

- **FICCI COMMENTS ON WPI NUMBERS**  
**(14 September 2017)**

Commenting on the latest WPI based inflation numbers, FICCI stated that the increase in the inflation numbers is largely on account of the jump seen in prices of food articles and fuel items. There has been a significant uptick in inflation in case of fruits and vegetables. There have been such episodes in the past and we need to double up our efforts to boost agri-production as well as improve the distribution and supply chains. The localised impact of uneven distribution of rainfall on agri-production will have to be minimised through measures on the supply side including through better storage infrastructure for agri-commodities. While the spurt in inflation is a matter of concern, we hope that RBI takes a balanced view given the anemic industrial growth scenario. The need for a further cut in interest rates to stimulate demand and growth in the economy cannot be over emphasized. From the perspective of jobs and fresh employment opportunities, all policy levers at the disposal of government and RBI should be utilised even as further steps are taken to augment agri-production and improve the supply side logistics.

- **GST WAS A TRANSFORMATIVE ECONOMIC INITIATIVE: ONLY TEETHING TROUBLES REQUIRE REDRESSAL**  
**(28 September 2017)**

While it is understandable that in a democracy any one can criticise the Government of the day, a distinction should be made between political criticism and grievances of trade and industry.

FICCI has whole heartedly welcomed the introduction of a Goods & Services Tax (GST) – a revolutionary fiscal initiative taken unanimously by the Central Government and members of the GST Council representing different State Governments and political parties. The introduction of GST was a major step towards the modernisation and integration of the Indian economy.

In the course of implementation of such a radical policy change, there will be teething troubles and unanticipated problems. This does not mean that the policy changes should be rejected. FICCI would urge members of the GST Council to quickly address the issues that have been thrown up in the implementation process. FICCI has suggested changes in some of the existing provisions based on the feedback received from producers, traders and consumers. Such changes will have to be made from time to time based on the actual experience of implementation of any new and radical scheme. In itself GST is a welcome initiative and FICCI compliments the Union Finance Minister Shri Arun Jaitley and members of the GST Council for leading this change.

*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 FICCI's views on macro-economic issues that confronts the nation. 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 for the month of September 2017**

- **FICCI WELCOMES COMMERCE & INDUSTRY MINISTER'S INITIATIVE "BOOSTING BUSINESS CONFIDENCE NEED OF THE HOUR"**

**(26 September 2017)**

The Federation of Indian Chambers of Commerce & Industry (FICCI) welcomes the initiative taken by the Union Minister of Commerce & Industry, Shri Suresh Prabhu to convene a meeting with Industry Associations to discuss issues affecting industrial growth.

FICCI submitted to the Minister that the key to arresting the long term decline in the rate of investment, from over 35% to below 30%, lies in boosting investors' confidence in the country's medium term growth prospects and overall environment for doing business. The immediate solutions include a reduction in the interest rate, pass the reduction to consumers and investors, and a sharp depreciation of the Rupee. FICCI expressed concern that the recent increase in consumption demand is being increasingly met through imports rather than higher capacity utilisation.

FICCI welcomes the Industry Minister's announcement that a Regulatory Review Committee will be set up to examine how regulatory institutions may be coming in the way of increased investment. FICCI also welcomes the Commerce Ministry's decision to set up an India-China Working Group to address the problem of the huge bilateral trade deficit and the Ministry's decision to create an Investment War Room to monitor investment in the country.

FICCI urges the Government to build a stronger partnership with the private sector so that the latter once again becomes a driver of growth and a generator of employment in the country.

- **GOVERNMENT URGES FICCI AND INDIA FOUNDATION TO HELP THEM IN STRENGTHENING RELATIONS WITH NEIGHBORING COUNTRIES FOR SMART BORDER MANAGEMENT**

**(19 September 2017)**

The Government was working towards upgrading the capabilities of security agencies and developing physical infrastructure along with adopting technology for effective management of Indian borders.

The Government urged FICCI and India Foundation to assist it in strengthening relations with neighboring countries by engaging with them on the economic front. It was expected that by 2025, the Indian Ocean Region would emerge as a strong economic power offering immense opportunities to the private sector. However, this would give rise to security concerns. To address such issues, India was upgrading its naval capabilities.

FICCI had been engaging with ASEAN and BIMSTEC and other neighboring regions of India and would continue to strengthen ties with them. While the government is building and maintaining progressive diplomatic relations, the private sector was doing its bits to assist the government in this regard.

- **MAHARASHTRA WILL REMAIN A LEADER IN ATTRACTING FDI**

**(18 September 2017)**

Maharashtra is on track to become a trillion dollar economy given the impetus to infrastructure development in the last three years according to Maharashtra Chief Minister Devendra Fadnavis.

FICCI said that Maharashtra has to play a significant role in growing India and developing India. FICCI has been following the tenet of 'industry being the trustee of the poor' diligently for the last 90 years. The Chamber has been supporting 600 entrepreneurs (start-ups) to successfully establish their businesses in the last 11 years which had grown to about \$ 2 billion two years ago.

- **MUMBAI-AHMEDABAD HIGH SPEED RAIL PROJECT PROVIDES IMMENSE OPPORTUNITY FOR INDIAN INDUSTRY TO COLLABORATE WITH JAPAN - FICCI**  
**(14 September 2017)**

FICCI welcomes the launch of the new generation Mumbai Ahmedabad High Speed Rail (MAHSR) Project. FICCI is proud to be associated with the MAHSR Project as an active member of the taskforce set up by the Governments of India and Japan to ensure the transfer of technology and the implementation of this project under the Prime Minister's Make in India Programme.

The project provides immense opportunity for Indian industry to collaborate with Japan in the areas of rolling stock, electrical & electronics, construction and civils. Over the years, Indian industry has also matured in many of these areas and have the potential to manufacture and execute the work related to the project in the country. FICCI has been at the forefront of leading Indian industry's support to this historic initiative. FICCI hopes that Japanese industry would come forward not just to collaborate in manufacturing but also in the area of design as the capabilities of Indian industry can be leveraged for the project.

- **CAPITAL MARKETS ARE NOW COMPLEMENTING THE BANKING SYSTEM**  
**(6 September 2017)**

FICCI stated that the capital markets in India are as good as anywhere in the world, with costs going down and volumes going up. The last few years have seen very important trends such as financialisation of savings, where mutual funds have played a big role. This is very important for capital markets. Capital markets are now complementing the banking system. With the expansion of asset class bond markets, currency futures, and the commodities market, they are poised to become multi-asset class.

Fall in interest rates is also important in driving financialisation. Another important trend that was highlighted is democratisation of credit, observing that the bond market is growing at more than 30 per cent per year. FICCI called upon capital markets to make use of this trend and ensure that credit also gets democratised. With the growth of retail, Domestic Institutional Investors (DIIs) have become more important than FIIs.

- **FICCI URGES THE GOVERNMENT TO REMAIN FOCUSED ON ECONOMIC DEVELOPMENT IN ALL ITS DIMENSIONS**  
**(4 September 2017)**

FICCI welcomes the reconstitution of the Union Council of Ministers by Prime Minister Shri Narendra Modi. FICCI looks forward to rapid implementation of Make in India in defence production, under the new defence minister. FICCI is happy that several other key portfolios, important for reviving economic growth and investment, are in the hands of competent ministers.

FICCI hopes that the induction of new and talented ministers would strengthen the nation's political leadership and take the country forward. As India's most respected voice of business and commerce, FICCI urges the government to remain focussed on economic development in all its dimensions.

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