

- **FICCI's REACTION TO IIP DATA**

The growth in manufacturing seems to be accelerating and we are hopeful of higher growth in the coming months. With the growth in manufacturing getting broad-based now and capital goods also posting a healthy growth for the first five months, Government's efforts to revive manufacturing has started yielding results, said FICCI. Reduction in the interest rates last month by RBI is expected to encourage investment and aggregate demand in the economy. However, Government needs to continue to take measures to create an enabling environment for business to provide impetus to the manufacturing growth and investments.

- **FICCI COMMENTS ON WPI DATA**

The recent data on both WPI and CPI shows that inflationary pressures are largely in control. The uptick seen in the case of select agricultural commodities needs to be dealt with through both short and long term measures. The government is fully geared to the situation and has lined up imports of pulses. We need to continue to work on addressing the structural challenges both in the food supply chain and in overall agri-productivity levels, said FICCI.

Recent IIP numbers have been encouraging. Following the cut in the policy rate by RBI, several banks have revised their base rate downwards. However, there is room for further cut in the lending rate by the banks. As the gains of a lower interest rate regime get transferred to both consumers and investors, demand would pick up and we hope this brings pricing power back into the hands of the producers.

- **FICCI COMMENTS ON INDIA'S POSITION ON WORLD BANK'S DOING BUSINESS RANKINGS**

The improvement in India's ***Doing Business ranking by 12 positions*** shows that the Government's efforts in enhancing ease of doing business and providing an enabling environment for growth of industry has yielded results, said FICCI. Various reforms have been taken for simplification of rules, procedures and compliances and many more are under way. The Government is proactively working with the States in streamlining various processes and we are confident that further improvement will be seen in years ahead.

FICCI's Voice – SG's Desk is a service to all our members. The document is a compilation of major topical issues that we take up with the Central, State governments and other concerned authorities. These issues come to us directly from members, or through deliberations in conferences, seminars etc. on sectoral issues, as also through Government notifications.

- **FICCI COMMENTS ON DRAFT NATIONAL CIVIL AVIATION POLICY 2015**

Commenting on the Draft National Civil Aviation Policy 2015, FICCI said that this is a welcome step which was long overdue. The Draft Policy has laid down the long-term roadmap for developing India as the third largest aviation market. It is a clear signal for taking air-travel to the masses and promoting regional connectivity. FICCI compliments the Government for proposing a policy-framework towards ensuring a safe and sustainable development of the aviation industry.

It is encouraging that Government is planning to coordinate with all the stakeholders to provide greater regulatory certainty under the PPP mode. Also commendable is the proposal for exempting MRO, cargo, ground handling players from all charges, other than a reasonable lease rental at all the future airport projects in the country. These are critical to the growth of the Indian aviation sector.

The draft policy has also focused on promoting the Make in India program and developing indigenous aero-related manufacturing with the help of global OEMs. We welcome the proposal of exempting Service Tax on output services of MRO and granting infrastructure status to MRO, ground handling, cargo and ATF infrastructure co-located at airports to avail the fiscal benefits under Section 80-IA of the Income Tax Act.

FICCI is also happy with the Government's proposals for introducing the Regional Connectivity Scheme (RCS) and developing heli-hubs across the country. It will contribute to the growth of remote areas and in turn have positive implications for overall growth of the economy.

- **PPP NOW A VIABLE MODEL**

The government is set to announce 15-16 road infrastructure projects under the Public-Private Partnership (PPP) mode in December this year and plans to roll out 100 projects next year.

FICCI said adequate investment in infrastructure creation is a pre-requisite for higher economic growth. Due to low investment in infrastructure development, India suffers from a huge deficit in this area. According to McKinsey & Company, average infrastructure investment in India in 1992-2010 was 4.7% of GDP, as against over 7.3% in countries like China, Indonesia and Vietnam.

The Government has embarked on a policy of promoting PPP as a means of augmenting investment in infrastructure. While measures have been taken since the mid-1990s, PPPs gained momentum during the Tenth and Eleventh Plan periods. PPP projects are facing various difficulties. Some of the factors leading to delays in PPP projects include land acquisition, environmental and forest clearances, change of scope, statutory clearances, equity crunch, delays in tie-up for project financing, etc. We recognize that the Government has been working towards expediting completion of the stalled projects and revival of the PPP projects. And there are positive developments – for example, participation of the private sector in PPP highway projects has started showing signs of recovery.

- **NEED TO HARNESS POTENTIAL OF GOLF TOURISM TO RAISE INFLOW OF FOREIGN TOURIST ARRIVALS**

FICCI said that India has 220 Golf courses across the country which includes 25 signature Golf Courses right from Jammu & Kashmir in north India to the deep south of India. The country not only offers golf but also its rich culture, history, monuments, mountains, beaches and hospitality. Although golf from a tourism perspective is a niche area yet it has a huge potential and the second edition of the FICCI Golf

Tourism Summit is testament to this. Around 18 leading foreign golf tour operators from 16 countries participated at the summit to explore what golf in India has to offer, as a sport and as a golfing destination.

- **FICCI CALLS FOR A RELOOK AT THE GAS PRICING FORMULA TO REFLECT REALITIES OF INDIAN MARKETS**

FICCI strongly advocates a gas pricing mechanism which adequately remunerates domestic E&P activity, and ramps up India's domestic gas supply volumes. Not only is this imperative for the development of domestic hydrocarbon industry, but is vital towards ensuring India's energy security. A pricing regime should be reflective of the enormous geological risks and production uncertainties which are inherent in geography such as India.

FICCI has insisted that the current gas pricing formula be relooked, as it is unfairly biased towards the pricing in gas surplus economies such as the United States, Canada and Russia and is not consistent with realities of the Indian Market. This view has also been corroborated by rating agencies Standard & Poor and Moody's which have recommended that the pricing formula incorporate prices in similar geographies such as Indonesia and Thailand average around \$8-10/mmbtu.

FICCI emphasized that India's vast untapped reserves in deepwater, ultra-deepwater as well as North East and frontier basins can only be brought online by creating a favorable pricing regime which incentivizes both domestic and foreign Oil & Gas majors to commit significant amounts of risk capital and advanced engineering solutions in these areas. Furthermore, he added that the higher premium for deepwater, ultra-deepwater along with high pressure and high temperature fields, as previously announced by the Government needs to be implemented expeditiously. This incentive also needs to be extended to all existing discoveries.

Continuing with the current gas pricing regime will severely affect India's larger goal of reducing oil import dependency and building the domestic hydrocarbon capacity as envisaged in Hon'ble Prime Minister's "Make in India" initiative.

- **SMART CITIES: FICCI TO BOOST INDUSTRY – GOVERNMENT PARTNERSHIP**

FICCI said that the mission of 100 smart cities to transform the nation is a new and bold initiative of the Government of India. Urbanization has complex environmental, economic and social issues. Thorough planning, efficient financial and administrative structuring is required to accomplish the Smart City initiative. We also need solutions to reinvent our existing cities to make them green, inclusive and IT friendly.

FICCI has created an Urban Infrastructure and Smart Cities Committee whose objective is to forge partnership between the Government and industry to develop smart cities. FICCI has recently signed an MOU with the city of Pune to develop Pune as a smart city through mobilization of industry expertise and resources.

- **FICCI RECOMMENDS 16-POINT AGENDA TO POSITION INDIA AS MOST PREFERRED HEALTHCARE DESTINATION**

In a bid to leverage the inherent comparative and competitive advantages as a nation and position India as the most preferred healthcare destination, FICCI has made wide-ranging recommendations to capitalize on the available opportunities in the Medical Value Travel (MVT) market.

FICCI has recommended the following 16-point agenda for action:

- Simplified and relaxed medical visa regulations for patients including visa on arrival
- Multiple entry medical visa to facilitate follow-up treatments
- Promotion of MVT by Indian Embassies
- Medical facilitation desk at Indian airports for medical visa holders to eliminate the problem of touts
- Faster immigration facilities at Indian airports
- An Advisory or Checklist should be provided at the time of grant of medical visa
- Access to put ambulance and stretchers at airports
- Fiscal laws to be relaxed for genuine foreign patients, allowing them to transfer money to India, in case of additional requirements
- Nodal agencies need to be created to regularly meet and discuss ways to promote and improve the Indian MVT. Representatives from the government, public and private sectors need to participate
- Single consultative platform, representing all the ministries involved in medical tourism, is required to aid endorsement and facilitation of medical tourism at national level
- Process to be expedited for a nationally authenticated/recognized health portal by the government, with all the required information related to various healthcare options available, credible healthcare service providers as well as ranking of facilities
- Extensive PR campaign, by the government, to promote India as the preferred MVT destination on the same lines as “Incredible India” and also to spread the word that Indian healthcare providers are accredited by credible and internationally recognized authority (NABH)
- Proper training of nurses as they form the back-bone of any treatment requiring hospitalization.
- There is requirement for Indian doctors to conduct OPDs / procedures outside India. This is often a lengthy and tedious process
- Improving basic infrastructure, such as roads and airport facilities, in the medical hubs of the country and
- Promote NABH platform globally

- **FICCI PLEDGES SUPPORT TO INDIA – CENTRAL EUROPE BUSINESS FORUM**

FICCI stated that the Indian IT industry is today globally acknowledged. India is also a global leader in pharma manufacturing. Economic cooperation between India and Central Europe will help in boosting the bilateral pharma trade. With its large consumer base, India has emerged as an investment destination and the world is looking at India in a highly positive manner.

The ‘Make in India’ campaign and ‘Digital India’ initiative of the Government of India has opened vast avenues for businesses to cater across all economic sectors. FICCI committed full support to ICEBF to be organised as an annual flagship forum.

- **GERMANY'S PARTNERSHIP FOR SUSTAINABLE TEXTILES TO STRENGTHEN TEXTILE VALUE CHAIN**

Germany's Partnership for Sustainable Textiles aims to improve the conditions along the complete textile value chain. The alliance comprises more than 150 member organizations, currently covering nearly 45 per cent of the German textile retail industry and is aiming at a long-term market coverage of 75 per cent.

The aim of the Partnership for Sustainable Textiles is to bring about continuous improvement of social, ecological and economic sustainability along the entire textile chain.

FICCI pointed out that Indian Textiles sector is dependent on exports in a major way. India currently exports over US\$ 1.8 billion of textiles and textile items to Germany annually. Hence, it is important that Indian textile industry is integrated in the global supply chain. The world today is moving fast towards the sustainable solutions and is increasingly moving towards the sustainable supply chain. Germany is the global leader in such sustainable and smart solutions.

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