



# KNOWLEDGE PAPERS

Series 2/2014-15



## Indian Construction Chemicals Industry Imperatives of Growth

Indian construction chemicals industry currently stands at INR 3,600 Crores and has shown a strong growth of 17% over the last 5 years. Overall market is fairly consolidated but there is considerable fragmentation of individual products and application areas. The top 7 players account for ~50% of the market; next 20 players ~25% and the remaining 25% comprises of small and unorganized players.

The report talks about the industry trends, which is expected to maintain its growth momentum driven by untapped potential of the market and is expected to grow over the next 5-7 years by 15-16% p.a. and reach INR 7,000-8,000 by FY18 due to government's investment plans. Also, increasing awareness amongst industry players regarding compliance with international standards is expected to promote the adoption of best practices in the industry which the report highlights.

In spite of the strong growth drivers, the report also talks about the challenges that industry faces in terms of low awareness levels, lack of skilled labor and high price-sensitivity of customers.

Going ahead, the construction chemicals industry should focus on developing new processes and products with sustainability as the core principle. This requires developing a collaborative platform in which the academia, government and regulatory bodies, manufacturers and customers come together and promote and execute strategies for implementing judicious use of chemicals in the construction industry.

<http://www.ficci.com/publication-page.asp?spid=20391>



## Potential of Plastics Industry in Northern India with Special Focus on Plasticulture and Food Processing-2014: A Report on Plastics Industry

Plastic industry is making significant contribution to the economic development and growth of various key sectors in the country such as: Automotive, Construction, Electronics, Healthcare, Textiles, and FMCG etc. Its demand has been growing rapidly at ~10% CAGR to reach 10 MnTPA by FY13.

India observes significant regional diversity in consumption of plastics with Western India accounting for 47%, Northern India for 23% and Southern India for 21%. Northern India is said to have an inherent disadvantage of being away from ports hence a difficult target for low cost supply of plastics through import. However this same situation makes the domestic plastic processing more competitive and provides significant opportunity.

This report is developed by Tata Strategic Management Group with support of FICCI which brings out the importance and opportunities of Plastics application in agriculture which can lead to huge monetary benefits as well as improve the overall productivity. Besides, Plasticulture can also be a good answer to the falling water table in North India.

Additionally, the report also highlights that full potential of plastics in food processing is yet to be tapped and that can help in meeting the food and nutrition security of the nation. Indian Plastic industry faces environmental myths and lacks in technology. Going ahead, recycling & reuse of plastics could be a foremost step towards fostering innovation and sustainability which is talked about in this Knowledge paper.

<http://www.ficci.com/publication-page.asp?spid=20396>



## Improving the Productivity of Pulses through Public Private Partnership

FICCI jointly with the Ministry of Agriculture has been instrumental in developing a policy framework for PPPIAD (Public-Private Partnership for Integrated Agriculture Development) scheme. The main objective of the PPPIAD scheme is to facilitate large scale integrated projects led by private sector players in the agriculture and allied sectors, with a view to aggregating farmers, introducing new technologies, adding value and integrating the agricultural supply chain. Maharashtra is the first state in India to implement projects under PPPIAD. One such project under PPPIAD which aimed at improving the productivity of pulses was undertaken by Rallis India Limited in few districts of Maharashtra. FICCI has done a live study to evaluate the impact of Rallis project on pulses in Maharashtra. The study brings out interesting insights in terms of increase in productivity, farm incomes; farmer linkages with input and output markets; and identifies the processes that enable a successful partnership between the Government, private industry and farmers.

<http://www.ficci.com/publication-page.asp?spid=20393>



## Pre-Budget Memorandum 2014-15

FICCI submitted its Pre Budget Memorandum for the Union Budget 2014-2015 with the Ministry of Finance on May 5, 2014 and the printed copies of the document has thereafter been also submitted with the various officials of the Finance Ministry. The critical issues which have been emphasised by FICCI in budget memorandum for 2014-2015 are highlighted as below:-

- 1) Provide a genuine non adversarial and conducive tax environment: - Too much emphasis on revenues is forcing the tax officers to adopt coercive arm twisting methods to squeeze revenues by holding out threats of arrest and prosecution. Revenue generation is dependent on the economic activity in the country; revenues cannot be enhanced by prescribing artificially high targets for the tax officers. Government should make earnest efforts to move away from the aggressive revenue approach and provide a genuine non-adversarial and conducive tax environment.
- 2) Provide clarity in tax laws: - One of the primary reasons for disputes in tax matters is lack of clarity in tax laws and procedures. Government should be proactive in providing clarifications so that the disputes are nipped in the bud. It should come out with status notes, position papers on contentious issues after due consultations with the stakeholders to set at rest uncertainties, if any.
- 3) Improvement in Dispute Resolution Mechanism for Tax Matters :- The dispute resolution mechanism on tax matters needs to be overhauled to prevent disputes from occurring and in case disputes do arise to ensure that these are settled in an expeditious and fair manner. FICCI has presented a paper on "Dispute Resolution in Tax Matters" last year. The paper is aimed at initiating a discussion which could result in acceptable measures to improve the existing Dispute Resolution Mechanism in direct and indirect tax matters.
- 4) Removing the sting of retrospectivity:- The one key aspect that is currently bothering all investors is the retrospective amendments to tax laws. It is important that in the forthcoming budget, a message goes out to the investing community that the Government does not intend to go ahead with retrospective amendments and the judgements of the Courts will be respected.

<http://www.ficci.com/publication-page.asp?spid=20394>



## Establishment of an Appropriate Regulatory Framework for Direct Selling in India

A thought paper "Establishment of an appropriate regulatory framework for Direct Selling in India" was launched in FICCI.

The paper focuses on Prize Chits & Money Circulation Schemes (Banning) Act, 1978, which, in all probability needs serious revamping. The Finance Minister in his recent budget speech indicated towards this too. This act was formulated to protect the investors at large however, many concepts of Direct Selling came up much later in the decade in India. Hence the confusion arose. In absence of clarity on regulatory framework for this industry, enforcement agencies misapply PCMC Act on the direct selling multilevel marketing companies. There have been cases of confusion, misinterpretation and uncalled for actions. Therefore the paper looks into this archaic act and tries to provide the various probabilities to remedy the situation.

The paper condemns and questions the understanding of the enforcement agencies in distinguishing between the money circulation schemes and multilevel marketing schemes. The paper is a curtain raiser to a more in-depth study where both FICCI and NLUI would further deep dive to fine tune the alternates available and suggestion made. This paper has seen multiple industry consultations apart from best minds from the pool of Think tanks on this subject. It is very critical and timely published paper since Department of Financial Services, Govt. of India is already undertaking the amendment of PCMC Act.

<http://www.ficci.com/publication-page.asp?spid=20398>



## FINSEC 2014

A wide range of issues, which are more pertinent to southern India, were deliberated upon during the discussion including financial markets and consumer protection, PSL in banking sector, re-insurance, infrastructure financing, governance and regulation of Micro Finance Institutions (MFIs), financing of agricultural value chain and role of credit rating agencies amongst many others.

FINSEC 2014 was a high profile knowledge sharing and networking platform. The objective of this conclave was to invite leaders from the state and central government, regulators and policy makers, industry and academician to address these nuances of specific sectors in South India. It acted as a platform to discuss the best business practices that have worked in South India that may be replicated in other parts of the country. It is also an opportunity for the southern states to learn of best practices from other parts of the country.

This conference has garnered tremendous interest from public and has gained immense popularity in the media front. The financial sector division plans to hold this as an annual event concentrating on the southern Indian states in collaboration with the FICCI State Offices and local state chambers of commerce..

<http://www.ficci.com/publication-page.asp?spid=21962>



## Public Private Partnership in India - at the Crossroads

India has now emerged as the largest PPP market in the world. PPPs have delivered some of the iconic infrastructure like airports, ports and highways which are seen as models for development globally. The 12th Five Year Plan lays special emphasis on encouraging private sector participation for the development of infrastructure sector which is imperative for sustaining high growth.

Indian Government has taken a number of steps to encourage private investment in infrastructure through public-private-partnerships. Government has recently announced setting up an institution called 3P India, with a corpus of Rupees 500 crores to provide support for mainstreaming PPPs. However, it has been observed that while PPP projects in some sectors have displayed good progress, several others achieved only limited success. Formidable challenges remain in areas such as project implementation, monitoring and dispute resolution.

FICCI and Ernst & Young have jointly prepared a comprehensive knowledge paper titled 'Public Private Partnership in India - at the Crossroads' covering a large number of important issues. The report has been prepared through detailed analysis of several critical factors influencing PPP projects in India. It focuses on policy initiatives of Government for attracting private investments and developing infrastructure through PPP mode. Besides highlighting existing policy framework and regulations relating to PPP in the country, it also highlights policy measures required for re-setting regulatory mechanism and creating credible & transparent environment to revive investor's confidence on PPP projects.

<http://www.ficci.com/publication-page.asp?spid=20400>



## Safe and Secure Nation Intelligence - led Policing

Economic progress of nations is directly linked to a secure and well protected working and living environment. Cities today have a fast growing, migratory population and divergent socio-economic strata. India will account for 36 out of 440 emerging cities in the world by 2025, according to McKinsey Global. Globalisation and urbanisation make cities attractive target for violence and terrorism. Important cities like London, Mumbai, Madrid, Moscow, etc. have been targeted to strip nations of its economic strength. The policing efforts are focused towards keeping city centres safe, protect critical infrastructure, and prevent potential crimes & violations. Due to the magnitude of activities in important city centres, monitoring of such activities is a challenge. At the core of security fabric of any city is information technology that enables seamless integration of various individual components into a complete, consolidated view of the city's security infrastructure. Data analytics will therefore play an important role in curbing crime and terrorism.

The FICCI - Ernst and Young report gives us insights into the world of analytics. The report is an attempt to outline the need for our country to adopt analytics, and its use in law enforcement. The required level of advancement can be achieved through technology and capacity building. In India, Law Enforcement Agencies (LEA) have adopted the basic level of automation. The next level of technology capability would be attained when they use relevant data to extract useful information that helps them prevent an incident. Analytics is the technology that needs to be incorporated for increasing the capabilities of law enforcement agencies in predicting and preventing incidents.

<http://www.ficci.com/publication-page.asp?spid=20399>



## UPCOMING EVENTS

Seminar on 'Curbing Counterfeiting and Smuggling An Imperative for Indian Economy'

Aug 05, 2014, Bengaluru

National Conference on Hydropower in India: Key Enablers for a Better Tomorrow

Aug 05-06, 2014, FICCI, New Delhi

Police Officers Training- Capacity Building Programme

Aug 06, 2014, New Delhi

Massmerize 2014

Aug 07, 2014, The Lalit, Mumbai

FICCI 4th Technical Conference on "Air Pollution Control & Monitoring - Issues & Solutions

Aug 07-08, 2014, FICCI, New Delhi

FICCI Business Delegation to Israel

Aug 10-14, 2014, Tel Aviv, Jerusalem

Call for Application: FICCI Chemicals and Petrochemicals Awards 2014

Aug 12, 2014, FICCI, New Delhi

ISO 9001:2008 Quality Management Systems Auditor/Lead Auditor Training Course

Aug 18-22, 2014, FICCI, New Delhi

MSME Summit 2014

Aug 19, 2014, FICCI, Federation House, Tansen Marg, New Delhi

Water Risk and Stewardship in India

Aug 20-21, 2014, FICCI, New Delhi

4th National Conference on Agrochemicals

Aug 25-26, 2014, New Delhi

Challenges and Opportunities in the Book Publishing Sector

Aug 27-28, 2014, Dhaka, Bangladesh

National Sports Day Celebrations

Aug 28-29, 2014, FICCI, New Delhi

India Show Turkey at iZMIR International Fair

Aug 29-Sep 02, 2014, iZMIR, Turkey

Conference on Mobilising Impact through CSR

Aug 29, 2014, FICCI, New Delhi

FICCI HEAL 2014: Theme- "Innovation Enabling Access"

Sep 01-02, 2014, FICCI, New Delhi

FICCI 7th Global Skill Summit

Sep 04-05, 2014, FICCI, New Delhi

FICCI Indian Delegation to Soccerex Global Forum

Sep 06-10, 2014, Manchester, U.K

India Nigeria Business Forum (INBF)

Sep 11-12, 2014, FICCI, New Delhi

Call for application: FICCI Corporate Social Responsibility Award - 2013-14

Sep 15, 2014, FICCI, New Delhi

Estimation of Measurement Uncertainty in Test and Calibration

Sep 16-19, 2014, Mumbai

IRCA UK Approved ISO 14001:2004 Environment Management Systems (EMS) Auditor/Lead Auditor Training Program

Sep 22-26, 2014, FICCI, New Delhi

Innovator & Technology led Business Enterprises Delegation to USA

Sep 22-26, 2014, Silicon Valley, Austin & Dallas

India Infrastructure Summit

Sep 23, 2014, New Delhi

India Product Show, Myanmar-2014

Sep 24-27, 2014, Tatmadaw Exhibition hall, Yangon

FICCI Foodworld India 2014 - Global Convention for Food Business & Industry

Sep 24-25, 2014, Mumbai

FICCI-TAG 2014 Conference

Sep 25, 2014, Hotel The Lalit, Mumbai

Indian Conference on Life Cycle Management

Sep 29-30, 2014, New Delhi

FICCI Business Delegation to Uganda & Kenya alongside Uganda International Trade Fair (UGITF 2014)

Oct 02-07, 2014, Kampala & Nairobi

India Pavilion at AGROPRODMASH 2014

Oct 06-10, 2014, Expocentre Fairgrounds, Moscow

CAPAM 2014

Oct 08, 2014, Hotel Trident, Nariman Point, Mumbai

India Chem 2014

Oct 09-11, 2014, Bombay Exhibition Centre, Mumbai

India-LAC Investment Conclave

Oct 16-17, 2014, New Delhi



INDUSTRY'S VOICE FOR POLICY CHANGE

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