copyrights has **increased 4 times since 2015**; India's **Global Innovation Index** ranking risen **35 places to 46** in the last 7 years.

Startup India:

- World's **third largest startup ecosystem** with **91 unicorns**. Recognized Startup are offered **Tax holiday for 3 years**; **Self-certification** under 9 labour & 3 environment laws; Relaxations in public procurement; Support for IPR. **62,000 + startups registered**; **startup** in every State & UT across **634 districts**.

One District One Product (ODOP):

- **Enabling balanced regional development** across **all Districts**; Creation of a **comprehensive plan** for **each product**, geared towards market creation & boosting investment. **E-commerce onboarding from 200+ districts** onto **India ODOP Bazaar** & other platforms; Multiple International & Domestic Buyer – Seller Meets (BSM)



Key Initiatives & Achievements: Manufacturing (IV/IV)

National Single Window System:

- Digital platform for **regulatory approvals & services**, which currently supports **20 Central Government Ministries/Departments & 14 States/UTs** & a Know Your Approval (KYA) module across **32 Central Ministries / Departments**

India Industrial Land Bank:

- IILB is a web portal to search for **vacant industrial plots** in more than **4,500 Parks mapped over 5.06 Lakh hectare**, Integrated with GIS systems & land banks of **26 States/UTs**

PM GatiShakti:

- **National Masterplan for multimodal connectivity, across 16 Ministries**, for coordinated **implementation of infrastructure connectivity projects**

National Industrial Corridor Programme:

- **11 Industrial corridors** comprising of **32 nodes/projects** to be developed in 04 Phases. More than **3,200 acres** of developed industrial land available.



Key Initiatives & Achievements: Exports (I/III)

- **RoDTEP**, a WTO compatible Scheme announced for remission of un-rebated duties, taxes and levies at the Central and State level wef 01.01.2021
- Transport and Marketing assistance Scheme, **TMA** implemented for agricultural products from April 2019
- **Interest Equalization Scheme** for financing export credit
- **National Trade Facilitation Plan 2020-23** drawn for expediting cargo clearances
- **District as Export Hub** initiative to stimulate export awareness and strengthen export infrastructure
- **Common e-portal** to issue certificate of origin by authorised agencies
- **24x7 Online system for issuing e-IEC** which is a necessary registration number for making exports and imports



Key Initiatives & Achievements: Exports (II/III)

- **Reduction of compliance** requirements for exporters & traders engaged in Foreign Trade
- **Integration** of various online information platform
- Initiative to create an **Information portal for providing market intelligence** as well as complete information to MSME's for overseas markets to encourage them to exports to newer markets, newer products with adequate information
- Initiative to setup **Design Banks & IP banks** to provide easier access to new trends, designs, features etc. to MSME's & new exporters
- Set **national standards** equivalent to global standards for all the items being exported from India based on HS codes
- Initiative to setup **training centers** within the export hubs/ SEZs/ manufacturing clusters
- Initiative to setup **certified & accredited laboratories** as per global standards within/ nearby to exports hubs/ SEZs/ manufacturing clusters to ensure high quality products



Key Initiatives & Achievements: Exports (III/III)

- Indian Exports set to cross **\$400 Billion during 2021-2022**, & **merchandise export** will cross over **\$30 billion per month** for continuous 10 months for first time in India exports history
- India has signed FTAs with **United Arab Emirates (CEPA)**, **Mauritius (CECPA)** & is in advance stage of negotiations with **Australia (Comprehensive Economic Co-operation Agreement)**, **United Kingdom (Enhanced Trade Partnership)** & other nations like the **US & EU**
- India's **merchandise** export in **January 2022** increased by **25.85%** to **\$34.50 billion** over **\$27.54 billion** in **January 2021**.
- India's **overall exports**, merchandise, & services combined, **increased by 36.76 per cent** to **\$61.41 billion** in January 2022
- These all are indicative of a robust recovery of Indian Exports due to multiple initiatives undertaken by the Government.



Key Initiatives & Achievements: MSME (I/II)

- **7.2 lakhs enterprises generating estimated employment of 57 lakhs set up under PMEGP:** credit-linked subsidy scheme started in 2008; establishment of micro-enterprises in non-farm sector; record performance in FY21 with INR **2,189 Cr** MM disbursed & **74,415** new units' setup.
- Ministry of MSME's **Entrepreneurship & Skill Development Programme, National SC-ST Hub scheme & Tool Rooms** work towards skilling people to become entrepreneurs
- **Raising & Accelerating MSME Performance (RAMP) programme:** A new Rs. 6,000 Cr. Programme; Improve market & credit access; Strengthen institutions & governance; Address issues of delayed payments; Greening of MSMEs
- **Ease of doing business & Reduction in Compliance Burden:** Udyam Registration portal, Integrated with GSTN & Income Tax databases. Free of cost; self-declaration basis; Compliances related to public procurement reduced from 7 to 4.



Key Initiatives & Achievements: MSME (II/II)

- **Udyam:** In last 18 months **>74 lakh MSMEs** with an employment of **5.90 crore** have registered
- **Champions portal:** **> 43,000 grievances** received in last 18 months; **99.5%** redressed
- **A sub-portal within Samadhaan portal launched:** Reporting of dues & monthly payments by GOI Ministries & CPSEs to the MSMEs; in last 20 months, dues of more than **Rs. 88,000 crore** paid to **MSME** vendors by Government Ministries/Depts./CPSUs
- **National SC/ST Hub:** **27,125 SC/ST candidates** trained in various areas since 2016
- **SFURTI Scheme:** Since 2014, **445 clusters approved** for assisting around **2.57 lakh artisans**; 78 clusters are in aspirational districts & 77 clusters are in NER; 168 clusters are functional.
- **ECLGS:** As on 31.01.2022 an amount of **Rs.3.15 lakh crore loans sanctioned**; Guarantees of Rs. 3.02 Lakh crore to 1.17 crore borrowers issued
- **Credit Guarantee Scheme for Subordinate Debt:** As on 08.02.2022, **761 guarantees** on an amount of **Rs. 82.87 crore** issued



Union Budget 2022-23 Manufacturing (I/II)

- **Concessional tax regime of 15%** for newly incorporated manufacturing entities extended by one year to Mar'24
- **68% of the capital procurement budget for defense** to be earmarked for domestic industry in
- PLI Scheme for **design-led manufacturing** to be launched to build a strong ecosystem for 5G
- **~400 new-generation Vande Bharat Trains** with better energy efficiency & passenger riding experience to be developed & manufactured during next 3 years
- **100 PM GatiShakti Cargo Terminals** for multimodal logistics facilities will be developed during the next 3 years.
- **4 pilot Coal gasification** & conversion of coal to chemicals projects to be set up
- **Calibration of Customs duty rates** to facilitate domestic manufacturing of wearable devices, hearable devices, and electronic smart meters in Electronics manufacturing
- PLI Scheme for **design-led manufacturing** to be launched to build a strong ecosystem for 5G



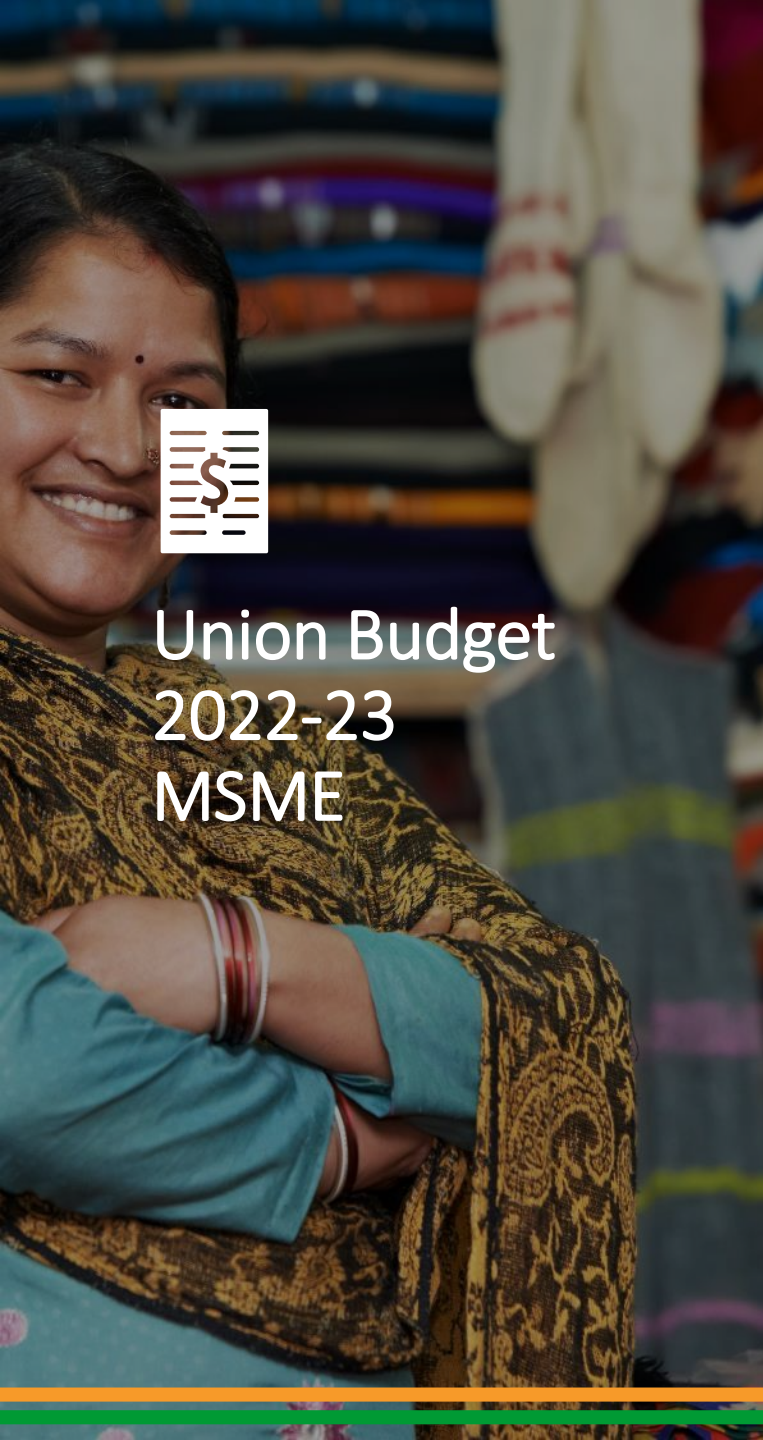
Union Budget 2022-23 Manufacturing (II/II)

- **Concessional rates in capital goods** & project imports to phase out gradually & moderate **tariff of 7.5 %** to aid Make in India
- **Data Centres & Energy Storage Systems** including dense charging infrastructure & grid-scale battery systems will be included in list of infrastructure
- **Battery swapping policy** will be brought out & inter-operability standards will be formulated. The private sector will be encouraged to develop sustainable & innovative business models for '**Battery or Energy as a Service**'
- **5G spectrum auctions** will be conducted in 2022 to facilitate rollout of 5G mobile services within 2022-23 by private telecom providers
- The Union Budget 2022-23 announcements are holistic, comprehensive, futuristic & inclusive.



Union Budget 2022-23 Exports

- The Special Economic Zones Act will be replaced with a new legislation that will enable the **States to become partners in ‘Development of Enterprise and Service Hubs’**. This will cover all large existing and new industrial enclaves to optimally utilize available infrastructure and resources to enhance competitiveness of exports.
- We are eager to make Union, State Governments and all concerned stakeholders, Partner in progress.



Union Budget 2022-23 MSME

- The Union Budget 2022-23 announcements are holistic, comprehensive, futuristic & inclusive.
- **Interlinking the MSME Registration portal**, i.e., Udyam, with National Career Service, e-shram & AtmaNirbhar Skilled Employee Employer Mapping portals will help in credit facilitation, skilling, recruitment, formalize the economy & enhance entrepreneurial opportunities.
- **Expansion of the outlay for GECL/ECLGS** by Rs. 50,000 crore (for hospitality & related services, especially MSEs) to Rs. 5 lakh crore & its extension till March 2023 will help in mitigating the impact of the pandemic.
- **Revamping of CGTMSE** with required infusion of funds will facilitate additional credit of Rs. 2 lakh crore for MSEs & expand employment opportunities.
- **Rolling out of RAMP Programme** will help MSME sector become resilient, competitive & efficient.



Vision: Manufacturing

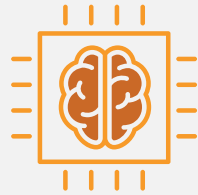
- **Raising manufacturing GDP of India from present 15-16% to 25%** by maximizing India's contribution to global value chains, by focusing on domestic production, increasing exports
- **Making Indian Goods & Services, qualitative & globally competitive**, to enhance overall exports of goods.
- **'Made in India' to be built into a globally trusted & preferred brand**
- **Integration with global supply & value chains**, especially in an age of disruption, to strengthen India's position in the global economic order
- **Reduction of compliance burden & continued move towards EODB 2.0**
- **Regionally balanced economic & industrial development**
- **Increased investments in R&D** and design infrastructure
- **Adoption of Industry 4.0 technologies**, improved scale and capacities in green and clean technologies



Vision: Manufacturing



Telecom: **Tele-density** increased by ~11%, to last 7 years (currently at **86.9%**); **Broadband subscribers** increased by 74 crores in last 7 years (currently at 80.2 cr). Looking at **maximizing India's contribution to global value chains** by focusing on domestic production, increasing exports and reducing imports.



Electronics: Tripled electronics domestic production in last 7 years and emerged as the 2nd largest manufacturer in mobile handsets (volumes). **India's digital economy striving to reach \$ 1 trillion** with electronics domestic production expected to quadruple to \$ 300 bn



Drones: Liberalized Drone Rules 2021, PLI scheme for drone manufacturing, drone import policy, among other initiatives to drive India towards being one of **the top 5 drone economies by 2030**, with an expected investment of INR 5000 cr and creation of 10000 jobs in next 3 years.



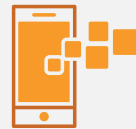
Food Processing: contributing 22% of agri-food exports, 12% to employment and 9% to manufacturing GVA, the Ministry is looking to significantly **improve processing levels of perishables like fruits and vegetables** (currently at ~3.3%) for **higher value addition** and to create **more farm employment** and better returns to farmers. The vision is also to formalise micro informal units and adopt **sustainable approach across value chain**.



Vision: Manufacturing



Human Resources: Making the agriculture- manufacturing- services transition in employment and unlocking additional potential by improving female participation rate. **Formalization of labour** from the unorganized sector. **Attract global scientific talent** to India.



Technology, R&D and Innovation: India ranks 46th in the Global Innovation Index (improved from 81 in 2015). Position India as a **Leader in focus technology areas** and **create 3-4 global champions each.** (e.g., Semiconductors, Smart Agriculture). Create **Top 10 R&D labs.**



Decarbonization of Manufacturing: Growing attention of governments, investors, and regulator towards the economic and human impact of climate interest, will pave way for more funds incorporating **sustainability criteria** and more Environmental, social, and governance (ESG) -based investing; more and more companies move towards **adopting carbon-neutral manufacturing/production processes** that led to **net zero-emissions.** (e.g.. All major global OEMs have announced 100% electrification by 2030-2040.)



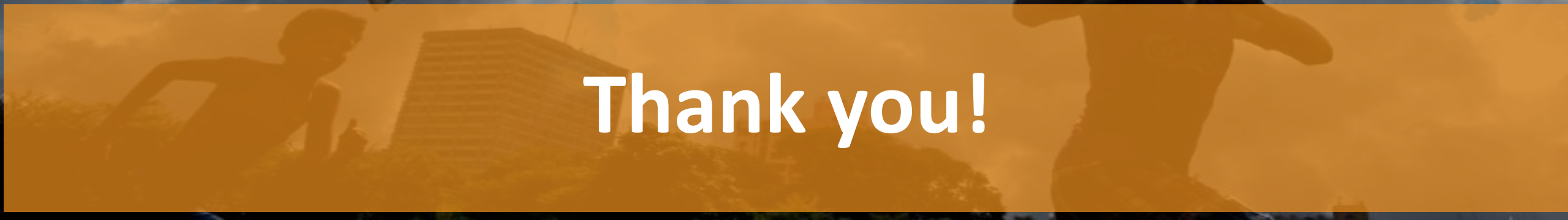
Vision: Exports

- **Increasing India's share in Global Trade to 10%; & share of exports in GDP to 25%**
- Assuming **leadership position** at WTO & part of a network of **FTAs & regional groups**
- **MSME participation** in trade; 100 Indian Brands as global champions
- Attaining **10%** share in **creative economy & niche products**
- Branding **India as a supplier for high-value & high-growth products**
- Support in setting up of **Economic zones outside India** as an extension of '**Atmanirbhar Bharat**' Initiative
- **Leveraging innovation & technology** for scaling up production & export of: Pharma; Gems & Jewelry; Marine & Agro-products; Textiles & Leather; Engineering Goods; Electronics & Telecom Products; Chemicals & Related Products
- Becoming a **top 3 nation in Global Services Trade**: Tourism; IT & ITES; Business Services; Financial Services including Fintech; Healthcare & Wellness; Education & AV services



Vision: MSME

- Sustainable development of globally competitive MSMEs as engines of growth for Indian economy
- All MSMEs to be brought in formal sector.
- Appropriate incentives for easy access to credit, markets & technology for All
- Create a sustainable, globally competitive Khadi & Village Industry Sector for generating gainful employment & sustainable livelihoods.



Thank you!