

- **FICCI COMMENTS ON GDP NUMBERS**

Commenting on the first quarter GDP numbers, FICCI said that the growth is in line with expectations highlighted in FICCI's most recent Economic Outlook Survey. Even though growth of 7 per cent is encouraging in the current global economic scenario, we need to move this figure up given the imperative of employment generation.

As global demand situation is weak, domestic demand needs to be strengthened. Both consumption and investment levers need a thrust. While the government stands committed to further the reforms agenda, we need to equally create conditions that provide capital at affordable cost to our entrepreneurs. FICCI hopes that RBI will usher in a deeper cut in policy rates in its September review of the Monetary Policy.

- **OVERALL BUSINESS CONFIDENCE INDEX SLIPS IN THE LATEST FICCI SURVEY**

Latest round of FICCI's Business Confidence Survey reported signs of moderation in the optimism level of corporate India. The index value slipped to 66.3 according to the results of FICCI's latest survey round, which is a six quarter low. The index value stood at 73.2 in the previous round.

The survey drew responses from about 130 companies with a turnover ranging from Rs 6 crore to Rs 92,000 crore and belonging to a wide array of sectors like steel, food processing, paper and paper products, plastic and plastic products, oil and gas, electrical machinery products, infrastructure etc. The survey gauges expectations of the respondents over the period starting from July 2015 to December 2015.

According to results of the latest survey, the participating companies did not report much improvement in the current conditions vis-a-vis last six months at the economy and firm level. At the economy level, the proportion of respondents citing 'moderately to substantially better' performance vis-a-vis last six months declined to 66% in the present round from 73% stating likewise in the previous round. This perception of respondents finds ground in the actual economic data as well; a firm rebound in the economy still remains elusive. Nonetheless, a slight increase was noted in proportion of respondents indicating improved conditions compared to last six months at the industry level.

- **FICCI COMMENTS ON WPI NUMBERS FOR JULY 2015**

WPI based inflation data for the month of July 2015 shows continuation of the deflationary trend in the economy. CPI numbers released earlier also indicate further softening of prices. These numbers when looked at alongside figures of industrial performance make a good case for further cuts in the policy rate by RBI. We hope the central bank would continue moving in that direction after its brief hiatus followed by transmission by an equivalent amount by banks in the form of lower lending rates. At this point it is imperative to propel domestic demand on a sustainable basis that could lead to higher capacity utilization and eventually more investments.

Food inflation numbers are also moderating. Even though we are having mixed signals with regard to the progress of monsoon, given the government's adequate preparedness on this front, we should be able to keep food prices under check. Further, with oil prices remaining range bound and commodity prices being subdued, the issue of imported inflation too is not much of concern presently. Promoting growth should therefore take precedence at this juncture.

- **FICCI COMMENTS ON IIP DATA FOR JULY 2015**

It is encouraging to see the positive growth in manufacturing over the last few months and we hope that this growth and demand will pick up as we are nearing the festive season. There is a potential to take this growth to a higher level with the help of more supportive policies for stimulating domestic demand and exports, said FICCI. Government's efforts on multiple fronts to create an enabling environment for business is going to provide impetus to the manufacturing growth in the future.

- **FICCI PRESIDENT COMMENTS ON GOVERNMENT'S PSBS RECAPITALISATION PLANS**

Commenting on the recapitalisation plan for public sector banks put out by the government, FICCI said that this is a positive development as it would help meet both the capital adequacy requirements of the banks as well as help build on-lending capacity to fuel growth in the economy. FICCI welcomes this move and hopes that as public sector banks get further support from the government, they would also introduce a cut in lending rates commensurate with cuts announced by RBI in the policy rate.

FICCI has been suggesting that the fiscal space created on account of savings in fuel subsidies and increased tax revenues due to better coverage and compliance should be utilised for recapitalisation of the banks. This four year plan announced by the government augurs well for the health of the banking sector and is another step forward in government's concerted efforts to enhance growth of the economy.

- **FICCI'S VIEWS ON THE HEALTHCARE & MEDICAL DEVICES SECTOR**

FICCI said that 'Digital India' platform should be leveraged to provide e-health, e-medicine and e-learning to rural areas.

The national movement for 'Swachh Bharat' can be viewed as 'Swastha Bharat', as it comprises a series of public health initiatives. FICCI believes that a 'fourth layer, the pre-primary layer', below the primary care needs to be created to ensure continuum of care for a billion plus population as the traditional three tier system has not delivered the desired result. Also there was a need to evolve workable PPP strategies to collectively face the challenges.

FICCI said that there was a need to look at preventive healthcare and take a holistic view of the healthcare scenario. Also, the cost of healthcare services delivery has emerged as one the biggest challenges for the sector. Healthcare sector could provide employment to a large section of society and there was need to demonstrate a thought-process to move ahead in this direction.

Healthcare inclusion is a key opportunity for economic growth in India. At 15% per annum growth rate with a huge demand supply gap the sector needs accelerated investment both by the Government and private sector. The interest of venture, private equity and institutional investors in backing healthcare delivery providers and medical technology players will also give rise to an innovation led Indian healthcare delivery ecosystem.

The healthcare industry needs a major paradigm shift in its thought process and to recognize that every precious and priceless life needs to be protected. Elaborating the importance of collaboration amongst healthcare providers, FICCI said that public and private sectors must work in tandem for serving a large segment of population with quality and timely treatment. Healthcare Information Platform should be created where by public and private healthcare players are on the same level.

Referring to India's strong foothold in alternative medicine, FICCI said that the culture of integrated medicine should be promoted in India. Along with allopathic treatment, it should be scientifically determined whether alternative medicine could be of help to a patient. India in the past was known for its legacy in alternative medicine and it needs to be encouraged.

FICCI stated that the 'Make in India' campaign must be aligned with key government initiatives to create a strong impact on public health and provide safe medical care accessible to all. Therefore, it is important for the stakeholders in the medical devices and larger healthcare ecosystem to constructively engage in a dialogue to facilitate 'Make in India' for the country. The government should strengthen entrepreneurship and innovation to fulfil the clinical unmet needs leading to better patient outcomes.

- **FICCI CAUTIONS AGAINST SECURITY THREATS IN SMART CITIES**

FICCI said there are various kinds of security threats in Smart Cities, particularly cyber-attacks can bring the entire city structure to a standstill. One of the biggest concerns about smart cities is that the sensors in the equipment can be hacked and fed with fake data, which could be used for all manner of mischief, like causing signal failures that shut down subways or allowing contaminants into the water supply, etc. In addition to new security concerns in Smart Cities, the traditional risks like that of assassinations, kidnappings, hijacking, bomb scares, etc. cannot be ruled out completely. Some of these have been potent threats to internal security in view of the deadly nature of terrorist attacks these days and terrorist organisations are increasingly resorting to use of new technologies to instil fear into the common citizen.

Urban terrorism seems to be the new modus operandi. There is therefore a need to look into urban security and particularly security of smart cities from a completely new perspective. Besides terrorism, India currently is facing internal security threats such as naxalism, religious fundamentalism, manmade disasters, insurgencies etc.

The new breed of threat creators have trans-border linkages, are tech savvy, use modern gadgets, are well planned and coordinated. In order to combat this new face of terrorism, there is a need to upgrade to modern and hi-tech equipment for better internal security. Technology has an important role to play in this, be it the application and tools for intelligence gathering, surveillance, detection or protection.

- **INDIAN GOVT. RECOMMENDS ESTABLISHING A MECHANISM TO MEET INFRASTRUCTURE NEEDS OF THE REGION**

The need of the hour is to develop socially inclusive, sustainable and environment-friendly trade practices even as SAARC countries aim for financial integration in the region.

FICCI was of the view that in times of crisis, like the recent Nepal earthquake, the neighboring countries joined forces to assist the disaster-stricken nation. Hence the will for regional cooperation and financial integration is present amongst SAARC nations and the need is to establish a clear road map with consensus of stakeholders.

- **FICCI COMMENTS ON ON-GOING MARKET DEVELOPMENTS**

Commenting on the on-going market developments, FICCI said that India's macro-economic fundamentals are strong and going ahead we see further improvement on the back of a series of policy and procedural reforms initiated by the Government. Growth is showing a turnaround, inflation has eased considerably and both fiscal and current account deficits are within comfortable range. In fact, Governor, RBI alluded to all of these during FICCI-IBA Annual Banking Conference.

The drop in the market is completely due to global factors and FICCI hopes that this is a transient phenomenon, which should get addressed in due course. Both the Government and the RBI are keeping a close watch on the situation and we expect that this development would spur us into accelerating the reforms process and making Indian economy even more robust and resilient from within.

- **PASSAGE OF KEY LEGISLATIONS URGENTLY NEEDED TO PUSH BUSINESS SENTIMENTS, GREATER INVESTMENTS AND JOB CREATION**

Achieving sustained higher growth of 8-10% is imperative for Indian economy so as to meet the objectives of inclusion, poverty alleviation and creation of employment opportunities. The pace of economic recovery has been slow with manufacturing sector yet to see a major turnaround, stated FICCI.

Passage of key legislations is urgently needed to push the business sentiments, encourage greater domestic investments and create over a million jobs each month. GST is one such reform, which once implemented can add over 1.5 percentage points to the GDP growth. We look forward to progressive dialogue and political consensus on key socio-economic issues in Parliament to further the national growth agenda.

- **URGENT ACTION NEEDED TO ACCELERATE ALIGNMENT OF FINANCIAL SYSTEM TO TRANSIT TO A LOW CARBON ECONOMY**

FICCI stated that the financial institutions have a role to play and can help finance the transformation to a clean, sustainable future. A growing number of financial institutions are incorporating climate risk into their operations and channeling financial flows toward low-carbon, climate-resilient opportunities. Major investors with around half of total institutions assets (US\$45 trillion) now subscribe to responsible investing principles.

There is an urgent need to accelerate the transition to a green economy by better aligning the financial system to the resilience and the long-term success of the real economy. The UNEP India Inquiry led by FICCI which is under way is intended to support such actions by identifying best practice, and exploring financial market policy and regulatory innovations that would support the development of a green financial system.

FICCI said that the development of infrastructure in developing countries was tardy with huge gaps in the targeted infrastructure that will be required by 2050. Hence, sustainable development is the need of the hour. This could be achieved if justifiable and feasible economic models are created to encourage the private sector's participation.

- **AFGHAN DELEGATION SHOWCASES INVESTMENT OPPORTUNITIES IN RENEWABLE ENERGY SPACE**

FICCI said that there are many companies worldwide essentially in the oil, gas, coal and cement sectors that are responsible for two-thirds of the man-made emissions. These companies must be the target for the Climate Change Movement. It is important that the cost of capital for these companies be increased and they are priced out. This will help mobilize the 100 trillion pounds for clean energy – thus instating a clean energy based lifestyle and clean energy fuelled future.

FICCI stated that Mr. Narendra Modi, Prime Minister of India, has articulated the future of renewable as “moving from megawatt to gigawatt”. The Government of India has laid high focus on clean energy development and deployment and has set an ambitious target of 100,000 MW renewable energy installations in the next five years, involving investments of about Rs. 2 lakh crore. India had the technology, entrepreneurship and willingness to share its knowledge with Afghanistan for propelling its growth.

India understands the importance of generating renewable energy. Indian and Afghan governments were encouraging the industry on both sides to explore various spheres for cooperation and collaboration. FICCI is committed to help in every way to enable Afghanistan to meet its energy requirements.

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