

India: The third most sought-after manufacturing destination in the world

India, the third most sought-after manufacturing destination in the world and has the potential to export goods worth US\$ 1 trillion by 2030.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade.

Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's

advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial

component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of

the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

INVESTMENT

Some of the major investments and developments in this sector in the recent past are:

- According to Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US\$ 58.77 billion in FY 2021-22.
- Between April 2000-June 2022:
 - o The automobile sector received FDI inflows of US\$ 33.53 billion.
 - o The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US\$ 20.41 billion.
 - o The drug and pharmaceutical manufacturing sector received FDI inflows worth US\$ 19.90 billion.
- In FY23 (until September 2022), the combined index of eight core industries stood at 142.8 driven by the production of coal, refinery products, fertilizers, steel, electricity and cement industries.
- In September 2022,

the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.1. In FY23 (until September 2022), export of top 10 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, Drugs and Pharmaceuticals, Electronic goods, RMG of all Textiles, Cotton Yarn/Fabs./Made-ups, Rice, Plastic and Linoleum) stood at US\$ 187.2 billion.

In October 2022, EPFO added 16.94 lakh net subscribers. In October 2021, information technology major Zoho, announced that it will invest Rs. 50-100 crore (US\$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.

In August 2021, Wistron Corp. collaborated with India's Optimus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.

In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon. Samsung Display Noida, which has invested Rs. 4,825 crore (US\$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.

In April 2021, Bharti Enterprises Ltd. and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In the Union Budget 2022-23:
 - o Ministry of Defence has been allocated Rs. 525,166 crore (US\$ 67.66 billion)
 - o The government allocated Rs. 2,403 crore (US\$ 315 million) for Promotion of Electronics and IT Hardware Manufacturing.
 - The PLI for semiconductor manufacturing is set at Rs. 760 billion (US\$ 9.71 billion), with the goal of making India one of the world's major producers of this crucial component.
 - The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of Rs. 348.70 crore (US\$ 47.01 million) and generation of -3,042 jobs. The commercial development of these plants is expected to begin by April 2023.
 - In November 2021, the Experts' Advisory Committee (EAC) of the Department for Promotion of Industry and Internal Trade approved Rs. 3 crore (US\$ 403,293.54) for the Atal Incubation Centre (AIC), Pondicherry Engineering College Foundation (PECF), under the Start-up India Seed Fund scheme.
 - In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).
 - India outlines a plan in August 2021 to reach its goal of US\$ 1 trillion in manufacturing goods exports.
 - In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
 - To propagate Make in India, in July 2021, the Defence Ministry issued a tender of Rs. 50,000 crore (US\$ 6.7 billion) for building six conventional submarines under Project-75 India.
 - In May 2021, the government approved a PLI scheme worth Rs. 18,000 crore (US\$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth Rs. 45,000 crore (US\$ 6.18 billion) in the country, and further boost capacity in core component technology and make India a clean energy global hub.
 - In India, the market for grain-oriented electrical steel sheet

manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.

The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.


The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Pettuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.

The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.

ROAD AHEAD

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.


One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.



74th INDIAN REPUBLIC DAY
JANUARY 28

Congratulations and greetings to the people of India on occasion of the

74th Republic Day



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Our History

The company was established in October 1960 with an initial objective of developing the 'Aluminium and Steel Industrial Complex' in Tanzania. Since then, ALAF (formerly called Aluminium Africa Limited) has established itself as a leading producer of steel roofing and related products in the country.



Our Mission

We deliver trusted building solutions, that are made with pride and care, to provide superior customer value.



Our Vision

An Africa built with Pride.



Our Values

- A strong customer focus.
 - Innovating for world class solutions.
 - Partnership for shared success.
 - A commitment to ethics and compliance.
- To care for our employees, our communities and the environment.



Member of SAFAL Group

The Safal Group is Africa's largest producer of steel roofing and sheeting with over 36 businesses across 8 countries. With insights gathered over 60 years, it has remained at the forefront in developing and providing products that lead the industry.

The Safal Group has built a portfolio of trusted steel roofing brands established over many decades.

