

- **FICCI COMMENTS ON INFLATION**

Wholesale price index based inflation continues to be in the negative zone for the seventh consecutive month in May 2015 led by a persistent decline in fuel and manufacturing segment prices. Inflation in case of food articles broadly also remained on a downward trajectory. Though monsoon has been predicted to be below normal this year, the Government has already outlined its preparedness and plan of action to deal with any contingency on this account. This should ensure keeping in check any pressure on inflation arising from the food segment.

- **FICCI COMMENTS ON IIP DATA**

The manufacturing growth seems to be gaining momentum now as is evident from the healthy growth of key sectors like capital goods and also from the fact that growth is more diversified. We are hopeful that this momentum will continue since there is a commitment at the highest level. The Government has taken several steps in the last few months to improve the business environment and enhance the investor confidence which is now going to yield results. Since 'Ease of doing Business' is an important factor in attracting investments in the country, we are happy to see several steps being taken in that respect.

- **FICCI COMMENTS ON RBI MONETARY POLICY**

RBI's decision to cut repo rate by 25 bps is a welcome move. However, given the current situation, the Central Bank could have considered a deeper cut in repo rate by 50 bps. As RBI's own prognosis shows, industrial growth has been recovering, albeit unevenly. The slowdown in consumption demand and the still weak investment cycle has taken a toll on the industrial sector. The same is also reflected in the low credit offtake and the sluggish quarterly corporate results announced recently, according to FICCI.

Capacity utilization levels across industry segments continue to remain at moderate levels and as reported in FICCI's several industry surveys, the outlook for the same is still muted. The need of the hour is to propel demand. With several projects being unclogged by government and public investment being stepped up, there is a case for crowding in private investment. However, the latter requires a simultaneous push in the form of lower lending rates. We urge the banks to reduce lending rates following RBI's announcement. RBI Governor has rightly pointed out and advised banks to pass through the sequence of rate cuts into lending rates. In fact, the lowering of rates by banks should be in line with the cumulative policy rate cuts announced by RBI so far this year.

The Reserve Bank has also revised downwards the GDP growth projection for 2015-16 from 7.8% to 7.6% in the policy statement. These indications clearly call for a more concerted effort to support growth. With inflation fairly settled for now, a more aggressive stance could have given a stronger positive signal to the industry.

- **FICCI INITIATES AWARENESS PROGRAM FOR 'ZERO DEFECT ZERO EFFECT' (ZED) AMONG MANUFACTURING & SERVICE SECTORS**

FICCI in association with Quality Council of India (QCI) has started a series of workshops, directed at creating awareness about the ZED (Zero Defect, Zero Effect) Maturity Assessment Model. This initiative is intended to give a major fillip to Prime Minister Modi's vision to manufacture products with "zero defect" in terms of quality and with "zero effect" in terms of environmental impact under the 'Make in India' umbrella.

The scope of the Model spans across all sectors of manufacturing and service industry with a special focus on SMEs. It reflects a mechanism that will provide the Indian SMEs with a roadmap to improve from one level to the higher one along with handholding from consultants/e-learning courses and providing other infrastructure requisite to make the enterprises more competitive globally.

The ZED Rating is poised to emerge as a credible recognition of the domestic industry for International Customers and Foreign Direct Investors seeking investments in India. ZED is further likely to be made as a benchmark for suppliers to PSUs and Defence Offsets.

- **FICCI APPLAUDS THE LAUNCH OF AMRUT, 100 SMART CITIES MISSION AND HOUSING FOR ALL BY 2022 BY PRIME MINISTER**

Welcoming the launch of AMRUT, 100 Smart Cities Mission and Housing for All by 2022, FICCI has said that this is the beginning of a new urban India in the making. Shri Narendra Modi, Hon'ble Prime Minister of India has emphasized the importance of cities and Urban Local Bodies taking the lead in this process by planning and developing the cities as per the requirement while maintaining the characteristics of a city. This is an extremely progressive step which will positively help in proper planning and development of our cities. The citizens' role has also been prominently highlighted which is commendable.

- **TRIGGERING BEHAVIORAL CHANGE IN MINDSET OF COMMUNITIES IS THE KEY TO ACHIEVE 100% OPEN-DEFECATION FREE INDIA**

The India Sanitation Coalition was initiated in 2013 by a group of people from different organizations engaged in the sanitation space. The Coalition today includes 51 organizations and several individual experts. It has been established to bring organizations and individuals together on a common platform to find sustainable solutions for sanitation. The Coalition aims to add immense value to the Government's 'Swachh Bharat Mission'.

FICCI has said that to achieve the objective of '100 per cent Open Defecation Free status', the power of communities and the power of students to create the peer to peer pressure and influence will muster a much larger force. Therefore, the focus of community involvement and engaging schools and communities at various levels will be extremely important.

FICCI has said that the India Sanitation Coalition and FICCI would support and assist the government's objectives as set out for the Swachh Bharat Mission and facilitate the activities of the government.

- **GOVERNMENT AIMS TO MAKE NSQF MANDATORY FOR INSTITUTIONS TO RECEIVE GOVT. FUNDING**

The Government of India aims to make National Skill Qualification Framework (NSQF) compliance mandatory for all institutions imparting training and educational programs for receiving a government funding from 2017. Also, the government is deliberating on making NSQF certification compulsory for those aspiring to enter government services.

FICCI-NAVSP stands for National Association of Vocation Skills Providers, which is a FICCI platform to strengthen the interface between the key skill development stakeholders in the country.

FICCI has said that one of the foremost problems with the traditional skill development programs has been the disconnect between the skills taught and the skills needed. However, in the case of PMKVY (Pradhan Mantri Kaushal Vikas Yojna), it is highly encouraging to see the involvement of NSDC and Sector Skill Councils, ensuring that the course curriculum is market driven and has good employment potential. Now the onus of making it a success lies with the training providers.

- **COAL SECRETARY URGES STAKEHOLDERS TO FACILITATE THE FORMULATION OF A REALISTIC COMMERCIAL COAL MINING POLICY**

There is a need to formulate a realistic policy for the success of commercial coal mining in India, stated Union Coal Secretary.

FICCI has said that coal mining which had remained outside the realms of the private sector witnessed a paradigm shift when the Government of India opened a window and allowed commercial coal mining by way of new legislation. The private participation would bring with it a feasible business plan, viable financing options and much-needed high-end technology.

Dwelling on the issue of climate change, FICCI has said that India faces pressure on the global climate front when it comes to coal mining. Therefore, for energy security and decarbonized growth, India needs to look at technology to enhance sustainability.

- **FICCI APPOINTED AS THE NODAL AGENCY FOR CONSOLIDATING GUIDELINES FOR DRUG INTERMEDIARIES**

The role, responsibilities and liabilities of e-commerce marketplace and the product sellers need to be clearly defined. It becomes even more critical to have a framework in place when the intermediary is selling drugs where the safety and health of the consumer is of paramount importance.

FICCI in consultation with stakeholders had prepared a representation for Drugs Controller General titled 'Suggestive Guidelines for Reinforcing Due Diligence for Intermediaries (E-Commerce Marketplaces)'. The document comprehensively discusses the challenges faced by the sector and also proposes recommendations which can be deliberated upon to resolve these issues.

- **FICCI SEEKS ADEQUATE RELEASE OF COTTON BY CCI FOR TEXTILES INDUSTRY**

FICCI in its representation to Ministry of Textiles, has sought urgent intervention of the Ministry of Textiles for adequate release of procured cotton by Cotton Corporation of India (CCI). FICCI insists that this is

required to ensure that cotton is available to the mills and industry at a competitive rate and at the earliest.

According to FICCI, the arrival of cotton in the Indian market has dropped considerably in the last few days to 20000 bales. The total requirement of mills is close to 85000 – 90000 bales per day whereas CCI has been offering only 40000 bales per day, which also has largely remained unsold because of excessively high prices. Till date CCI has sold 10.8 lakh bales of cotton and hence carrying stocks of 75 lakh bales, as CCI has bought 85.8 lakh bales of cotton in the current season.

Indian cotton was cheaper than international cotton from the beginning of the current cotton year. But the situation has changed significantly now and the prices are substantially above the international prices mainly because of low cotton arrival in the market, noted FICCI.

- **DELHI GOVT. ENCOURAGES USE OF M-GOVERNANCE & E-GOVERNANCE TO ENHANCE CONFIDENCE OF INDUSTRY, ELIMINATE CORRUPTION & RED-TAPISM**

The Delhi government was working towards encouraging use of m-governance and e-governance to eliminate corruption and red-tapism from the system.

FICCI has said that Aam Aadmi Party assumed power in Delhi with an overwhelming mandate and amidst huge expectations which mainly related to a delivery of effective and efficient governance befitting a metropolis like Delhi; ensuring decent infrastructure and civic amenities; quality education and healthcare facilities; safety and security to its citizens and employment opportunities. She added that FICCI has been closely following the initiatives of the government and was committed to fully support the Delhi Government and would like to be associated with it in the journey towards sustainable development.

- **GREATER PENETRATION NECESSARY BY PRIVATE INDUSTRY TO MEET GROWING NEEDS OF INDIAN ARMY**

According to FICCI, with the gradual shift in geopolitical diplomacy, India was emerging from a regional power to a global power. The defence sector was increasingly occupying more space in the Government's long term strategic planning with the defence cooperation agreements that India was signing with key nations. Historically institutions like DRDO, Defence Public Sector Units, Ordnance Factories and lately the private sector have contributed in achieving partial self-reliance. However, this is not commensurate with our aspirations of becoming a global economic power.

FICCI has observed that with the current thought process, industry was geared to accept this challenge and work as 'Team India' for fulfilling the objective of creating substantive self-reliance in defence. For Indian industry to be in global supply chain, we need to invest heavily in R&D in order to ensure high precision and zero defect world class product quality.

- **INTEGRATING EFFICIENT LAND USE WITH LOCATION BASED SERVICES WILL TRANSFORM INDIA'S LANDSCAPE**

The proposed National Land Use Policy which seeks to regulate land use efficiently would help in augmenting the use of waste and non-cultivable land and integrating them with Location Based Services (LBS) would make it easier to update and maintain digitized land records.

FICCI has said that LBS has multi-sectoral applications. With the focus of the government on smart cities, the usage of LBS-enabled application would increase manifold. Emerging technologies, like LBS would be extremely beneficial and appropriate in handling the current state of economic development, urbanization, population growth, level of infrastructure and rising expectation of the people.

- **INDUSTRY URGED TO EXPLOIT BUSINESS FROM INLAND WATERWAYS DEVELOPMENT**

FICCI has said that inland waterways were critical for creating an efficient transport system. It would help ease the growing pressure on other modes of transport, reduce transport cost, promote tourism, reduce pollution, and enhance trade as well as economic growth. The estimated cost of development of inland waterways was much lower than that of building highway or railway. However, despite its advantages over other modes of transport, inland waterways are not yet well-developed in India.

FICCI is encouraged that the Government has earmarked 101 additional inland waterways for declaring as 'National Waterways'. This would enable creation of a logistic supply chain with inter-modal connectivity.

- **AFGHANISTAN RECONNECTED: BUSINESSES TAKE ACTION TO UNLOCK TRADE IN THE REGION**

FICCI firmly believes that regional cooperation and integration are critical elements to the economic and social future of Afghanistan and its neighbours. Engaging the private sector in this process would act as a catalyst to create a new dynamism for peace and socioeconomic progress across the region and has the potential to serve as a game changer.

FICCI has been working pro-actively with Afghanistan both bilaterally and multilaterally under the umbrella of SAARC and the Heart of Asia Process to harness Afghanistan's potential as a possible driver of economic growth in the region. FICCI has formed a joint Chamber with Afghanistan to pave the way for a more structured and consolidated action plan to boost our economic ties.

- **FICCI'S REACTION ON UK'S NEW IMMIGRATION BLUEPRINT**

Commenting on Britain's new immigration blueprint, FICCI has said that the migration is a sovereign matter and each country is best placed to decide on its policies related to migration given the local conditions. However, we do believe that skilled manpower and specialists will always be in demand given their contribution to the economy and industries across sectors. The contribution made by the highly qualified and trained professionals from India to the UK industry and economy, just like elsewhere, is widely acknowledged and we hope that any new set of measures that the UK government may introduce does not impinge on this valuable source of economic contribution.

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