

- **FICCI COMMENTS ON RBI MONETARY POLICY**

Commenting on the third bi-monthly monetary policy statement, FICCI said that the decision of Central Bank to keep the policy rate unchanged is disappointing for the industry. Given that the industrial growth still remains volatile and demand conditions have not seen much improvement, there is a need to give policy stimuli to encourage demand and investments. With a pickup in the monsoons, inflation is expected to remain range bound and within Reserve Bank of India's indicative trajectory. Additionally, the latest capital support provided by the Government to the Public Sector Banks should enable effective transmission into lower lending rates. Hence, we do hope that the Central Bank will consider an accommodative policy stance much ahead of the next scheduled bi-monthly monetary policy.

- **FICCI COMMENTS ON IIP DATA**

Commenting on the IIP figures for the month of May 2015, FICCI said that manufacturing sector growth seems to be picking up though it remains sluggish. With capital goods sector registering positive growth it is indicative of a turnaround in investments in the economy. Measures taken up in the last few months to expedite the project clearances and also in the area of ease of doing business have started yielding results and we are hopeful that growth will accelerate in coming months. Negative consumer demand growth is an area of concern and we hope that the Government would bring out specific measures to stimulate demand in the economy.

- **FICCI COMMENTS ON WPI INFLATION DATA, JUNE 2015**

The wholesale price index based inflation rate remained unchanged at (-) 2.4 per cent in June 2015. The pickup in monsoons in June augurs well for agri-production in the coming months. Inflation is expected to remain range bound and within Reserve Bank of India's indicative trajectory this fiscal year. IIP numbers, however, remain volatile and there is a critical need to firm up industrial growth. The demand situation in the economy is still weak and industries across sectors are operating at sub-optimal capacity. We hope that the Reserve Bank would maintain its accommodative stance in the third bi-monthly statement for 2015-16 to be announced next month. In fact, industry would like to see a deeper cut in the policy rate and its equivalent transmission by the banks in the form of lower lending rates.

FICCI's Voice – SG's Desk" is one of the services to all our members from FICCI, which is a compilation of major topical issues that we take up with the Government, Central, State 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

- **INFRASTRUCTURE DEVELOPMENT AND REGIONAL CONNECTIVITY IS ESSENTIAL FOR TOURISM DEVELOPMENT**

FICCI said that foreign tourist arrivals in India in 2014 was 7.7 million with a foreign exchange earning of Rs. 120083 crore. Indian tourism grew at 10.6% while the world tourism at 4.4%. With this projected growth, the country witnesses a void as the infrastructure struggles to cope with the demand in tourism.

The first-ever Tourism Investors Meet (TIM) was conceptualized by FICCI to bridge the infrastructure gap in tourism sector. The annual meet would allow interactive one-to-one meetings where by exhibiting destinations would be showcasing their policy and facilities with respect to soliciting investment in tourism infrastructure through pre-scheduled structured face-to-face business meetings between the state governments and prominent investors. FICCI has been promoting tourism across the country and would continue this endeavor.

- **INDIA'S IPR POLICY TO FULLY PROTECT PATENTS, GIS AND COPYRIGHTS**

FICCI said that given India's thriving economy and growing number of globally recognized brands, the country has the potential to be one of the top users of the Madrid System. Although India is a recent entrant to the Madrid System, both small and large Indian companies are now making the most of the Madrid System, from sectors as diverse as textiles and clothing through to hi-tech product and services. The year 2014, for instance, saw a promising growth of 273% in filing of international trademark applications by Indian companies. This not only reflects their growing awareness on the importance of trademark protection but how this can be leveraged for business strategy. With the Indian businesses increasingly protecting their trademarks in different geographies, it will not only increase their export orientation but will bring them global branding.

- **CAPACITY DEFICIT IN FORENSICS AND ANALYTICS TO TACKLE CORPORATE FRAUD IS A HUGE OPPORTUNITY FOR PRIVATE SECTOR**

FICCI has initiated capacity-building programmes and workshops as an attempt to increase awareness about white collar crimes. According to FICCI's 'India Risk Survey-2015', 'corruption, bribery and fraud' was perceived as the top most risk by corporates. The study on forensics of fraud investigation enables companies to decipher the evolved dynamics of fraud, bribery and corruption. It also provides insights on the related regulatory upheaval and enhanced technological advancements to enable companies to utilize the knowledge as tools to tackle fraud.

It is essential to make concerted, risk-focused efforts that target areas of potential exposure to fraud, bribery and corruption, and the management needs to lead by example. Organizations should strike an appropriate balance for growth and maintain ethical business conduct while seizing opportunities in these challenging economic conditions. Organizations should consider the following factors in relation to fraud risk management. These include Whistle-blowing mechanisms — speak-up channels; Training; Role of technology; Periodic assessment of risk; Due diligence; Fraud-response plan; Action against fraudsters; and Enforcement of company and regulatory policies.

- **FICCI WELCOMES THE NUCLEAR DEAL WITH IRAN**

FICCI welcomes the nuclear deal between Iran and the global powers as a precursor to the easing of sanctions on Iran and its return to the mainstream global economy. We will, in time, see an increase in exports of Iranian crude oil to India and the world and India-Iran trade scaling newer heights. This nuclear agreement also has the potential to revive the long- pending gas pipeline projects from Iran to India. We hope Iran is

able to expedite the recovery of its crude export capacity following the easing of sanctions and continue its valuable contribution to the fulfilment of India's energy needs.

- **INDIA ON COURSE TO SUBMIT INTENDED NATIONALLY DETERMINED CONTRIBUTIONS (INDCS) FOR CLIMATE CHANGE BY END SEPTEMBER**

FICCI said that the INDCs present an important opportunity for India to showcase its climate leadership through the communication of its past, present and future climate ambitions. It is clear that leadership in climate change has not been forthcoming from countries which are responsible for the historical emissions. Therefore, countries such as India, likely to be acutely impacted by climate change would need to develop a strategy on two formats - pressing major emitters to increase their mitigation and adaptation targets; and ramping up its national ambition to reduce the vulnerability of its own population to climate risks while balancing high economic growth.

- **FICCI-WORLD BANK JOIN HANDS TO ADVANCE 'MILLENNIUM ALLIANCE' INITIATIVE TO BOOST INNOVATIONS THAT BENEFIT THE POOR**

FICCI and the World Bank have come together in a knowledge partnership to promote the replication and scaling up of innovative approaches in service delivery across the South Asia and Africa regions. The World Bank will bring global experience and incubate these new and inclusive approaches for bringing services to the poor. The partnership will facilitate dialogue between social enterprises and governments so that solutions can be scaled-up to underserved populations under the government's priority programs.

Besides the Millennium Alliance programme, the agreement also provides for FICCI and the World Bank to work together to enhance private sector engagement in global migration policy and promote the generation and synthesis of knowledge on migration issues. In this, the World Bank's engagement will be led by the Global Knowledge Partnership on Migration and Development (KNOMAD). FICCI and the World Bank's partnership is dedicated to promoting the mobility of skilled labour, enhancing safe and legal migration, and ensuring ethical transnational recruitment practices. Potential areas of collaboration include the study of demographic changes and migration; the study of remittances, including access to finance and capital markets; and mobilising the diaspora as agents of social and economic change.

- **LACK OF ROBUST STRUCTURAL ENGINEERING POSES A CHALLENGE TO CONSTRUCT QUAKE-RESISTANT BUILDINGS**

Highlighting the significance of earthquake disaster mitigation for the private sector, FICCI said that according to World Bank estimates, the Gujarat earthquake resulted in asset losses of US\$ 2 billion in the private sector alone. Hence, smart construction of structures was needed to mitigate the effects of earthquake in future. There was a need to first understand the scope and risk perception of an earthquake. Thereafter, necessary steps should be identified to reduce the risk and based on these findings, policy should be developed to guide the earthquake disaster mitigation programme.

- **FICCI WELCOMES SIGNING OF FATCA AGREEMENT**

FICCI welcomes signing of FATCA agreement between Indian and US authorities. This is an important step, we now look forward to the operating guidelines for FATCA implementation in India. Last month at a FICCI interaction, Mr. Akhilesh Ranjan, Joint Secretary, (Foreign Tax and Tax Research Division), Ministry of Finance, had assured the audience that the government is committed to the cause of confidentiality of data and is

taking several measures in that direction. He informed that a security committee has been set up within CBDT headed by Chief Information Security Officer for security of documents and information; internal systems are being devised so that the distribution of information is channelized and there is no general distribution of information.

- **GOVERNMENT CREATING ENABLING POLICY ENVIRONMENT TO ENHANCE PRIVATE SECTOR'S PARTICIPATION IN 'DIGITAL INDIA' PROGRAMME**

FICCI stated that public-private partnerships would play a major role in shaping the future of 'Digital India' programme, by bringing efficiency along with much needed funding required for sustainability and scalability. Industry needs to understand the nature of the opportunities being offered by the government programmes like 'Digital India' hence FICCI has initiated the 'Digital Bharat' series as a platform for having transformative exchanges and deliberations.

- **FICCI WELCOMES THE CABINET APPROVAL OF INDIA'S FIRST INTEGRATED NATIONAL POLICY FOR SKILL DEVELOPMENT AND ENTREPRENEURSHIP**

FICCI has expressed happiness on the cabinet approval of India's first integrated National Policy for Skill Development and Entrepreneurship 2015. The decision of the cabinet is historic in relation to large perspective of inclusive long term policy framework to factor skills and entrepreneurship in country. It is focused to address critical bottlenecks that exists today to scale skill development program. The focus on entrepreneurship, women empowerment and vulnerable group is appropriate and much needed. The policy will help hugely in nurturing an inclusive and stable skills ecosystem.

On the Union Cabinet's approval for introduction of Common Norms across all skill development schemes being implemented by different Ministries and Departments of Government of India, FICCI welcomed the norms as it will give thrust about framework on alignment with outcomes. This is like a ready reckoner for both Center and States to execute skills development and will help hugely in nurturing an inclusive and stable skills ecosystem.

- **FICCI WELCOMES THE APPROVAL OF 'CENTRAL SECTOR SCHEME FOR PROMOTION OF NATIONAL AGRICULTURAL MARKET THROUGH AGRI-TECH INFRASTRUCTURE FUND' (ATIF) AND 'PRADHAN MANTRI KRISHI SINCHAYEE YOJANA' (PMKSY)**

FICCI is happy to note that the Cabinet Committee on Economic Affairs (CCEA), chaired by the Prime Minister Narendra Modi, has given its approval to the 'Central Sector Scheme for Promotion of National Agricultural Market through Agri-Tech Infrastructure Fund' (ATIF) and the new scheme 'Pradhan Mantri Krishi Sinchayee Yojana' (PMKSY). Both the announcements are extremely timely and were much needed.

FICCI has been advocating reforms in the APMC for a long time and towards a movement away from regulated markets. Promotion of National Agricultural Market through Agri-Tech Infrastructure Fund (ATIF) is therefore a step in the right direction as it will step up reforms in the agricultural marketing sector. Unifying the national market through e-platform will give higher transparency and better market access at better prices for farmers. Indian agrarian community surely stands to gain benefits.

On the 'Pradhan Mantri Krishi Sinchayee Yoiana' FICCI stated that with nearly 50% of Indian agriculture being rain fed, substantial investments in irrigation was the need of the hour, which this scheme seeks to address. The best part of the scheme is its decentralized nature that will provide States with flexibility in designing the implementation. This scheme perfectly is in line with the Prime Minister's vision of more crop per drop. FICCI welcomes the two announcements.

- **FICCI COMMENDS LAUNCH OF DIGITAL INDIA PROGRAM BY THE PM AS 'DIGITAL TRANSFORMATION' FOR ECONOMY**

While welcoming Prime Minister Modi's initiative with the launch of the Digital India week FICCI said that this marks an important milestone to engage with renewed energy to transform India's digital infrastructure for the next generation users and the unconnected. Digital India programme, one of the most exciting initiatives of the country is aimed at transforming the country into a digitally empowered society and a knowledge economy. Public-private partnerships will play a significant role in shaping the future of Digital India programme, by bringing efficiency along with much needed funding required for sustainability and scalability.

The length and width of the Digital India initiative is very impressive. As the entire world is looking at India, it makes practical sense to launch such a grand program which has the potential to catalyse the investment process in this high technology sector and simultaneously generate employment. Digital Locker, e-education and e-health programs have the potential not only to transform public life but would also impact the business and government working environment.

- **FICCI COMMENTS ON PM MODI'S ADDRESS TO THE BRICS BUSINESS COUNCIL AT UFA, RUSSIA**

Commenting on the Prime Minister Narendra Modi's statement at the meeting with the BRICS Business Council leaders, FICCI is deeply encouraged by the guidance given by our Prime Minister in context of boosting intra-BRICS economic cooperation. The New Development Bank (NDB) has a lot of expectations attached to it and it must promote joint BRICS projects particularly in areas of infrastructure, renewable energy and skill development. NDB must also support projects in the manufacturing sector that foster regional value chains within BRICS. This will give a massive boost to intra-BRICS trade that presently defies potential.

The BRICS Information Sharing and Exchanging Platform (BRICS Business Portal), anchored by the Fudan University, is an excellent tool that must be used and leveraged by businesses for accessing information on policies and projects across sectors in BRICS countries. FICCI, as the technical secretariat for the BRICS Business Council from India, will enhance awareness about this portal and its usability amongst businesses in India through its nationwide network. The Prime Minister has announced BRICS Trade Fair and Exhibition and offered India as the host for the first such engagement. FICCI strongly welcomes this move as it can be a very significant platform to connect businesses, learn about investment opportunities and evaluate cutting edge technologies being pursued across sectors in all BRICS countries. We would be completely supporting this initiative of our Prime Minister and feel that going ahead this could become a critical platform for enhancing intra-BRICS trade and investment flows.

- **CHINA LOOKING FORWARD TO LAY STRONG FOUNDATION WITH INDIA**

FICCI said that our two nations India and China are both in possession of a vibrant and rich cultural heritage – we are buoyed by our indigenous wealth of visual arts, exquisite crafts, tapestries of colourful regional events based on ancient traditions of history and folklore. For FICCI, it would be of utmost importance if our two countries can come together and mutually add to our heritage and make commerce through culture first on our partnership agenda.

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