

VOICE OF FICCI

SHAPING THE AGENDA



APRIL 2018



From the Secretary General

It is our endeavour to keep you updated with FICCI's recommendations. Through 'Voice of FICCI- April' we share our policy interventions and statements and views for this month.

FICCI's latest quarterly survey on manufacturing projected a positive outlook for the manufacturing sector in the fourth quarter (January-March 2017-18), as the percentage of respondents reporting higher production in the fourth quarter has increased significantly vis-à-vis the previous quarter.

We also applaud the decision of the Ministry of Human Resource Development and University Grants Commission of giving autonomy to certain category of institutions. This will not just help in expansion but in driving excellence in these institutions.

We also felt that the Indian Media and Entertainment (M&E) industry has been hitting new milestones and has stepped onto a matured phase at a growth rate of 11.6 per cent CAGR. The need is to promote India as an entertainment hub to the world, facilitate policy change for the betterment of the Indian M&E industry as well as create and encourage platform for business-to-business interface and dialogue.

At the same time, the Regional Connectivity Scheme – UDAN, merits a special mention. It provides greater connectivity to under-served and unserved airports of the country. FICCI, through WINGS India 2018, focused on fostering partnership to transform Indian aviation and the role of conducive regulatory framework to facilitate growth of civil aviation market.

We also welcome and support, the directive given by the RBI to banks to stop issuance of letters of undertaking following the recent turn of events at Punjab National Bank. However, we urge the government and the RBI to ensure that genuine businesses and entrepreneurs are not deprived of the needed liquidity and credit support.

At the same time, corporates close this financial year with a unique mix of challenges and opportunities. We should focus on our strengths to derive the best of the economic and policy environment to make great things possible.

Dr Sanjaya Baru



INDIA WOULD BE IN THE 8 PER CENT GDP GROWTH ZONE SOON

The latest IIP (Index of Industrial Production) data (7.5 per cent growth in January) gives a clear indication that the economy is bouncing back strongly. It corroborates the growth that has been witnessed since August 2017 in the core sectors of the economy such as cement and steel and automobiles, states FICCI.

The fall in inflation along with an uptick in IIP numbers is encouraging, a development that industry has been looking forward to for some time now. If this trend continues then we can reasonably expect that in the next few quarters the economy would be back to the 8 per cent growth phase from the 7-7.5 per cent growth witnessed in recent times.

13 March 2018



MANUFACTURING SECTOR SHOWS IMPROVEMENT IN QUARTER FOUR OF 2017-18: FICCI SURVEY

FICCI's latest quarterly survey on manufacturing projects a positive outlook for the manufacturing sector in the fourth quarter (January-March 2017-18) as the percentage of respondents reporting higher production has increased significantly vis-à-vis the previous quarter. The proportion increased significantly to 55 per cent in the fourth quarter from 47 per cent in the third. The percentage of respondents reporting low production has also come down to 11 per cent in the fourth quarter from 15 per cent in quarter three.

The survey assessed twelve major sectors, namely, automotive, capital goods, cement & ceramics, chemicals & pharmaceuticals, electronics & electricals, food products, leather & footwear, machine tools, metal & metal products, paper products and textiles & textiles machinery.

11 March 2018

'Voice of FICCI' is a service to all our members and shared with key policy makers and thought leaders. The document is a compilation of FICCI's views on macro-economic issues. These issues come to us directly from members, or through deliberations in conferences and seminars on sectoral issues, as also through Government notifications.

***This issue of 'Voice of FICCI' is a compilation of issues for the month of March 2018.*



FICCI WELCOMES ACCEPTANCE OF KOTAK COMMITTEE RECOMMENDATIONS

FICCI endorses SEBI's initiatives towards bringing Indian governance standards not only on par with the best in the world but also to take a leadership position. Stronger and better corporate governance practices would attract more capital into the country. Aligning with this view, FICCI, referring to SEBI Board's decision on the suggestions of the Kotak Committee on Corporate Governance, welcomed SEBI's decision to accept some of the recommendations of the Kotak Committee. FICCI had shared its concerns with SEBI regarding regulations becoming more onerous, restrictive and costly, especially for mid-cap companies.

FICCI suggested that staggered implementation of the accepted recommendations would promote ease of compliance and preclude disruption in the functioning of boards. And we should look towards doing away with some redundant compliance requirements and streamline these. FICCI is grateful to SEBI for its consultative approach and for considering industry feedback on some of the recommendations.

29 March 2018



FARMERS CAN EARN MORE THROUGH MAIZE CULTIVATION

FICCI pointed out that maize qualifies as a suitable candidate for realising the Prime Minister's vision of doubling farmers' income by 2022. This was because about 15 million farmers were engaged in maize cultivation. By cultivating maize, farmers can save 90 per cent of water and 70 per cent of power as compared to paddy and earn far more than they are earning through paddy and wheat. FICCI laid stress on establishing maize-based Skill Development Centres (SDCs) and suggested that the Government of India could contemplate running such SDCs for maize in a PPP (public - private partnership) mode.

23 March 2018



INDIA MUST LEAD IN DIFFUSING THE POSSIBILITIES OF A GLOBAL TRADE WAR: FICCI

The US protectionist measures have raised serious concerns about a global trade war. With the World Trade Organization (WTO) Director-General Roberto Azevedo raising an alarm on this at the two-day mini-ministerial in New Delhi. He said it is high time countries across the world should think beyond retaliatory measures to counter the challenges posed by the targeting of the WTO by the US and unilateral increase in tariffs.

India can play a significant role in guiding this exercise to diffuse the emerging possibilities of a global trade war that can derail the positive outlook in the world trade, feels FICCI. Commerce and Industry Minister Suresh Prabhu has shown, not only by holding the mini-ministerial in New Delhi at this crucial juncture, but also by turning it into a platform for 'meeting of minds'.

23 March 2018



FICCI SUPPORTS LAUNCH OF WORLD'S LARGEST UNIVERSAL HEALTH COVERAGE PROGRAMME

The Union Cabinet's approval to the launch of the new National Health Protection Scheme (NHPS) endorses the commitment of the government towards public health and improving health outcomes of the nation. *FICCI welcomes and supports NHPS and appreciates the government's recognition to engage with the private sector.*

FICCI has been working extensively in the health sector on tenets that are integral to success of NHPS, such as standard treatment guidelines, national costing guidelines, national EHR standards, bridging the skill gaps, standards for health insurance processes, PPP in healthcare, nursing reforms, fraud and abuse control in health insurance and categorisation of hospitals.

22 March 2018



2018 EDITION OF IIGP 2.0 LAUNCHED

The 2018 edition of the India Innovation Growth Programme 2.0 (IIGP 2.0) aimed at developing entrepreneurship in India was launched on 21 March at the Festival of Innovation and Entrepreneurship. Established by the Department of Science and Technology, Government of India, Lockheed Martin Corporation & Tata Trusts, the IIGP 2.0 was launched in 2017.

FICCI is a founding partner of the India Innovation Growth Programme since 2007.

22 March 2018



VOICE BECOMING MAINSTREAM TOOL FOR TRAVELLERS

Outlining the key trends in the digital travel space, FICCI stated that technology is rapidly changing consumer behaviour as technology adoption is rising at a significant pace. Voice, was becoming a mainstream tool for travellers enabling them to locate a couple of hotels to meet their specific requirements. The future, therefore, lies in apps supported by voice.

21 March 2018



GRADED-AUTONOMY A BOLD MOVE TOWARDS LIBERALISING HIGHER EDUCATION: FICCI

The government's decision to grant graded autonomy to 62 institutions will truly liberalise the Indian higher education sector. FICCI congratulated Prakash Javadekar, Minister of Human Resource Development, on this landmark announcement. Institutions that have been given full autonomy will not need permission of the University Grants Commission now to start a course, fix fees, set up a new department or open offline campuses. These will also be free to have collaboration with foreign counterparts, hire foreign faculty, and admit students from abroad.

Welcoming the decision, FICCI said that this is great news, after 50+ years of control with declining standards, the top universities have finally got their freedom. This is indeed historic and the government has kept its promise. Going forward, we hope the top 200 universities will also enjoy this very soon. We now need a INR 5000 crore research fund to improve India's global standing in higher education.

21 March 2018



PRADHAN MANTRI AWAS YOJANA ON TRACK

The Minister of State (Independent Charge) for Housing and Urban Affairs, Hardeep Singh Puri, said that out of the required 12 million houses by 2022, nearly 4 million houses have already been sanctioned under the Pradhan Mantri Awas Yojana (PMAY).

Citing the problem of enormity of slums in Delhi, FICCI said the challenge is to rehabilitate all slum dwellers and their families in the same areas so that they do not migrate from their origin and place of livelihood. *FICCI noted that the demand for housing had revived and hoped that it would, and can be sustained. FICCI, on its part, would continue its active engagement with the government from framing of policy to implementation and would work in sync with the government to take the Awas Yojana forward.*

16 March 2018



FICCI WELCOMES MEASURES TO TIGHTEN BANKS' REGULATORY AND SUPERVISORY FRAMEWORK

Following the recent turn of events at Punjab National Bank, both the government and the central bank have taken a series of measures to tighten the regulatory and supervisory framework with regard to the banks and to identify and deal firmly with wilful defaulters, FICCI welcomes and supports these measures.

FICCI urged the government and the RBI that at the current stage of economic cycle, when we are on a recovery mode, we should ensure that genuine businesses and entrepreneurs are not deprived of the needed liquidity and credit support.

15 March 2018



FICCI UNDERSCORES THE IMPORTANCE OF TAPPING OF THE E-COMMERCE MARKET

FICCI-Confederation of MSMEs said that the number of digital buyers worldwide is expected to grow to 2.07 billion in 2019 from 1.3 billion in 2014. E-commerce shopping is a thriving market, with people increasingly choosing this option to order products and services at their convenience. Global e-commerce transactions in 2016 were US\$ 1.9 trillion accounting for 8.7 per cent of the total retail spending worldwide. This is expected to grow to above US\$ 4 trillion by 2020, making up to nearly 15 per cent of the total retail spending. FICCI-CMSME has partnered with Amazon to create awareness about the potential.

FICCI underscored the importance of tapping the potential of the e-commerce market, which is described as leap-frog technology. FICCI flagged the issue of return of products sold globally, currently at 20 per cent of total sales overseas, as these attracted import duties, thereby increasing the financial burden on the manufacturers.

14 March 2018



PRIVATE SECTOR BEING GIVEN FULL PLAY IN ACHIEVING SELF-RELIANCE IN DEFENCE PRODUCTION

FICCI called for fast-tracking the clearances of licenses for production by the private industry, easing of restrictions on the number of contracts a company could bid for and reduction in the requirement of high earnest money for procurement orders. FICCI also underlined the need to create a level-playing field for all players to speed up indigenous defence manufacturing. FICCI assured Defence Minister Nirmala Sitharaman that the organisation is ready to extend all support to the government in the upcoming Defence Expo.

12 March 2018



WINGS INDIA 2018: GOI AWARDS 56 AIRPORTS UNDER REGIONAL CONNECTIVITY SCHEME – UDAN

The government has awarded 56 airports under the Regional Connectivity Scheme – UDAN (Ude Desh Ka Aam Naagirk) in the last two years, of which, 18 airports have been

operationalised and every month, two airports are being made functional under the scheme. *FICCI said that Regional Connectivity Scheme, UDAN, merits a special mention. It provides greater connectivity to under-served and unserved airports of the country.*

8 March 2018



FICCI PARTNERS WITH NITI AAYOG FOR THE 'WOMEN ENTREPRENEURSHIP PLATFORM'

NITI Aayog announced that FICCI shall play an important role in both, domestic and international outreach, given the chamber's wide network of offices as well as fourteen strong chapters of FICCI Ladies Organisation across the country. FICCI shall connect the WEP to women entrepreneurs, leaders, venture capitalists, academia, and angel investors from across the globe. For this, FICCI will undertake five national and three international outreach and networking events annually.

8 March 2018



UNIQUE SOLUTIONS REQUIRED TO TAKE FORWARD THE SUSTAINABILITY AGENDA: FICCI

FICCI emphasised that the attitude towards sustainability investment is not merely defined by compliance requirements, but by the pressing demands of climate change and expectations of corporate environmental stewardship.

FICCI believes that corporate sector's engagement will help to derive efficiencies in the achievement of goals and targets that the government has set out. The Sustainable Development Goals, though overarching and macro, would impinge upon and be influenced by micro-level action.

5 March 2018



FRAMES 2018: THE M&E INDUSTRY IN 2017 GREW BY ALMOST 13 PER CENT

The Indian Media and Entertainment sector reached almost INR1.5 trillion (US\$22.7 billion) in 2017, a growth of around 13 per cent over 2016. With its current trajectory, it is expected to cross INR2 trillion (US\$31 billion) by 2020, at a CAGR of 11.6 per cent. The digital segment led growth, demonstrating that advertising budgets are in line with the changing content consumption patterns.

4 March 2018



INDO-FRENCH ECONOMIC PARTNERSHIP SIGNING CEREMONY ORGANISED BY FICCI

Indian and French business strengthened their relations through exchange of 19 contracts and agreements worth 13 billion euros. The agreements were formalised at the Indo-French Economic Partnership signing ceremony organised by FICCI in association with the French Embassy and the Indo-French Chamber of Commerce and Industry.

FICCI said that French expertise would be of immense use to India in the fields of climate action and renewable energy, electric vehicles, aviation and the fintech sector. India and France needed a partnership for the planet in addressing social challenges in healthcare, sanitation, education, water and food security.

10 March 2018



SIGNIFICANT SCOPE TO INCREASE THE INDIA-EUROPE 29 BILATERAL TRADE FLOWS

The Minister of State for External Affairs, MJ Akbar, said that India is committed to extending every support to Indian industry's focused efforts to increase investments in European countries.

According to FICCI, there is significant scope to increase the India-Europe 29 bilateral trade flows that stood at \$38 billion in 2016-17. Cumulative bi-directional India-E29 investments of \$16 billion in 13 years is 'miniscule' when viewed against the unexplored opportunities for expanding bilateral trade flows.

5 March 2018



FICCI COMMITTED TO STRENGTHENING B2B RELATIONS BETWEEN INDIA AND RUSSIA

The Deputy Minister for Economic Development of Russia, Alexey Gruzdev, has called for innovative business strategies to raise Russia-India trade to US\$30 billion by 2025 from the current level of \$7.5 billion. Gruzdev said that the Russian and Indian economies enjoy complementarities in several areas, including agriculture, machine building and energy sectors.

FICCI said that the organisation was committed to strengthening B2B relations between India and Russia. The meeting provided a real opportunity to take the two-way trade and investment relations forward.

19 March 2018

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