

CEO ROUNDTABLE

India's Century Vision for Manufacturing Sector

16 May 2024 | New Delhi



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Building a better
working world

CEO Roundtable India's Century Vision for Manufacturing Sector



India celebrated its 75th anniversary of independence in 2022. Milestones like these not only give an opportunity to celebrate the achievements of the past but are also an occasion to envisage a vision for the country. The Government of India has set for itself the goal of becoming a “developed” economy by 2047. India's manufacturing sector is a key contributor to the country's economic growth. It accounts for about 15%-17% of India's Gross Domestic Product and employs around 12% of the country's workforce. The Indian government expects that 25 % of the economy's output will come from manufacturing by 2025. The sector is diverse and includes a range of industries such as farm machinery, steel, automobiles & transportation etc.

Manufacturing sector has grown at 11.6% in Q3 of FY24 over Q3 of FY23. Manufacturing PMI continues to be well above 50. Important sectors such as steel, cement and passenger cars have all recorded double-digit growth in the current financial year. E-way bills generated have grown at 16% during April-December in FY24 as against corresponding period in FY23, indicating enhanced movement of goods and economic activity. Infrastructure sector and real estate sector are doing well as reflected in the growth of IIP for infrastructure, cement and steel production and prioritizing spending towards infrastructure development by the Government. Construction sector grew at 9.5% in Q3 of FY24 over Q3 of FY23 and is up 10.4% during April-December in FY24 vis-à-vis the same period in FY23

India's century vision for the manufacturing sector represents a bold and ambitious endeavour to unleash the nation's full potential on the global stage. Through strategic government initiatives such as PM Gati Shakti, Foreign Trade Policy and the PLI scheme, India is laying the groundwork for a modern, competitive, and sustainable manufacturing ecosystem. By leveraging infrastructure development, promoting indigenization, incentivizing production, and embracing technology and innovation, India is poised to emerge as a manufacturing powerhouse in the 21st century, driving economic growth, job creation, and prosperity for its citizens.

The initiative to aid manufacturing comprises competitive direct tax rates, a simplified indirect tax regime, incentives under Production Linked Incentives, a better quality of infrastructure, access to renewable energy and other factor Production Linked Incentive Scheme (PLI) scheme, by far, has been the most transformative reform, covering 14 sectors, which have attracted investment commitments to the tune of INR 2.5t (US\$31.3b). Many labour-intensive & new-age skill sectors such as Advanced Chemistry Cell, Automobiles and Auto Components, farm-machinery, Large scale Electronics & Components etc processing are covered by this scheme.

Therefore, with a view to discussing key sectors & policies, ASSOCHAM is organising a “CEO Roundtable - India's Century Vision for Manufacturing Sector” on May 16th, 2024 | New Delhi.

Key Discussion Points:

- How can Bharat become a reliable Industrial Partner for the world (offering high – quality industrial solution, technology & innovation excellence and with best-in-class cost-competitive structure)?
- How can India ensure private sector Capex Growth?
- How can become an Integral part of global value chains, with ~20X increase in manufacturing exports.
- Bharat – headquartered firms to be a global champions sector across traditional as well as emerging.
- Make Bharat among the top/preferred investment destinations of the world.
- Lead the world in transitioning towards a 'green and clean' industrial supply chain, with >55% net carbon emission intensity.

Key Focus Sector / Areas:



Investment



Cost of Doing Business



Industrial Infrastructure



(FTAs)



Production Linked
Incentive Scheme 3.0



FAME 3



Automotive Industry



Including Electric Mobility



Advanced Chemistry Cell



Farm machinery

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