Indian Economy · GS - III

Examine how promoting domestic manufacturing can strengthen India’s economic self-reliance, employment generation and supply-chain resilience. Discuss the major challenges and suggest measures to address them.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 28/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Make in India; import dependence; employment generation; domestic value addition; supply-chain resilience; MSMEs; infrastructure and skills; global competitiveness

Model Answer

Introduction

Domestic manufacturing is important for economic growth, employment generation and strategic resilience. Identifying products for local production can help India expand industrial capacity and reduce excessive dependence on imported goods.

Significance

1. Economic self-reliance: Local production of selected defence, electronics and textile products can reduce vulnerabilities arising from international supply disruptions.

2. Employment generation: Manufacturing expansion creates direct industrial jobs and indirect opportunities in logistics, services and component production.

3. Domestic value addition: Stronger local supply chains can encourage technology transfer, innovation and the growth of micro, small and medium enterprises (MSMEs).

4. Export competitiveness: Efficient, quality-driven manufacturing can help Indian firms participate more effectively in global value chains.

Challenges

High logistics costs, skill shortages, limited access to advanced technology, dependence on imported components and regulatory uncertainty can constrain domestic production. Protection without productivity improvements may also raise costs for consumers and industry.

Way Forward

India should improve infrastructure, simplify compliance, strengthen vocational training, support MSMEs and promote research and development. Policy incentives should encourage measurable productivity, quality and innovation while maintaining competitive access to global markets.

Conclusion

A successful local-production strategy must combine self-reliance with competitiveness. The objective should be globally competitive Indian manufacturing, rather than isolation from international trade.

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