FICCI'S VOICE



OCTOBER 2016

"SECRETARY GENERAL'S DESK"

FICCI ACCORDED ISO 9001: 2008 QUALITY MANAGEMENT SYSTEMS CERTIFICATION

The Federation of Indian Chambers of Commerce and Industry (FICCI) has added a feather in its cap by becoming an ISO 9001:2008 certified organization. The ISO 9001:2008 certification signifies that FICCI's management systems and processes related to service provision to its members and stakeholders are in conformity with requirements of this international standard. Essentially, it reflects transparency and set processes of functioning of FICCI.

The key benefits of the certification are as follows:

- Well defined and documented procedures to improve efficiency
- Standardized processes and systems to ensure consistency in delivery of services
- Enhanced stakeholder(s) confidence and continued focus on their satisfaction
- Improved credibility amongst funding/collaborating agencies
- On time and error free delivery of services in a consistent manner

FICCI is committed to maintain its certification and shall continuously strive to bring improvement in its systems and processes to meet stakeholders' expectations.

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 September 2016

• FICCI COMMENTS ON IIP DATA (12th September 2016)

The fall in manufacturing growth is indeed disturbing and against our expectations. We were hoping, if not high, some moderate growth in manufacturing in the second quarter of this fiscal which looks difficult now. Investment demand remains an area of concern as reflected in the steep decline of capital goods sector, said FICCI. Weak consumer demand and investments continue to shroud the growth of manufacturing and calls for sustained efforts to address the structural issues that impact manufacturing sector.

FICCI COMMENTS ON WPI INFLATION

(14th September 2016)

While the WPI inflation rate has edged up marginally in the month of August 2016 vis-à-vis July numbers, food prices which had been on an uptrend over the last few months indicated moderation with vegetable and fruit prices softening. This is also corroborated in the CPI numbers released earlier this week, which reported a fall in the CPI inflation rate on the back of decline in food prices. The good monsoon has been a boon and with improved sowing for major crops, prices are expected to remain range bound this fiscal. Also, the government has been examining the situation closely and should continue the measures to improve supply side management. The IIP numbers indicate persisting weakness in the industrial sector.

The volatile trend in IIP growth is a concern and we need to ensure a firm turnaround in this trend before it becomes more deep rooted. We look forward to an accommodating stance in the monetary policy to be announced next month, said FICCI.

<u>#STARTINCOLLEGE PHASE 2 LAUNCHED ON ENGINEERS DAY</u>

FICCI is a strong supporter of integrating entrepreneurship education with the academic curriculum to fully realise the potential of initiatives such as Startup India and Skill India. The various sessions during the Global Skills Summit highlighted the importance of such efforts and our support for the #StartInCollege programme is to enable students to start young with a mindset of becoming job creators of the future.

The key objective of the #StartinCollege programme was to provide training, mentorship and global exposure bright entrepreneurial college students ensure that it was aligned with the core theme of the GSS of "Skilling for the Future. #StartinCollege, an initiative of SV.CO, the digital iteration of Startup Village has just completed a hugely successful first phase, during which it received applications from 1,946 teams from 228 universities across 1,395 colleges in 26 states.

The programme offers top engineering teams from India the chance to nurture their business idea, build a prototype and launch to early customers in six months. The last week of the programme will be at the Silicon Valley in the US where internet giant Facebook will partner with the official host for students, and allow them to interact with its developer teams.

• <u>CATEGORIZATION OF SECURITY GUARDS AS 'SKILLED'; ARMED SECURITY GUARDS & SECURITY</u> <u>SUPERVISORS AS 'HIGHLY SKILLED' WORKERS ON THE CARDS</u>

FICCI has been continuously striving to seek an enabling framework for the Private Security Industry. From the Ministry for Labour and Employment, the Chamber has sought categorisation of security guards as skilled workers and armed security guards/ security supervisors as highly skilled workers; advisory to States to ensure skilled category pay rates for trained security workers across India and a Simplified 'Wage Code'. FICCI pointed out that a major responsibility of the government today is to find jobs for the growing

number of people that are joining the workforce every year. An environment of safety, was imperative for attracting investment. If the private security industry grows, people coming out of agriculture will have job opportunities and ultimately lead to inclusive growth in the country.

• FICCI COMMENTS ON THE RELEASE OF GUIDELINES FOR THE DIRECT SELLING SECTOR BY THE GOVERNMENT

FICCI congratulates the Ministry of Consumer Affairs, Food and Public Distribution for releasing the much awaited guidelines for the Direct Selling Sector. It is a very progressive move by the government which will give a boost to INR 72 billion industry and will help in motivating the stakeholders associated with the sector. The industry has the potential to reach INR 645 billion by 2025. We are confident these guidelines will certainly help in bringing in regulatory clarity for the sector. FICCI is positive that the state governments will implement these guidelines as the sector is a major contributor towards employment creation and tax revenue. FICCI would continue to work relentlessly for the development of the sector.

• EXPORT CONTROLS REGIMES TO PLAY A CRITICAL ROLE IN INDIA'S GROWTH STORY

FICCI said that the government needs to play the role of a facilitator to industry and create awareness among the stakeholders about export controls regimes. FICCI has been proactively working in this space as future of industry, trade arrangement and manufacturing will rest on technology. Hence it becomes necessary for businesses to understand the export control regimes to functions seamlessly in future. FICCI has been building awareness among industry about trade control regimes by using varied platforms.

• NEED TO CREATE SMART BORDER MANAGEMNET SYSTEM

India is a growing economic power and was building trade linkages. With the opening up of borders for trade and economic activities, it had become vital to create a smart border management system. Quoting instances of Myanmar and Bangladesh, he added that India shares its land border with these countries but the people living around these regions did not respect the boundaries and it was an issue that needed to be addressed.

The people living in border areas were important and there was a need to build a relationship of mutual trust with them. Speaking on the use of technology for security border management, FICCI said that drones would soon become an important aspect of surveillance and would be used extensively on the border. The business needs to take into account the risk perception; hence security was an importance aspect for businesses to run successfully. The onus of providing security lies with the government. Internal security, is big business, and the private sector had a critical role to play as it can provide expertise, technology and trained manpower for security management.

USE OF SOLAR PUMPS FOR IRRIGATION BEING PRIORITIZED TO IMPROVE FARM PRODUCTIVITY AND PROVIDE DRINKING WATER IN RURAL & INACCESSIBLE HABITATIONS

The Ministry of New & Renewable Energy (MNRE) sees a huge potential for off-grid application of solar PV in the country as solar pumps for irrigation could provide access to water to un-electrified and remote areas and enhance the crop yield for farmers. The efficacy of solar pumps is evidenced by the fact that the shortage of drinking water supply infrastructure in rural and inaccessible habitations was being addressed through the use of solar pumps.

FICCI said that solar pumps have the potential to replace around 21 million electric and 7 million diesel powered pumps, thereby offering an environmentally friendly and financially sustainable solution to address energy-water-food nexus in India. FICCI has set up a committee on solar water pumps comprising industry leaders and experts to deliberate on and suggest solutions to address some of the barriers which hamper wider adoption of solar pumps, and highlight the significant opportunity both within the country and for export.

• <u>GOVT. HOPES TO RECEIVE PARLIAMENT'S ASSENT TO CONSUMER PROTECTION BILL IN NEXT</u> <u>SESSION</u>

The Consumer Protection Bill, 2015 that seeks to amend the archaic Consumer Protection Act, is expected to be passed in the next session of Parliament. FICCI pointed out that reforms in the FMCG, retail and e-commerce industry were important for driving consumption and growth and in making 'Make in India' programme a success. The passage of GST Bill in Parliament and its expected roll out in April 2017 will change the way business is done in India and ultimately result in higher GDP growth.

FICCI said that India has emerged as one of the most attractive investment destinations in the world with increasing disposable incomes, rapid industrialisation and a significant shift in the demographic pattern. Among the key contributors to India's growth story have been consumer-centric sectors such as Retail, FMCG and e-Commerce.

• AFGHAN PRESIDENT SUGGESTS SETTING UP OF TASK FORCE TO TAKE STRATEGIC POLITICAL AND BUSINESS RELATIONSHIP BETWEEN INDIA AND AFGHANISTAN TO THE NEXT LEVEL

Dr Mohammad Ashraf Ghani, President of the Islamic Republic of Afghanistan, suggested the setting up of a Task Force by the governments of Afghanistan and India as also by chambers of commerce of the two countries to create a concrete roadmap and mechanism to take the strategic relationship between India and Afghanistan forward. The Task Force could meet during the Heart of Asia conference in December in India.

FICCI said that as the brave Afghan people send out an unequivocal message that they will not be cowed down by forces of destruction, FICCI is committed to support the vision of a secure and prosperous Afghanistan through action on trade, commerce and investment opportunities - CBM framework under the Heart of Asia Process. FICCI through its initiatives ranging from trade and investment promotion, capacity building, energy security, technology and innovation roadshows to engineer social change, youth and women empowerment and strategic steps to enhance connectivity, was reviving a region, restoring hope, renewing life and redefining Afghanistan's future.