



# Global Opportunities for India to Fulfill World's Manufacturing needs.

Driven by the remarkable renewal and augmentation, with the superiority of well-remodeled infrastructure, supportive supervisory environment, and artistic congeniality, the Republic of India has rise within the 21st century as a reliable and qualified target for global sourcing. According to the Dragon Sourcing Website, the government has recently established an uncomplicated sourcing method, which has drawn attention from companies around the globe. During the last decade, China's ambitious position and the appointment made to the country's future has caused the international corporations to re-examine their sourcing procedures and partnerships. As a consequence, for enterprises seeking to expand their national sources of supply, India appears to be a self-evident selection. As the seventh biggest country within the region and being projected to be the world's most populated nation by 2022, India continues to aspire to convert, in a not too distant future, on a potential country. Meanwhile, the nation keeps an stabilized economic weight, a high-attention level from international businesses, and a transparent political status.

Numerous agencies and companies as well, are currently choosing India due to the ceaseless low-income opportunities, the diversified methods to increase costs, and the use of India as a network to launch employment opportunities within the territory. Global sourcing industries, have been comparing China and India on several sectors such as the Political stability, International performance on economy, Human development on social demographics, Infrastructure and Technologies. The results, led everyone speechless, since according to these studies, India's competitive positioning equals China and even overpasses some Asian nations such as Indonesia and Philippines. On the other hand, India is actually a key destination for companies seeking to start manufacturing procedures due to its ample natural resources, mineralized agricultural land, and positive policies advocating Small to Medium Sized Enterprises (SMEs). Nevertheless, India has already started housing thousands of well-known companies, from which more than 100,000 belong to SMEs. The productivity within India is



somehow a wholesome attractive point for worldwide sourcing maps, since Agriculture, Jewelry, Chemicals, Apparels, and textile goods, are just some categories that get manufactured in over 65 Indian cities. Furthermore, what makes India one of the largest jewelry industries, is the direct consumption of gold and diamonds products; Approximately, 80% of the world's diamonds are being processed and cut within the state of Gujarat, India.

Since the outbreak of the Coronavirus epidemic, the Chinese foreign economy has been heavily damaged. The Wuhan city, which is the capital of Hubei province, on the People's Republic of China, houses major automakers industries such as Dongfeng Motors, Honda, and PSA Group, nevertheless, due to the disease widespread, their earnings have been profoundly impacted, and the future inactivity can cause a visible worsening as well. The Senior Director of Industry Strategy at Blue Yonder, ElMarie Hugo, stated "The current outbreak is, of course, of an exponential nature. But if companies cannot - in a matter of three months - create alternative supply chains by sourcing from other locations, they are failing to have flexibility". The Chinese trade issue has led companies, corporations, and enterprises to expand their manufacturing strategies outside China. This opportunity can be specifically taken advantage of by India. On the other hand, it has been proved by several professionals on economy that throughout the disruption of the disease, the Chinese and the organizational economy has been decreasing on high levels due to some main factors: Materials, labor, sourcing, logistics, and consumers. In some cases, the supplies used to manufacture products usually comes from impacted areas, which means that the repetitive process urged to be stopped. Furthermore, businesses were limited to create new programmes and establish transactions since traveling is restricted within specific areas, and thus, sometimes consumers were not able to purchase online sales neither find alternative routes of transportation.

Although the Coronavirus disease seems to be a tremendous advantage for the South-Asian manufacture, India still has few barriers that have caused the 28% of companies worldwide to cease their sourcing within the Indian territory. It is believed by some enterprises that India lacks of technical focused suppliers. This unfair thought completely makes unable the possibility of skilled workers to apply for Western working companies. Luckily, the international corporations that have been operating within India, have successfully helped employees and fearful companies overcoming these barriers while they are still manufacturing from the Indian territory.

In addition, global sourcing is an obtainment procedure, which as a main objective, has to take advantage of worldwide efficiencies for the manufacture and the delivery of products and reliable services. In recent years, India has increasingly gained more ground in the fight with China over global sourcing dominance. It moreover notices itself as a democratic substitution to China. In India, almost 85% of companies are located within three states which are well-known due to the manufacturing hubs, and even brand-new industries are being attracted to these



areas because of the developed environment for businesses. During the last decade, significant adjustments took place on direct manufacturing procedures within both countries. The labor cost in China, has more than doubled since 2004 to 2014, since it has grown from 5.2% to 10.6%, meanwhile in India it has experienced a decrease from 6.1% to 5%. As listed by the BCG Global Manufacturing Cost Competitiveness, China is traditionally considered as a low-cost nation and being "Under Pressure" because of its shrunk on their estimated manufacturing cost. Therefore, on the other hand, India has a notorious image due to the fast increase on productivity and currency. In both nations, the overall cost of energy has expanded, making it so that natural gas and energy bounced in China from 3.20% in 2004 to 6.50% in 2014, and India respectively from 2.60% in 2004 to 4.20% in 2014 of the manufacture procedures cost. Furthermore, on speed terms, the World Development Indicators Published by the World Bank, stipulated that the average time to clear trades by customs was 8 working-days in China and 6 working-days as well in India. In terms, of documents required to trade, possibly contributing to the lead times, China requires 8 days and India 7. When it comes to direct labor cost, India and China are conformed by several states which have a diversified average cost. As an example, the national laborer cost, in India is \$0.92/hour and \$3.52/hour in China, however, investors outside the oversaturated areas will discover lower costs to offer. It has been demonstrated by the Marketing and Engineering Solution Incorporation that manufactures within the chinese hinterland will detect up to 30% lower opportunities for labor cost than the provinces located nearby the Coastal region. By contrast, in India exists a wide range of manufacturing costs going from \$0.49/hour in the Punjab city, which is located in northwestern India, to \$1.20/hour in Maharashtra, which is located in western India. It is an undeniable fact, that India as China have positive and against realities when talking about global sourcing.

It is the full responsibility of Marketing companies to safeguard their foreign investment and international managements, and because of this, they should be fully logistically prepared on having flexibility in order to establish emergency procedures for them to adapt their companies into numerous locations without losing their income. Largest epidemics seen before as the Coronavirus, last-minute decisions, and the end of national treaties on economy conducted by the government are just some manufacture risks that companies will face if numerous plans are not being established. In the future, it will still be conceivable to seek for low cost sourcing in both nations, nevertheless, the oversaturated regions will no longer satisfy international enterprises nor foreign investors. Moreover, the Chinese currency arrangements, and the promotion of infrastructure investment and proper legislations by the Indian government, assures to the present-day world, and to the modern-day Industrial Revolution that the Asian continent will forever be the heartthrob of the mass-produce fabrication and manufacture.



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