



Sector Specific
approach
towards
Creative
Manufacturing

Summary

- There is a clear need to increase the level of labor intensive manufacturing, with relatively lower investment in capital expenditure, and to introduce this idea within Make in India.
- A preliminary meeting has been had with Secy DIPP , with regard to introducing Creative Manufacturing into Make in India.
- It is also eminently clear that Creative Manufacturing and the Creative Services sector, (Design, architecture, interior design, advertising, brand building etc) need to be well linked via new solutions created by Digital India to forge an inclusive Creative Economy.

Inclusive Growth-- The object

- India has the worlds largest and most varied skill base in creative manufacturing but just 2 % global market share. Traditionally called rural artisans, we have about 40 million, and this is the largest rural employment provider after agriculture.
- Creative goods and services boost economies and contribute to inclusive social development, according to the UN Creative Economy Report, 2014, Educational, Scientific and Cultural Organization (UNESCO) and the UN Development Program (UNDP)
- Exports of creative goods averaged over 12% annual growth between 2002 and 2011, making it one of the most rapidly growing global economic sectors. According to the report, world trade in creative goods and services amounted to US\$ 624 billion in 2011.
- Helen Clark, UNDP administrator, said culture empower people to take ownership of their own development, and stimulates the innovation and creativity which can drive inclusive and sustainable growth.

Building a Robust Ecosystem

- Countries around the world have created sector specific policies to incubate and develop specific sectors
- Each sector has its own dynamics , especially around the kinds of investments, investment life cycles and specific needs
- This document has a framework for the elements of a sector specific ecosystem
- An outside in view of the creative manufacturing sector in India and some of the key elements that need to be addressed

A robust ecosystem must address business needs holistically



Demand factors

Domestic demand

- Large domestic market
- Premium, Mid Market, Budget
- Organised retail
- Unorganised Retail
- Demand from govt. institutions

International demand

- Unlimited
- .. Market top 10,000 products that are unique to India relentlessly

Capital availability

Access to equity funds

- Make creative ecosystem companies priority for India Impact Fund.
- Build atleast one focussed creative production fund

Access to CSR Funds

- Make creative production a priority area for CSR fund usage through a national campaign as has been done in case of Swach Bharat.

Access to Debt

- Innovative debt instruments (esp for startups)
- Mutual Guarantee for no-collateral loans (esp for startups)

Supply Factors

Raw Material

- Protect Traditional Supply sources, basis 10,000 products

Preferential access

- Judicial use of technology and design of equipment to improve productivity and wages

Skilled manpower

- Support development of para design courses, and maximum
- Appropriate job roles for the creative economy sector
- On-the-job training & skill development programs

Provide accreditation and ratification of traditional skills sets

Curriculum development to have more emphasis for skills sets for unorganised sector

Infrastructure- Hard and Soft

Hard

- Quality & proximity of logistics services
- Production clusters with high quality, dedicated/shared facilities
- special focus on use of renewable energy, maintaining the GREEN low carbon footprint value of this sector

Soft-

Enable – through investment /CSR development of digital and mobile services for improving supply chains

Policy & regulatory environment

Alignment of Creative Production under the right ministry

- Review positioning of Creative production from Office of DC(Handicrafts) Ministry of Textiles to MSME

Ease of setting up business

- Low cost and easy registration, labour and environment clearances, construction permits
- Single window clearance mechanisms

Dedicated institutions for policy development

- Industry institutions to ensure policy stability & development
- Facilitate the formation of Council of Creative Production

Social Infrastructure

Judicious organization of the unorganised sector

- Clusters could become virtual company status to be able to offer facilities of social security through PF/ESI
- Relook Creative Production Units being under Factories Act
- Facilitate large scale growth of Producer Institutions in this sector

Rich ecosystem for collaboration

- Develop Social Impact bonds with Government agencies and CSR
- High quality incubator programs, accelerator programs
- Bring social enterprise and Creative Manufacturing closer

Interim government incentives

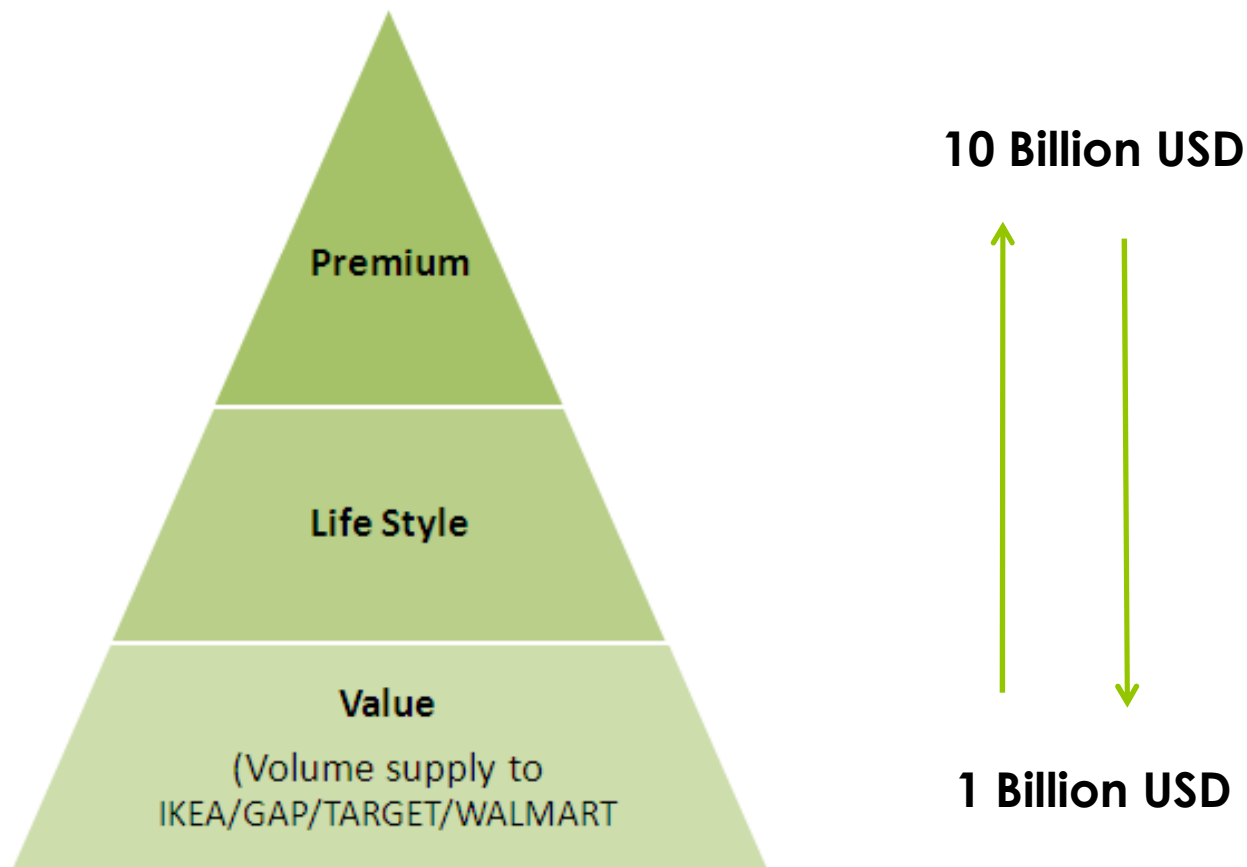
- Direct subsidies including cash grants, interest-free loans
- Make Creative Production units for domestic markets excise exempt and reduce income tax for producer institutions
- RBI should make mandatory for creative production producer companies to be working capital funded by priority sector financing in main stream banks.

Tax benefits for start ups and R&D focused firms.

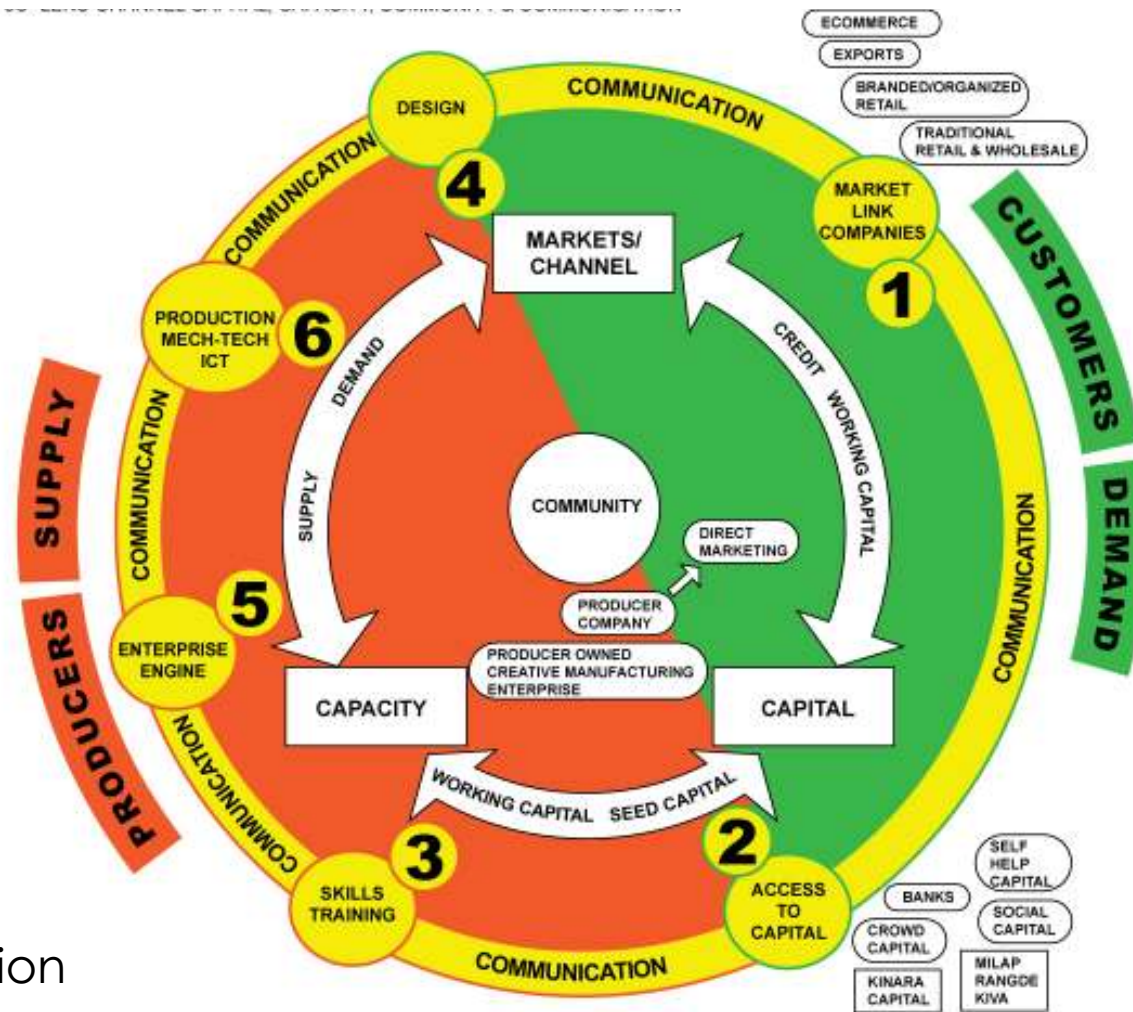
10,000 Products of Excellence

- The Creative Production Sector of India needs to be given a Global Recognition mark, to qualify for which producer institutions /enterprises need to comply with a set of basic criteria that indicates more respect for the producer - economically and socially

Increasing market share from 1 billion USD to 10 billion USD



Building An Enabling Eco System



The 5 C's

- i. Community
- ii. Channel
- iii. Capacity
- iv. Communication
- v. Capital



THANK YOU