

In this regard further infrastructural & regulatory reforms & FDI libⁿ in services can help diversify the sources of growth within India's service sector and provide the required momentum.

□ Services for Indian Manufacturing (Papa Chaudhary 2016).

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1) Introductory

- Over the past decades, there has been a clear thrust on the manufacturing sector for ensuring sustainable growth and employment creation in India.
- Make in India, Skill India.
- (National Manufacturing Competitiveness Council & National Skills Development Corporation).
- These initiatives is to raise the contribution of manufacturing to 25% of GDP from 16-17%.
- ~~Sector's growth 12-14~~
- Create 100 million jobs additional manufacturing jobs by 2025.
- Prospects of service sector specially in the context of manufacturing sector such as R & D, transportation (initial stage), retailing, repair, & maintenance in the final stages & while services ~~required~~ such as telecommunication & finance are required at every stage.

1.2) Background & Motivation,

- Growing global demand for more sophisticated products & business offers.
- Outsourcing, growing pressure to cut costs, improved efficiency & deepen customer relationships.

- Development of in services such as IGT, logistics, & financial intermediation.

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• Service

- According to Business services such as legal, accounting, advertising, data processing, and ICT services in particular inputs for manufacturing firms.
- According to WTO ~~Other~~ Annual Report 2014 and other OECD Refers, this trend can be ~~termed~~ as the 'serviceification' or 'servicing' of manufacturing. ~~Isa~~
- Correlation between service & manufacturing
- Trade & liberalisation investment libⁿ.
- The 8 policy steps :-
 - a) Recognizing ~~is~~ existing a potential linkages with services
 - b) Identify & address the bottlenecks, which prevent - effective realization of these linkages.

4) Chapter Outline

- Decomposing services Contribution to Manufacturing 'Experts' examines the sub-sectoral nature of this linkages between selected services in India and overall manufacturing exports as well as experts in specific manufacturing exports as well as experts in specific manuf^{ng} sec^l segments which are critical for India in India.

- Global manufacturing value chains through exports.
- Challenges & prospects in leveraging the linkages between manufacturing and services in India.
- Some policies may that may be needed in services and also other areas & so as to strengthen & deepen the contrib of services to the growth & competitiveness of Indian manufacturing.

2) Servitization: Brief Brief Overview of the Evidence.

- GVCs (Global Value Chains) facilitate the integration of countries into global ~~eco~~ economy by enabling them to join at any point of the prodⁿ value chain based on their competitiveness advantage, rather than building a whole value chain within the country.
- Capturing GVCs requires competitiveness, skills innovation.
- But however, what is the role of services in this participation?
(ICT, business services etc).
- Spillover effect of servitization.

3) Servicefication trends in Indian manufacturing.

- In order to understand whether India can ~~leverage~~ leverage its service sector to ~~participate~~ participate more effectively in global manufacturing value chains and enhance manufacturing ~~service~~ competitiveness, we need to understand the visible & as well as non-visible, that is direct & indirect or embedded contⁿ of services in the Indian economy.

a Data (Statistics).

3i) Services Contⁿ to Manufacturing exports.

4j) Decomposing services contⁿ to Manufacturing exports

Several inferences can be drawn from ~~the~~ ^{the} sub-sectoral trends in value added cont^{ns} and associated with these inferences some related questions can be ~~asked~~ asked.

(a) IT (b) Low contⁿ of R&D & business services (c) Declining contⁿ of domestic transport & storage services.

5) Explaining the trends & Some inferences & ~~Concluding~~ Conclusion.

- Scenario and trends shows that there is a potential to create value in Indian

capex) through the integration of services.
This unexploited potential may be due to various reasons.

1) the weak ~~too~~ linkages between manufacturing & services.

2) ~~Lack of effective integration between~~

3) ~~business sector~~

2) Issue of scale & fragmentation

3) Issue of IT, R&D, Infrastructure etc.

These challenges & issues confronting services may be related to capacity, quality, regulation, & degree of liberalisation & modernisation in services.

5.1) Constraints in service sector

• Enablers Trade Index (sub-index on transport & communication infrastructure) which is directly a reflection of the quality of such services, stood at 52 in 2008 & declined to 67 in 2014 compared to China's rank at 36 in both these years, out of 108 & 114 countries in these two years respectively.

• India's overall ranking on logistics performance declined from 39 to 54 over the 2007 to 2014.

• On the innovation & sophistication sub-index, another indicator which in part captures the country's capacity & quality in R&D services. India's shows the decline trend in its rank.

5.2) Way forward :- [Macro reforms (Infra, ICT, R&D, Law, Foreign pol)
Micro reforms (Business services, etc).]