

VOICE OF FICCI



SHAPING THE AGENDA

January 2024



From the
Secretary General

FICCI began 2024 as an Industry Partner of the Vibrant Gujarat Global Summit (VGGGS) in Gandhinagar. At VGGGS, FICCI organised sessions on PM Gati-Shakti, Resilient Infrastructure, Manufacturing, Renewable Energy and Agriculture among others. FICCI also hosted 12 international sessions and was in charge of all state governments attending.

At VGGGS, we met HE Tran Luu Quang, Deputy Prime Minister of the Socialist Republic of Vietnam and his colleagues, followed by a large panel discussion on expanding trade and bilateral relations between our two countries.

We also met HE Engineer Ibrahim bin Youssef Al-Mubarak, Saudi Arabia's Assistant Minister of Investment and his colleagues. FICCI is taking a CEOs delegation to Saudi Arabia in February 2024, and will be opening an office in Riyadh soon. Hon'ble Minister welcomed FICCI's initiatives for connecting businesses in Saudi Arabia and India.

FICCI President Dr Anish Shah and I met with senior Government leaders during the month. We called on Mr Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution & Textiles, Gol and presented before him FICCI's plans for the year ahead, specifically on the agenda of Inclusive Growth and our four priorities.

We met Mr Sanjay Malhotra, Revenue Secretary, Ministry of Finance and Mr SCL Das, Secretary, Ministry of Small & Medium Enterprises. Mr Amitabh Kant, G20 Sherpa, Government of India, was welcomed by us during the 7th edition of the FICCI Circular Economy Symposium at Federation House, New Delhi.

Wings India in Hyderabad was another success for FICCI as Industry Partner to the Ministry of Civil Aviation, under the guidance of led by Mr Jyotiraditya M Scindia, Minister of Civil Aviation and Steel, Gol and Gen VK Singh, Minister of State for Ministry of Civil Aviation and Ministry of Road Transport and Highways. Global and Indian CEOs in civil aviation were present.

FICCI is stepping up our international engagements. We received Dr Nalinee Taveesin, Thailand PM's Advisor and Trade Representative for interactions with industry members at Federation House, New Delhi. We also discussed specific projects with a delegation from EBTC (European Business and Technology Centre) led by MD Poul V Jensen, on areas of cooperation between India and EU, including Mobility, Research & Innovation, Infrastructure, and Sports. FICCI SG and industry members welcomed a delegation of media persons from Saudi Arabia, United Arab Emirates, Qatar, Kuwait and Bahrain. The media delegation was hosted by Ministry of External Affairs, GOI.

FICCI looks forward to a very productive 2024, building upon the activities of January. We submitted recommendations and submissions to many government decision makers on various issues including tariff rationalization in mobile phone production, boosting India's exports in railways and ensuring long-term sustainability of private sector investment among others.

Shailesh Pathak

Suggestions for Boosting India's Exports in Railways and Ensuring Long Term Sustainability of Private Sector Investment

FICCI underscored the need to empower private sector investments to cater to the wagon order value of Indian Railways whilst also bolstering railway exports. It suggested a thoughtful approach, emphasizing a Long-term Sustainability Plan to instil confidence among investors and ensure stability. Production Linked Incentives (PLI) were advocated to ignite manufacturing growth and foster export competitiveness, echoing successful models from other sectors.

The narrative champions proactive initiatives, envisioning India as a prominent global railway exporter. It called for forging meaningful Foreign Trade Agreements (FTAs) to dismantle trade barriers and cultivate collaborations with EXIM, particularly targeting promising markets like Africa and Southeast Asia. By placing emphasis on the aspirations and concerns of industry players, the narrative becomes more human-centred, highlighting the significance of forging partnerships with institutions like Exim Bank. These alliances provided crucial financial and strategic support, empowering stakeholders to navigate the complexities of global trade with confidence and clarity.

FICCI extended an invitation for dialogue, proposing an industry delegation to delve deeper into these imperatives. The narrative resonates with stakeholders' aspirations for a vibrant, sustainable railway ecosystem, poised to propel India onto the international railway stage with confidence and conviction.

For detailed recommendations, please write to
Ms Neerja Singh at neerja.singh@ficci.com

FICCI Recommendation for Tariff Rationalization in Mobile Phone Production

Mobile Phone production in India has reached a very high scale of production of Rs.3,50,000 crores, while approximately 25% of what is manufactured in India was exported in FY 2022-23 to the tune of Rs. 90,000 Crore. The scale at which mobile production is slated to grow requires other competitive measures that enable sub-assemblies and parts for mobile phones to be manufactured in India at globally competitive rates. Along the same lines, FICCI proposed tariff rationalization which aims to enhance India's competitiveness in the Global Value Chains (GVCs), simplify the complex tariff structure to 0%, 5%, 10%, and 15% slabs from FY 2024-25. The glide path suggests

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.

beginning tariff decompression in FY 2024-25, aligning mobile phone input tariffs globally competitive by FY 2026-27.

The recommendations included reducing tariffs on components like chargers/adapters, mechanics, and inputs, gradually reaching zero tariffs by FY 2026-27. This strategic approach ensures competitiveness, scale, and increased exports of mobile phones from India, addressing the current complexities and fostering growth in the sector. These were submitted to Ministry of Electronics and IT.

For detailed recommendations, please write to
Ms Sarika Gulyani at sarika.gulyani@ficci.com

FICCI's Response to the TRAI Consultation Paper on Review of Quality-of-Service Standards for Access Services and Broadband Services

While acknowledging positive steps such as the consolidation of regulations and the digitization of performance reporting, industry feedback emphasizes key considerations. These include the call for a Regulatory Impact Assessment (RIA) before implementing impactful regulations and the assertion that current standards are adequate for monitoring Quality of Service (QoS). The industry highlights the nascent stage of 5G networks, suggesting a potential review of QoS standards in the future. Addressing challenges faced by service providers, such as Right of Way (RoW) issues and tower installation regulations, is emphasized. Additionally, concerns are raised about proposed stringent benchmarks impacting finances and rollout in challenging areas, along with reservations about changes in reporting periodicity and assessing call drops for different technologies. FICCI advocates for a balanced approach, proposing a short-term adoption of a light-touch regulatory framework and a long-term shift towards full deregulation of QoS parameters. This strategic transition, coupled with oversight methods like drive tests or third-party surveys, is seen as fostering efficiency, innovation, and investment, ultimately enhancing service standards and customer satisfaction. These were submitted to TRAI.

For detailed recommendations, please write to
Ms Sarika Gulyani at sarika.gulyani@ficci.com

Draft CCI (Determination of Turnover or Income) Regulations, 2023

Based on suggestions received from members, FICCI submitted a detailed representation on Draft CCI (Determination of Turnover or Income) Regulations, 2023. This included recommendations on proposals related to calculation of penalty based on total turnover or profit of the enterprise, guidelines for imposing penalty and so on.

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

SEBI Discussion Paper on amendments to SEBI Regulations with respect to verification of market rumours

FICCI has earlier submitted its recommendations to SEBI on verification of rumours by listed companies through the Industry Standards Forum. Based on suggestions received from members, FICCI also submitted its

views on the SEBI Discussion Paper. This included recommendations on key proposals including whether materiality for the purpose of rumour verification requirement should be considered in terms of material price movement, timeline for verification or denial of rumours and so on.

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

Follow up note post interaction with ED, IBBI on Issues faced by RAs under the resolution process

Based on discussions held at the interaction between Mr Santosh Kumar Shukla, ED, IBBI and Resolution Applicants, FICCI submitted a detailed note on challenges faced by investors during the resolution process under the Insolvency and Bankruptcy Code. This included recommendations pertaining to need for protection to RA post implementation of resolution plan from past claims, need for exemption from fees payable under SEBI LODR Regulations by companies undergoing CIRP, priority of dues and so on.

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

FICCI Inputs on Rules of Origin

FICCI submitted inputs to the FTA Monitoring Committee on the challenges/issues being faced by Indian exporters on account of violation/misuse of 'Rules of Origin' by partner countries. It included inputs for countries such as ASEAN (for Steel and Copper Wires), Japan (Gems and Jewellery, Sports Goods & Toys) and UAE (Copper).

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

CIFTI FICCI representation regarding amendment in caffeine and moisture content in coffee standards (2.10.2)

Regarding request for lowering the caffeine content standards of Coffee Arabica, CIFT-FICCI has submitted data on moisture and caffeine content for different species (Robusta & Arabica) of raw and roasted coffee beans and soluble coffee powder.

FSSAI recommended to analyse samples of pure Arabica coffee powder and to analysed at the laboratory of the Coffee Board of India. It has been suggested that at least 30 samples may be procured and analysed at the laboratory of the Coffee Board of India. Also, CIFTI-FICCI may get one part of each corresponding sample analysed at any other NABL accredited food testing laboratory using the method adopted by the Coffee Board of India laboratory for the determination of caffeine content (HPLC Method IS 16028:2012/ISO 20481:2008).

CIFTI-FICCI is under discussion with members regarding procuring the samples and further analysing then for submission of data to FSSAI.

For detailed recommendations, please write to
Mr Hemant Seth at hemant.seth@ficci.com

CIFTI FICCI request for extension for requirement of Integrated Veterinary Health Certificate (IVHC) at the time of import of milk and milk products into India

Department of Animal Husbandry & Dairying has extended the

transition / migration time for requirement of Integrated Veterinary Health Certificate (IVHC) at the time of import of milk and milk products into India from exporting countries to 30th June 2024 (enclosed Ref. Order attached dated 3rd Jan 2024).

Since the FSSR requirements are an integral part of the IVHC, it is important to harmonize FSSAI implementation date with DAHD to avoid any confusion/discrepancy thereof at the time of import of milk and milk products into India. Therefore, CIFTI-FICCI requested FSSAI to harmonize implementation date i.e. 30th June 2024 with DAHD.

For detailed recommendations, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Comments on “Draft explanation on export KoB [to be placed on FoSCoS for making licensing application]”

FSSAI sought comments on "Draft explanation on export KoB [to be placed on FoSCoS for making licensing application]" wherein Authority wish to merge 100% Export oriented Units with Exporter Manufacturer. Comments received and deliberated with members has been forwarded to FSSAI. Further, first round of meeting with FSSAI has also been concluded.

For detailed recommendations, please write to
Mr Hemant Seth at hemant.seth@ficci.com

CIFTI FICCI comment on Manuals of Methods for Sampling and Analysis

FSSAI sought comments from Industries on Draft Manuals of Methods for Sampling and Analysis from CIFTI- FICCI. Comments received from Industries have been compiled and has been submitted to FSSAI's Scientific Panel on Methods of Analysis and testing.

For detailed recommendations, please write to
Mr Hemant Seth at hemant.seth@ficci.com

CIFTI FICCI request reg. ‘Alcoholic Acidity’ and ‘Total Dietary Fibre’ in Bajra Flour, Jowar Flour, Multigrain Flour (atta), Mixed Millet Flour etc.

FSSAI issued direction under Section 16(5) and 18(2)(d) of Food Safety and Standards Act, 2006 for keeping in abeyance in compliance of quality parameters ‘Alcoholic Acidity’ and ‘Total Dietary Fibre’ in Bajra Flour (Pearl Millet Flour), Jowar Flour (Sorghum Flour), Multigrain Flour (atta), Mixed Millet Flour and re-operationalization of the revised

‘Moisture content’ specifications for Mixed Millet Flour dated 25th Sep 2023, it was stated that the enforcement of the following parameters were kept in abeyance till 31.12.2023:

- (a) ‘Alcoholic Acidity’ of Bajra Flour (Pearl Millet Flour), Jowar Flour (Sorghum Flour), Multigrain flour (atta) and mixed millet flour;
- (b) ‘Total Dietary Fibre’ for Mixed Millet Flour.

Since the data submitted is under review by the Scientific panel, it has been request that the direction dated 25.09.2023 may be further extended till further guidance is issued by Authority.

For detailed recommendations, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Request for extension of fatty acid Ghee composition

As per Food Safety and Standards (Food Products Standards and Food Additives) Sixth Amendment Regulations, 2021 dated 27th Dec 2021, Clause (2), it is mentioned that, ‘fatty acid contents for ghee which shall come into force after two years of the publication of these regulations in the Official Gazette’ is coming into force w.e.f. 27th Dec 2023.

As per direction of FSSAI, CIFTI-FICCI has submitted data on 22nd Nov 2023. Since the decision for the revision of values for fatty composition is yet to be finalized, it has been requested to provide an extension for 1 year i.e. 27th Dec 2024 in order to avoid disruption to business.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Request for 6 months extension for the implementation of Recommended Dietary Allowance (RDA 2020)

FSSAI issued directions dated 11th July 2023 regarding Recommended Dietary Allowance (RDA 2020) to come into force from 1st Jan 2024. FSSAI provided 6 months extension to the directions till 31st Dec 2023 to comply with the same. FICCI Members are still in the process of re-formulating their products and have also been left with inventory to incorporate the changes on the label for new RDAs. Re-formulation of the products is a complex process riddled with unforeseen challenges balancing recipes with organoleptic and may take longer time than expected. In view of the above, it has been requested to provide another extension for 6 months i.e. up to 30th Jun 2024.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

For more details contact FICCI Membership at:
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