

- **FICCI COMMENTS ON RBI MONETARY POLICY**
(April 6, 2017)

Commenting on the monetary policy, FICCI said that it was encouraged by the positive undertone that marks the policy outlook. The GVA growth forecast for 2017-18 has been put at 7.4%, which indicates that recovery is expected to gather pace in the current financial year driven by an uptick in discretionary consumption, impact of implementation of Union Budget announcements and rolling out of structural reforms most notably GST.

The Central bank's stance on monetary policy indicates no change in the repo rate. However, the monetary policy rate corridor has been narrowed. From industry's perspective, greater transmission of previous policy rate cuts and a further softening of the lending rates of banks is important as this would encourage both consumption and investment demand.

The decision of the central bank to allow banks to invest in REITS and InvITs is also encouraging and should offer a good source of liquidity for the real estate companies. We look forward to the detailed guidelines on this subject by the RBI as well as further instructions and final guidelines with regard to Merchant Discount Rate for Debit Card transactions.

- **FICCI COMMENTS ON THE IIP DATA**
(April 12, 2017)

Commenting on the latest Index of Industrial numbers, FICCI said that the fall in the manufacturing sector growth is in line with the outlook for the sector as perceived by FICCI's latest manufacturing survey for the fourth quarter. It only indicates that the growth remains fragile in manufacturing and need continued efforts to make the sector competitive. The Government should continue its reform measures and deepen it in times to come to strengthen the manufacturing sector.

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.

**** This issue of FICCI's Voice is a compilation of issues taken up by FICCI in the month of April 2017**

- **FICCI COMMENTS ON WPI INFLATION NUMBERS**
(April 17, 2017)

Commenting on the WPI based inflation numbers, FICCI said that the commodity prices - crude as well as metal prices - had been edging up putting pressure on wholesale prices over the past few months. However, the WPI based inflation shows a decline from the previous month and this can be attributed to softening of inflation in fuel and power and manufactured goods segments. Further, the recent strengthening of Rupee vis-a-vis the USD will also contribute towards limiting imported inflation.

Food inflation, however, has increased a bit, and this would require greater monitoring in light of the evolving weather conditions. The government is keeping a close tab on the progress made on irrigation projects, cold chain projects etc. and improvement in these areas is likely to yield positive results. The focus on drip irrigation and micro-irrigation along with improvement in the efficiency of cropping patterns and water use mechanisms will strengthen agri-production and productivity.

- **FICCI'S BUSINESS CONFIDENCE SURVEY**
(April 28, 2017)

Results of FICCI's latest Business Confidence Survey indicate that the impact of demonetization move of the government seems to have ebbed at much faster pace than earlier anticipated. And with remonetisation of the economy at a much advanced stage, things seemed to be turning normal for the corporate sector. In the latest survey, confidence level has seen a rebound, touching an eight quarter high, vis-à-vis a drop seen in the previous survey wherein confidence was hit due to a demand squeeze caused by demonetization.

Participating companies reported an improvement in the current conditions and performance level as well as expressed hope of a better turn-out in the coming six months. This could be a harbinger for better economic growth in the current year - signs of which are on the anvil - and about which the government also becoming increasingly confident.

FICCI's Business Confidence Survey is a quarterly survey conducted amongst industry members from across sectors and from diverse geographies. The latest survey was conducted during the months of March-April 2017 and saw participation of nearly 185 companies.

Survey results show that nearly 54% of the participating companies feel that current economic conditions are 'moderately to substantially better' compared to the previous six months. Further, the economy is expected to do even better in the coming six months according to 79% of the participating companies. Similar trends are seen when we look at the numbers pertaining to current performance and expected performance at the industry level and individual firm level.

- **COST OF PRODUCTION INCREASES SIGNIFICANTLY IMPACTING MANUFACTURING COMPETITIVENESS: FICCI SURVEY**
(April 10, 2017)

FICCI's latest quarterly survey reported a decline in the outlook for the sector for Q-4 of 2016-17 due to rising cost of production which has impacted the competitiveness of the sector in the last few months. FICCI's latest Quarterly Survey on Manufacturing suggests slight decline for the manufacturing sector

outlook in the fourth quarter (January-March 2017) of the fiscal as the percentage of respondents reporting higher production and exports in fourth quarter have declined vis-à-vis previous quarter. *However, it is also notable in the survey that the percentage of respondents reporting lower production has reduced by half over the previous quarter thereby indicating a more stable outlook in months to come.*

The proportion of respondents reporting higher growth during the January-March 2017 quarter has slightly fallen from 48% (revised) in October-December 2016-17 to 46%. The percentage for the third quarter i.e. October-December 2016-17 has undergone a revision with this survey. Respondents reporting negative growth has come down to 14% in January-March 2017 from 29% as reported in the previous quarter.

The slight dip in the outlook for manufacturing production in fourth quarter of the current financial year is attributable to primarily increased cost of production impacting the competitiveness of the sector and to a little extent also due to uncertain outlook on export front. Though, the percentage of respondents reporting fall in exports has reduced from 30% in the previous quarter to 18% in the January-March quarter.

FICCI's latest quarterly survey assessed the expectations of manufacturers for Q-4 (January-March 2017) for twelve major sectors namely auto, capital goods, cement and ceramics, chemicals, electronics & electricals, food products, leather and footwear, machine tools, metal and metal products, paper products, textiles and technical textiles and textiles machinery. Responses have been drawn from 320 manufacturing units from both large and SME segments with a combined annual turnover of over ₹3.8 lakh crore.

- **SANITATION AGENDA GOES BEYOND THE REALM OF CSR TO BROADER SPECTRUM OF SEEING BUSINESS OPPORTUNITIES IN SANITATION**
(April 28, 2017)

FICCI said that sanitation agenda goes beyond the realm of CSR alone to the broader spectrum of seeing the business opportunities in sanitation. And this is where FICCI sees the alignment with the coalition's focus and approach. An eco-system approach to a cause like this which has a strong interconnect with the social and environmental aspect and encompasses all stakeholders right down to the individual citizen, will be the way forward in devising a sustainable sanitation eco-system in the country.

To become open defecation free(ODF), it is crucial to ensure universal access at household and institutional levels; appropriate systems for collection, conveyance, disposal of solid and liquid waste; good hygiene practices and clean storage of water and food. To achieve this appropriate Behavior Change Communication needed to be strengthened.

- **GOVERNMENT'S POLICIES AND PROJECTS HAVE OFFERED NEW OPPORTUNITIES TO THE MANUFACTURING SECTOR**
(25 April 2017)

FICCI said that the Government's policies and projects have offered new opportunities to the manufacturing sector in areas of urbanisation, smart cities, digitisation and defence. We hope to see recovery in the sector in months to come as a result of the reforms and projects initiated by the Government in the last few months. While Indian economy continues to witness one of the highest growth

rates globally, the growth in manufacturing remains sluggish due to gaps in infrastructure, high interest rates and cost of power. However all these areas are under active radar of the Central Government and we expect large investments from the Government to boost demand. Private sector investments in manufacturing have been lagging the government investments for the first time. FICCI appealed to all the industrialist friends to take some risk and start investing with a long term view, as the sector have a bright future ahead.

- **NEED FOR STAKEHOLDERS TO WORK IN TANDEM TO MAKE INDIA ZERO WASTE NATION**
(April 25, 2017)

FICCI said that the waste management industry will play a key role at the heart of a circular economy with a transition from the old linear production model towards a resource management approach where industry acts as a provider of raw materials and energy to the rest of the economy. With this background, the first edition of Circular Economy Symposium was envisioned to fill in the information gap around huge potential in diverting resources from being dumped in landfills and fresh water bodies using the closed loop environmental solution.

FICCI is planning to create a working group which would address the issues related to circular economy and waste management. The collective efforts were needed to bring about awareness on circular economy and deliberations were needed on policies and technology that existed in the realm and how they can be leveraged for waste management.

- **FICCI URGES THE GOVERNMENT TO FINALISE AND ANNOUNCE THE TOURISM POLICY THIS YEAR**
(April 24, 2017)

FICCI has recommended to the Ministry of Tourism, Government of India, to announce the National Tourism Policy in 2017. It is to be recalled that the draft of the policy had already been prepared in 2015 and had been distributed to the stakeholders for their inputs.

The recommendation has been mooted in the FICCI-YES Bank report – ‘India Inbound Tourism: The Next Growth Trajectory’ released in the inaugural session of the Great Indian Travel Bazaar (GITB) 2017. The report states that the draft policy reflects the evolving paradigm of the industry and has also suggested several developmental initiatives. FICCI has urged that the draft be finalized as a time-bound mission so that the policy can be released this year itself. The Policy will provide right impetus and direction to the state tourism policies as well. Furthermore, it will also ensure fast pace implementation of several key initiatives and institutional reforms proposed in the Draft Tourism Policy.

The other recommendations in the report relating to policy and regulatory interventions pertain to setting up of a National Tourism Authority, increasing budget allocation to tourism industry, suggesting lower GST slabs for tourism sector and increasing application window for e-visa from 1 month to 6 months. It also urges for promoting hassle free travel by increasing e-visas to more countries.

- **INTEGRATED APPROACH OF GOVT., INDUSTRY AND OTHER STAKEHOLDERS VITAL TO MEET INDIA'S INDCS AS PART OF POST-2020 CLIMATE ACTIONS**
(April 19, 2017)

The Indian government, industry, innovators, R&D, academia and other stakeholders need to integrate their efforts seamlessly to meet its Intended Nationally Determined Contributions (INDCs) as part of the post-2020 climate actions.

FICCI said that for a country like India with a huge development deficit that has a vast section of the population lacking access to basic needs of electricity, water and sanitation, the need for widespread sectoral innovations and business models under a paradigm where addressing the development deficit is the imperative would be crucial to addressing the climate change problem.

The large scale impact for combatting climate change can be achieved if business and industry potential is harnessed and their contribution to the effort is solicited with the right approach. Providing scale is an imperative for a growing and vast country like India where scale of operation will enable economies of scale in cost and prices. Enabling scale in projects, solutions, business models would help drive down costs of mitigation action, and shall also provide inclusiveness and spread the curve of positive action down to the bottom of the pyramid. Essentially, the need of the hour is to devise market mechanisms at the global level and policy interventions at the domestic level to scale up these models. While large businesses need to voice support to climate action, there is also a need for mechanisms to be devised to support medium, small and micro enterprises to step up their climate initiatives and action.

- **LAUNCH OF FICCI-INDIAN LANGUAGE INTERNET ALLIANCE (FICCI-ILIA)**
(April 5, 2017)

FICCI said that with the dream of 'Transforming India' to a 'New India', the Government of India has already launched several key initiatives aiming for transformation of India into an empowered and knowledge-based society. FICCI along with Google India and other industry members are launching FICCI India Language Internet Alliance. Recognizing the immense potential and benefits of local language content, for the new set of users coming online, this alliance will focus on enhancing content and establishing standards across country.

Indic Internet: Introduction and Scope

With improved connectivity and growing proliferation of smartphones in the country, India is expected to have over 650 million Indians connected to the internet by 2020. There is an urgent need to make the internet content more useful for Indians, many of whom do not speak English.

FICCI along with Google India is setting up the Indian Language Internet Alliance under FICCI. FICCI-ILIA will further proliferate Indian language internet. As FICCI-ILIA we aim to work with stakeholders across government, publishers and technology companies, to achieve the shared vision of furthering Indic internet. Our immediate mandate is to:

- Build capacities of Indic publishing ecosystem
- Work towards establishing standards across industry for input and discoverability
- Create a framework to support innovations in Indic ecosystem
- Awareness building about the benefits of incorporating local languages content on internet

- **FICCI ARISE (ALLIANCE FOR RE-IMAGINING SCHOOL EDUCATION) ADVOCATES CREATION OF PROGRESSIVE POLICY ENVIRONMENT IN PUBLIC AND INDEPENDENT SCHOOLS**
(April 3, 2017)

FICCI said that while the government should bring in adequate reforms to fix the government schools, to attract credible and ethical private sector, it is critical to facilitate independent schools to restructure and allow them to generate ample surplus in a transparent manner to fulfill the responsibility of providing education to children with the latest pedagogy and technology. To leverage the strength in private sector, PPP models should be developed to strengthen the underperforming government schools.

The third party ratings framework for schools was needed and each school's performance should be measured on varied parameters where the framework created should be aspirational and credible. The autonomy, accessibility and affordability were needed to augment the quality of education. Transformational changes were needed in the education system and students had to be equipped with the right education which allows them to learn, un-learn and re-learn to remain relevant.

FICCI ARISE is a national body which focusses on school education. For FICCI ARISE, the learning outcomes notified by the government are non-negotiable and the members of the collegium were committed towards taking India's education sector to the next level.

FICCI said that Education 3.0 needs to focus on quality and tech-enabled pedagogical models to enhance formal education. Levers such as personalized and adaptive learning, multi-format simulations and practice environments, and lifelong learning models were needed for holistic development of children to become productive citizens.

- **FICCI TO HOLD DISCUSSIONS ON PROMOTING INDO-US ECONOMIC PARTNERSHIP**
(19 April 2017)

A high-powered FICCI business delegation led by Mr. Pankaj R Patel, President, FICCI & Chairman and Managing Director, Zydus Cadila - Cadila Healthcare Ltd., accompanied Finance Minister Mr. Arun Jaitley to the United States from 20th - 24th April 2017 to enhance the bilateral economic engagement between the two major democracies and further boost cooperation between Indian and US businesses.

The importance of the visit was underlined by a series of significant meetings which were expected to set the pace for an intensified dialogue between businesses on both sides. Prominent among these engagements were the meeting with Institutional Investors and a luncheon meeting with Long Term Investors on 24th April 2017 being organised by FICCI with Citibank and Goldman Sachs, respectively. The meetings were addressed by the Hon'ble Finance Minister Mr. Arun Jaitley. The meetings involved interaction with banks, investment funds, asset management companies and institutional investors looking to expand their presence in India as well as discussion regarding long-term investment opportunities in India.

FICCI said that this visit gave CEOs' a good opportunity to talk about programs such as Make in India, Digital India, Smart Cities, Skill India and Start-Up India. In each of these areas, US companies are contributing a lot and their favourable experience can be a benchmark for success for others to follow.

FICCI team also proposed to take up with senior officials of US government as well as business counterparts some of the pressing issues that seem to be hindering the two sides to fully capture the true

potential on offer. This list includes areas such as the issuance of H1B visas that are of great importance to the Indian IT sector and professionals.

- **FICCI & FBCCI FINALIZES 6-POINT AGENDA TO PROMOTE INDO-BANGLADESH BILATERAL RELATIONS**
(April 8, 2017)

FICCI and FBCCI have finalized a 6-point agenda which includes setting up a Joint Task Force on Tariff and Non – Tariff Barriers; establishment of a Joint Task Force to promote Indian investments in Bangladesh in the focus areas of infrastructure, education, healthcare, power and tourism; connectivity initiatives for expansion of sub-regional cooperation among BBIN (Bhutan-Bangladesh-India-Nepal) countries to cover links through road, rail, rivers, sea, transmission lines, petroleum pipelines and digital; joint investments and a roadmap for cooperation in the Bay of Bengal in exploration of hydrocarbons, marine resources, deep sea fishing, preservation of marine ecology and disaster management; collaboration in knowledge sharing to facilitate innovation and research; and a partnership on skill development to contribute towards building a global work force by harnessing the youthful energy of our two nations.

- **FICCI WELCOMES THE GOVERNMENT’S DECISION TO INTRODUCE A NEW CATEGORY OF VISA FOR FOREIGN FILM MAKERS**
(April 5, 2017)

FICCI welcomes the Government of India’s decision to introduce a new category of visa for film makers to shoot films in India. FICCI said that this is a right step taken at the right time as it will simplify the visa process and ease the entry of artists and technicians into India. The Film Visa and the Film Facilitation Offices (FFOs) will be set up to handle such applications.

This initiative will bring in multiple benefits as young artists and technicians will get opportunities to be part of international projects and M&E verticals like studios and animation will get much needed exposure. More importantly, when these movies are released internationally, it will put India as a great tourist destination, thus promoting India’s tourism potential.

For more details contact FICCI Membership
at tripti.kataria@ficci.com