

- **FICCI COMMENTS ON RBI MONETARY POLICY**
(7th June 2017)

Commenting on the monetary policy FICCI said that the reduction in the SLR rate by 0.5 basis points is a positive step. The move will help bring in greater liquidity in the system and should allow the banks to undertake a further reduction in lending rates.

A cut in the lending rates is much needed given the fact that domestic private investments have been weak persistently. Also, the GDP numbers released clearly reflect the effect of demonetization panning out in the fourth quarter of last fiscal year. At this juncture, the Central Bank signalling a move towards an accommodating stance would have helped uplift the sentiment. The move to reduce the risk weight on certain types of housing loans is welcome and should give a push to the housing and other related sectors.

- **FICCI COMMENTS ON WPI INFLATION NUMBERS**
(14th June 2017)

Commenting on the WPI based inflation numbers, FICCI said that the trend in inflation is in line with the broad expectations- both wholesale and retail prices remain benign. Food inflation has softened considerably over the past couple of months. Further, with global commodity prices remaining subdued and the monsoon this year expected to be 'normal', inflation should continue to be within RBI's comfort zone. The central bank has revised downwards its own projection for inflation in the months ahead. I think the case for supporting growth is getting stronger and we hope that RBI will take a relook into its monetary policy stance in the light of these new numbers. We need to boost investments and growth, which is so essential for employment generation across the economy.

The industrial economy is still progressing at a slow pace and all support should be geared towards strengthening its growth trajectory. The government has been pushing reforms at a quick pace to accelerate growth. FICCI would like the RBI to also be more accommodative through an easy monetary policy as the current real interest rate remains on the higher side.

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 June 2017**

- **FICCI COMMENTS ON IIP DATA**
(12th June 2017)

Commenting on the latest Index of Industrial number, FICCI said that overall the industrial growth seems to be stabilising and could pick up momentum if global demand is steady in months to come. Industry is looking forward to forthcoming foreign trade policy review to further encourage manufacturing exports. A more accommodative monetary policy with lower interest rate would stimulate consumer demand that would hedge any downside risk arising from exports.

- **FICCI LOOKS FORWARD TO WORKING WITH THE GOVERNMENTS TO ENSURE SUCCESSFUL IMPLEMENTATION OF GST**
(29th June 2017)

FICCI congratulated the Union and the State Governments on setting up one of the most important reforms in the country, the Goods and Services Tax (GST).

FICCI expects that the roll out of GST will bring about significant gains to the country's economy and advantages for the stakeholders. GST will prevent cascading of taxes since Input Tax Credit (ITC) will be available across goods and services at each stage of the supply chain. The harmonisation of the laws, procedures and rates of taxes enforced by the Centre and the States will bring transparency and uniformity in our tax regime. It will ease the burden of taxpayers in understanding and complying with various tax laws.

Establishment of GST Network automates the processing of tax related filings enabling automation of processes like registration, returns, refunds, tax payments, etc. This is expected to reduce the interface between the tax payer and the tax administration and will go a long way to reduce unwarranted litigation on indirect tax matters.

FICCI believes that introduction of GST will help in a major way in reducing the generation of black money and the spread of the parallel economy in the country. The very framework of the tax structure whereby input tax credit is available for the subsequent activity of manufacture or trading serves as an incentive to be more tax compliant. Introduction of comprehensive GST will enable an accurate quantification and corresponding refunds of all taxes and duties suffered by an export product making India's exports competitive in the international market. FICCI looks forward to working with the Governments to ensure successful implementation of GST.

- **FICCI WELCOMES THE POLICY ANNOUNCEMENT OF DEFERMENT OF TAX COLLECTION AT SOURCE (TCS) PROVISION UNDER GST**
(22nd June 2017)

Commenting on the Tax Collection at Source (TCS), FICCI said that E-Commerce is one of the flourishing sectors of the country and has remained as a core part of the Government's Start up India, Make in India, Digital India and Skilled India programs. The sector is needed to be nurtured with right policy frameworks and guidelines in order to make it more productive. FICCI welcomes the policy announcement of deferment of Tax Collection at Source (TCS) Provision Under GST.

TCS would have a direct impact on the sellers of the marketplace, who are generally small in nature with a turnover in the range of INR50 lakh to INR10 crore per annum. TCS could have disrupted the cash flow, thereby disrupting the level playing field between online selling and offline selling, and discourage sellers

particularly SMEs from selling online. This carries the risk of slowing down the growth of e-commerce with consequential negative impact on economic growth, job creation, infrastructure investments and possibly tax collections itself.

FICCI has been persistently indulging in policy advocacies on several fronts towards removal of the clause in the greater interest of the booming sector and appreciates the move of the Government which would help in bringing in simplicity in the operations of the e-commerce industry players.

- **FICCI COMMENTS ON THE LAUNCH OF OPEN ACREAGE LICENSING POLICY (OALP) AND NATIONAL DATA REPOSITORY (NDR)**
(30th June 2017)

Reacting on the launch of the Open Acreage Licensing Policy (OALP) and National Data Repository (NDR), FICCI complimented the Ministry of Petroleum and Natural Gas, Government of India and said that these initiatives are set to give India's oil and gas exploration a big push. These initiatives launched under the new Hydrocarbon Exploration and Licensing Policy (HELP), are major steps in India's journey towards achieving energy security. This is also a big step to incentivize the domestic E&P activities in the country; the bidding being done after a gap of seven years.

In the last rounds of NELP, there was a lackluster response due to less options of exploration offered and restrictive time lines. The industry is hopeful that the two new initiatives of National Data Repository and Open Acreage Licensing would reinstate the confidence of investors in India and facilitate in making business decisions pertaining to investment in our upstream sector more effectively.

- **FICCI WILL REPRESENT INDIAN INDUSTRY AT SCO BUSINESS COUNCIL**
(9th June 2017)

FICCI congratulated Prime Minister Narendra Modi on the Indian membership to the Shanghai Cooperation Organisation (SCO). SCO Business Council welcomes FICCI as Business Secretariat from India following India's formal induction ceremony at historic SCO summit in Astana, Kazakhstan.

This came into force following the accession ceremony at the SCO summit of heads of state where India formally moved from observer status to full membership. **FICCI has been designated by the Government of India to represent Indian industry at the SCO Business Council once India's accession formalities will be completed.** We are excited to be a part of this multilateral grouping and contribute to its economic agenda. Business and economic connect would be an important aspect of India's full membership of SCO. We look forward to working with member countries for progress, prosperity and connectivity in the region, said FICCI.

- **TRANSFORMATION OF INDIAN RAILWAYS UNDER WAY**
(6th June 2017)

FICCI stated that the real challenge before the Indian Railways was to devise ways to gain share of the traffic from the road sector, enhance productivity and manage capital expenditure for capacity expansion and project implementation. The seeds had been sown for the transformation to 'smart' railways by way of a freight action plan, expansion and modernization plan, electrification of 72% of BG network by 2020, creation of a dedicated 'safety' fund to achieve a zero-accident mission, ICT deployment and keeping in step with 'Make in India' through the PPP mode and FDI.

- **MODI'S VISIT TO US SIGNALS STRENGTHENING OF BILATERAL RELATIONSHIP**
(28th June 2017)

FICCI affirmed that the India-US relationship was now back on track and was multi-dimensional as it had a strong bearing on ties relating to defence, security, trade, investment, education, and tourism. The two countries mattered significantly to one another and this was borne out by the jobs created in the US through its investment and exports to India. The current level of export activities create 2.6 lakh jobs in the US. If the investment spinoff is considered, the job figure gets doubled.

FICCI alluded to the 50 bilateral dialogues that are currently on between the Indian and US governments on topics ranging from defense and trade to energy, education, health, space, and science. Six US presidents have made a total of seven trips to India since relations were established, while nine Indian prime ministers and one president have made a total of 30 trips to the US. The US-India Entrepreneurship Summit, slated for November this year in India, was a step forward in the bilateral ties. On the issue of H1B visa, FICCI said that the issue was important but far too much was being made out of it. While human resource mobility is important, economic engagements are multifaceted and diverse.

- **FICCI WORKING WITH SPORTS LEGENDS FOR PROMOTING BUSINESS OF SPORTS**
(19th June 2017)

FICCI said that for making India a sporting nation, there was a need for a strong sporting culture and creation of a robust ecosystem. Indian government was fully committed to this task as also the private sector. FICCI was working with sports legends to push sports as a career and was promoting the business of sports where all the key stakeholders could come together for development of sports in the country.

FICCI highlighted that addressing macro-economic risks lies beyond the capacity of individual businesses. Businesses need to strengthen their resilience to ensure continued operation and survival in the face of risks. At the same time, the clear role for collaboration among public and private sector stakeholders becomes evident, for example, to develop better cybercrime prevention methods, to establish cybersecurity norms for both governments and industry, and to align international approaches to enforcement and establish industry norms.

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