

DPIIT promoting Manufacturing Incubators for Startups

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The Department for Promotion of Industry and Internal Trade (DPIIT) is undertaking various measures to encourage the startup ecosystem and the industry at large to foster innovation in manufacturing by supporting and collaborating with startups and developing manufacturing incubators.

Rapid industrialization and manufacturing are critical engines of economic growth for nations. Advances in manufacturing and creating strong manufacturing supply chains determine the extent to which a nation can become an export-led economy and a favored trading partner globally. Developing a strong manufacturing base is an essential activity for any nation as it promotes innovation and competitiveness, boosts employment, livelihoods and standards of living, and strengthens self-reliance and economic stability.

Landmark reforms and initiatives have enhanced India's manufacturing capabilities in recent years and India has witnessed significant diversification of its manufacturing portfolio. Through long-term initiatives to boost manufacturing, India has emerged as a dynamic hub for manufacturing, led by innovation, technology, and skilled labor.

A focus on manufacturing innovation is needed in addition to expanding production. The growth in innovation in the recent past has led to unprecedented advances in manufacturing technology and scientific breakthroughs. Startups and entrepreneurs in the nation have been playing a significant role in shifting global value chains to India by creating and innovating domestically. This growth has been accompanied by an overall boost in the quality of products being produced in the nation, improving global standing and trade relations. Such manufacturing startups and innovative ventures have also created lakhs of jobs for the nation. Through manufacturing and product startups, integration of cutting-edge technologies into manufacturing processes can further strengthen establishment of India as a hub for manufacturing innovative technology solutions.

During the first-ever 'Startup Mahakumbh' festival organised by the startup ecosystem with DPIIT's support, dedicated pavilions were set up for incubators and startups in Business to Business (B2B) Manufacturing which witnessed deliberations on the importance and institutionalization of manufacturing incubators. DPIIT also recently organised 'ONDC-Startup Mahotsav' which saw participation from emerging businesses and unicorns who were also encouraged to explore vertical and horizontal integration with startups to promote domestic manufacturing. DPIIT is also promoting manufacturing incubation through its autonomous institutes to leverage their world class facilities. Recently, National Council for Cement Building Material (NCCBM) inaugurated the National Council for Cement and Building Materials-Incubation Centre (NCB-IC) to support startups in cement and building materials industry. Similarly, Indian Rubber Manufacturers Research Association (IRMRA) is also establishing incubation centre in related product segments. DPIIT has also proactively reached out to over a hundred large corporates, industry associations & veterans, and unicorns to emphasize the importance of setting up manufacturing incubators and the benefits of active collaboration with manufacturing startups.

Manufacturing startups require support from several ecosystem stakeholders to grow and scale. Manufacturing focused incubators are one of the most important drivers of support for startups as they provide essential pilot, scaling, and manufacturing facilities that can provide plug and play options to product startups, reducing the burden of high capex investments. These incubators provide access to shared facilities for startups to support innovative product development and early-

stage manufacturing, paving the way for growth and scaling up of the ecosystem. They also act as an interface between the startups and the medium and large-scale companies providing access to pilot facilities for manufacturing, test beds, prototyping facilities design centres and facilitation for technology management, market access and risk capital.

Such incubators can be set up by a variety of entities such as corporates, academic institutes, and research institutes. Specifically for corporates, incubating and fostering manufacturing startups provide a variety of benefits and advantages in an increasingly competitive global market. Corporate incubators can allow businesses to leverage the innovative potential of startups through technology transfer from incubated startups and facilitate the co-creation of groundbreaking products. Corporates can gain competitive advantage in markets and gain new customers faster, as working with incubated startups can help corporates reduce research and development (R&D) costs and time. The R&D boost gained from working with startups and innovators can allow corporates to enhance internal teams and promote intrapreneurship, boosting overall competitiveness in the economy.

Corporates can institutionalize in-house incubators and incubation programs in several ways depending on the resources available to them. The scale and scope of the incubation activities can be customized keeping in mind the goals of the corporate. The first step would be to start with small-scale incubation programs involving small cohorts and gradually work towards setting up a separate entity in the form of a private or non-profit organization with specialized long-term programs. Corporates can determine the extent of collaboration and support they can provide to startups depending upon the resources available to them, scaling up as per needs and requirements. A strong process and framework which allows for technology transfer and technology procurement will lead to a mutually beneficial collaboration between startups and corporates.

Eligible entities can also explore availing benefits extended to incubators or incubator programs through Government initiatives like the Startup India initiative, Atal Incubation Centres (AICs), National Initiative for Developing and Harnessing Innovations (NIDHI), Technology Incubation and Development of Entrepreneurs (TIDE), Biotechnology Industry Research Assistance Council (BIRAC), and Innovations for Defence Excellence (iDEX).

Manufacturing is a critical sector for India to become self-reliance and competitive on the global stage. All parts of the startup ecosystem can come together to support manufacturing startups through the creation of more manufacturing incubators which will nurture innovation and growth of the overall manufacturing capabilities of the nation. Such collaboration between established corporates and upcoming startups will create a mutually beneficial environment, ultimately helping each entity achieve its own goals while contributing to the overall development of the nation.

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