



## Make In India Campaign and Momentum Jharkhand: Developed Investment Opportunities in Jharkhand

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### ABSTRACT

The government of India has taken a number of steps to further encourage investment and improve business climate in MANUFACTURING. "Make in India" mission is one such long term initiative which will help to realize the dream of transforming India into a Manufacturing hub. In a bid to boost the "Make in India" initiative and to develop high value investment opportunities in Jharkhand, "Momentum Jharkhand Global Investors Summit" organized on 16-17 Feb 2017 in Ranchi. The summit aims to establish Jharkhand as a premier Investment destination for both foreign as well as domestic investors. As Make in India aims to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure in India. Jharkhand state has resourceful geography, endowed with vast natural resources, ranked 3<sup>rd</sup> in mineral production and home to 40 percent mineral reserves of India. Energy, health care, skill and education, tourism, urban development, IT, textiles, agriculture food and feed are the key sectors for investors. There have been many reasons for investors to invest in Jharkhand. It ranked first in labour reform and inspection related compliances in India, endowed with 40 per cent of India's mineral wealth, leading producers of Steel, Coal, Mica and Copper in India, 10.5 per cent GSDP growth rate-second fastest in eastern in India, ranked 5<sup>th</sup> in FDI destination in India. Abundant skilled human resources centers and about 28 industrial areas functioning in state, which also create interest for investors. Manufacturing has emerged as one of the high growth sector in India. The Make in India campaign helps India to place on the world map as a manufacturing hub while Momentum Jharkhand give global recognition to Jharkhand's Economy. Come make in Jharkhand, come Manufacture in Jharkhand, sell in India as well as in any country of the world.

**Keywords:** Make in India, Foreign Direct Investment, Information Technology, GSDP, skill development.

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### I. INTRODUCTION

India is a country rich in natural resources. Labour is plenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe.

Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. It was launched by the Prime Minister, Shri Narendra Modi on 25, September, 2014, which facilitates all the big business investors worldwide who want to do business in India.

It is a big step taken by the government of India to reduce the level of unemployment faced by the youths of the country. Doing business in India today is much more difficult than elsewhere, but the government wants to change this. Several pressing issues prompted the launch of this campaign. First and foremost is India needs to reboot its economy. After several years of gross national product growth averaging 7.7%, between 2002 and 2011, this pace slowed down to around 5% in 2013 and 2014. Secondly India needs more jobs for its young people. Recently, on an average 5 million new jobs have been created each year, but around 12 million people join the workforce each year. India's labour force is expected to grow to 600 million by 2022. Job creation will fight poverty and help divert people from agriculture, which has a low capacity to sustain their livelihood. Thirdly, India's economic development model has been quite peculiar, offering privileges to skilled labour often employed by foreign companies. That is why today manufacturing in China makes up 34% of gross domestic product. The Chinese have positioned themselves as the workshop of the world, accounting for 22.4%

of global manufacturing while India accounts for only 2%. India's manufacturing sector is less productive compared to its competitors and accounts for only 15% of its GDP. The government has set a target of 25% of GDP by 2022.

In order to make this initiative a great success, we need to be at par with the advanced world as far as usage of modern technology is concerned and we need to have more clarity, maturity and intensity on quality aspects of our products. India's youth population is both a strength and threat. In order to bring the huge chunk of unemployed youth power in to employment stream, India needs to create millions of jobs every year. The new government is aware of this fact and that is why the Make in India campaign is so earnestly launched. Make in India is not a short term programme; it will be an ongoing process.

In a bid to boost the "Make in India" initiative of Hon'ble Prime Minister Shri Narendra Modi and to develop high value investment opportunities in the state the Government of Jharkhand led by Hon'able Chief minister Shri Raghubar Das is planning to organize the maiden "Momentum Jharkhand Global Investors Summit" on 16-17 February 2017 in Ranchi.

Jharkhand, the 28th state of the Indian Union, was brought into existence by the Bihar reorganization Act on 15th Nov 2000. The State has immense potential for industrialization with its large deposits of minerals amounting to 40% of the total mineral wealth of the country. It is the sole producer of coking coal, uranium and pyrite and ranks first in the production of Coal, Mica, Kynite and Copper in India.

The State has made impressive strides over the years in industrialization. It has contributed to the revenue collection of the State besides improving the quality of life in certain pockets like Jamshedpur-Saraikela-Chaibassa, Ramgarh-Patratu-Hazaribagh, Latehar-Chandwa, Ranchi- Lohardaga, Bokaro-Chandankiyari-Dhanbad-Giridih etc.

Jharkhand is becoming the vanguard of industrialisation among the Indian States. To ensure regular and mega investment, the State has been able to convince the ambassadors of industries to choose Jharkhand as preferred investment destination. Accordingly, major industrial houses have inked MoUs with the State Government.

Jharkhand is presently producing about 20-25% of total steel being produced in the country. With the proposed expansion of a number of integrated steel plants, Jharkhand will be producing over 25 MT of steel and thus will turn to be a potential steel-hub of India. Recently, an MOU has been signed between the Steel Ministry and NMDC for establishment of 6 MT integrated Green Field Steel Plants. Even various types of auto grade steels, which were earlier being imported, are now being produced within the State. Department of Industries, Mines and Geology, organizations like Industrial Area Development Authorities, Jharkhand State Khadi and Village industries Board, Jharkhand Industrial Infrastructure Development Corporation (JIIDCO), JSMDC, Single Window Society and JHARCRAFT are making significant contribution in industrialisation of the State and some of them are cash surplus. Government is committed to provide international standard infrastructure and facilities in the industrial areas and estates managed by the Industrial Area Development Authorities.

Jharkhand Government is also keenly working towards skill development, improving exports, Mineral based products, Agriculture and Processed Food products to ensure increased industrial development across the State. Jharkhand is leading and is wooing investors in mineral exploration, Plastics, Chemicals, Electrical, Cement, Metallurgy and Automobile components, Equipment's for Heavy Engineering companies etc.

Jharkhand has important steel plants and mines. With auto grade steel plants being set up, there is a distinct advantage with respect to freight in sourcing cold rolled sheets. Jharkhand's automotive industry produces a wide range of products from simple nuts and bolts to complex items like shafts, radiators and axles supported by the Tata Motors as the anchor company.

Jharkhand has experienced phenomenal growth in Sericulture Sector. In order to maintain the leading edge and rejuvenate existing rural industries including sericulture, handloom, handicraft, khadi, textile etc., it is envisaged to assist them in modernisation/technological upgradation and provide necessary common facilities, backward and forward linkages including product design, marketing support etc. so as to make them globally competitive and their product remunerative.

Around 30% of Jharkhand's geographical area is covered with highly bio diversified forests, thus, giving opportunity for development of Minor forest produce based industries and herbal based industries. Also, its agro-climatic condition is suitable for development of Agri-based and allied sector industries.

Efforts will be made to add value to the above mentioned resources of the State located in various industrial areas and fully exploit the potential of respective areas so that the spread of industries and economic activities take place uniformly throughout the State without any regional imbalance.

### **Promotion of Foreign Direct Investment (FDI)**

Foreign Direct Investment (FDI) is one of the key indicators for determining the attractiveness of a global investment destination. This is also an important way of transmitting skills, knowledge and technology to the State and an important driver of industrial performance.

- a) In view of the above, it is proposed to enter into technological collaboration with overseas corporate bodies / multinational companies / NRIs for foreign investment and latest technologies in selected sectors, such as infrastructure, power, mineral development, food processing, biotechnology, non-conventional energy etc. on mutually advantageous basis. Overriding priority shall be given to such investors.
- b) Efforts will be made to institutionalise it for needs assessment and road mapping of FDI's and to provide special care in timely clearances.
- c) In order to promote FDI, the State Government has proposed to set up NRI cell both at National Capital and Ranchi which will work as interactive platform and facilitate NRI / PIO investors in setting up industries in the State. It will also help in the redressal of their grievances. It may also extend support to other enterprises of the State by facilitating their import-export with the help of NRIs / PIOs.
- d) The State Government proposes to organise investors meet in India and abroad in association with Industrial associations, Overseas Indian Facilitation Centre (OIFC) and other organizations. Department of Industries has already appointed Knowledge Partner for organizing Global Investor Summit. Efforts will also be made to facilitate visits of investors, entrepreneurs and Govt. officials for participation in major trade fairs / investors meet organised within or outside the country under the auspices of Government of India, its organizations and international organizations. Most favourable sectors for investors in Jharkhand are Energy, Tourism, Health care, Urban development, Skill and Education, IT, Textiles, Agriculture food and Feed.

## **OBJECTIVES**

- 1) To understand the concept of Make in India and Momentum Jharkhand.
- 2) To understand the reason why Jharkhand is investment destination.
- 3) To understand the impact of Momentum Jharkhand Global Investor Summit on Investment.

## **II. RESEARCH METHODOLOGY**

The study involves the data collected from the secondary sources. The secondary data has been collected from journals, Research paper, Newspaper, Government website and Final presentation given on momentum Jharkhand summit.

## **III. MAKE IN INDIA AND MOMENTUM JHARKHAND**

Make in India was launched by Prime minister against the backdrop of this crisis and quickly became a rallying cry for India's innumerable stakeholders and partners. It was a powerful, galvanizing call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world.

But, Make in India is much more than an inspiring slogan. It represents a comprehensive and unprecedented overhaul of out-dated processes and policies. Most importantly, it represents a complete change of the Government's mindset – a shift from issuing authority to business partner, in keeping with Prime Minister's tenet of "Minimum Government, Maximum Governance".

Similarly Momentum for investment in Jharkhand. Come make in Jharkhand, come Manufacture in Jharkhand, sell in India as well as in any country of the world.

Jharkhand is well planned sequence of domestic and overseas events organized with the intent to promote the state and woo investors

## **JHARKHAND: FAVORABLE INVESTMENT DESTINATION**

These are the sole reason which attract investor to invest in Jharkhand.

1. At present stable government with visionary development under the leadership of Sri Raghubar Das as Chief Minister of Jharkhand. The government focus on promoting industrial growth and harmony with collaboration between government and private sector.
2. Resourceful geography create opportunity for development the different sector. it ranks 3<sup>rd</sup> in mineral production and home of 40 % minerals reserves of India. Leading producer of steel, coal, mica and Copper in India.
3. Jharkhand has rich Industrial Heritage. Jamshedpur is the first planned city where India's first integrated steel plant set in 1907. World Bank report 2014 says that in "Ease of doing Business" Jharkhand stood 3<sup>rd</sup> rank in India. While in FDI Intelligence Survey it ranked 5<sup>th</sup> as FDI destination in India. There is single window clearance, online application and approval, regular consultation with Industry and Time bound grievance handling for business enablers.
4. There is strong policy framework passed by the government. They are
  - a) Jharkhand single window clearance Act 2015.
  - b) Jharkhand Industrial and Investment Promotion policy 2016
  - c) Jharkhand Industrial Park Policy 2015
  - d) Jharkhand Food Processing Industry Policy 2015

- e) Jharkhand Tourism Policy 2015
- f) Jharkhand Procurement Policy 2015
- g) Jharkhand Communication Towers and related structure Policy 2015
- h) Jharkhand Film Policy 2015
- i) Jharkhand Export Policy 2015
- j) Jharkhand Feed Processing Industry Policy 2015

5. There is abundant skilled Human resources. They are Birla Institute of Technology, Mesra, National Institute of Technology, Indian School of Mines, Dhanbad, XLRI, Jamshedpur, Indian Institute of Management, National University of Study and Research in Law, Central University of Jharkhand, National Institute of Foundry and Forge Technology, National Metallurgical Laboratory, Jamshedpur, Steel Authority of India Limited, R&D centre, Metallurgical & Engineering Consultants Limited, Central Mine Planning and Design Institute, TATA steel R&D Center.

6. Major industrial corridors and connectivity infrastructure- Amritsar Delhi Kolkata Industrial Corridor(181 Kms), Ranchi-Patratu-Ramgarh industrial Corridor (70 Kms), Koderma- Behragora Industrial Corridor (285 Kms). 15 National highways(NH) passes through the state, 2182 kms rail network, air connectivity to all metros and major cities helps Jharkhand favorable investment destination.

7. Urban development- investment opportunities include convention centre and urban tower in Ranchi, Jharkhand urban planning and management institute Ranchi, Bus terminal cum commercial complex in Dhanbad, market complex in Jamshedpur, Haz house, road and flyovers across state, development of seepage and drainage system and water bodies beautification.

8. The State of Jharkhand is blessed with huge natural resources such as minerals, forests, horticulture, water resources etc. Value addition to these resources will enable the State to develop fast. The State can be roughly divided into eight major zones based on raw material deposits and industrialisation.

Palamau – Garhwa : Deposits of Iron Ore, Dolomite, Coal, Graphite, China Clay and granite

Lohardaga Industrial Area / Latehar : Aluminium Industries based on bauxite reserves, Power Plants

Koderma– Hazaribagh Industrial Area: Mica based Industries, Power, Cement, Glass, Alloy Steels, Refractory and Power Plants

Ranchi Industrial Area : Medium and Large Scale Industries, IT-ITES, Food and Feed Processing

Dhanbad-Bokaro Industrial Area : Coal and Steel, Refractories, Coal based Power Plants

Singhbhum Industrial Area(Jamshedpur and Adityapur) and Singhbhum, Kolhan Division : Iron and Steel, Automobile and Auto Component, Cement, Uranium, Copper and Gold Mining, IT/ITES, Forest Produce based, Horticultural Food Processing, Silk and Textile

Ghatsila Industrial Area : Copper, Automobile and auto component and Forest based Industries

Deoghar-Jasidih and Santhal Pargana : Oil Mills, Glass, Steel, Aromatic-Medicinal Plant, Medicine, Coal based power plants, silk-textile, food and feed processing industries

9. Jharkhand's proximity to the Ports of Kolkata, Haldia and Paradeep, makes the State attractive for it to be an ideal location for Export Oriented Units (EOUs), interested to enter in emerging markets of South East Asia considering the freight advantage with safe, smooth and faster movement of their produce. Golden-Quadrangular-Super-Highway which passes through Jharkhand, is very close to some of the cities, viz. Dhanbad, Hazaribagh, Bokaro, Giridih, and Barhi. These cities are well connected to the super highway via branch roads. Further, it has high logistical advantage in catering to markets within and adjoining states of West Bengal, Odisha, Bihar and Chhattisgarh.

10. The combined population of Jharkhand and these four adjoining states is about 247.5 million, which is nearly 25% of the country's population, making it very advantageous from business perspective.

11. The Central Government's Eastern Dedicated Freight Corridor passes through the state and would connect Jharkhand with West Bengal, Bihar, Jharkhand, Uttar Pradesh, Delhi, Haryana, Punjab and Rajasthan and is expected to be immensely beneficial for industries in the state; it would immensely help in the transport of finished products to ports in Bay of Bengal in lesser amount of time thereby bringing down transportation cost.

12. Jharkhand is progressing fast on adopting best practices for making an investor friendly environment in the state to facilitate investments, employment generation and welfare of the people. Measures like Jharkhand Investment Promotion Board, single window clearance, online payments, online verification, third party certifications, self- certification, time bound approvals, availability of information online, standard operating procedures for approvals, deemed approvals, etc. are being adopted by various departments and government agencies.

13. The present policy aims at creating industry-friendly environment for maximising investment especially in mineral and natural resource based industries, MSMEs, infrastructure development and rehabilitation of viable sick units. The objective here is to maximise the value addition to state's natural resources by setting up industries across the state, generating revenue and creating employment. Government of India has launched ambitious programmes like Make in India, Skill India, Digital India, Start-up India, Smart-City Swachh Bharat,



Zero Defect-Zero effect etc. to improve the standard of living of the common people, revenue generation for social sector activities and employment generation, leading to overall development of the country. It is the right time to realise the objectives of these initiatives for the welfare of the Jharkhand State.

#### **MOMENTUM JHARKHAND AND INVESTMENT**

Make in India initiative by Sri Narendra Modi is literally inviting the rich and semi rich countries to step in India and invest their money for the future of India. It is like inviting the countries to set up their companies in India and manufacture in the territory of our country. In the same way Jharkhand government take initiative to attract investor organizing first Momentum Jharkhand Global Investors Summit in January 2017. Over 200 Memorandum of Understanding (MoUs) and Letters of Intent (LoIs) were signed for a total investment of more than Rs 3 lakh crore on the second day of Momentum Jharkhand —the state's maiden Global Investors' Summit (GIS). Jharkhand chief minister Raghubar Das pressed hard to convince investors that the state meant business. In his valedictory address, Das said: "The red carpet you are seeing now will remain spread forever. 24 hours of the day, the doors of my government are open for you." Das added said that proposals for various manufacturing units were made by a Chinese delegation. "I have already sent them to identify land. In fact, I have asked two others also to identify land, which is not going to be a problem." However, as that quote goes "Never judge a book by its cover". So, today, we are not going to judge the Momentum Jharkhand initiative by its policies and schemes, but future results.

#### **IV. CONCLUSION**

Momentum Jharkhand is an ambitious project, with an aim for sustainable growth of the state economy. With relentless policies towards this end, it is possible to make Jharkhand the powerhouse of manufacturing sector in the world. Make in India and Momentum Jharkhand creates job opportunities and looks for overall development of India, But like every coin has two sides it is not in the favor of agriculture development. But we have to accept that it is one such long term initiative which will realize the dream of transforming Jharkhand into manufacturing Hub. Start-ups in the core manufacturing sectors are poised to play a crucial role in the success of "Momentum Jharkhand".

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