INAUGURAL ADDRESS
BY
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PRIME MINISTER OF INDIA

Inaugurating the 72nd Annual Session of Federation of Indian Chambers of Commerce and Industry, the Prime Minister of India, Shri Atal Bihari Vajpayee said,:

"It gives me great pleasure to inaugurate the 72nd Annual General Meeting of the Federation of Indian Chambers of Commerce and Industry. I thank your President for the kind words he has spoken about me.

Let me confess that the smooth manner in which FICCI and other such associations conduct their elections makes me envious. You even elect the successor President now itself, so that everyone knows who is the next in line. As you know, I am here in front of you after a long and grueling election campaign. How I wish that elections in India become little more orderly, without, of course, imitating FICCI in terms of taking place every year!

In spite of all the inevitable dust and drama, however, the recent parliamentary elections have once again made India proud. The world has yet again seen the power of Indian democracy. India's prestige has gone up even in the international business community.

This is not surprising. There is a very close, symbiotic relationship between democracy and development. All the forward-looking thinkers of the world have recognised that sustainable economic and social development is possible only in a developed democracy. The laws of economy and business have to be subservient to the more fundamental laws of society, in which people always and everywhere aspire to shape their destiny in conditions of freedom and democracy.

I have no doubt in my mind that the winning nations of the next century and the next millennium will be those that adopt, protect, and promote democracy, while simultaneously pursuing pro-enterprise economic policies. India is well-positioned in this regard. Look back at all the golden eras of our history. The common elements that we see have three inter-related features:

- First, prosperity for all has always been a product of prolonged peace, stability, and good governance;
- Second, our farmers, traders, and businesspeople showed great dynamism and the governing set up facilitated them to reach their full potential for growth;
- At the same time, and this is very important, the wealthy productive classes in agriculture, trade, and industry showed an enlightened approach - not following the path of greed and pomp, but helping the society in a spirit of compassion, fellowship, and philanthropy.

This is history's lesson for today's India. We must once again revive and re-activate those common elements - of course, in today's vastly different national and international conditions. If we are able to do that, India will not only succeed in rapidly eradicating poverty, unemployment, and all the vestiges of underdevelopment, but also become, once again, a resurgent nation in the next millennium.

Distinguished Indian businessmen, I look upon you as partners of our Government in the march towards this developmental ideal. I cannot overemphasise the very high expectations of our people. I have been in politics for a long time, but never in the past had I seen such hunger for development among our people, especially in villages and in the deprived areas of our towns and cities, as I did in the recent elections.

The eager, expectant look in the eyes of the voters is etched in my mind. Their demanding voices echo in my ears. Their needs are simple and basic. People everywhere want water, power, better roads, better hospitals - above all, they want employment. This legitimate democratic urge simply cannot be ignored any longer.

This all-important endeavour will succeed only by faster economic growth, and more balanced economic growth that removes both regional and social disparities. I am convinced that faster growth - and we have set a target of seven to eight per cent each year - is possibly only through faster reforms. We have shown our commitment to the reform process in our previous 17-month stint in office. We will accelerate and expand this process in the next phase of economic, administrative, and legal reforms. Financial sector reforms, with the necessary supportive legislative changes, will be an important element of this process.

Most sectors of India's economy are recovering fast. I congratulate Indian industry and business - the employees, managers, entrepreneurs, and investors - for their good performance this year. I am especially heartened by the shining successes of many of our young entrepreneurs in infotech and other industries. I am confident that you will take bigger and faster strides ahead in the coming year.

The President's Address to Parliament has laid down the broad directions of the Government's agenda of action for accelerated socio-economic development. I do not wish to speak more on it since time-bound implementation of the agenda will speak for itself in the weeks and months to come. Last year, speaking on this occasion, I had announced several important initiatives in the telecom sector. As you are aware, the Government has made significant progress in implementing them. The New Telecom Policy, 1999, was formulated and adopted in a record time - and, I must emphasise, in the most transparent and participative manner.

I know that several problems still persist in telecom. They include, among other things, the need to strengthen the TRAI through suitable legislative amendment; replacement of the Indian Telegraph Act, 1885 with a new comprehensive law that fully reflects the revolutionary

convergence of telecom, computers, television, and electronics; and a clear roadmap for corporatisation of the Department of Telecom Services. There are also problems to be resolved in the implementation of the ISP Policy for achieving rapid spread of the Internet in India, especially through liberalisation of the Gateway Policy. A group under the chairmanship of Finance Minister Shri Yashwant Sinha will be constituted to quickly address these and other related issues.

It was again from this very platform last year that I had announced the ambitious National Highway Project, involving the East-West and North-South corridors. Although some work has already begun on this project, I realise that we need a clear programme, with specific time targets, to accelerate the pace of its implementation. The reconstituted Group on Infrastructure will urgently address this issue. This project, alongwith our renewed thrust on housing construction and agri-processing, will create large-scale employment across the country.

Friends, much concern is being voiced on the fiscal health of our economy. The condition of the finances of States, especially, fills us with great worry. Bringing fiscal discipline, both at the Centre and in States, will receive high priority.

The Centre has already initiated several initiatives on tax reforms and expenditure management. The State Governments must act decisively to cooperate with the Centre in implementing these measures to repair their finances.

Your President, Shri Sudhir Jalan, has reminded me of the hard legislative and administrative tasks ahead of the Government. Of course, he has sugar-coated the reminder with words of praise-saying, "if any Government can grapple with these challenges your Government CAN".

To this, I can only respond by saying that, OUR GOVERNMENT WILL

However, bridging the gap between people's expectations and Government's performance does not entail only the governmental machinery to realise its duty. It also demands that business and industry fulfill their duty. Specifically:

- Indian business establishments should quickly restructure themselves to bring greater efficiencies, protect the interests of their consumers, and improve the quality of their products to compete aggressively in the global market.
- They should contribute fully in strengthening the social infrastructure for their employees and for the community in which they operate, through the spread of education, health-care, housing, and sanitation.
- They should deal with small and medium entrepreneurs in a fair manner, assisting them in their growth needs, since these have a far greater potential to create employment.
- They should fulfill their obligations to banks and financial institutions by timely repayment of loans.

- They should respond generously to mitigate the sufferings of the ordinary people in times of natural calamities. I say this because, although Indian business has contributed to the national effort to help cyclone-ravaged Orissa, I believe that it can do much more.

I cannot emphasise too much the need for the business community to meet these obligations. Doing so will generate greater goodwill among the common people for all of you. At stake here is the pace of economic reforms. We will not be able to build adequate support for reforms unless the Government and business together can demonstrate that they benefit the poorest and the most deprived.

The converse is also true. The more we can show that reforms benefit everybody and that they are contributing to the nation's healthy development, the more mass support can be generated for their speedier implementation. In a democracy, nothing sustainable can be achieved without people's support. We especially need their backing for some of the difficult but necessary reforms that Shri Jalan has referred to in his speech.

Friends, I conclude by saying that the road ahead is very difficult, but the journey is highly rewarding. Unless we traverse it firmly and fast, we will not get to where we want to - especially because an slowness on our part will mean that the rest of the world will leave us behind.

Taking the hundred crore people of India together with us, let the Government and Indian business travel together on the road of reforms to the next century and millennium `u the road to a strong. prosperous, and caring India.

Thank you."