

Qo The share of manufacturing sector both in India's GDP or overall employment has largely stayed stagnant. Discuss the reasons and suggest measures to improve the situation.

Manufacturing sector is one of the key ingredient in the Indian economy and is the most imp. factor for its growth also.

It accounts for about 15% of GDP of India

Reasons :

(1) Covid Pandemic : It has affected the Nation's economic factors in all aspects. Demand was not there, the trade was stopped.

(2) Ukraine - Russia War : It has affected India in terms of raw material and oil, which



③ Industries, MSMEs are not able to get adequate credit to run their business and even to start it. Hence affect manufacturing sectors.

④ Inadequate Technology :- Industries are lacking Technology based infrastructure for communication, transportation etc.

⑤ Competition from other countries and imports :- India faces competition hence its become difficult for domestic business.

Government Initiatives :-

1. Production Linked Incentives - to scale up domestic manufacturing.
2. PM Gati Shakti - multimodal connectivity project.
3. Bharatmala - improve North East connectivity.
4. Startup India - to promote startup culture.
5. Make in India 2.0 - To transform India into a manufacturing Hub.

WAY FORWARD :-

- ① Strengthening MSMEs by providing skills development, finance and policy support to them.
- ② Invest in infrastructure, improving the quality and availability of infrastructure.
- ③ promote export oriented mechanism :- promote exporting of domestic products ; tap new market and new products.
- ④ Encourage skill development & Fostering innovation.