

VOICE OF FICCI

SHAPING THE AGENDA



August 2018



From the Secretary General

While India celebrates its 72nd Independence Day, Prime Minister Narendra Modi's commitment to ensure business and economic freedom is reaffirmed when he recognises the contribution of the industry and industrialists in the growth of the nation.

To achieve this economic freedom, the government is looking at ways to back Indian e-commerce players without violating international trade agreements. The Draft E-commerce Policy, a comprehensive policy on various aspects of digital trade, has been outlined and tabled.

In the present scenario, promotion, development and implementation of systems and concepts to combat cyber-crime, encourage 'Make-in-India' for Cybersecurity and provide platform to Indian startups to understand the requirements of government agencies and support them to promote indigenous expertise in cyber security is crucial.

As barrier-free communication is also critical for the country and the goal is to have real-time translation capability in each of the Indian languages. We feel, it is important to give emphasis to the development of Indic languages.

The US has awarded the status of Strategic Trade Authorization-1 (STA-1) to India, the first South Asian country to have been conferred this, we welcome this step. Also, if the regulations are right, UAS (Unmanned Aircraft Systems) industry can be a growth driver for the Indian economy in times to come. The Indian UAV market is projected to grow at a CAGR of 18 per cent.

With this and more, our endeavour is to keep you informed of FICCI's views and policy interventions.

Dilip Chenoy



PM MODI'S WORKING CLOSELY WITH INDUSTRY WILL REJUVENATE PRIVATE SECTOR: FICCI

FICCI welcomes Prime Minister Narendra Modi's recognition of the contribution of the industry and industrialists in the national growth and also his strong refusal to accept any ill-treatment of the industrialists just because a few of them have indulged in illegal activities.

Along with the assurance to work closely with the industry, the prime minister's strong message to the industrialists opting for illegal means to harm the nation and its economy that they will not be spared, will certainly help in removing any negative opinion in the public against the industry in general, and will rejuvenate the private sector, says FICCI.

Without reviving the industry's confidence to invest, it will be difficult to attain 8 per cent plus growth. Reforms like IBC, RERA and GST, have shown that the government is keen to help the industry in this objective.

30 July 2018



INDIA LANGUAGE STACK CAN HELP OVERCOME BARRIERS IN COMMUNICATION

Ajay Prakash Sawhney, Secretary, Ministry of Electronics and IT, Government of India, says that barrier-free communication is critical for the country and the goal is to have real-time translation capability in each of the Indian languages.

FICCI states that it is crucial to give emphasis to the development of Indic languages. Sawhney emphasises that internet penetration in India cannot grow without addressing the issue of language of internet access. Over half a billion users will be added to the current number of internet users in India and substantial number will come from the Indian internet ecosystem. Just like BPOs created a huge new sector, Indian language programme under Digital India can create millions of jobs.

30 July 2018

'Voice of FICCI' is a service to all our members and shared with key policy makers and thought leaders. The document is a compilation of FICCI's views on macro-economic issues. These issues come to us directly from members, or through deliberations in conferences and seminars on sectoral issues, as also through Government notifications.



TECH-SAVVY POLICE FORCE IMPERATIVE TO DEAL WITH GROWING COMPLEXITY OF CRIMES

Union Home Minister, Rajnath Singh, envisions a tech-savvy police force capable of providing security to the citizens even as the physical and emotional needs of a policeman are given the credence they deserve from senior officers. The predictive policing requires modern technological capability and weapons to deal with complex crimes that pervade the society.

FICCI underlines the need to implement police reforms in the States and enhance the remuneration of police personnel for effective policing. The private sector is keen to collaborate with the police force to beef-up the security of the country and its citizens. FICCI adds that the internal security and law and order is vital for economic progress and creation of jobs.

26 July 2018



FICCI WELCOMES GOVERNMENT'S MEASURES TO ADDRESS TEXTILE INDUSTRY'S PROBLEMS

FICCI welcomes the recent multifaceted measures taken by the government to address the problems of the textile industry. Increase in import duty on 76 textile items from 10 to 20 per cent and GST reduction on carpets and handicraft items have given a big relief to domestic textile, carpet and handicraft manufacturers.

It is heartening to see the steps taken by the government to address problems of various segments of textile and handicraft industry.

23 July 2018



GST COUNCIL'S DECISIONS WILL FACILITATE EASE OF DOING BUSINESS

The decisions taken by the GST Council, since implementation of GST, to bring continuous improvement and simplification in the GST regime are commendable, says FICCI.

The rationalisation in rates of various items would benefit the nation. The decisions relating to simplification of returns especially those keeping the interests of small taxpayers are noteworthy. This would facilitate ease of

doing business both for small and large taxpayers. Many of the recommendations made by FICCI have also been approved by the GST Council and would go a long way in strengthening the confidence of the taxpayers under the GST regime. These decisions would indeed increase compliance, widen the tax base and are in the right direction to achieve the objectives of GST.

22 July 2018



TIR, A SUCCESSFUL PPP MODEL IN INTERNATIONAL TRADE FACILITATION

Given the significance of TIR (Transports Internationaux Routiers) in boosting regional connectivity, and India's accession to the convention, it is recommended for BBIN (Bangladesh, Bhutan, India, Nepal) countries to opt for TIR to improve the effective transit procedures among the four countries and to connect the BBIN region to other world markets, opines FICCI. TIR is the only global customs transit system to move goods across international borders.

TIR will help Indian traders to have access to fast, easy, reliable and hassle-free international system for movement of goods by road or multi-modal means across the territories of other contracting parties. It can be an instrument for movement of goods along the International 'North-South' Transport (INSTC) Corridor via Chabahar port in Iran, to access landlocked Afghanistan and the Eurasian region. India plans to export its first cargo on TIR soon.

20 July 2018



GST WILL BOOST GROWTH, BRING DOWN INFLATION: FICCI

FICCI states that while the industrial output growth is expected to rebound in the next few months; the rise in inflation is being watched by the RBI closely, and the apex bank and the government will certainly take necessary measures to keep it at manageable levels. The Goods and Services Tax (GST) will play the role of a catalyst in this. While the GST collection trends clearly indicate a positive sentiment in the economy, the national integrated indirect tax structure will also bring down inflation, going ahead.

With the GST Council and the Central Government open to taking measures to rationalise the GST rate structure, bringing in the excluded items in the GST ambit, and also

simplifying the tax administration, GST is all set to boost the GDP growth further. Equally important is the fact that GST has shown that the industry and the country, on the whole, is ready to adopt big-bang reforms, there is no doubt now that larger economic reforms involving both the Centre and the States are here to stay. Along with this, the reform measures like IBC and RERA, which have already started yielding good results, will help in strengthening the revival of animal spirits and take the GDP growth beyond 8 per cent.

19 July 2018



CROP PROTECTION SOLUTIONS WILL HELP DOUBLE FARMERS' INCOMES

FICCI underlines the need to revive the agriculture extension programme with concerted efforts towards dealers' training through agricultural universities. In order to give a better deal to the farmers, there is a need to abolish APMC (Agricultural Produce market Committee) Acts and give freedom to farmers to market their products anywhere in India; support horticulturists by financing 4-wheelers; create farmer markets for them to sell fruits and vegetables to consumers directly in all towns to get better prices and reduce GST on pesticides from 18 to 5 per cent.

12 July 2018



BLOCKCHAIN TECHNOLOGY TO TRANSFORM LIVES

FICCI underlines the need to use blockchain technology in addressing the complete redressal system in a transparent manner. All data collated by the Directorate General of Commercial Intelligence & Statistics (DGCIS) on a day-to-day basis should be linked to blockchain. The technology should also be used for transparent delivery of income tax refunds to the assesses.

11 July 2018



FICCI WELCOMES INDIA'S ACCESSION TO WIPO 'INTERNET' TREATIES

FICCI welcomes India's accession to the WIPO (World Intellectual Property Organization) treaties as this would ensure better protection to the country's copyright holders, globally, in the digital era and provide them with a level playing

field in other countries. The empowering of right owners in their dealings with digital platforms and extending the protection of copyrights to the digital environment, which is increasingly becoming the marketplace of the future, provide further justification for joining these treaties. By enabling the creators of copyright to enjoy the fruits of their labour and to secure a fair return on the investment made in the production and distribution of their works, this ratification will be a great confidence booster for the creative industry. It will instil optimism among the creators, users, investors and spur business growth in the creative economy.

6 July 2018



FICCI APPLAUDS LIC REPORT ON LEGALISING SPORTS BETTING IN INDIA

FICCI hails the LCI (Law Commission of India) report on legalising sports betting in India. The chamber has been advocating legalising sports betting in India for last 6 years, which will help the government to earn huge untapped revenue. Sports betting and frauds in India have affected the credibility of sports and it is becoming increasingly difficult to punish the guilty because of lack of evidence and geographical spread of the problem. Figures indicate the global sports betting market could be worth \$4 trillion.

Legalising sports betting will boost the economy by regulating over INR 300,000 crores of unregulated economic activities. The state government may have more funds to invest in the welfare activities and this should be directly linked to the sports broad-basing and developmental activities which often get ignored because of the paucity of funds.

6 July 2018



TRAVEL AND TOURISM INVESTMENT EXPECTED TO RISE BY 6.7 PER CENT PER ANNUM

Usha Padhee, Joint Secretary, Ministry of Civil Aviation, Government of India, says that the tourism and civil aviation ministries are engaging continuously to identify solutions and to implement them for the growth of both the sectors. The way forward is a focused approach to evolve tourist places under the aviation connectivity scheme and expanding existing routes under UDAN scheme including helicopter routes in hilly and north-eastern regions. This will provide good infrastructural support to the tourism sector.

FICCI feels that increasing connectivity will boost tourism, adding that 'one flight per day to Khajuraho' will build the demand eventually.

4 July 2018



UAS INDUSTRY CAN BE THE GROWTH DRIVER FOR INDIAN ECONOMY

FICCI says that if the regulations are right, UAS (Unmanned Aircraft Systems) industry can be a growth driver for the Indian economy in times to come. The Indian UAV market is projected to grow at a CAGR of 18 per cent. The better policy framework will ensure safety and also an online portal for application and approval would make the process efficient and transparent thereby generating more interest and encourage more usage.

11 July 2018



KOREA TO EXTEND COOPERATION TO INDIA IN SHIPBUILDING, MEDICAL DEVICES AND FOOD PROCESSING

The President of Republic of Korea, Moon Jae-in, says that the 'Southern Policy' is aligned with India's 'Act East' policy. The synergy created by this alignment bodes well for the future of Korea-India relations.

FICCI states that the Indian industry is enthusiastically looking forward to unprecedented growth in India-Korea trade and investment relations. The visit of President Moon with a 100-member business delegation, would spur proactive engagement between the Korean and Indian companies. There is confidence in greater collaboration in the fields of shipbuilding, medical devices, food processing, automobiles, electricals, construction and infrastructure.

9 July 2018



RCEP MUST INCLUDE HIGHER LEVEL OF SERVICES IN INDIA-ASEAN TRADE BASKET

FICCI informs that the AIBC (ASEAN India Business Council) discussion is centred around trade negotiations, market

access, preferential tariffs, partnerships in technology and skills, connectivity, women's issues and other areas of social and cultural significance. Based on the three pillars of goods, investment and services, the RCEP (Regional Comprehensive Economic Partnership) aims to be the largest free-trade bloc in the world and will have a great impact on trade relations between India and ASEAN and rest of the FTA (free trade agreement) partners.

The AIBC has identified a host of sectors for India-ASEAN cooperation, including infrastructure, health, education and skills, technology, pharma and biotechnology, agri and agri-products and processed food industry, textiles and fashion, IT and electronics and defence and defence production.

20 July 2018



FICCI WELCOMES AWARDING OF THE STA-1 STATUS BY THE US TO INDIA

FICCI welcomes awarding of the Strategic Trade Authorization-1 (STA-1) status to India by the United States, the first South Asian country to have been conferred this. This allows the US to ease export control requirements on the sale of certain high technology items and technologies in sensitive areas like chemical and biological weapons, nuclear, defence and special materials.

FICCI hails the news as a landmark development towards further cementing the India-US strategic ties. India's status as an STA-1 country will allow for greater opportunity for the two countries to engage in co-development and co-production in these sensitive areas. At the global level, this will also strengthen the case for India's entry into the Nuclear Suppliers Group (NSG).

As a result of this development, India now has access to the same level of technology that the US offers to its NATO allies, Japan, South Korea and Australia. The move is a testament to India's adherence to rule-based multilateral export regime and also a recognition of its growing importance to the US as a key economic and strategic partner, states FICCI.

11 July 2018

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