

Empowering India's Manufacturing Competitiveness

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Noida SEZ was happy to be part of the session on “***Empowering India's Manufacturing Competitiveness***” in the 3rd Global Value Chain Meet. It was highlighted that India is putting in measures so as to enhance the share of manufacturing to GDP to the target of 25% by 2030. Moreover, the share of global trade had to be enhanced and the country needed to be part of the global value chains in critical sectors. Some strategic interventions aimed at expanding India's trade footprint and boosting its manufacturing sector were also suggested.

A key pillar of these interventions was the Production-Linked Incentive (PLI) scheme, designed to attract foreign investment and stimulate domestic production by offering fiscal incentives to companies that meet specific production targets. Manufacturing competitiveness can also be enhanced based on robust infrastructure development. The initiatives like the PM Gati Shakti was stressed which had the objective of integrating various ministries and departments to streamline infrastructure projects,



enhance connectivity, and improve logistics—all crucial elements for a thriving manufacturing ecosystem.

The session mentioned that technological advancements are another avenue through which India can enhance its manufacturing efficiency. The integration of digital technologies, automation, and artificial intelligence offers the potential for significant operational gains. Yet, these advancements required a strong foundation in research and development (R&D), particularly in private sector investment. Bridging this gap through public-private partnerships (PPPs) focused on R&D could foster a culture of innovation that is essential for sustaining long-term competitiveness.



Another key aspect highlighted were the skilling initiatives which were aligned with industry demands, particularly in emerging fields like AI and automation, are imperative. The skill development centre in Noida SEZ was mentioned. The evolving concept of the "gig economy" also presented new opportunities, allowing

individuals to acquire industry-relevant skills through certifications rather than traditional degrees, thus creating a more agile and adaptable workforce.

India's manufacturing ambitions cannot be realized in isolation from global trade dynamics. The session dwelt on the ongoing shift towards "friend-shoring"—where countries prefer to trade with trusted partners—adds a new dimension to India's trade strategy. Engaging in free trade agreements (FTAs) with key trusted partners, along with enhancing product quality, adhering to international standards, and maintaining competitive pricing, were essential steps to better integrate India into global value chains and attract international business.

Sustainability, a recurring theme throughout the discussions, was also mentioned as being integral to India's manufacturing future. As the country aimed to transform into a \$5 trillion economy by 2025, or even \$7 trillion by 2030, embedding sustainable practices into manufacturing processes

would be crucial. By harmonizing policy interventions, infrastructure development, technology adoption, workforce skilling, and sustainability efforts, India stood poised to not only boost its manufacturing capabilities but also establish itself as a global leader in the sector.



The key takeaways from this session were the following:

- it was important to leverage investment as a key driver for manufacturing competitiveness and infrastructure development
- PLI schemes would be critical in setting the ball rolling for achieving these objectives.
- Infrastructural development through the schemes like the PM Gati Shakti are essential to ensure effective integration into global value chains.
- Exports are also a key component of ensuring manufacturing competitiveness and trade agreements with strategic partners can ensure this.

The intervention by Noida SEZ also focussed on the facilities available in SEZs for enhancing manufacturing competitiveness like the state of the art infrastructure, duty free sourcing of inputs and capital goods thus obviating the locking in of working capital, inhouse customs clearances with a trade facilitatory approach, online approvals and speedier decision making.
