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"An empirical investigation Impact of COVID-19 on Make in India"

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Abstract

Once the Government of India announced a general lockdown in the wake of the Covid-1 crisis, Larsen & Toubro, Bharat Forge, Ultratech Cement, Grasim Industries, Aditya Birla Group's fashion and retail arms, Tata Motors and Thermax, major Indian companies operating in various manufacturing facilities and factories across the country. Was temporarily suspended or reduced. iPhone manufacturing companies have suspended most operations in India. The outbreak of Covid-19 caused problems in social and economic life. The study focuses on assessing the impact on affected sectors such as aviation, tourism, retail, capital markets, MSMEs and oil. International and domestic mobility is restricted, and revenue from travel and tourism, which accounts for 9.2% of GDP, will be a major hurdle to GDP growth. Nevertheless, after the outbreak of Covid-19 all over the country (or across the continent), the production of personal protective equipment (PPE) in the country increased significantly. Out of just 47,000 products a year, production has reached around two lakh per day. Speaking on the occasion, Defense Research and Development Organization Secretary and DRDO President Dr. G. Satish Reddy said that coronavirus has also provided ample opportunities for research and development and industrial production, but warned that development delays would be of some use. The conference was also attended by directors and senior scientists from numerous laboratories of the Defense Research and Development Organization, scientific and industrial research and other organizations. C-DAC is a Ministry of Electronics and Information Technology research and development organization committed to improving national technical capabilities and adapting to business needs in light of global trends. It has 11 centers across the country including Mohali.

Introduction

Prime Minister Narendra Modi will unveil his ambitious "Make in India" campaign aiming to make the country a global manufacturing hub. The sales process for the ambitious plan will be done on 3,000 companies across the globe and PM Modi

will come before the US visit, where he will be the CEO of several Fortune 500 companies.

The purpose of the 'Make in India' campaign is to make India a manufacturing hub and the government is setting out a dedicated cell to answer business organizations' questions within 72 hours. All regulatory procedures will also be addressed and their compliance will be easy

Prime Minister Modi's signature initiative is an initiative to encourage local and foreign companies to invest in India. In this, there are many proposals designed to set up shop for foreign companies and to make the country a manufacturing powerhouse. Prime Minister Manmohan Singh had organized the 'Make in India' program in his first Independence Day speech. At a program organized at VigyanBhawan at 10 am on Thursdays, the entrepreneurs around the world will be united all over the country. Focusing on the issue of employment generation and skill enhancement, 25 sectors are emphasized. This includes automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, welfare, rail, auto components, design products, renewable energy, mining, bio-technology, pharmaceuticals and electronics.

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Air revenue will fall by 6 1.56 billion. Oil prices fell to an 18-year low in March, and foreign portfolio investors (FPIs) withdrew about 57 571.4 million from India. Lower oil prices will reduce the current account deficit, while capital inflows will widen. The rupee continues to depreciate.

MSMEs will face severe cash shortages. Numerous migrants live in this crisis during lockdown across the country. His main worries were losing his job, daily rations and lack of social security net. India should rethink its development model and make it more inclusive. Covid 19 has also provided some special opportunities to India. There is an opportunity to participate in the global supply chain, the confidence of multinational companies in China.

The pandemic has been catalytic in spurring a wave of innovation that augurs well for industries such as smart devices, consumer electronics, healthcare, IT services, among others, in the electronic manufacturing sector. The component manufacturing sector is heavily impacted by the effect of the virus, as automobile, electronics, aerospace, and other manufacturing and factory activities are shut down. All came from China, which is the global trading center for the supply of raw materials to global companies. Global manufacturing and supply chain realignment has been brought into sharp focus by the COVID-19 pandemic, with the outbreak accelerating a wide range of existing trends. In particular, we have seen supply chain weaknesses revealed as, in the midst of this unprecedented health crisis, over-dependence and over-centralization caused massive disruptions to development cycles. Businesses are increasingly searching for alternative global manufacturing destinations, from strategic risk diversification to cost considerations and business continuity issues, with development in India expected

to benefit.

Concept of Make in India

Make in India is an important new national program of Government of India, which provides investment facilities, encourages innovation, improves skills, protects intellectual property and creates the best quality infrastructure in the country. The primary purpose of this initiative is to attract investments from around the world and to strengthen India's manufacturing sector. The Government of India is leading the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry. Make in India Program is very vital for India's economic growth because its purpose is to use the existing Indian talent, to create employment opportunities and to strengthen the secondary and third sector. The objective of improving the quality of Indian business by facilitating bureaucratic procedures, making the government more transparent, responsive and accountable by eliminating unnecessary laws and regulations.

The Make in India program focuses on 25 areas. Chemical, Automobile Industry, Aviation Industry, IT and BPM Sectors, Pharmaceutical Sector, Construction, Defense Manufacturing, Electrical Machinery, Food Processing Units, Textiles & Clothing, Ports, Spoons, Media & Entertainment, Health, Mining, Tourism & Hospitality, Railways, Renewable Energy, Biotechnology, Space, Thermal Power, Roads and Highways and Electronics Systems.

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What about facilitating foreign investment regulations?

As part of the plan, the NDA government will reduce the foreign investment capacity in the construction sector to enable large participation in 100 smart city projects and affordable housing. FDI caps in rail and defense products have been reduced by 100% and 49% respectively.

Challenges

India has the manpower, but the skill level is low and government regulations are relatively restrictive. The US-China price war has given India an opportunity to enter markets such as steel and cotton.

If the crisis is seen as an opportunity, it will require significant labor and land improvements, allowing businesses to rent and fire, investing in investors, direct tax benefits in the SEZ, and structural improvements such as plug-and-play facilities.

Countries like Ethiopia and Kenya have specific skills for the sector that are paid labor and have built world-class infrastructure to attract foreign investors to start production within a week's time. The investor has many options. Countries like Vietnam have a vision and have notified the authorities to provide statutory approval and authorization for every investment in the country, Vietnam offers cheap labor, but its population of 100 million is less than China's 1.3 billion, and its roads and ports are already clogged.

Hypothesis

H1:- *Covid-19 has led to an increase in the orders for goods manufactured under make in India.*

H01:- *Covid-19 has not led to an increase in the orders for goods manufactured under make in India.*

HAI:- *COVID-19 has helped Indian manufacturers in large scale, medium scale and SSI sectors to receive more orders from the Indian market in general and Indian Government in particular.*

Literature Review:

Public policy-making in India a study - this paper has been authored by Swarnalakshmi, S under the guidance of Dr.Thandavan, R (This paper discusses public policy making in India and the existing framework. This paper tells us that the task of formulating policy cannot be delegated to any particular point or level in any government. Social conflict and change also prove the demand for government action, the paper said. There are different ways of formulating policy in different systems of government, the letter said.

Systematic frameworks for public policy-making in developing countries reflect the differences between industrialized countries. The paper tells us that public policy has attracted the growing attention of social scientists and researchers, and that when problems and issues are defined, the process of formulating public policy into global policies begins. Public policy is influenced by many political, socio-economic and administrative forces.

To promote self-respecting India (self-reliant India) and with the aim of making India 'Make in India', the government's e-Marketplace (GM) made it mandatory for vendors to mention 'Country of Origin'. They want to sell products on the platform. The government's e-Marketplace (GEM) has also made it possible to get an indication of the percentage of local content in goods to support 'Make in India'.

"GMM has taken a significant step towards a self-reliant India and made it mandatory for vendors to enter the country of origin while registering all new products on GM," the portal's chief executive officer Tallin Kumar told PTI. Vendors who have already uploaded their products before this new feature is applied to JM. With this new feature, the percentage of country of origin as well as

local content is now visible for all items on the market. The main thing is that the Make in India filter is allowed on the portal. The state of the world today teaches us that self-reliance is the only way to a "self-reliant India".

Research Methodology:

In this paper, researchers made an attempt to find the impact of COVID-19 on the pattern of increase in orders received by the Indian manufacturing sector to cope with its increasing health care needs and as an alternate to the Chinese suppliers in face of lack of quality medical tools being (faulty PPEs and test kits for COVID-19). A sampling method used to focus on respondents from Mumbai and Pune. T test is used to test the hypothesis. Researchers have received responses from respondents.

Objectives

1. To find the impact of COVID-19 Pandemic on the Indian manufacturing sector with a focus on Make in India program.
2. To find customer satisfaction level with the knowledge that their product has been manufactured in India.

DATA ANALYSIS

Objective: To study perception about 'Make in India' among manufacture industries of Pune Region

Null Hypothesis statements

H₀₁ = Make in India incentive can be successful in product development.

H₀₂ = Make in India initiative can contribute to driving up the consumer market

H₀₃ = Make in India initiative can contribute to increasing the percentage of the manufacturing sector in the Indian GDP?

H₀₄ = Make in India initiative can contribute to technology development in India.

H₀₅ = Make in India, attract foreign investment in the manufacturing sector.

H₀₆ = Make in India incentivize natural resource development industry.

H₀₇ = Make in India incentivize FMCG sector development in India.

H₀₈ = India Make India an export-driven economy

H₀₉ = Due to Make in India, consumer behaviour in India inclined towards adopting indigenous products

H₀₁₀ = Consumer electronics for really making Make in India successful.

Sample Collection

Researchers have contacted 500 Sr. Managers and Executives of manufacturing companies through e mails & social media (Facebook & LinkedIn) through 'Survey Monkey'. Duly filled 133 responses were used for further analysis.

Independent sample t- TEST:

S.No.	Hypothesis statement	N	T	P	Remarks
1	H ₀₁ = Make in India incentive can be successful in product development.	133	1.883	0.070	H ₀₁ is accepted
2	H ₀₂ = Make in India initiative can	133	3.754	0.0010	H ₀₂ is accepted

	contribute to driving up the consumer market				
3	H ₀₃ = Make in India initiative can contribute to increasing the percentage of the manufacturing sector in the Indian GDP?	133	6.396	0	H ₀₃ is accepted
4	H ₀₄ = Make in India initiative can contribute to technology development in India.	133	8.345	0	H ₀₄ is accepted
5	H ₀₅ = Make in India, attract foreign investment in the manufacturing sector.	133	0.259	0.800100	H ₀₅ is not accepted
6	H ₀₆ = Make in India incentivize natural resource development industry.	133	3.918	0	H ₀₆ is accept
7	H ₀₇ = Make in India incentivize FMCG sector development in India.	133	14.414	0	H ₀₇ is accepted
8	H ₀₈ = India Make India an export-driven economy	133	6.086	0	H ₀₈ is accepted
9	H ₀₉ = Due to Make in India, consumer behaviour in India inclined towards adopting indigenous products	133	2.41	0.0123	H ₀₉ is accepted
10	H ₀₁₀ = Consumer electronics for really making Make in India successful.	133	6.385	0	H ₀₁₀ is not accepted

Independent sample t-test was performed to identify the significance of means in different factors. The finding revealed that no significance difference among 8 factors with respect to Make in India as P value < 0.05. Only two hypotheses rejected (i.e. H₀₅ & H₀₁₀) as their P value > 0.05.

Conclusion:

- 1) The above research indicates that there is an impact of Covid -19 on the manufacturing industries.
- 2) Due to Make in India, consumer behaviour in India inclined towards adopting indigenous products
- 3) Consumer electronics for really making Make in India successful
- 4) Due to Make in India, consumer behaviour in India inclined towards adopting indigenous products

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