

VOICE OF FICCI

SHAPING THE AGENDA



August 2019



From the Secretary General

While the Economic Survey 2018-19 provided a blueprint for the country to become a 5 trillion-dollar economy by 2024-25, the Union Budget 2019-20 chalked out a clear action plan to realise the Prime Minister's vision through focus on infrastructure development in close partnership with the private industry. The government is on course to provide all possible help and policy support to tackle the slowdown and move in this direction.

There have also been a series of announcements by the Finance Minister to address issues in different sectors -- more are on the anvil.

We are happy to note the signs of revival in real estate sector which saw an investment of \$2.7 billion in the first half of the year. Indian Navy chief has identified huge potential for the domestic shipbuilding industry in mercantile marine sector. Similar opportunity is there in shipyards, which can help in creating new jobs.

FICCI congratulates the government, ISRO and the whole scientist community for the successes achieved in the Chandrayaan-2 mission, which has added to the credentials of our space scientists considerably. As India moves ahead in its space missions, FICCI launched Future-X platform, a future talk series, to promote Industry 4.0 technologies.

We also welcome the government's determination to resolve the issues of startups and the move to get yoga asanas accepted as a sport and stand in solidarity with Shipping Minister's remark that India's voice must be heard at all global forums for major decisions.

FICCI continues to add weight to the voice of India Inc. at different platforms, both domestic and global, by suggesting workable solutions and helping in their implementation.

Dilip Chenoy



INDIA-TAIWAN HAVE HEALTHY TRADE RELATIONSHIP, CAN BE STRENGTHENED FURTHER

Chung-Kwang Tien, Representative, Taipei Economic and Cultural Centre in India (TECC), said that the trade relationship with India has taken an upward trajectory touching \$7.5 billion in 2018 and can be further strengthened. He applauded Prime Minister Narendra Modi for India's successful lunar mission Chandrayaan-2.

"India brings ample opportunities for Taiwanese industries including those in consumer durable, consumer appliances, smart living spaces, supply chain and electric mobility. There are huge opportunities for Taiwanese firms as India embarks on creating economies of scale," FICCI said.

30 July 2019



\$2.7 BILLION INVESTMENT IN REAL ESTATE SECTOR IN FIRST HALF OF 2019

FICCI said that the Indian real estate sector has started reviving and the first half of the year has already seen \$2.7 billion investment in various asset classes across the country. The sector is in a state of nirvana with revolutionary reforms playing charm to attract investments and restore confidence in the sector.

Improvement in infrastructure, roads and metros coupled with the increased speed of technology implementation (e.g. 5G) will be impactful game changers for the sector and will improve the investor interest in the sector, stated FICCI.

The launch of India's first Real Estate Investment Trust (REIT) is another positive move for the sector further building confidence amongst global real estate investors to invest in India. Absorption by IT/ITeS has been the primary driver of the commercial absorption and new concepts like co-working and co-living will bring in more investments in the sector.

26 July 2019

'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.



SHIPBUILDING CAN CONTRIBUTE IMMENSELY TO THE GOVERNMENT'S VISION OF MAKING INDIA A \$5 TRILLION ECONOMY

Admiral Karambir Singh, Chief of the Naval Staff, Indian Navy, said that there is enough headroom in mercantile marine sector for India to attain the critical mass and become a hub for defence shipbuilding. The shipbuilding can contribute immensely to the vision of making India a \$5 trillion economy by 2024.

As India's shipbuilding industry matures, there is immense potential to forge strategic partnerships and convert India into a hub for defence shipbuilding exports and repairs to friendly foreign countries. However, to enable the strategic outcomes, there is a need for the nation to achieve a certain critical mass in indigenous ship production and repair capability.

FICCI stated that a vibrant shipbuilding industry has contributed to the economy and security of most great powers since it directly impacts national GDP, generates demand both in the upstream and downstream sectors of the economy.

25 July 2019



YOGA ASANA SHOULD BE ACCEPTED AS A SPORT

PN Ranjit Kumar, Joint Secretary, Ministry of AYUSH, Government of India, said that the government is working towards getting yoga asanas accepted as a sport. The National Board for Promotion and Development of Yoga and Naturopathy has recommended recognizing yoga asanas (poses) as a sporting activity.

FICCI stated that the industry players should target the global market and that skill development will happen the moment market demands for it. It was also highlighted that skill-based education and training are the need of the hour for the wellness industry.

FICCI would be happy to support NABH in coming-up with second set of standards for wellness industry and this sector possesses enormous potential for growth in the country.

24 July 2019



INDIA TO HAVE ITS VOICE HEARD AT GLOBAL FORUMS LIKE IMO

Mansukh L Mandaviya, MoS (IC) for Shipping and MoS for Chemical and Fertilizers, said that India will have a greater voice at International Maritime Organization (IMO) even as it works towards complying with the IMO 2020 regulations on limiting sulphur content of bunker fuel.

As a stakeholder and government, India is committed to comply with the IMO's decision to reduce the sulphur content in the shipping fuel. But we need to ascertain whether India was part of this decision making, he said.

FICCI said that India's maritime sector is on a high growth path, mainly due to measures taken by the government like Sagarmala, which promotes port-led infrastructure development.

23 July 2019



FICCI CONGRATULATES ISRO ON THE SUCCESSFUL LAUNCH OF CHANDRAYAAN-2

FICCI congratulated the government and the Indian Space Research Organisation (ISRO) family on the successful launch of the Chandrayaan-2 spacecraft into the Earth Orbit by the GSLVMkIII-M1.

This success adds to the credentials of our space scientists' fraternity, who have time and again successfully delivered critical missions with far less the cost than similar international ones, making the nation proud, stated FICCI.

Indian industry is fortunate to have been associated with ISRO both on the Launch Vehicle and spacecraft programmes, including the complex Chandrayaan-2 mission.

FICCI is sure ISRO will continue to hand-hold industry and further engage the big, medium and small ones in their further strides.

22 July 2019



FOCUSSED ATTENTION NEEDED TO MEET INDIA'S FOOD NEEDS

P Raghavendra Rao, Secretary (Chemicals and Petrochemicals), Department of Chemicals & Petrochemicals, said that India faces a big challenge in meeting its food needs and thus requires a focused attention on various fronts including agrochemicals.

By 2022, India will become the most populous country in the world overtaking China. And, the rate at which urbanization is taking place, the requirement of food to meet the needs of the country will be enormous. It's a big challenge.

FICCI said that food security, nutrition security and health security are the topmost priorities of any country, and that New India cannot be made ignoring the farmers and the agriculture sector.

16 July 2019



TOURISTS, TOUR OPERATORS, HOTELIERS INVITED TO EXPLORE ODISHA

Jyoti Prakash Panigrahi, Odisha Minister of Tourism and Odia Language, Literature and Culture, said that the state has been India's best kept secret as many of its hotspots that are among the country's best are yet to become as popular. "Come and explore Odisha's scenic beauty and rich cultural heritage. Art and culture is in the blood of Odias. We always love to serve the best to our guests as for us it is Atithi Devo Bhava. You are sure to come back with happy memories," he said.

FICCI said that tourism has emerged as a key enabler across the world for employment and income generation, and Odisha is gifted with a plethora of natural bounties.

15 July 2019



INDUSTRY SHOULD DESIGN SYLLABUS TO RESOLVE UNEMPLOYMENT

Industry should take part in designing the syllabus and Parliamentarians should take notes from young entrepreneurs to resolve the issue of unemployment.

FICCI said, "The interactive session is a suitable platform for highlighting the common grounds/ hindrances to the government authorities. It facilitates dialogues and highlights the commitments of Young India towards 'New India' vision and goals."

Entrepreneurship plays an influential role in economic growth and standard of living of the country. Corporates of young India are dedicated towards the growth and development of national economy, said FICCI.

The FICCI Young Leaders Forum acknowledges India's talented young leaders and this initiative is meant to identify, encourage and nurture promising future business leaders of India.

12 July 2019



GOVT WORKING TO RESOLVE TAX ISSUES OF STARTUPS

PC Mody, Chairperson, Central Board of Direct Taxes (CBDT), Ministry of Finance, Government of India said that going forward startups should not have any concern related to taxation as the Budget has proposed a number of measures to resolve the legacy issues. At least in future, there should not be any cause for concern or friction in the minds of the startups. The legacy issues are being dealt with separately. We are already working on that and administrative mechanism is being put in place to resolve it.

On the proposed increase in public shareholding of listed companies from 25% to 35%, FICCI said that while this can promote greater liquidity in stocks and attract more institutional and retail investors, it has several implications for promoters who will be forced to dilute their stake in order to meet the threshold.

FICCI earnestly request government and SEBI to have adequate consultations on this matter before the proposal is taken forward.

9 July 2019



ESTIMATES SUGGEST ONE JOB IN A SHIPYARD RESULTS IN 60-65 JOBS OUTSIDE

FICCI said that going by the world history, no nation has achieved great power status unless it has an indigenous shipbuilding capability. Shipbuilding has a direct relationship with nation building. Shipbuilding leads to job creation and this is the key need of our country. There is no other industry with a higher multiple of job creation than the shipbuilding industry. Most estimates quote that one job in a shipyard results in 60-65 jobs outside in direct employment, stated FICCI, adding generation of indirect jobs is far higher.

8 July 2019



BUDGET SETS A CLEAR ACTION PLAN FOR MAKING INDIA \$5 TRILLION ECONOMY

Commenting on Union Budget 2019-20, FICCI said, "Directionally the budget is good, and it takes forward the plan that was laid out by the government during the Interim Budget. There are several positives in the budget, and it provides a set of benefits for most segments of the society. We see a clear action plan for realising the vision of making India a US \$5 trillion economy over the next few years with a focus on ease of living."

The budget maintained its focus on infrastructure development. While the government would continue with its existing major national programs like Bharatmala, Sagarmala, rural roads, Udan and inland waterways scheme, the vision of taking connectivity to the next level through 'One Nation One Grid' for electricity and a similar plan for gas grids, water grids, i-ways and regional airports is indeed ambitious and would be transformational in its impact. We are also encouraged by the focus on promoting public-private partnership for modernisation and upgradation of the railway infrastructure.

The MSME sector also got its due focus in the budget. Availability of finance and delay in payments are the two key issues faced by MSMEs. The government has attempted to address these through allocation of Rs 350 crore for

interest subvention scheme for GST registered MSMEs and creation of a payments platform to enable filing of bills and payment thereof on the platform itself. Also noteworthy is the suggestion to set up a social stock exchange for listing of social enterprises and voluntary organisations.

We would emphasise that the government has taken due cognizance of the funding needs of a growing economy and this is reflected in a series of measures announced to deepen the country's capital markets as well as help increase inflows both through the institutional investment and direct investment route.

In our pre-budget consultation, FICCI had suggested the need to look at FDI norms in sectors such as insurance, animation, gaming etc. and we are glad this found a mention in the budget. Additionally, to attract cross border investments, the statutory limit of FPI in a company is proposed to be increased from the current 24 per cent to the sector foreign investment limit.

The announcement to further provide Rs 70,000 crore for capital infusion into public sector banks along with measures to strengthen the governance processes within the banks should help in improving the credit flow to the industry.

"Acknowledging the important role played by NBFCs, some key measures have been taken which should help ease the liquidity situation for the fundamentally sound NBFCs going ahead. As this happens, we hope to see greater amounts being sanctioned and disbursed by the para-banks particularly in the MSME and retail segment," said FICCI.

From the point of view of the farm community, the decisions to set up 10,000 farmer producer organisations and fully leverage the benefits of e-NAM for getting fair and remunerative price are welcome.

5 July 2019



ECONOMIC SURVEY SUGGESTS SHIFTING GEARS FOR 8% GDP GROWTH

The Economic Survey 2018-19 provides a blueprint to achieve the Prime Minister's vision for 5 trillion-dollar economy by 2024-25. It clearly emphasises the need to shift gears

to accelerate GDP growth to 8 per cent if the vision is to be achieved.

FICCI completely agrees with the prognosis of Economic Survey that identifies the need to foster inter-linkages to meet the macro challenges of growth, demand, exports and job creation and these will have to be driven through investments, especially private investment.

Though the GDP growth projection as per Economic Survey for 2019-20 at 7 percent is amongst the highest in the world, yet it is lower than the desired growth of 8 per cent plus required for achieving the goal of 5 trillion-dollar economy. Strengthening investment cycle has to be the topmost priority.

4 July 2019



FICCI LAUNCHES 'FUTURE-X' PLATFORM TO FOCUS ON INDUSTRY 4.0 TECHNOLOGIES

FICCI launched its new initiative 'FICCI Future- X' platform that aims to elucidate Industry 4.0 technologies, highlighting the opportunities and challenges for students and faculty, through Future Talks, Capacity Building Programs and Immersion Programs.

The FICCI Future Talk series, first of its kind, on the theme 'Demystifying AI – Data, Design and Disruption' brought together leading industry experts to collaborate, network, share experiences and become a platform to create 'future-ready' society.

FICCI stated that we believe passionately in the power of ideas to change attitudes, lives and ultimately, the world. Through FICCI Future X, we are building a clearinghouse of free knowledge from the world's most inspired thinkers, industry experts and academic leaders.

FICCI aims to organize this every month in various parts of the country.

3 June 2019