'Make in India will have limited success unless it focusses on IT'

Suveen Sinha
■ suveen.sinha@hindustantimes.com

NEW DELHI: For the first time, an industry association has come forward to talk about a flaw that will limit the success of Prime Minister Narendra Modi's Make in India campaign. Nasscom, which speaks for information technology software and services companies, has said that IT is a critical link missing from the campaign to increase manufacturing in the country.

The lack of focus on IT will hurt the campaign at a time when manufacturing everywhere draws heavily on software and technology. For instance, about 30% of the cost in automotive manufacturing these days is electronics. This is projected to cross 50% in four years. Most of the value in electronics lies in design and the embedded software that runs those electronics.

"I don't think there is enough focus on the IT part of Make in India. They are still seen as distinct. It would be wrong to look at IT as distinct from manufacturing,

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> R Chandrashekhar, president, Nasscom

and manufacturing as an independent goal. The reality is quite the opposite. They are closely related. Success will lie in integrating the two," Nasscom president R Chandrashekhar told *HT*.

To buttress his point he cited self-driving cars. "If you look at Google's self-driving car, a lot of it is electronics, and most of those electronics is software. So, is it a manufactured product, an electronics product, or a software product?"

Automotive manufacturing indeed relies more on electronics to lure the modern buyer. In an interaction with *HT* a few days ago, Toyota Kirloskar Motor's outgoing head Naomi Ishii said that soon a time will come when electronics import by carmakers in India will surpass the country's import of gold in value.

Chandrashekhar sees that as a big opportunity. "We have to look at a strategy that makes us globally competitive. That strategy will have to identify what we can be globally competitive in, and one in which we hold an edge over competitors from other countries. Clearly, IT is one area in which we have huge strengths. Coincidentally, at this point in time, engineering, R&D, and design are the fastest-growing areas within IT."

This, he said, should be used to fashion a strategy of design-led, software-intensive manufacturing in areas and products that connect closely with the Indian market. "An undifferentiated Make in India strategy to pursue any and every manufacturing activity is perhaps inherently limited in what it can accomplish," Chandrashekhar said.