

# FICCI UNVEILS A WISH LIST FOR THE NEW government

New Delhi, 19 May 2014: "The Nation has very clearly voted for development. FICCI congratulates PM-Elect Sri Narendra Modi for the overwhelming mandate received from the largest elections ever held. Sri Modi has charted a dynamic vision with determination to lead from the front. We look forward to renewed trust, sound governance and decisive actions as enabling factors to address needs and aspirations of both our entrepreneurs and youth" said Mr. Sidharth Birla, President, FICCI.

"Even as the Union Budget is a ripe opportunity to spell out key policies, fiscal imperatives and plans for implementation, the interim weeks must be liberally used by our Leadership to project its vision and set a progressive tone and direction. We also hope to see measures on inflation mitigation and restoring confidence, besides road maps on job creation and national competitiveness".

"Mission-mode actions and bold decisions are most likely to deliver tangible outcomes over 6-24 months" added Mr. Birla. FICCI has made certain suggestions via our agenda for Enabling India. FICCI assured the Government of its untiring efforts and participation in developing positive policies leading to job creation and growth across regions and sectors - particularly manufacturing".

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## "Enabling India" : FICCI's agenda for the new government

### The Imperatives

- Broad-based regular communication from PM's level
- Cabinet-led decision making with full authority and accountability
- Roadmap to 8% growth by 2017 and 10%+ by 2020
- Creation of a Food Inflation Response & Strategy Team (FIRST) under PMO
- Outline National Agenda for Job Creation
- Strong Centre-State linkages, greater decentralization for development

### The Important

#### 1. Mitigate Food Inflation

- De-list horticulture products from APMC Act
- Higher Production/Productivity measures
- Focus on post-harvest distribution infrastructure
- Enhance Milk production ('White Revolution')
- Enhance Fruit & Vegetables production ('Rainbow Revolution'); use of arid land

#### 2. Revenue / Expenditure Management

- GST in 2015
- Revisit Subsidies and Revamp MNREGA (for asset creation)
- Review DTC – inter-alia need for conducive environment for taxpayers

#### 3. Address Tax Environment

- End Tax Adventurism
- Resolve Retrospective/Capital Raising related tax issues
- Retrospective actions, if at all, must invariably favour the taxpayer
- Rebated Income Tax for small, start-up businesses linked to employment creation

#### 4. Strengthen Legal & Judicial Infrastructure

#### 5. Sustainable Balance of Payments

- Resolve Coal/Iron Ore impasse

- Market based fuel pricing/tackle subsidies to curtail oil import impacts
  - Moderate import dependence for natural resources and commodities
  - Inspire FDI for exports, mitigate defence imports
6. Reform Factors of Production
    - Labour – Flexibility in labour laws
    - Energy – Private sector participation in coal sector; resolve gas pricing
    - Land – Comprehensive review of Land Acquisition Act
    - Capital – Deepen equity markets, re-capitalise and consolidate public sector banks (bring down government equity)
  7. Fast Track Project Investments
    - CCI and PMG to continue with PMO monitoring
    - Policies must balance between environment & development
    - Dispute resolution on natural resources to trigger investments
  8. Accelerate Infrastructure Development
    - 2-3 mega infra projects (e.g. high speed passenger train corridors, pucca roads to each village)
    - PPP advisory unit to revive stalled projects
    - Large PPP infra projects to have pre-bid composite clearances
    - Privatization of ports
  9. Improve Governance
    - Review regulations to eliminate redundancy and control-orientation
    - Inter-ministerial co-ordination under an 'umbrella' structure e.g. energy, infra, mining/steel
    - States' flexibility on certain concurrent list subjects particularly labour and environment
    - Implement Damodaran Committee suggestions on ease-of-doing-business
    - Principles based allocation of Natural Resources - no discretion
  10. Economic Diplomacy
    - Creation of 'Gateways for Global Capital' - East & West - FICCI offers to lead the concept
    - Green Channel priority to hi-tech and export oriented FDI
    - Involvement of States & Indian Missions to enhance diplomacy initiatives
    - Critical review of FTA framework for greater market access for India
  11. Dividend of Better Education & Skill Development
    - Development of faculty, digital learning, skills qualification framework, etc.
  12. Improved Healthcare & Wellness

“Enable India ...Suggestions for The Imperative & The Important for the new Government” is available on

<http://fikki.com/SEDocument/20290/Enable-India.pdf>

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