

# VOICE OF FICCI

SHAPING THE AGENDA



June 2018

## From the Secretary General

This is my first communication in 'Voice of FICCI' as Secretary General as I took over from Dr Sanjaya Baru. We look forward to catalyzing more value creation in the industry and alignment of stakeholders.

We feel that FICCI must catalyze a two-way communication between the industry and government. Our role must change from just being a one-way channel to facilitate the industry's needs through the government to the one that ensures government and people's needs and expectations are also translated into reality. Further, we need to build trade in and for the industry.

It is our opinion that housing is one of the many vital sectors for achieving double-digit growth. Hence, the chamber calls for a further stimulus in the housing sector by increasing the loan tenure for individuals under the EWS (economically weaker sections) category to 20 to 30 years.

For the development and growth of a country, education and skills play a significant role and we cannot focus on education in silos. Continuum of education is crucial, and the very foundation is pre-school education. And, public-private partnership (PPP) is vital for a robust pre-school education format.

We recognize that Insolvency & Bankruptcy Code is a landmark legislation, it has been a harbinger of positive change. However, reducing timelines can contain reduction in values.

We welcome the simplified tax return filing process approved by the GST Council, but it should be implemented keeping in mind preparedness level of the industry.

Importantly, FICCI advocates a long-term road map to deal with the oil price rise especially when the Indian economy is on a recovery path.

It will be our continuous endeavour to raise issues and make policy interventions. Thank you for your continued support.

Dilip Chenoy



## HOUSING SECTOR VITAL FOR ACHIEVING DOUBLE-DIGIT GROWTH: FICCI

*Housing is a vital sector for achieving double-digit growth, FICCI opines.* There is a demand-supply gap of 20 million in the housing sector. It will take around 8-10 years to fill this gap. Hence, the chamber calls for a further stimulus in the housing sector by increasing the loan tenure for individuals under the EWS (economically weaker sections) category to 20 to 30 years as these are asset-backed loans. At present, the loan tenure is 5 to 10 years for individuals in this category.

FICCI states that the distinction between the housing finance companies and affordable housing finance companies is blurring with the passage of time and lauds the progress made during the past three years. And, one may expect more growth in the sector in the coming 5 to 6 years.

30 May 2018



## FICCI PITCHES FOR IMMEDIATE EXCISE DUTY CUT TO DEAL WITH OIL PRICE RISE

At a time when the Indian economy is on a recovery path, rising oil prices are again posing a high risk to India's economic growth trajectory. Over the last few years, falling oil prices have contributed significantly in improving the health of the economy. With global oil prices once again spiralling upwards, the macro-

'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.

economic risks of higher inflation, higher trade deficit and pressure on balance of payments with attended consequences for the rupee value have once again surfaced, feels FICCI. Weakening rupee will further add pressure on the import bill. There is also a risk that monetary policy may turn hawkish, which would, in turn, have a bearing on the growth of private investments.

*Unless swift action is taken to address the situation, the economic growth will again hit a speed-breaker. Amongst the most immediate actions that can be taken by the government is to bring down the excise duty on fuel, says FICCI.*

*On the positive side, GST collections are edging up and if the government focuses on increasing disinvestment proceeds, revenue losses from excise can be mitigated. Going forward, the government should also work with the states to bring petrol products under the GST regime, states FICCI.*

21 May 2018



## HUGE OPPORTUNITIES IN MRO SERVICES FOR NAVY

*FICCI organized the 'Aviation Indigenisation Expo 2018' in association with the Indian Navy and the Aeronautical Society of India, Goa. On the occasion, Vice Admiral Girish Luthra, PVSM, AVSM, VSM, ADC, Flag Officer Commanding-in-Chief, Western Naval Command said that the maintenance and repair of any aircraft using latest and hi-end technology is the lifeline of Naval aviation fleet, and indigenisation efforts to ensure that the right spare is available at the right time must begin much earlier in the life cycle of a platform after its induction.*

This effort will not only reduce the aircraft downtime as majority of components are still import dependent but will also result in lower cost of repair and maintenance. He further added that while the Naval aircraft yards and station level workshops have been meeting the challenges, there is a need to encourage OEMs (Original

Equipment Manufacturers) to set up facilities and carry out repair up to module level.

*MRO: Maintenance, repair, operations*

18 May 2018



## PM MODI'S RUSSIA VISIT REDEFINES INDO-RUSSIAN RELATIONS

Prime Minister Narendra Modi's recent visit to Russia at the invitation of Vladimir Putin, President of the Russian Federation, for an informal summit in the city of Sochi, is path-defining in Indo-Russian relations in the backdrop of China's increasing global clout and protectionist approach effected by the US in recent times.

The summit, coming soon after the recent successful engagement between PM Modi and Chinese President Xi Jinping in April 2018, recognizes and underlines the rising authority of India as an economic and global force to reckon with, says FICCI.

*FICCI sees the visit as an astute step to cultivate and nurture India's geo-strategic and economic interests with the all important global powers. Russia, with proven technological prowess across sectors, is ideally placed to partner with India to realize the hitherto unexplored business and investment opportunities.*

17 May 2018



## PPP CRITICAL FOR BUILDING A STRONG EDUCATION INFRASTRUCTURE: ANIL SWARUP

At the FICCI-Alliance for Re-Imagining School Education conference on 'Re-imagining Pre-school Education', Anil Swarup, Secretary, School Education & Literacy, Ministry of Human Resource Development, said that the role of public-private partnership (PPP) is vital for a robust pre-school education format. FICCI-ARISE is a

collegium of members representing various facets of the education ecosystem.

*By seeking autonomy, we will also have to make ourselves accountable, says FICCI. For the development and growth of a country, education and skills play a significant role and we cannot focus on education in silos. Continuum of education is crucial, and the very foundation is pre-school education.*

11 May 2018



## INDUSTRY CHAMBERS' MUST BECOME A TWO-WAY CHANNEL

*FICCI feels that the industry chambers' role must change from just being a one-way channel to facilitate the industry's needs through government to the one that ensures the government and people's expectations and needs are also translated into reality.*

India is changing rapidly and the role of the chambers is also changing from just being an advocacy group for the industry. It has to translate the needs of the government, the needs of the country, to the industry. India is at a fascinating stage of economic growth and it needs investments to create jobs and boost growth and for that we need to channelize savings. This also requires promoting entrepreneurship and diversity in boardrooms and FICCI is running various programmes to ensure more and more women join the boards of different companies.

FICCI is promoting MSMEs and start-ups in a big way and city and regional industry chambers and platforms like CCCCC (Consultative Committee of City Chambers of Commerce) have a critical role in taking this to much higher levels. The CCCCC members acknowledged the role of FICCI in addressing their needs and concerns.

9 May 2018



## NEW GST RETURN FILING SYSTEM IS A WELCOME MOVE, BUT INDUSTRY PREPAREDNESS A MUST

*FICCI welcomes the simplified tax return filing process approved by the GST Council, but it should be implemented keeping in mind the industry's level of preparedness. It is believed that the proposed return filing system would ease the compliance burden of the taxpayers under the GST regime. However, the timeline of six months to implement the new system should be reviewed in accordance with the industry readiness for the new system. The implementation of the new GST return filing system will be smooth if the industry is fully prepared to deal with it.*

5 May 2018



## FICCI WELCOMES DRAFT NATIONAL DIGITAL COMMUNICATIONS POLICY 2018

On 1 May 2018, Department of Telecommunications, Government of India, released the draft of the telecom policy titled 'National Digital Communications Policy 2018'. Considering the rapidly changing landscape of ICT (Information and Communications Technology) sector of India, the draft policy is indeed a timely step towards a rethink on the overall development and direction of the sector, keeping in mind the interest of the Indian citizen.

The draft policy is a consultation-based, well-considered document which addresses nearly all issues in the communications sector, such as licensing and regulatory reforms, reduction of costs, review of Universal Service Obligation Fund, augmentation of telecom infrastructure and new technologies such as 5G, IoT (Internet of Things) and AI (Artificial Intelligence). *With a focus on building state-of-the-art digital infrastructure, the policy is expected to usher in a new era for the communications sector with a light-touch, forward-looking, technology-friendly regulatory environment. FICCI welcomes this initiative by the Department of Telecommunications.*

FICCI was invited to provide inputs on licensing reforms. The FICCI-ICT & Digital Economy Committee were engaged in a six-month process with their members to submit detailed recommendations in January 2018. Majority of the recommendations made by FICCI were incorporated in the draft policy. FICCI is committed to this engagement as the draft policy is open for further consultation. It will work through its members to join the deliberations and provide further inputs as the policy is brought to its final form. FICCI hopes that the policy will be ready for announcement by the Monsoon Session of Parliament in 2018.

4 May 2018



## IBC A WINNER FOR AILING ENTERPRISES

FICCI organized a conference on 'Effective Resolution of Stressed Assets. *FICCI recognizes that IBC (Insolvency & Bankruptcy Code) is a landmark legislation. It has been a*

*harbinger of positive change. IBC has shown considerable and positive alacrity in terms of constant interaction of the government with stakeholders to bring about a strong, comprehensive and robust piece of legislation, which responds to the dynamics of the situation. And, reducing timelines can contain reduction in values, says FICCI.*

IBC seeks to provide a resolution which is beneficial to all the stakeholders, and not just the financial creditors. The law needs to be leveraged so that the stakeholders can derive maximum value. The aim of IBC is to seek the revival of companies than their liquidation as the companies with right management and entrepreneurship skill would be able to make a turnaround for the collective benefit of its stakeholders.

The recent bidding is not a commercial exercise but an exploration of various resolution plans, which could unlock the value of enterprise for a win-win situation for all the stakeholders. There is a greater need for creditors to postpone recovery and assume risk-taking capabilities for harmonious and balanced approach to meet the needs of the stakeholders.

25 May 2018

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