

- **FICCI COMMENTS ON IIP DATA**
(12 July 2017)

Commenting on the IIP data, FICCI said that the subdued growth in manufacturing is worrying as some of the major sectors like capital goods, automobile and textiles have shown degrowth. This further underlines the need for major reforms to improve the investment climate further. In view of the fall in consumer durable growth, reducing interest rates would help in stimulating demand and also reviving investments.

- **FICCI MANUFACTURING SURVEY**
(17 July 2017)

FICCI's latest Quarterly Survey on Manufacturing suggests slight improvement in the manufacturing sector outlook in the first quarter (April – June 2017-18) of the fiscal as the percentage of respondents reporting higher production in first quarter have increased vis-à-vis previous quarter. More importantly, FICCI Survey suggests that the percentage of respondents reporting lower production has reduced considerably over the previous quarter thereby indicating a more positive outlook in months to come. The proportion of respondents reporting higher output growth during the April – June 2017-18 quarter has risen slightly from 47% January – March 2016-17 to 49%. Respondents reporting negative growth have come down to 17% in April – June 2017-18 from 27% as reported in the previous quarter, noted FICCI Survey.

FICCI's latest quarterly survey assessed the expectations of manufacturers for Q-1 (April – June 2017-18) for 11 major sectors namely auto, capital goods, cement and ceramics, chemicals and fertilizers, electronics & electricals, leather and footwear, machine tools, metal and metal products, paper products, textiles and technical textiles, and textiles machinery. Responses have been drawn from over 300 manufacturing units from both large and SME segments with a combined annual turnover of over ₹3.5 lakh crore.

However, the cause for worry was the rising cost of production (for a little over two-thirds of the respondents), the Survey noted. The cost of production as a percentage of sales for product for manufacturers in the survey has risen significantly as 69% respondents in Q-1 2017-18, against 60% respondents reported cost escalation in the last quarter. This is primarily due to rise in minimum wages and raw material cost.

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 July 2017**

- **CREATING AN ENABLING ECOSYSTEM FOR RETURNEE ENTREPRENEURS**
(27 July 2017)

FICCI introduced a research project and explained that as one of the only business organizations that actively promotes the 'Business Case for Migration', FICCI also acknowledges that mobility is not only one-way. Even though India's policy instruments have traditionally been geared towards emigration and protection of emigrants, the government is now actively promoting the interests of Indian Diaspora who wish to return and set up their own businesses through efforts to promote the 'ease of doing business'. India experiences a large stream of 'returnees' in IT and other professional services, a lot of which is driven by opportunities offered by the vibrant and growing Indian economy. The policy recommendations of this research and discussions will be presented to the Government of India. And as a follow-up to this research, FICCI proposes to actively work with state governments where the research was carried out to assist in providing services to returnee entrepreneurs.

- **STAKEHOLDERS NEED TO WORK IN TANDEM AND REDESIGN MODEL CONCESSION AGREEMENT FOR EFFECTIVE IMPLEMENTATION OF PPP PROJECTS**
(26 July 2017)

Public private partnership (PPP) is the need of the hour given the budgetary constraints of the government. It was imperative that the stakeholders including the government, private sector, investors and banks work in tandem and weed out the obstacles and create a Model Concession Agreement (MCA) which accounts for all the risks, issues and spells out a framework for effective implementation of a PPP, said, Mr Nitin Gadkari, Minister for Road Transport, Highways and Shipping, Government of India.

FICCI said that NITI Aayog is currently in the process of preparing a list of 10 big infrastructure projects across sectors that can be developed under the PPP mode and is also working on the flexible structuring of PPP projects. New measures such as the Hybrid Annuity Model (HAM), Toll-Operate-Transfer (TOT) model and improved land acquisition process among other initiatives will drive the required private sector participation.

The infrastructure scenario is fast changing and with the ever-increasing opportunities for global investments, and significant developments in the years ahead is expected. The strength of participation from the government indicates that it is committed to push infrastructure development for better connectivity between roads, railways, shipping and aviation through the PPP Model.

- **IMPLEMENTATION OF WTO TRADE FACILITATION AGREEMENT KEY TO BOOST GLOBAL TRADE**
(21 July 2017)

The WTO Trade Facilitation Agreement (TFA) and the World Customs Organization Mercator Programme Approach to Implementation provide an overview of the TFA, the key steps required for accession to and compliance with the TFA, bringing forth the lessons learnt and best practices, which could serve as support and potential capacity building tool for successful TFA implementation.

FICCI said that the TFA was a major milestone for the global trading system. It would benefit industry, trade, investment and people. The new agreement entails that new standards and processes have to be adopted and would lead to reduction in logistics cost and enable smooth movement of goods across borders.

- **LAUNCH OF E-NAM TO CREATE UNIFIED MARKET FOR FOUR COMMODITIES**
(14 July 2017)

FICCI has said that technology would play a key role in empowering farmers and augmenting productivity in the country. There is a need for newer approach to strengthen agriculture marketing system, where the synergies of both the public sector and the private sector are harnessed for the benefit of farmers. The private players need to step forward and look at developing private mandis and come aboard e-NAM (National Agriculture Market). There is a need for creating linkages and developing infrastructure.

The enabling policies for access to inputs, credit, markets and innovations will result in increased productivity, profitability and growth. With changes in production scenario it is necessary to have effective agricultural marketing reforms to ensure that the farming is remunerative. The launch of e-NAM will help in creating a unified national market for agricultural commodities. The emphasis on digitalization will usher in a new avenue to strengthen market information system by involving private sectors. Also with GST in place now, it will facilitate a free moving market which will have far-reaching implications on agriculture as well.

- **FIRST MEETING OF INDIA-ISRAEL CEOs FORUM COINCIDES WITH THE VISIT OF PM MODI TO ISRAEL**
(6 July 2017)

The India-Israel CEOs Forum has been constituted at the time when we are commemorating 25 years of our relationship to extend an institutionalized platform to harness the economic complementarities of our vibrant economies for collectively staking claim to global business and investment opportunities.

The presence of top CEOs from both the countries as Forum members would add needed operational vision for them to undertake harmonized efforts for realizing cooperation in developing new and innovative areas of collaboration. It is a very exhilarating to share that during this historic visit of our Prime Minister to Israel, 12 MoUs were signed between Indian and Israeli companies. Most of these Indian companies signing MOUs are also their CEOs as part of the India Israel CEOs Forum.

- **NEW UTTARAKHAND TOURISM POLICY ON THE ANVIL**
(5 July 2017)

The Government of Uttarakhand is working towards unveiling a new policy to give a fillip to the tourism sector in the state. The home to *paanch dhams* - Kedarnath, Badrinath, Yamunotri, Gangotri along with Sri Hemkund Sahib - Uttarakhand is promoting spiritual tourism by developing circuits such as Devi Circuit and Shiv Circuit. This year the number of tourist arrivals in the state has already crossed the 17 lakh mark and this reflects the immense potential it has as a tourist destination.

FICCI has said that the challenge lies in creating world class infrastructure to significantly increase tourist arrivals and create a strong, unequivocal 'Brand India'. The Government and industry need to join hands to jointly create a policy landscape that can spur the growth momentum. The stakeholders should utilize the varied FICCI platforms which were promoting tourism to realize the true potential of this sector.

- **DIGITAL PAYMENTS INCREASE BY A WHOPPING 55 PER CENT IN 2016-17**
(3 JULY 2017)

The RBI data shows that the volume of digital payments has recorded a CAGR of 28 per cent during the five year period ending 2015-16. In contrast, the increase has been a whopping 55 per cent in 2016-17, according to an analysis and evaluation of the current digital payments landscape in the country as captured by NITI Aayog. Further, the value of overall payments was around 13 to 14 times of GDP during the five-year period. In contrast, the outstanding stock of currency in circulation, which hovered around 12% of GDP during 2011-12 to 2015-16, declined to 8.8% during 2016-17, reflecting the impact of demonetisation partially offset by the ongoing re-monetisation process.

FICCI has said that India's digital payment system has been evolving robustly, spurred by developments in information and communication technology. There are three trends that are shaping the future of the digital payment space in India. First, is the rapid growth of the more nimble Fintech players that are working to deliver services in a manner never seen before. Second, the experience of customers in other industries be it e-commerce, healthcare, education or transportation is improving at such a fast pace that they are now expecting similar delivery and interface even in the payment industry. Third, is the push government is giving to digital economy in the country and which itself is inducing a change in consumer behaviour and making customers ask for more convenience for their payments.

Though people had bank accounts, they still engaged in cash transactions but demonetization accelerated the pace of digital payments. The government, industry and stakeholders for the first time had come together for the same cause. With some standardization in the systems, he added that technology and available solutions could help in creating the last mile connectivity and bringing customers on board digital payments.

- **INDIA AND ASEAN MUST FOCUS ON REGIONAL CONNECTIVITY & TRADE**
(July 5, 2017)

FICCI has stated that there are two areas where India and ASEAN must seize the opportunity to do more. These are economics and regional connectivity. Closer cooperation will spell continuous productivity gains and skill-upgrading, leading to improvements in production to tracking global competitors. There is a great opportunity for India and ASEAN to work closely in regional connectivity for promoting trade, bringing people closer, and integrating economies. Improving connectivity - air, surface and sea - is an imperative to take the relationship to the next level. There is a dire need for direct flights between India and the ASEAN member nations.

On its part, FICCI has announced the First India-ASEAN Start up Awards, starting with the CLMV countries in the first year and helping the best of the technologies to commercialise for the market. The Chamber is also working on a major project aimed at promoting traditional textiles of India and ASEAN and taking them to the global market. The project – India ASEAN Weaving textile relationships – culminates in a coffee table book and a unique textiles show to be held during the commemorative summit. Furthermore, FICCI, supported by the Government, is working on the first India ASEAN Youth Awards.

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