

MAKE IN INDIA

Progress of India and development of industries in India are more or less synonymous, because on the one hand industry contributes to GDP significantly and on the other hand, the Government gets a major share in the form of tax revenue from industrial production, which the Government spends on the welfare schemes and a lot of employment opportunities are generated in industrial sector as well.

Following a grand vision of having India excel as a global Manufacturing Hub, our beloved and dynamic Prime Minister launched the “Make in India “ programme on 25th September, 2014 through the Department of Industrial Policy and Promotion, putting forth the various dimensions of the programme before the people.

Make in India refers to the production in India with global quality standards. For this purpose, we will be needing substantial capital and technological investment in India.

The major objective behind the initiative is to focus on 25 sectors of the economy for job creation and skill enhancement. Some of these sectors are: automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways, auto components, design manufacturing, renewable energy, mining, bio-technology, and electronics.

The initiative hopes to increase GDP growth and tax revenue. The initiative also aims at high quality standards and minimising the impact on the environment. It also hopes to attract capital and technological investment in India.

Under the initiative, brochures on the 25 sectors and a web portal were released. Before the initiative was launched, foreign equity caps in various sectors had been relaxed or removed.

The application for licences was made available online. The validity of licenses was increased to 3 years. Various other norms and procedures were also relaxed.

In August 2014, the Union Cabinet allowed 49% foreign direct investment (FDI) in the defence sector and 100% in railways infrastructure.

In a major boost to the government's reform agenda, in March 2015 Parliament of India passed insurance bill, raising the ceiling for foreign investment in the sector from 26% to 49%.

Few decades ago Karnataka was ranked among the top 3 states in Manufacturing and Infrastructure, and now being slipped to the 5th rank.

Contribution from this sector to the state GDP is around 16% and the using the initiatives of the Government of India it should reach around 25% to the State GDP.

The Government has recently conveyed its sanction for a pilot scheme for enabling industries in the capital goods sector to be in line with the global competition for which there is a provision of 930 crore, out of which Government of India will provide 581.22 crore through grants-in-aid and the balance amount will be contributed by

the consortium of industries. This scheme includes the following major components;

- Five Centres of Excellence for technology development at IITs (Delhi, Mumbai, Chennai & Kharagpur) and CMTI, Bangalore (312.5 crore).
- One Integrated Industrial Infrastructure Facilities Park for Machine Tool, near Bangalore (400 crore).
- Two Common Engineering Facilities Centres (one of them at Surat, Gujarat) (61.20 crore).
- Testing and Certification Centre for construction equipment and earthmoving machinery (100 crore).
- Technology acquisition programme (50 crore).

After Capital and Technical Investment in Capital Goods Industry, demand for skilled manpower in this sector will increase and keeping in view of long term demand, Capital Goods Skills Development Council is making a comprehensive plan under which components like skill gap identification, standardization of occupational standards, identification of master trainers, training for trainers and third party certification etc. are being finalized.

With the increase of trade and commerce, number of commercial disputes are bound to arise. Having speedy, cost effective and fair settlement of commercial disputes, preferably in an informal way, is the key for becoming leader amongst the developing nations.

The World Bank Doing Business Report has placed India very low on the ease of doing business index. We need to remedy this situation and undertake measures that ensure that the world sees India as a country where transparent and speedy justice is possible. The Law Commission has recently recommended the enactment of an enabling law to be used for the timely and effective resolution of commercial disputes.

We all know that our regular courts are overburdened with huge pendency of civil as well as criminal cases. Therefore, we need to resort to Alternative Dispute Resolution (ADR) mechanisms like arbitration for settling commercial disputes. Globally arbitration has become the major instrument for settlement of contractual obligations. The basic advantages of arbitration are:

- a) simplicity of procedure
- b) low costs
- c) cordial atmosphere
- d) expeditious disposal

Normally, every commercial agreement contains an arbitration clause for settlement of a dispute, if arises. The common experience is that alternative dispute resolution processes preserve and enhance personal and business relationships that might otherwise be damaged by the adversarial process.

The Government is strongly committed to simplify legal procedures, weeding out redundant laws and significantly reducing Government litigation. We have taken steps to remove redundant laws from the

statute book. States have already notified State Litigation Policies and the Central Government is in the process of doing so. Government has also supported process re-engineering by High Courts to simplify procedures.

Government has taken many steps to popularize alternate dispute resolution (ADR) and to create the necessary infrastructure to implement ADR mechanisms to resolve disputes without having to resort to litigation. More than Rs 350 crore has been released under the 13th Finance Commission to State Governments to set up ADR Centres and train mediators. We hope to amend the Arbitration and Conciliation Act, 1996 soon to make the arbitration process more investor-friendly, cost effective and suitable for expeditious disposal of cases. Our goal is to make India a hub of international commercial arbitration.