

## Committed to India: Manufacturing

**Mohammad Athar, Partner and Leader, IDIP, PwC India:**

The manufacturing sector will have to play a pivotal role in achieving our ambition of becoming a USD 5 trillion economy. COVID-19 has made businesses focus on supply chain resilience and created an opportunity for India to become a global manufacturing hub.

As per a World Economic Forum report, this alone **can add an additional USD 500 billion** to the Indian economy by 2030. Therefore, there is a clear need to not only to be Aatmanirbhar but also cater to the export market, and hence, for firms **Being in India for India and for the world is critical.**

To tap the opportunity of India's manufacturing sector, three aspects must be considered.

Firstly, a focus on employment generation initiatives. India, like select nations, **must focus on labour-intensive manufacturing** and then transition towards high-tech manufacturing.

The Government **must take measures to boost labour-intensive segments** (like food processing, textiles, metals, automobiles and electronics assembly) for this continued labour reforms are critical to achieve this.

Second is the **availability of quality industrial infrastructure and associated land banks**. As per the India Industrial Land Bank (IILB), India has over 4,300 industrial parks where 59% of the available land is present in just three states, viz. Tamil Nadu, Gujarat and Maharashtra.

Therefore, we need to **focus on more inclusive and coordinated development of large-scale** industrial infrastructure across the country. Port based manufacturing clusters will reduce logistics costs and will enhance competitiveness of manufacturing firms. Focusing on the quality of the industrial ecosystem in sync with the demands of the industry is equally important.

The National Industrial Corridor Development Program (NICDP) and the Gati Shakti programme are welcome initiatives in this regard. However, India needs to get the private sector much more involved in large scale Industrial cities and parks development and operations for promoting productivity in manufacturing and enabling exports. The **new SEZ act** if timely implemented should enhance India's ability to promote competitive global supply chains

The third critical factor to enable India's competitiveness in manufacturing is promoting **differentiated ease of doing business for investors**. This entails developing investor-friendly policies and helping investors align their businesses with global production networks. The National Single Window System (NSWS), a portal operationalised by the DPIIT, is a good step towards achieving this goal. Further, **India will need to create One stop service centers** in major manufacturing and services clusters to promote ease for investors.

If we can maintain a laser focus on these three areas, we will be well on our way to becoming a USD 1 trillion manufacturing economy and will write a new chapter in India's growth story.

**Sanjeev Krishan, Chairperson, PwC in India:**

The Indian economy is anticipated to be one of the fastest growing economies in the world. This is a positive step towards realising our ambition of becoming a USD 5 trillion economy in the next few years. It is clear that growth in the manufacturing sector is imperative to achieve this goal. Various initiatives taken by the Government of India will help boost manufacturing through flagship programmes like Make in India or the Production Linked Incentive (PLI) scheme.

The opportunity in India's manufacturing sector is immense. So, the big question is around the readiness of our nation to drive a manufacturing-led economic growth story. Can the manufacturing sector drive economic growth over the next decade, similar to how the services sector led growth over the last two decades? At PwC, we look forward to building on our learnings from the pandemic to partner the manufacturing industry in establishing India's position as a global manufacturing hub while contributing to India's growth story.