

# VOICE OF FICCI

## SHAPING THE AGENDA



December 2018



### From the Secretary General

We had the privilege of meeting Prime Minister Narendra Modi twice in the month of November. First on 19 November as part of industry discussions on India's credible ranking on the World Bank Ease of Doing Business and then on 21 November when the FICCI leadership comprising President, President-Elect, Vice President, Past Presidents and the Secretary General met the Prime Minister. Both the meetings were at his residence, a number of key issues were discussed.

We also led a highly successful second edition of Make in Odisha Conclave, the flagship biennial global investors' meet, which was jointly organised by the Odisha government and the Federation of Indian Chambers of Commerce and Industry, which concluded on 12-15 November 2018 in Bhubaneswar. Our effort was lauded by the Chief Minister of Odisha.

Meanwhile, the latest round of FICCI's Economic Outlook Survey puts forth an annual median GDP growth forecast for 2018-19 at 7.4 per cent and for 2019-20 at 7.5 per cent. We also feel that for the Insolvency and Bankruptcy Code to be more robust and effective, the sanctity of the resolution process, fair play and legally compliant actions must take precedence over any other extraneous actions.

We conclude a successful year with our 91st AGM on 14-15 December 2018. The theme this year is 'Building a New India'. And we will continue to work towards playing an even more significant role in the national ecosystem.

Dilip Chenoy



### FICCI'S ECONOMIC OUTLOOK SURVEY: GDP GROWTH ESTIMATED AT 7.4% FOR Q2 OF 2018-19 AND 7.5% FOR 2019-20

The latest round of FICCI's Economic Outlook Survey puts forth an annual median GDP growth forecast for 2018-19 at 7.4 per cent and for 2019-20 at 7.5 per cent. The survey was conducted during October/November 2018 among economists belonging to the industry, banking and financial services sectors.

The median growth forecast for agriculture and allied activities has been put at 3.9 per cent for 2018-19. Industry and services sector are expected to grow by 6.8 per cent and 8.2 per cent, respectively, during 2018-19. Further, the quarterly median forecasts indicate a GDP growth of 7.4 per cent in the second quarter of 2018-19. The official growth numbers for the second quarter are expected to be released. The median growth forecast for IIP was put at 4.6 per cent for 2018-19 by the participating economists, with a minimum and maximum range of 4.5 per cent and 5.4 per cent, respectively.

The outlook of the participating economists on inflation remained moderate. CPI-based inflation has a median forecast of 4.3 per cent for 2018-19, with a minimum and maximum range of 4.0 per cent and 4.8 per cent, respectively. Concerns seem evident on external front with median current account deficit forecast pegged at 2.7 per cent of GDP for 2018-19.

Further, economists were asked to share their views on certain contemporary subjects along with sharing their prognosis on recent measures taken to curtail widening current account deficit and Rupee depreciation. They were also asked to share any additional measures that are required to have a desirable impact on Rupee value/ CAD position.

Participating economists believed that current situation is majorly a result of global spillovers and is not so much due to domestic factors. Global developments such as elevated global crude/commodity prices and significant sell-offs in emerging market have mainly been responsible for this scenario.

The economists felt that measures announced by the government will only work in the short run and more

'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.

measures need to be taken to address long-term concerns on external front. Participating economists unanimously called for a need to boost exports to safeguard the economy from challenges arising on external front. They believed that consistent encouragement and strengthening of the export sector seemed to be a more sustainable strategy to overcome external challenges.

Furthermore, it was felt that the functioning of Special Economic Zones (SEZ) must be relooked at. Efforts must be taken to enhance the functioning of such zones to provide a boost to exports with focus upon addressing domestic bottlenecks.

30 November 2018



### FICCI CONGRATULATES ISRO ON SUCCESSFUL LAUNCH OF 31 SATELLITES

*Congratulating the scientists and members of the ISRO family for their efforts in placing 31 satellites precisely in their intended orbits by PSLV-C43, that included the indigenously developed HySIS satellite for Earth Imaging and 30 customer satellites from foreign countries, FICCI said that the industry is excited about this development and would like to put its best foot forward and partner with ISRO in India's growing space programme. With new customers from Malaysia, Columbia, Spain and Australia, the commercial opportunities for Antrix are on the upswing, which is also a positive for the Indian industry.*

29 November 2018



### INDIA-ASEAN INNOTECH SUMMIT REINFORCES COMMITMENT TO RESEARCH AND INNOVATION

*Organised by FICCI, the two-day India-ASEAN InnoTech Summit was attended by S&T advisors, experts, institution heads, companies and entrepreneurs from ASEAN member states. More than 60 ASEAN (Association of Southeast Asian Nations) delegates from industry, academia, government, bilateral and multilateral agencies and associated establishments that constitute the ecosystem for innovation-led technical and economic development attended the first of its kind innovation and technology summit in India.*

The addition of the ASEAN-India Innovation Platform and the Fellowship Programme to the existing India Innovation Growth Programme (IIGP) reinforces India's commitment to deepening and expanding research and innovation and boost collaborations between India and ASEAN nations.

29 November 2018



### NEED TO ALIGN AND CREATE A COLLECTIVE VISION FOR ROAD SAFETY

Meenakshi Lekhi, Member of Parliament, describes road safety as a national security issue as the death toll due to road accidents is much higher than that caused by terrorist attacks.

Addressing a seminar on 'Road safety: The Role of Corporates', organised by FICCI in association with the Ministry of Road Transport & Highways, Lekhi said that the corporates need to come forward in a big way in generating sensitivity and awareness on the emotional and physical trauma caused to the next of kin of those killed in road accidents. Corporates should steer clear of siding with those who seek less stringent norms for road safety violations, she added.

The FICCI Homeland Security Division has been actively working with various law enforcement agencies to promote the use of latest technologies which could be deployed for Traffic Management & Road Safety such as e-challan and body worn cameras.

*FICCI says that the road safety is a major concern for all and urges corporates from all the sectors to join hands to align and create a collective vision for road safety.*

28 November 2018



### IBC AMENDMENTS WILL BRING CERTAINTY AND TRANSPARENCY

*FICCI says that for the Insolvency and Bankruptcy Code (IBC) to be more robust and effective, the sanctity of the resolution process, fair play and legally compliant actions must take precedence over any other extraneous actions. FICCI hopes that as the Rules and the Code evolve further, there would be absolute certainty and transparency leaving no scope for misinterpretation or confusion.*

With recent amendments in the Code, role of Committee of Creditors (CoC) has not only become onerous but is also subject to greater scrutiny. Their role in resolution of stressed assets including its price discovery is deep and pervasive. Industry feels that for CoC to be more responsive, assertive and pragmatic, some guidelines for their actions may be prescribed.

While the resolution process is still work-in-progress, the speed with which it is going is encouraging. The law itself is adapting to the ground realities even as there is a need to balance the conflicting interests of the creditors (home buyers) and the financial creditors (lenders).

24 November 2018



## WTO SHOULD BE MODIFIED TO MAKE IT FORWARD-LOOKING AND INCLUSIVE

Suresh Prabhu, Minister of Commerce and Industry, Government of India, stressed upon the critical importance of devising a modified, forward-looking and inclusive World Trade Organisation (WTO) that includes all substantive issues to be resolved in a time-bound manner. He was speaking at the conference 'Strategic Alliance for WTO and Trade Remedies Law and Practice, organised by FICCI jointly with Lakshmikumaran and Sridharan.

*FICCI expresses Indian industry's concern over reports that the appointment of appellate body in the WTO dispute resolution mechanism is blocked. It feels this could weaken and paralyse one of the central pillars of the WTO.* The industry is also grappling with the sort of complementary domestic policies and global trade governance rules that would be necessary to exploit the potential benefits from technology and applications. In this context, Prabhu called for solutions to enable small and medium businesses to take advantage of technology tools and innovations.

19 November 2018



## EFFORTS ON TO REDUCE NTBS BETWEEN INDIA AND KAZAKHSTAN

India and Kazakhstan are making earnest efforts to reduce Non-Tariff Barriers (NTBs) and other policy hurdles to promote trade and economic ties between the two countries, Bidyut Behari Swain, Additional Secretary, Department of Commerce, Ministry of Commerce & Industry, Government of India, said while addressing the India-Kazakhstan Investment Forum organised by FICCI, Kazakh Embassy in Delhi and Kazakh Invest.

*FICCI says that when Prime Minister Narendra Modi declared Kazakhstan as India's biggest economic partner in Central Asia, he was specifically underlining the pre-eminence and promise that the country holds for Indian businesses and investors to tap into the economic vibrancy of a 'Nation on the Move'.*

15 November 2018



## INTERNATIONAL GOVERNANCE APPROACH REQUIRED TO ADDRESS DATA GENERATION ISSUES

Francis Gurry, Director General, World Intellectual Property Organisation (WIPO) stressed upon the need for an international governance approach towards

issues arising out of data generation globally at an interaction organised by FICCI for IP stakeholders.

*FICCI says that technology will complicate the IPR laws but in the long run it will be beneficial and effective. India today stands third in terms of start-ups right behind the US and the UK and majority of the start-ups in India are based on the use of hi-technology Robotics, AI and Blockchain.*

WIPO, which is the body for International IP norms, has been steadfastly working on developing a balanced and effective international Intellectual Property (IP) system that enables creativity for the benefit of all. At the same time, the Government of India has increasingly been taking initiatives to create IP awareness and to inculcate a culture of innovation in India. The discussions, which had the participation of representatives from the government, industry, academia and other IP stakeholders, provided an excellent opportunity to deliberate on the changes foreseen in the area of intellectual property rights, both in the way IP rights are perceived and managed, as well as the opportunities and challenges that would arise, as the Fourth Industrial Revolution gains momentum.

The event also provided an insight into how the WIPO leadership and the Indian government interpreted the role of intellectual property in the evolving global order in the new industrial order. The general agreement was that the Fourth Industrial Revolution would certainly have enormous implications to the future of intellectual property rights and all stakeholders would need to be sufficiently prepared to face the expected changes.

14 November 2018



## FOCUS ON HEALTHCARE AND TEXTILES AT MIO CONCLAVE

*Make in Odisha Conclave 2018, the flagship biennial global investors' meet of the State, aims to establish the State as the preferred destination in India for the development of healthcare and textiles sectors. The conclave organised engaging sessions on healthcare and textiles sectors with a view to projecting the investment possibilities in the State. FICCI was the industry partner for the conclave.*

The prospects for partnership and investment discussed during the session include:

- **Affordable Healthcare Project** – Developing and managing secondary care hospitals at 25 locations totalling to a capacity of 2,900 beds with an approximate investment of Rs 1300 crores.

- **Cancer Care Project at Jharsuguda** – Operation and management of a 100 bedded cancer care facility at Jharsuguda.
- **Cashless healthcare services** – Partnering with the State to provide cashless healthcare services under the Biju Swasthya Kalyan Yojana (BSKY) to government insured patients.
- **Investment in Pharmaceutical Industry** – Setting up of industrial units for manufacturing of drugs & consumables, and equipment-instrument-furniture.

13 November 2018



## FICCI ASSURES ALL SUPPORT TO ODISHA CM

At the Make in Odisha Conclave, FICCI welcomed Odisha Chief Minister and assured all support from the organisation in the development of the State. FICCI members shared their views about working in Odisha with the Chief Minister.

*FICCI says that its members have invested over Rs 2.5 lakh crore in Odisha in the last few years. FICCI also commended Odisha's Ease of Doing Business efforts and its initiatives to promote new areas of business.*

11 November 2018



## GUJARAT ENCOURAGING SMES AND JOB CREATION IN A BIG WAY

Gujarat Chief Minister Vijaybhai Rupani at FICCI's National Executive Committee Meeting said that the State has been focussing on the startups, SMEs and job creation in major way.

Gujaratis have excellent business acumen. And the contribution of the State to India's economy has been exceptional. The State's contribution in India's GDP stands at 7 per cent. Moreover, Gujarat's stock market contribution is 30 per cent. The numbers are a testimony to the fact that Gujarat provides ease of doing business.

*FICCI says that Gujarat continues to grow with focus on inclusive and sustainable development under the able leadership of Vijaybhai Rupani. With growth in every sector, Gujarat has become a truly vibrant State. With a thrust on infrastructure and industrial development in Gujarat, FICCI has also seen great progress and we are truly honoured to be partners of the Vibrant Gujarat Summit, which has become a benchmark for other States to emulate in terms of scale, participation, and business co-ordination.*

1 November 2018



## TRADE NOT TENSION SHOULD BE THE MANTRA FOR SOUTH ASIAN PROSPERITY: FOREIGN SECRETARY VIJAY GOKHALE

Foreign Secretary Vijay Gokhale said that trade not tension should be the mantra amongst the key pillars for South Asian prosperity. Gokhale was inaugurating the 'South Asia Regional Connectivity Conference', organised by FICCI jointly with CUTS International with the support of US Government.

*FICCI underlines the need for greater regional connectivity through inland and maritime waterways, multimodal transport connectivity and greater connectivity through the air route.*

Applauding the initiatives undertaken by the Government of India and FICCI to promote regional engagement in South Asia, it is felt that the signing of Motor Vehicular Agreement among the BBIN (Bangladesh, Bhutan, India, Nepal) countries and its effective implementation is the cornerstone for transport connectivity, people-to-people connect and smooth flow of trade and commerce.

The South Asian region is one of the fastest growing regions in the world. The region boasts of a growing trade and investment potential and emerging young demographics, which has the potential to reap a demographic dividend. However, the intra-regional trade in South Asia continues to remain low due to limited connectivity, non-tariff barriers, onerous logistics and regulatory impediments. In this respect, *FICCI emphasizes on the need for greater regional cooperation and integration among the South Asian countries.*

1 November 2018



## FOCUS ON INCENTIVISING WATER-USE EFFICIENCY

*FICCI emphasizes on the need to bring technology and innovation in the policy space so that innovations can flourish and business models on water use can be created. There is a need for a framework for collaborative thinking, planning and execution of water projects, an enabling policy environment that rewards scaling up and incentivising innovation and technology.*

The focus of FICCI Water Mission this year was on urban waste water management and, therefore, a new category of awards were introduced to highlight its importance. The markets would play an important role in bringing water-use efficiency and creating value.

1 November 2018

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