

# Foreword

Industrialization has been a cornerstone for job creation and inclusive prosperity in all successful economies, including the United States, Germany, Japan, Korea, and China. India began its journey toward industrialization with a strong focus during the early post-independence period. However, the indiscriminate liberalization of the 1990s, implemented without adequate sequencing, led to the decline of several industries, such as electronics hardware, an increased dependence on imports, and a stagnation of manufacturing's share in national income. Consequently, numerous opportunities for creating decent jobs were lost.



After decades of insufficient attention to the industrial sector, particularly manufacturing, the Indian government has now taken decisive steps to harness the potential of industrialization. Investor-friendly policies under the *Make-in-India* initiative, further bolstered by the *Aatmanirbhar Bharat* campaign, represent a renewed commitment to revitalizing the country's industrial base.

As India enters the final quarter of its centenary as an independent nation, the goal of emerging as a developed country by 2047 takes center stage. Bridging the remaining development gaps will require a transformation centered on industrialization. Manufacturing-led development has the potential to generate millions of decent jobs, fostering the inclusive growth essential for achieving this vision. In this context, ISID's policy research and advocacy in support of industrialization assume critical importance.

The *India Industrialization Development Report 2024-25* marks the inaugural edition of ISID's flagship report series. Drawing on various strands of ISID's research program, the report presents a comprehensive narrative on the opportunities, challenges, and policy lessons for industrialization.

The report examines key aspects of India's industrial landscape, including the evolving industrial structure, growth and productivity trends, trade and investment dynamics, innovation and Industry 4.0, green industrialization and corporate sustainability, MSMEs and startups, and industrial infrastructure and connectivity. Additionally, it identifies priority manufacturing sectors and suggests diversification opportunities for each state.

A notable strength of this report is its evidence-based approach, which will serve as a valuable resource for researchers and policymakers alike.

I extend my congratulations to the ISID team, led by Prof. Nagesh Kumar, for this commendable initiative. I am happy to commend the report to policymakers, analysts, researchers, and students of industrial development.

S.K. Misra  
Chairman  
Board of Governors, ISID