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Analysis of the National Manufacturing Policy

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ABSTRACT

The GDP and Standard of living in a country depends on its Manufacturing process. When the products are manufactured in a country its value is effective for its population and help to increase their standard of living by increasing their Disposable Income i.e. Income in hand to spend for personal purpose. The National Manufacturing Policy made by Government aims to make India a manufacturing hub and it will benefit the consumer, Domestic market and Trade, increase country's income as they have to import less and will meet up with the requirement of Global multinational manufacturing companies. This research paper tries to analyze the National Manufacturing Policy and tries to connect the topic with SDG 9 i.e. Industry, Infrastructure and Innovation. Through this research paper, the readers will understand what the policy is all about, The strategies undertaken to complete it, how much it is developed till now, the success rate and the further enhancement required to make it fruitful.

I. INTRODUCTION

National Manufacturing Policy was introduced by Department of Industrial Policy and Promotion (DIPP) under the Ministry of Commerce and Industry in 2011. The policy was brought to strengthen the manufacturing sector and help in increasing the share of the manufacturing sector as the manufacturing sector contributed only about 14-16% to the GDP while country such as China is about 30%.³ Therefore, there was a need for a strong policy and reform to boost the manufacturing sector.

The main objective of the Policy is to increase the share of the Manufacturing Sector in the GDP to 25% and creating 100 million jobs by 2022.⁴ The Central Government would provide various incentives and support on Public Private Partnership (PPP) basis and the State

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³ *China: Share of Manufacturing*, THE GLOBAL ECONOMY, https://www.theglobaleconomy.com/China/Share_of_manufacturing/

⁴ *National Manufacturing Policy*, DEPARTMENT OF PROMOTION OF INDUSTRY AND INTERNAL TRADE, <https://dipp.gov.in/policies-rules-and-acts/policies/national-manufacturing-policy>

government would be encouraged to adopt the instrumentalities in the policy. The Department of Industrial Policy and Promotion (DIPP) in consultation with Central Government and State Governments have implemented the policy. Even other various schemes or initiatives were taken in order to support the policy such as Make in India, Start-Up India, etc. While the other objectives of the policy include⁵-

1. Development of Small and Medium Enterprises (SMESs).
2. Industrial training and skill up-gradation measures
3. Rationalization and simplification of business regulations.
4. Simple and expeditious procedure for closure of units
5. Promotion of Green Manufacturing.
6. Creation of National Investment and Manufacturing Zones (NIMZs).

Since the share of manufacturing sector in the Gross Domestic Product (GDP) as compared to other countries was lagged, it alerted the government and led them to ways to improve the situation. It even led to set-up of National Manufacturing Competitiveness Council (NMCC) in 2004. NMCC is an autonomous body which was set up to find new ways and suggest some initiatives or policies which can be implemented. The council in 2006 came up with National Strategy for manufacturing which identifies 12 Challenges that were being faced by the sector infrastructure, technology, economic conditions, etc. Therefore, in lieu of this the council came up with another policy that is National Manufacturing Policy in 2011. The policy also aims to increase the manufacturing sector's share in the international markets. This would help in enhancing the global competitiveness of the products manufactured in India in the global market and thus would help in increasing the exports and ultimately benefit the manufacturing sector. While other initiatives such as Make in India would help in increasing the investment in businesses in India and thus, the no. of products that are produced within India.

RELATION WITH SDG 9- 2030 Agenda for Sustainable Development Goals (SDGs) that includes 17 SDGs was adopted by United Nations which promotes policy-framework that would help in development but also helps in dealing with different issues like environment, crime, other political challenges etc.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.⁶ Now let us discuss the relation of National Manufacturing Policy with the

⁵ Hemant Singh, *What is National Manufacturing Policy of India?* JAGRAN JOSH (May 14, 2018, 17:30 IST), <https://www.jagranjosh.com/general-knowledge/what-is-national-manufacturing-policy-of-india-1526299833-1>

⁶ *Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation,*

Sustainable Development Goal 9 i.e. Industry, Innovation and Infrastructure.

- **Industry-** the National Manufacturing Policy aims to boost the manufacturing sector and thus it would help in improving the current conditions of the Industries as by providing them with better incentives and reforms.
- **Innovation-** The policy with aim to improve the condition of the manufacturing sector and to create more employment opportunities, introduces new and innovative schemes and policies which would help in increasing efficiency, improving skill level and etc. The policy also aims to promote green manufacturing.
- **Infrastructure-** The policy also aims to improve the infrastructure such by developing highways, roads, telecom facilities and etc. It is done as to promote opening of new businesses and to improve the level of technology used.

The main aspect as to SDG 9 covered in this Research Article is Industry.

CURRENT SITUATION- While if we look at the current situation according to World Bank the share of manufacturing sector is about 14% in the country's GDP.⁷ Even the unemployment rate is about the same as before. Despite being more in number, small firms accounted for merely 23 per cent of the total employment in organised manufacturing in 2016-2017. On the other hand, the employment share of large firms—having 100 or more workers—was 77 per cent of the total employment. The situation was reportedly the same in terms of productivity as small firms from organised manufacturing added only 11.5 per cent to the net value while the rest was contributed by large firms in 2016-2017.⁸ While China tops the list of most suitable location for global competitiveness among 48 countries followed by US and then India. India ranks 163rd in enforcing contracts and 63rd in Ease of enforcing business.

II. RESEARCH QUESTIONS

Ques.1- What major development policy covers and how it benefits population?

- This policy aims to increase share of manufacturing sector to 25% in GDP from 16% and to increase investment opportunities by creating global competitive standard infrastructure which is a way forward in making India an international hub for Trade. The Projects covered are as follows:

UNITED NATIONS- DEPARTMENT OF ECONOMIC AND SOCIAL WELFARE- SUSTAINABLE DEVELOPMENT GOAL, <https://sdgs.un.org/goals/goal9>

⁷ *Manufacturing, value added (% of GDP)- India*, THE WORLD BANK- DATA, <https://data.worldbank.org/indicator/NV.IND.MANF.ZS?locations=IN>

⁸ *National Manufacturing Policy*, GEOGRAPHY AND YOU (Dec 23, 2019), <https://geographyandyou.com/national-manufacturing-policy/>

1) **NMIZs (National Manufacturing and Investment Zones)**

It is a combination of production cells, public utilities, logistics with environmental protection facilities and is linked with processing area which had necessary infrastructure i.e. warehouses, industrial parks, export oriented units and special economic zones and Non- processing area include residential, social and institutional infrastructure. It is governed by a special body called SPV (Special Purpose Vehicle) which has delegates from state, central and other governmental ministries. **Benefits:**

- No tax on expenditure incurred for acquiring national or international firms.
- Establishment of training centre through Public - Private Partnership.
- Development of NMIZs would be on infertile, barren lands and will not harm agricultural land.

2) **Green Technology**

As India, pledged in Paris convention to decrease its carbon emission by 33-35% of 2005 level by 2030 we need a safer and conventional method while keeping it in pace of manufacturing requirements in order to cater the demands of global market. We need to explore the usage, pros and cons of using wind, hydro or solar energy before we depend on any of these explicitly. Solar energy is one such field in which India is doing exceptionally well and accomplished 30% of 2022 target of setting 100gw which accounted for 30% of renewable energy mix ⁹and today, India is the cheapest producer of solar energy.

Incentive given by government:

- Low interest rate for the firms who engage in using/ installing clean or renewable source of energy.
- “Best Green Unit” is to encourage, aware and recognise efforts of people.

3) **Delhi- Mumbai Industrial Corridor**

It is 1,483 km project undertaken for industrial development by linking India’s capital Delhi and its financial capital Mumbai through 24 industrial regions, 8 smart cities, 2 logistic hub 2 international airport, 5 power projects and two mass rapid transit system¹⁰. This project is the outcome of MOU signed between Government of India and Government of Japan and Japan promise to contribute up to US\$4.5 billion of financial support.

⁹ India on track to meet 175 GW renewable energy targets by 2022: ETILC Members, Economic times, 16-February- 2021.

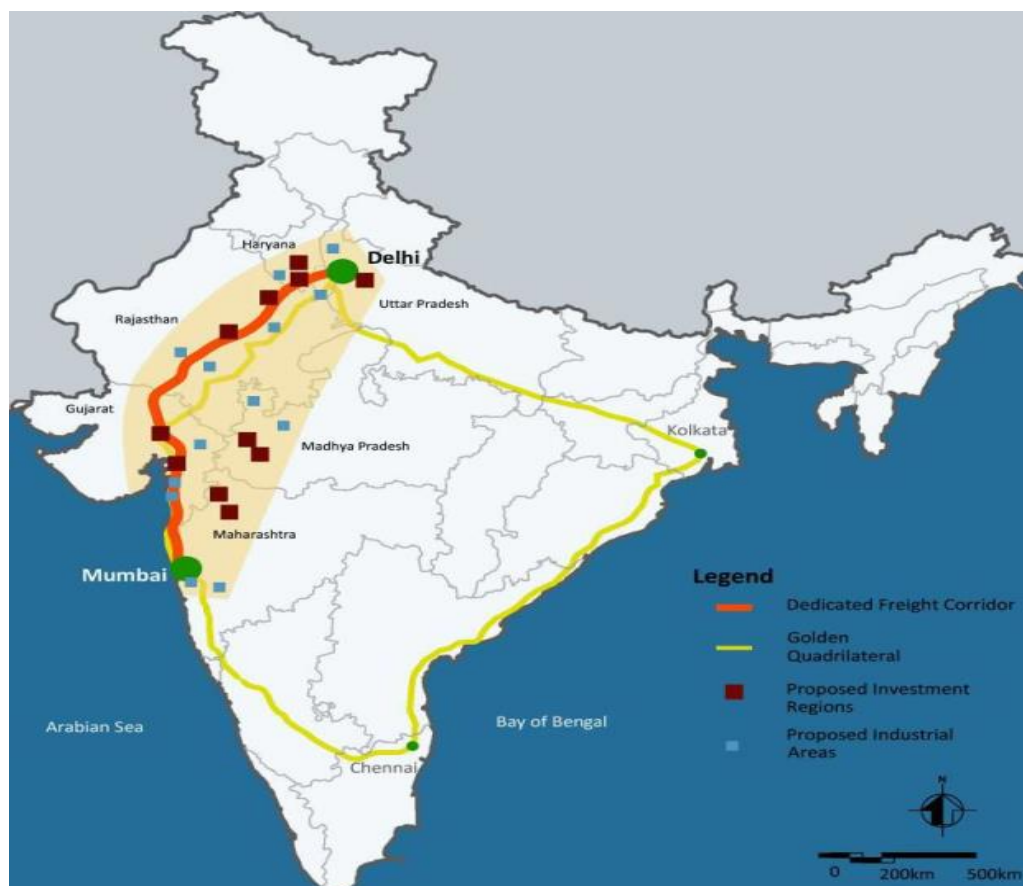
¹⁰ Make in India: DMIC to invite first anchor in August, Economic times, 16th-February-2016.

AIM:

- Double the employment opportunities in upcoming five years.
- Triple the output in upcoming five years.
- Quadruple export from different regions in upcoming five years.

Benefits:

- **Employment generation:** The first DMIC project in Gujarat provided employment for 8Lakh People and with the start of DMIC in every state the employment will eventually rise.
- **Time traveling decrease:** Due to less connectivity of roads and port time and cost consumed for sending and receiving goods is high and expensive and sometime due to delay the goods got damaged and cause huge loss to the concerned Businessmen. This connectivity resolve these issues.
- **Infrastructural Boost:** This project aims to provide global connectivity with the linkage of ports, airports and roads. It aims to create a institutionalized mechanism in which local regions can also be put into trade cycle through effective planning and coordination.



Source: Department for promotion of Industry and Internal Trade. (<https://dipp.gov.in/>)

Ques.2- What is the strategies including in this policy and what has accomplished yet?

- **Water**

In Financial Budget 2020, India allocates 570 crores and aims to create Blue Economy to increase production of fish by 200 Lakh tonnes by 2022-2023 and to raise 1 Lakh Crore fisheries export by 2024-2025. To achieve the same, the government opens 500 fish farmer producer organisations (Fish FPOs) and 3477 Sagar Mitra (Insurance cover given for fishing vessels).

Sagarmala is an initiative established in 2015 and is taken by government in order to increase the efficiency of country's coastline and Inland waterways for speeding up the transportation and boosting the performances of logistics performance ultimately enhancing the Industrial Sector. It covers more than 574 projects costing around 6.01 Lakh Crore and will be completed till 2035.

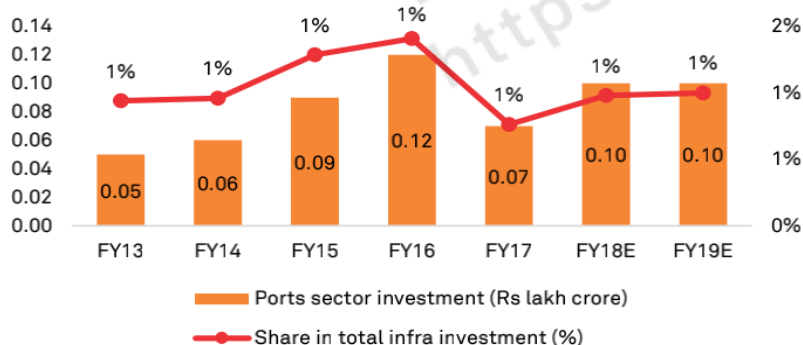
Currently, 121 projects costing 30,228 Crore had been finished around and 201 projects with a value of 3,09,048 Crore are under implementation.¹¹

Under this, Inter-ministerial committee was constituted under Niti Aayog to oversee the development of two main components:

CEZs (Coastal Economics Zone): These are a group of coastal districts or district within direct link of the port.

CEUs (Coastal Economics Units): These are specific industrial projects with a set boundary and is located under CEZs.

Figure 25 Ports sector investment (Rs lakh crore) and share in total infrastructure investment (%)



(Source: Appraisal documents for five-year plans, CRIS estimates (Investments mentioned are at Current prices))

¹¹ Ministry of Ports, shipping and waterways, <http://sagarmala.gov.in/projects/projects-under-sagarmala>, (Last visited May 17, 2021).

Medium, small and Micro Enterprises

It is the most important part of economy as it contributes 40% to the overall exports, provides employment to 110 million people across the country and has a share of 30% in the GDP¹². In the wake of Covid-19 India's committed to self-reliant i.e. Atma Nirbhar Bharat and MSMEs are the first which need boost in order to derive the whole economy on India's production as small parts when manufacture by them then, only multi-dollar companies would have their goods done.

Measures taken by government

1. 20,000 crore debts for MSMEs

- The guarantee would be available through all private and public banks applicable under CGSSD. It is for maximum of 10 years from the time from guarantee avilment day or 31st March or till the amount guarantee has been approved.
- Under this scheme promoters of these MSMEs would be entitled to get 15% of the stake or Rs. 75 Lakh whichever is less.
- As per reports of Mr. Nitin Gadhkari in Lok Sabha on March 20121, 332 MSMEs have enrolled in the scheme with the total loan of 38.4 Crore. ¹³

2. Emergency Credit Line Guarantee scheme

- It's a 3 Lakh Crore scheme with no collateral security requirement aims to benefit 45 lakh beneficiaries.
- It's to help Businesses to restart work and development activities in businesses and to meet operational liabilities.
- This policy is to address short term problems faced by Small business in the wake of covid-19 and this scheme is for existing borrowers not for first time Loan - takers.

3. Champions Portal

- Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength (CHAMPIONS) an ICT based model launch by PM Modi on June1, 2020 with the aim to help small units and provide them with new business opportunities.

¹² Mint, <https://www.livemint.com/news/india/msmes-the-growth-engines-of-the-indian-economy-11597923225239.html>, (Last visited May 19,2021.)

¹³ Financial Express, <https://www.financialexpress.com/industry/sme/msme-fin-rs-20000-cr-subordinate-debt-scheme-nine-months-after-launch-only-this-many-msmes-benefited/2216931/> (last visited May 19, 2021)

- The main control room is in New Delhi and with 68 control rooms¹⁴ in different states which helping these small units with every possible support like finance, technology, skill development etc.
- It is to increase output and national strength by conferring people to modern developments, equipment, technologies and methods in order to stick to the quality demanded in global market.

Skill Training Eco-System of Ministry of MSME

The ministry is organizing number of programs, training and courses for future and existing entrepreneur and work force in order to prepare a well-polished work force which can work the efficiency and contribute to counter current challenges faced by India in its emergence.

The table below shows the number of people trained each year and number of employed people per year:

Year	Program (in num- bers)	Trainees (in num- bers)	Achievement (Success rate)				
			Wage employed		Self employed		Overall %
			No.	%	No.	%	
2013-14	1045	30910	8843	51.34	5905	41.36	47.54
2014-15	1599	47092	15419	32.74	9236	19.42	52.16
2015-16	1075	31874	14130	44.30	6313	19.18	64.10
2016-17	135	4050	2159	53.00	615	15.00	68.00
2017-18	87	2610	328	12.56	498	19.08	31.64
2018-19	25	750	54	7.00	53	7.00	14.00
2019-20	89	2290	67	3.00	88	3.84	6.84

(Source: Government of India Micro, small or Medium Enterprises, Annual Report 2020-2021)

Question 3: How National Manufacturing Policy provided boost to Foreign direct investment and exports?

Under National Manufacturing policy Government has taken some Policies to improve the infrastructure, agriculture and Marine industry. These are as follows:

- **Mega Investment Textile Park (MITRA):** This aims is to develop high tech global

¹⁴ Government of India Micro, small or Medium Enterprises, Annual Report 2020-2021, <https://msme.gov.in/sites/default/files/MSME-ANNUAL-REPORT-ENGLISH%202020-21.pdf> (last visited May 19, 2021)

standard infrastructure in order to provide multi-billionaire companies a platform to open their manufacturing hubs and provide economies of scale.

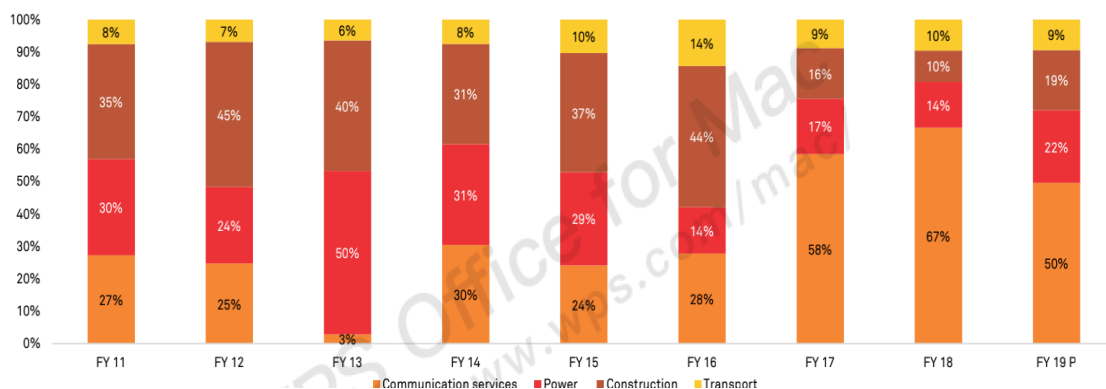
- **Development of Harbor and Ports:** This is in relation to development of Modern needs harbour and fish landing centers around five big ports Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat and a seaweed park in Tamil Nadu. This will increase the exports facilities from ports to industries.
- **Operation Green:** This project is to stabilise the supply of a basic agricultural goods Top i.e. Tomato, Potato and Onion in order to maintain its continuous supply around the country.

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector rises to US\$ 91.28 billion between April 2000 and September 2020. In May 2020, the Government of India increased FDI in defence manufacturing under the automatic route from 49% to 74%.¹⁵The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

Currently, some of the biggest start-ups include:

- In feb 2021, amazon deals to start manufacturing its electronic products in India starting with Amazon Fire TV stick manufacturing.
- Google in February 2021, announced \$15 billion investment in order to provide boost to Micro, small and Medium enterprises in the wake of Covid-19.
- Apple co. Starts manufacturing of Iphone in India in 2017 looking at the local customer demand and holds a share of 2.7% in Domestic manufacturing market.

Figure 109 FDI in various infrastructure sectors in India, FY11-19



¹⁵ Indian Brand equity foundation, Indian Manufacturing Sector In India Industry Report, <https://www.ibef.org/industry/manufacturing-sector-india.aspx>

(Source: RBI Annual Report, 2019)

According to the Ministry of Statistics & Programme Implementation, India's industrial output, measured by the Index of Industrial Production (IIP), stood at 135.9 in December 2020. Overall merchandise exports stood at US\$ 200.80 billion between April 2020 and December 2020.

Exports	Year	Comparison from last year
\$439.64B	2015	5.48% increase
\$498.26B	2016	13.33% increase
\$538.64B	2017	8.1% increase
\$528.30B	2018	1.92% decline

(Source: macrotrends.net)

These statistics are of after 2014 i.e. after implementation of National Manufacturing Policy and there is an increase of exports every year and 2016 shown a tremendous growth of exports by India. The possible reasons are:

- The ease regulatory policy will make Imports and Exports convenience for people and Global slowdown would open many new opportunities due to low cost and developing countries like India can take advantage of the same.
- Increase in number of skilled and trained employees who can decrease the time of productivity and focuses on quality and measures to reduce cost of the goods.
- The incentive provided by the government and increase in government procurement will further provide boost to manufacturing process in the Country.

Question 4: How National Manufacturing Policy boost Public Private Partnership?

Public private partnership is way to combine finances of private sector and fixed assets hold by government and to assign Private sector to handle its operation in order to maintain its profit and decrease risk engagement. It is to use resources hold by private firm in lieu of incentives provided by the government for effective working of the industry.

Public Private Partnership Appraisal Committee (PPPAC)

This committee is setup with the motive to provide speedy appraisal of projects, counter delay, adopt international standards and to maintain uniformity in guidelines and approve time period.

PPP projects in sectors such as roads, ports, airports and urban infrastructure are not for ordinary private sector projects, which derive their need from competitive markets, where prices are determined by forces of demand and supply and do not involve government resources. NHDP projects (with civil construction cost above Rs 1,000 Crore) and port projects costing for more than Rs 1,000 Crore (under the PPP mode) would need PPPAC and CCEA approval. On November 2020, the 1,103 projects amounting US\$274,959 Million has been approved and 1057 projects has been under-construction.¹⁶

Some important project undertaken are as follows:

- **Establishment of Regional Resource Centres**

Centre for Health, Education, Training and Nutrition Awareness (CHETNA) has been engaged in providing help to 21 mother NGO's working for the effective implementation of Reproductive and Child Program (RCH). The objective is to strengthen the capacities of MNGOs/Service NGOs (SNGOs)/ GO functionaries through technical support to build linkages with State Government to fulfil motive of RCH programme.

- **Education Sector**

To build a uniform structure across the country for school education, the 10+2 system has been adopted by all the States and Union Territories of India. Higher and technical education is provided through universities and colleges in the general higher education category (Arts, science and commerce) and technical education category (engineering, pharmacy etc).

Performance Management of CHC

Shamlaji Hospital located in tribal area of Sabarkantha district of Gujarat worked under All India Movement for Seva. The objectives of providing quality healthcare to the poor people and people in rural areas who are unable to access hospitals. To enable the Poor to access proper health services, government join hands within NGO under a Performance Management framework to provide easy, effective and often free services to the poor and needy.

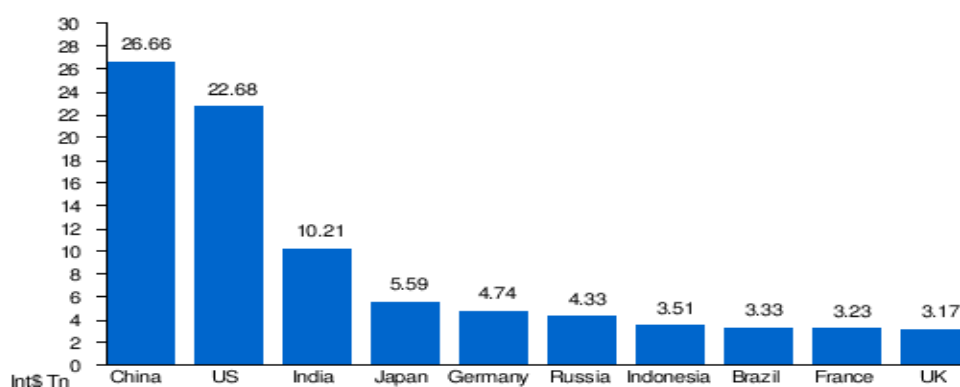
Question 5: Effect of National Manufacturing policy on Purchasing Power Parity?

India is ranked 3rd highest among all countries in terms of Purchasing Power parity and India accounts for 6.7% or \$8,051 billion, out of the world's total of \$119,547 billion of global Gross Domestic Product (GDP) in terms of PPP.¹⁷

¹⁶ PPP Knowledge Lab, PPP Framework, <https://pppknowledgelab.org/countries/india>.

¹⁷ India retains position as third largest economy in PPP, global actual Individual consumption, capital formation, Economic Times, June 23, 2020 .

Since the policy aims to increase the employment opportunity, it would increase the income of people and also help them in improving their skills and productivity which would result in more purchasing power and increased consumption and this would help in improving their Purchasing Power Parity. Increased productivity would also result in more quality products which thus would increase the number of alternatives available in the market. In 2019, the poverty line reduced further to about 2.7% and India no longer holds the position of the nation with the largest population under poverty. The Indian middle class constitutes 600 million of the population.¹⁸ The figure below shows ranking of economies on the basis of PPP in 2021:



(Source: <https://www.wikiwand.com/>)

III. ISSUES DISCUSSED

Challenges or Issues faced- India's R&D spend is 0.9% of GDP, whereas China, UK and Israel spent about 1.2%, 1.7% and 4.3% respectively. India's R&D spend to GDP ratio being only 2/3rd's of China and India having only a 0.4% share of patents filed worldwide in contrast to 5.8% for China and 21.8% for US.¹⁹ There are various issues that are currently being faced by the Indian industries and these are as follows-

1. **Infrastructural deficit-** One of the Key Challenges is that India faces infrastructural deficit which means lack of physical infrastructure which can reduce or effect the total output produced by different organizations. There is lack of proper infrastructure that is required for optimum production such as poor connectivity with the market due to inadequate transportation or poor conditions of road or like lack of proper places or warehouses for storage of raw

¹⁸ <https://worldpoverty.io/>

¹⁹ *The Manufacturing Plan- Strategies for Accelerating Growth in Manufacturing in India in 12th five-year plan and Beyond*, NITI AAYOG, 49-50, https://niti.gov.in/planningcommission.gov.in/docs/aboutus/committee/strgrp12/str_manu0304.pdf

materials or finished goods. Even with the growing digitalization, there is now a need for proper internet connection and electricity and so it also poses a challenge to the industries.

2. **Complex Procedure and framework-** The procedure involved for commencing a business is very typical and takes long times for proper verification which affects the investors from investing and entrepreneur for starting a new business. For e.g. before starting a company, there needs to be proper certificates issues and there are 4-5 stages that one have to go through, but this does not stop only at starting of business but rather this goes on, like in between of transactions also the government can interfere. Another example is for issuing a copyright, patent etc. there are a lot of applications and verification process that are involved in the procedure which wastes a lot of time and can even result in loss of opportunities.

3. **Lack of Investment-** one of the reasons for low manufactured output is due to lack of investment. It is because investors are not willing to invest into risky projects or new businesses which reduces the opportunities for new entrepreneurs and therefore it causes the industries to not fully realise its potential.

4. **Outdated Technology-** In a lot of industries there is a usage of outdated machines and equipment's and due to low funds or investment they are not able to purchase or change it which reduces the efficiency of the industry and therefore effects the quantity and quality of the goods produced.

5. **Environmental Challenges-** There are many industries that still do not follows environment friendly machines and equipment which although helps in production but at the same time effects the environment badly and also many industries ignore their liability. Even many industries do not follow the eco-friendly guidelines.

6. **Low Skilled Labour-** Another challenged faced is related to labour. Due to low skilled labour there effect upon the overall production as it reduces its quality, quantity, leads to improper usage of the machines and equipment's. Therefore, there is a need of availability of skilled labour who can perform the task assigned to them effectively.

Now let us analyse the various strengths and weakness of the policy-

No.	Strengths	Weaknesses
1.	The policy tries to strengthen the manufacturing sector of the country and so it would further help in making India a	If the policy is not properly and adequately implemented then it would not be able to reach the desired aim and before that the challenges need to be

	favourable place for doing the business.	overcome.
2.	The policy would remove unnecessary restrictions and improve the ease of doing business.	Even though if commencing a business would be made easier but it would also increase a lot of competition and if the small scale industries are not able to keep pace with it they would be closed.
3.	The policy promotes green manufacturing and introduction of new methods as a way for sustainable development.	There are still not proper guidelines or rules that would ensure proper following of the environmental regulations.
4.	The policy introduces new opportunity for people to be employed and therefore would help in increasing the no. of jobs and ultimately help in reducing unemployment.	In India, the availability of skilled labour is low and therefore, it ends up with employing low-skilled labours which effects the productivity. Hence, reforms as to growth and development of labour should be added.
5.	The various incentives would benefit the Small and Medium Scale Enterprises. Providing them with employment and help in increasing their production.	The demand and other factors keep changing in the market and so the SMEs should keep up with the change in trends if they want to survive in the market.

Opinion-The National Manufacturing Policy aims to improve and boost the manufacturing sector and allowing new employment opportunities for many people and providing various incentives in order to increase productivity and share contributed by manufacturing sector to the GDP. Although there are some areas in the policy which can be amended or are ignored in the policy such as the trends and the demand is always changing and if the businesses are not able to adopt it, it would result into inefficiency and rise in the cost. Therefore, there are many advantages of the policy but at the same time it must be ensured to overcome these challenges or weaknesses of the policy.

IV. DIMENSIONS IN LAW AND ECONOMICS

The National Manufacturing Policy have a great impact upon manufacturing sector and if the implementation of the policy is done in a right way, it would benefit a lot of parties such as

labors, industries, entrepreneurs, the State etc. It would help in improving the standard of living of people by providing them quality products and increase in employment would increase the income of people. The policy aims to create 100 million jobs by 2022 and if this happens then it would help in reducing unemployment level in the country. It would even help in improving the skill of the labors or employees by giving them training.

This thus would ultimately help in improving the productivity of labors and would help manufacturers in increasing efficiency. The policy also aims to improve infrastructure such as by building highways, ports, railways infrastructure and many others. This would also help in increasing the efficiency and help manufacturers to expand their business, thereby expanding the scope of business. All these factors together would help in improving the economy of the country.

By simplifying the procedure for commencing a business, the respective organization would be able to focus more upon its activities and growth of the business. While by easing the FDI regulations, more foreign investors would like to invest making India, a desirable location for doing business and this would even help in introduction of advanced technology in the country. Even by providing various incentives and subsidies to SMEs, it help in growth and development of the business. Therefore, by simplifying these rules and regulations, new businesses would be more likely to have a greater opportunity to prosper in the market and the opportunity for innovation.

V. CONCLUSION

Overall, the National Manufacturing Policy aims to boost the Manufacturing Sector and create new Employment Opportunities and this would help in increasing the contribution made by the Manufacturing Sector in the GDP and benefit the overall economy. The policy introduces various other schemes and incentives such as for SMEs, creation of NIMZs and etc. and addresses the issues concerning the procedural delays and by making the procedure for commencing of new business, exit mechanism for unit closures etc. The policy will help in increasing the efficiency and the global competitiveness of the Manufacturing Sector of the country.

Although there are a lot of advantages and strength of the policy but at the same time there are a lot of challenges which lies ahead and the main challenge is proper policy implementation and enforcement. To achieve the aimed objectives the policy needs to be adequately implemented and thorough monitoring of the enforcement of the policy needs to be done, as to ensure the desired goal. While there are many challenges as to the policy but proper

enforcement and implementation of the policy would help in growth of the Manufacturing Sector and thus ultimately help the Country to be self-reliant and benefit its economy.
