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## Global Manufacturing Risk Index

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### Why in News

Recently, India has overtaken the United States (US) to become the **second-most sought-after manufacturing destination globally**, driven mainly by cost competitiveness in the **Global Manufacturing Risk Index 2021**.

In last year's report, the US was at second position while India ranked third.

### Key Points

- **About the Global Manufacturing Risk Index:**
  - It assesses the **most advantageous locations for global manufacturing among 47 countries in Europe, the Americas and Asia-Pacific (APAC)**.
  - The rankings in the report are determined based on **four key parameters**:
    - Country's capability to restart manufacturing,
    - Business environment (availability of talent/labour, access to markets),
    - Operating costs,
    - Risks (political, economic and environmental).
  - The index is released by the **US-based property consultant Cushman & Wakefield**.
  - **China remains at number one position and the US is at third position**, in the Global Manufacturing Risk Index, 2021.
  - The improvement in ranking indicates the growing interest shown by manufacturers in India as a preferred manufacturing hub over other countries, including the US and those in the APAC region.

- **Factors Responsible for Improvement in India's Ranking:**
  - The growing focus on India can be attributed to **India's operating conditions and cost competitiveness.**
  - India has a huge population, which means a **younger workforce with innovative capabilities** that has the potential to fuel the country's manufacturing sector.
  - The improvement in ranking can be also attributed to **plant relocations from China to other parts of Asia** due to an already established base in pharma, chemicals and engineering sectors.

Also, these factors continue to be at the centre of the **US-China trade tensions.**

- **Recent Initiatives to Improve Manufacturing Sector in India:**
  - **National Infrastructure Pipeline (NIP)**
  - **Make in India**
  - **Skill India**
  - **Credit Guarantee Scheme for Micro and Small Enterprises**
  - **A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)**
  - **Prime Minister's Employment Generation programme (PMEGP)**
  - **Industrial corridors**

**Source: IE**