

- **FICCI COMMENTS ON WPI INFLATION DATA**  
(16 November 2015)

WPI inflation rate has been in the negative zone for the twelfth consecutive month. Besides muted commodity prices, this is also reflective of persisting weak demand conditions in the economy. At this point in time all steps should be taken for improving the demand situation in the economy and bringing pricing power back in the hands of manufacturers. As overall demand improves, investments will also get a boost.

The latest inflation numbers also report pressure building up in the food segment with prices of commodities like pulses and oil seeds edging up further. The Government has been watchful of the situation and has taken measures to keep the prices of essential food items in control. The checks imposed on hoarders has been an encouraging move and the Government has also lined up imports of pulses. This is expected to ease the situation.

- **FICCI COMMENTS ON THE SECOND QUARTER GDP NUMBERS**  
(30 November 2015)

Commenting on the second quarter GDP numbers FICCI said that an uptick has been noted in GDP numbers and we are steadily moving on the recovery path which is an encouraging sign. Both industry and services sector continue to support growth and the performance of agriculture sector has also noted an improvement. We need to maintain this momentum and move on to a higher growth trajectory, which calls for continuous reforms.

The global economy has been volatile and domestic demand is restrained. Both the Government and RBI have been factoring in the aberrations and amidst this situation it is critical to keep the optimism intact. There has been some moderation in the confidence level of India Inc. and the same has been reflected in our latest Business Confidence survey. The domestic private investors still have a guarded outlook with regard to investments. It is important to remain proactive on the reforms front and focus on implementation.

*FICCI's Voice – SG's Desk is a service to all our members and also shared with key policy makers and thought leaders. 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 UNVEILS CEOs PLEDGE ON CLIMATE RESPONSIBILITY AHEAD OF UNFCCC COP21 IN PARIS**

FICCI unveiled the CEOs Pledge on Climate Responsibility ahead of the upcoming UNFCCC COP 21 climate meet in Paris. The pledges, by 18 corporate leaders, are a major case in point to demonstrate India Inc.'s commitment to the climate cause.

FICCI hopes that the corporate pledges on climate responsibility will demonstrate that Indian businesses are not far behind in helping the nation accelerate towards low carbon growth in a time bound manner while still addressing the pressing socioeconomic needs of the country. It recognizes that each company can take its own path towards climate change mitigation and adaptation. FICCI believes that it is only a beginning, and we will see more such pledges in the future. Climate change is an issue of shared responsibility and collective action and it is hoped that this initiative will also help set an example for industry peers to step up to deliver on climate change goals.

- **FICCI COMMENTS ON FDI REFORMS ANNOUNCED BY THE GOVERNMENT**

Commenting on the FDI related reform measures across sectors announced by the government earlier, FICCI said that this is again an affirmation of the government's commitment to strengthen the economy and generate more and more jobs for the youth of the country. Over time we have seen the government take several steps to enhance the ease of doing business, improve the investment climate and encourage both domestic and foreign investors to develop India in to a manufacturing and services hub. Today's policy liberalisation move is another big step in that direction and FICCI compliments the government for the same.

The government has been laying the foundation for strong and sustainable growth that India needs. Simplification of procedures for foreign investments, putting more sectors on the automatic route, introducing fungibility between FDI and FII and having a single reference document for all FDI related guidelines are steps that would boost investor confidence further. FICCI will carry this message to all investors through its global network and facilitate more investment flows to support the country growth process.

- **FICCI COMMENTS ON REVAMP OF THE APPRAISAL SYSTEM OF THE TAX OFFICERS**

FICCI welcomes the announcement of the Hon'ble Prime Minister at the Delhi Economics Conclave about a revamp of the performance appraisal system of the tax officers. This is a major step forward on the part of the Government towards a conducive tax environment.

FICCI has been representing to the Government over the years that assessing officers are issuing assessment orders confirming tax demands without a fair and judicious analysis of the merits of the issue and overlooking judicial precedents merely to achieve the ever elusive revenue targets prescribed for them by the Government. This is borne out by the fact that on appeal 70-80% of the decisions of the Tribunal are delivered against the revenue. The unproductive exercise of issuing assessment orders in favour of revenue and consequential recovery measures vitiates the tax environment and compels the assesses to litigate the matter in appeals to seek a just treatment of the tax issue. This is the primary reason for uncertainty in tax positions and unnecessary litigation.

FICCI appreciates the move of the government to accept the suggestion given by the trade and industry and is hopeful that it will improve the tax environment in the Country's and boost the confidence level of the investors.

- **FICCI COMMENTS ON THE DRAFT INSOLVENCY AND BANKRUPTCY CODE, 2015**

FICCI is happy to note that the Bankruptcy Law Reform Committee has placed the Draft Insolvency and Bankruptcy Code, 2015 in public domain for comments. This is a much awaited reform which has remained pending and would bring greater legal certainty and speed in closure of businesses which need winding up due to genuine reasons. This will be a huge boost for banks and will also be critical for development of a corporate bond market in India.

- **FICCI COMMENTS ON THE GOLD SCHEMES, LAUNCHED BY THE GOVERNMENT**

FICCI welcomes the launch of the Gold Monetization of Scheme, Sovereign Gold Bond Scheme and Gold coin by Prime Minister Shri Narendra Modi. Last year FICCI along with World Gold Council had published a survey report building a case for the need of a comprehensive public policy on gold and had made specific policy proposals to introduce the Gold Monetization Scheme and Gold Bond Scheme.

These policies are a step in the right direction and would allow for channelization of the unutilized domestic gold reserves towards supporting the country's economic growth. The past few years have witnessed an exponential increase in gold imports exerting tremendous pressure on our current account. With the schemes being rolled out we should be able to reduce our gold imports. In order to make the schemes a success, creation of a strong infrastructure and standardization of price and quality will be essential. Also, establishment of a Gold Board would allow for better management of gold imports, encourage exports, facilitate infrastructure development and would ensure that India's gold market functions effectively.

- **FRANCE COMMITS OVER 2 BILLION EUROS FOR INDIA'S 'SMART CITIES' PROJECT WITH FOCUS ON CHANDIGARH, NAGPUR & PUDUCHERRY**

France has committed to provide over 2 billion euros for smart city projects in India with a focus on Chandigarh, Nagpur and Puducherry. Also, there is an investment of another 200 million euros for the extension of Bangalore metro.

FICCI said that under the smart cities mission, the Government of India has emphasized the importance of cities with urban local bodies taking a lead. This bottom up approach is an extremely progressive step which will positively help in proper planning and development of the cities. The Indian private sector also has a significant role to play in development of smart cities and industry seek's the government's support to facilitate and encourage the private sector for contributing towards this initiative.

FICCI had been collaborating with the Embassy of France in addressing PPP issues in urban sector in India and the seminar was a step ahead in strengthening this association further.

- **FOSTER HEALTHY COMPETITION & PROMOTE COLLABORATION AMONG STATES IN HIGHER EDUCATION TO ACHIEVE VISION 2030 GOALS**

By 2030, India will be amongst the youngest nations in the world with nearly 150 million people in the college-going age group. By 2030, the already existing challenges for Indian higher education – access,

equity and quality – will only be greatly exacerbated unless we significantly transform our higher education model.

There is an imperative need to link academia, industry and research with the higher education institutes to upgrade the quality of Indian higher education and become competitive in the world market.

FICCI said that higher education and research will play a significant role in the regional trade and policy integration provided there is a change in approach which some of the Asian countries like Korea, Singapore, Japan, Malaysia and China have done. Countries like India, Bangladesh, Sri Lanka, Pakistan, continue to grapple with over regulation of the sector leading to the mushrooming of poor quality public and private institutions. There is a huge graduate unemployment. It is therefore imperative for Asia to build a new narrative for higher education, leverage private sector participation and enhance student/faculty cross mobility.

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