



GLOBAL MANUFACTURI NG RISK INDEX

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- our service sector contributes to 54.13% while manufacturing sector contributes to 18.32% followed by agriculture which is at 14.39%.
- Manufacturing provides many jobs, at all levels. It is important as an employment generator. Among all sectors (service, agriculture, social, manufacturing), manufacturing distributes wealth most equitably among the work-force; hence is a key factor to pull people above the poverty line

- Prime Minister Narendra Modi launched the Make in India campaign in a bid to transform India into a global manufacturing hub.
- After the pandemic pushed India into its worst economic contraction since liberalisation in 1991, Government, yet again, pitched India to become the world's factory in an effort to capitalise on the United States-China trade war.

The unprecedented times of the COVID-19 pandemic has shaken up the entire world and India too has not been spared through the adverse impact of the same.

However, even in such situations, India has emerged as a global manufacturing hub and effectively surpassed the United States to become the world's second most desired manufacturing destination.

This indicates the growing interest in India by manufacturers as a preferred manufacturing hub over other countries including the United States and the manufacturing giant nation, China. India's ranking was reflected in Cushman & Wakefield's 2021 Global Manufacturing Risk Index

assesses the most advantageous locations for global manufacturing among 47 countries in Europe, the Americas and Asia Pacific.

Within the following report, countries are assessed based on four key areas:

- **Bounce Back:** Projected ability to restart manufacturing operations as vaccines are rolled out and business begins to return to normal
- **Conditions:** Business environment, including the availability of talent/labor and access to markets
- **Costs:** Operating costs including labor, electricity and real estate
- **Risks:** Political, economic and environmental

The Cushman and Wakefield 2021 Global Manufacturing Risk Index stated that India could benefit from relocations from China to other parts of Asia, as it already has an established base in pharmaceuticals, chemicals and engineering -- sectors that continue to be the focus of the US-China trade tensions.

It, however, stated that reforms in land and labour laws are critical to ensure India's success as a global manufacturing hub.



In regards to manufacturing, often compared to its Asian rival, India has a huge population, which means a younger workforce with innovative capabilities that has the potential to fuel the country's manufacturing sector.

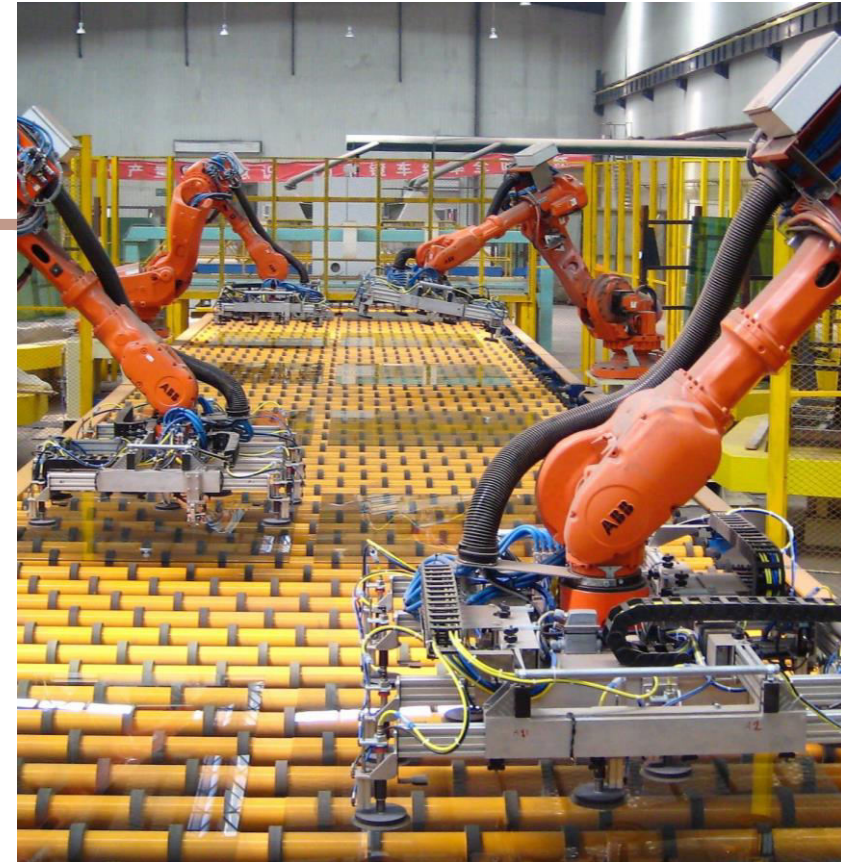
The rise in the rank for India is ascribed to the country's working conditions and competitiveness in terms of value.

Further, India's performance in meeting outsourcing requirements is also responsible for an annual increase in the rankings.

- Manufacturing set-up requires favorable business conditions, policies along various intricate details, for business to thrive. As a manufacturing hub, India provides various advantages for companies worldwide. India has relatively cheap land and labor, ever-improving infrastructure, and policies that go in favor of a thriving business.
- Further, there is ample government support and India also has reduced corporate tax rates. Besides offering favorable conditions, India is also aggressively working to enhance its supply chain capacities, which in turn, will cater to foreign companies looking to shift from other neighboring countries to India.

- With the ambition to boost domestic manufacturing in the nation and turn India into a global manufacturing hub, earlier this year, the government introduced various financial incentives for companies to produce IT hardware. Apart from this, the government of India is actively bringing reforms to boost the Indian economy and some of the efforts taken include:

- – Accounting as the lowest in Southeast Asia, India has reduced corporate tax from 30% to 25%.
- – Government introduced initiatives like 'Make in India' and 'Skill India' that have achieved a feat in creating job opportunities



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