



General Studies-2; Topic: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

National Manufacturing Mission

Introduction

- In the Union Budget 2024–25, the Government of India announced the proposal to launch a **National Manufacturing Mission** to boost the **Make in India** initiative.
- This Mission is aimed at **reviving and strengthening India's manufacturing base**.
- The initiative is being spearheaded by a **high-level committee led by NITI Aayog CEO**.

Background

- Make in India** was launched in 2014 with the ambitious goal of raising manufacturing's share in GDP from **15-17% to 25%**.
- Despite schemes like **Atmanirbhar Bharat** and **Production-Linked Incentive (PLI)**, manufacturing has not grown to expected levels.
- According to **National Statistical Office (NSO)** data, the **manufacturing sector's share in GDP** remains stuck at around **16%** as of 2023-24.
- In contrast, **China's manufacturing** contributes around **27-30%** of its GDP.

Need for a National Manufacturing Mission

- Underutilisation of manufacturing capacity**.
- High unemployment**, especially in semi-skilled and unskilled categories.
- Growing **global protectionism and trade realignments**.

- Strategic vulnerabilities in **defence, electronics, and energy supply chains**.
- The **COVID-19 pandemic** and **global supply chain disruptions** exposed India's **import dependency** and lack of industrial self-reliance.
- Rising geopolitical tensions (e.g., U.S.-China trade war, India-China border tensions, and instability in West Asia) reinforce the urgency of a **strong domestic manufacturing base**.

Key Focus Areas of the Mission

- **Ease and Cost of Doing Business**
 - Simplifying compliance procedures and reducing regulatory burdens.
 - Streamlining **labour laws**, taxation, and environmental clearances.
 - Promoting **single-window clearances** and **digital interfaces**.
- **Future-Ready Workforce**
 - Upgrading skill sets through: **Skill India 2.0**, Collaborations with **ITIs, polytechnics, and engineering colleges**.
 - Emphasis on **emerging tech domains**: AI, robotics, IoT, clean tech, and advanced manufacturing.
- **Technology Access and Innovation**
 - Encouraging **public-private R&D partnerships**.
 - Facilitating **technology transfer** from research institutions to industries.
 - Developing **common facility centres** for MSMEs.
- **Global Competitiveness and Quality Standards**
 - Promoting the adoption of **BIS/ISO standards** and global certifications.
 - Incentivising industries to participate in **Global Value Chains (GVCs)**.
 - Branding India as a **quality manufacturing hub**.

Production-Linked Incentive (PLI) Scheme: Lessons Learned

- The **PLI scheme** has provided targeted support to large-scale industries in sectors like: **Pharmaceuticals, Automobiles** and **Mobile manufacturing**.
- However, challenges remain:
 - **Uneven geographical spread**
 - **Neglect of MSMEs and informal sector**
 - **Overconcentration in a few capital-intensive industries**
- The **Mission should be more inclusive**, focusing on **labour-intensive sectors** and **decentralised production models**.

Strategic and Geopolitical Dimensions

- A robust manufacturing base is essential for:
 - **National security**, especially in **defence production**.
 - Reducing import dependence in critical sectors like **semiconductors, medical devices, and solar components**.
 - Countering **Chinese dominance** in low-cost global exports.
- A strong manufacturing ecosystem enables **India's deeper integration into global trade partnerships** like:
 - **India-UAE CEPA**
 - **India-EU Trade Talks**
 - **Indo-Pacific Economic Framework (IPEF)**

Environmental and Sustainability Considerations

- Future manufacturing must align with **climate change commitments** under **India's INDCs**:
 - Lower **carbon emissions per unit of GDP**.
 - Focus on **circular economy practices** and **resource efficiency**.
 - Manufacturing in areas like **electric mobility, solar panel production, and green hydrogen** offers **dual benefits** of employment and environmental sustainability.

Expected Outcomes of the National Manufacturing Mission

- Increase manufacturing's share in GDP to **25% by 2030**.
- Create **millions of formal jobs**, especially for semi-skilled youth.
- Reduce trade deficit by **boosting high-value exports**.
- Enhance **technological self-sufficiency** and reduce import dependency.
- Make India a **global destination for manufacturing and innovation**.

Structural Reforms Needed

- **Policy and Legislative Overhaul**
 - Revamping **industrial laws** to reflect modern manufacturing needs.
 - Updating **land acquisition norms**, while ensuring farmer rights.
 - Simplifying **environmental regulations** without weakening safeguards.
- **Infrastructure and Logistics**
 - Manufacturing requires: **Reliable power supply** and **High-quality transport infrastructure**
- **Seamless digital connectivity**
 - Programs like **Gati Shakti, Bharatmala, and Dedicated Freight Corridors (DFCs)** must be synchronised with the Mission.
- **Decentralised Industrial Planning**
 - Manufacturing hubs should not be limited to metro cities.
 - Promote **Tier-2 and Tier-3 cities** with region-specific advantages (e.g., textiles in Tiruppur, ceramics in Morbi).

Conclusion

- The National Manufacturing Mission is a crucial step in realising India's vision of becoming a **global manufacturing hub** and achieving **economic resilience**.
- However, success will depend on **policy coherence, state-centre collaboration, and execution capacity** at all levels.