



KNOWLEDGE **PAPERS**

Series 4/2016



FICCI-Grant Thornton Report on Real Estate Regulation Act, 2016 (RERA) - Are we Ready?

The real estate sector plays a catalytic role in fulfilling the need and demand for housing and infrastructure in the country. While this sector has grown significantly in recent years, it has been largely unregulated. There is, thus, absence of professionalism, standardization and lack of adequate consumer protection. Though the Consumer Protection Act, 1986 is available as a forum to the buyers in the real estate market, the recourse is only curative and is inadequate to address all the concerns of buyers and promoters in that sector. The lack of standardization has been a constraint to the healthy and orderly growth of the industry. Therefore, the need for regulating the sector has been emphasized on various forums, the report points out.

The following are the highlights of the report:

- More than 65% of the respondents feel that, going forward, transparency will increase in real estate dealings.
- Close to 60% of the respondents feel that RERA will increase the governance hold in the sector and lead to increased investments.
- Approximately 50% of the respondents hope that the lending options from lenders will improve and availing finance will be easier.
- Close to 40% of the respondents feel that the implementation of RERA will help timely delivery of projects and also eliminate non-serious players from the sector.
- More than 40% of the respondents believe that maximum impact will be in the area of project planning and construction.

The report recommends that the compliance of this Act should not become one more layer of approvals to be obtained, but to ease out the entire approval process. The Act should also consider the impact of transmission issues and make it more pragmatic for the developers to comply at the end given the importance and contribution of real estate once feel that the current way of reforms should continue.

<http://ficci.in/publication-page.asp?spid=20755>



FICCI - EY Thematic Paper on 'Re-engineering Indian Healthcare'

Today India needs to prioritize its healthcare requirements and focus on moving towards integrated care through robust primary and promotive care. We urgently need to strengthen our healthcare human resources, both in quantitative terms as well as performance through management reforms. Most essentially, we need to empower our healthcare consumer and move towards a patient-centric healthcare system.

This joint study by FICCI and EY evaluates various aspects of re-engineering our healthcare ecosystem and the role that the government as well as the private sector will play in bringing in this transformation, while keeping the patient at the centre. There is need for radical improvement of healthcare delivery processes that enhances the quality of care and dramatically lower costs, while also greatly expanding patient accessibility to this improved, more affordable care.

A completely new approach is needed for achieving these reforms, which should involve three pillars: people, process, and technology. When these pillars are reengineered, the Paper envisions a system of care that is patient-centered, free from cumbersome administrative processes that overcomes inefficiencies, barriers and distractions from the real work of delivering the highest quality of care.

<http://www.ficci.in/publication-page.asp?spid=20766>



FICCI-KPMG Paper on 'Indian Healthcare Start-ups - An inside look into funding'

Start-ups are already disrupting the way healthcare is delivered in India and are being heralded as the torch-bearers of the future in healthcare. Recognising the need and role of start-ups in the Indian healthcare sector, this publication by FICCI and KPMG (India) investigates the challenges they face and puts forth suitable measures to boost fund flow. The Paper highlights the various opportunities for both startups and investors, wherein they can complement each other to create a flourishing healthcare start-up ecosystem in India. It outlines a roadmap that start-ups could adopt to attract investors' attention and collaborate with them for sustainable growth. Also, 'Start-ups need to identify consumer-focused solutions, sought after by investors globally. Their focus has to be on extensive innovation, differentiated product offerings and sustainable business models.'

<http://www.ficci.in/publication-page.asp?spid=20767>



Nursing reforms - Paradigm shift for a bright future

Nurses are an extremely vital component of healthcare delivery but have been neglected so far. Currently, India has only 0.7 doctors and 1.7 nurses available per thousand population. The country needs an additional 2.4 million nurses to meet the growing demand. FICCI has constituted a Task Force on Nursing Reforms with key representatives from the healthcare industry, regulators and nursing professionals to develop a Recommendations Report on the present and future requirements for closing demand supply challenges, enhancing nursing skills for modern day medicine, accreditation models, regulation and, most importantly, restoring the due position nursing deserves in the society and the hospital hierarchy. The Report highlights that despite the fact that nurses form the largest proportion of workforce in the healthcare sector, nursing is losing its appeal as a career of choice. Nursing as a sector in India continues to experience challenges in terms of Availability, Distribution and Retention. Some of the key reasons for this are lack of a rewarding career progression, welfare, income parity, social status, inadequate work environment, work life balance and empowerment. There is an immense need of well-trained nurses who are not only technically sound, but also specialized in various fields and abreast with the latest healthcare technologies. The Report aims to identify challenges in the nursing sector, and provide a roadmap for the Government, policy makers, industry, and education and research institutions with the purpose of strengthening nursing as a sector.

<http://ficci.in/publication-page.asp?spid=20756>



Indiachem 2016 knowledge Paper

The handbook encompasses an assessment of the chemicals industry in India, within the context of the global industry and the opportunities and challenges it presents. The country's chemical industry was estimated at \$147 Bn as on FY15 and has the potential to grow at 9% per annum to reach \$226 Bn by FY20. With initiatives like "Make In India" program gaining steam, investments, innovation and infrastructure are going to be the major thrust areas for chemical industry. GST reform will also give boost to the chemical industry by lowering the transaction cost and avoiding cascading effect on the taxes. Despite the new government initiatives and continuous improvement efforts by industry participants, the chemical industry continues to face several challenges for Eg. Availability of feedstock, Lack of domestic manufacturing, Lack of adequate physical infrastructure, Uninterrupted power supply etc. But at the same time, India is today seen as a growth market for MNCs looking to expand in emerging markets. Several domestic companies have built significant assets and have the opportunity to go global.

<http://www.ficci.in/publication-page.asp?spid=20761>



Re-engineering the skill ecosystem

The paper concludes highlighting the challenges along with suggestions for specific stakeholders in Indian skill development ecosystem.

1. Policy-level actions – a. Develop a skill development plan based on state level analysis of the major industries driving economic growth and rising formal employment opportunities by state and central governments is essential.
 - b. With future growth coming from formal employment, an intensive Recognition of Prior learning exercise to certify available skills as per the National Skills Qualification Framework level also becomes vital.
2. Quality enhancement actions - Targeted quality enhancement actions along the training delivery value chain (mobilization, training, post-placement support) are essential to ensure the right kind of skills can be made available.
 - a. On the funding issues, special incentive can be provided to the industry by the Government in order to invest their 2% CSR funds towards skilling initiative in order to ensure adequate capitalization. The Government can also look at making 50% of CSR funds of corporates (1% of total revenue of the corporates) is invested exclusively in skilling to sustain the funding required to meet the requirement for skilled workforce.
3. Other systematic improvements – a. Increase Working Population Ratio (WPR) of females through women-centric component in Skill State Plans.
 - b. There should also be center of excellence established in all the four metros in order to cater to the demographic requirement of their geographies.

<http://www.ficci.in/publication-page.asp?spid=20762>



Shaping Consumer Trends

'The FICCI Massmerize 2016 report is an endeavour to study and capture changing consumer trends in India, adoption of analytics in the Retail and FMCG space, the growth strategies of home-grown companies and a shift in the consumer purchase behaviour towards indigenous products. The report deep dives into the policy reforms required to create an 'ease of doing business' ecosystem in the Retail, FMCG and e-commerce space. It also analyses various Acts and laws that need some streamlining of their policies to stimulate the growth of these sectors. India has emerged as one of the most attractive investment destinations in the world with increasing disposable incomes, rapid industrialisation and a significant shift in the demographic pattern. Among the key contributors in this growth story have been consumer-centric sectors such as Retail, FMCG and e-commerce. These sectors have come of age and gone through a major transformation over the last decade with a noticeable shift towards organised retail and numerous policy advocacies. India's Retail segment is expected to reach ~USD 1 trillion over the next five years as it expands at a compounded annual growth rate of 15%. The e-commerce market is projected to rise to USD 125 billion in terms of gross merchandise value (GMV) by 2020, growing at the rate of 31%. The Packaged Consumer Goods sector is estimated to grow at a pace of 18% and cross the USD 100 billion mark. India's overall retail opportunity is substantial and a strong growth in e-commerce is expected due to a demographic dividend (young population, rising standards of living and upwardly mobile middle class) and rising internet penetration. The Indian Government's ambitious 'Make in India', 'Digital India' and 'Start-up India' projects are giving a significant stimulus to these sectors. "Massmerize 2016 report, 'Shaping Consumer Trends', addresses all the critical issues pertaining to the Indian Retail, FMCG and e-commerce sector".

<http://www.ficci.in/publication-page.asp?spid=20760>



Direct Selling: Karnataka - Global Industry Empowering Millions

The report provides insights of this industry in the state, like additional income opportunities, women empowerment, development of the SME sector, employment generation and contribution to government exchequer. It also focuses on the challenges faced by the industry in the state like clarity on regulation, setting up of manufacturing facilities, dealing with import duties etc. The report contains certain prospective market projections.

The report also has short term, medium term and long term solutions for the industry and actionable recommendations for creating a conducive regulatory environment for the industry at state level. Karnataka is an important market for the direct selling industry in India. The direct selling industry in Karnataka has witnessed rapid growth over the past five years (CAGR of around 20 per cent) and was pegged at INR4.0 billion in FY14.

This growth has been propelled by the high rate of economic development in the state, rising aspirational levels and a consumption oriented population. The direct selling industry provided self-employment opportunities to around 240,000-260,000 people in FY14 and contributed about INR350- 400 million to the state exchequer. The industry has contributed significantly to women empowerment by providing employment to around 140,000-160,000 women in the state. Karnataka has immense potential for growth and is expected to reach a size of INR35-40 billion by 2025. Continued economic growth, the rising demand for consumer goods and the increasing penetration of direct selling in the state are expected to drive the growth of the industry in Karnataka".

<http://www.ficci.in/publication-page.asp?spid=20771>



Improving Ease of Doing Business for MSMEs: A Review of Union and State Initiatives in India

For India, a fundamental question of investment promotion is not simply whether investment has taken place, how it has taken place also is equally important. That gives signals to the investor community, within the country and outside. The 'ease of doing business' variables do not adequately consider the 'responsible business' variables. What is the way out after all? The modern economy is knowledge- driven. Therefore, the creation of knowledge- driven economic governance alone, can ensure a balance of social and economic goals of investment.

The discussion in the earlier pages of this paper show that, the major 'EDB' factors in India relate to technology solutions. Twenty-five years after the kick starting of the process of active liberalisation in the country, these achievements are rather lack-lustre, and they in fact, demonstrates the weaknesses of public governance and economic governance in the country. Technology, by itself, cannot lead to an improvement in investment environment, unless the benefits of technology are closely integrated and built into the mainstream of economic governance.

Effective economic governance demands a real command over the economy, armed with the strong background of knowledge resources. In the context of MSME promotion, this is too critical, simply for the reason that it is a too invisible sector.

In India's manufacturing agenda, and especially for the successful conduct of flagship programs such as 'Make in India', this second-line role of the MSME sector cannot be ignored. Going by such a criteria, India's unfinished agenda of 'ease of doing business' has to explore more innovative measures and strategies.

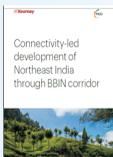
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FICCI-PwC Report Smart Border Management - An Indian Perspective

India's geostrategic location, its relatively sound economic position vis-à-vis its neighbours and its liberal democratic credentials have induced Government to undertake proper management of Indian borders, which is vital to the national security. In Central and South Asia, Smart Border Management has a critical role to play. When combined with liberal trade regimes and business-friendly environments, efficient customs and border controls can significantly improve prospects for trade and economic growth. The traditional approach to border management i.e. focusing only on border security has become inadequate. India needs to not only ensure seamlessness in the legitimate movement of people and goods across its borders but also undertake reforms to curb illegal flow. Increased bilateral and multilateral cooperation, coupled with adoption of new technologies for border control and surveillance, and the development of integrated systems for entering, exchange and storage of data, will facilitate the movement of people and products without endangering security. The FICCI-PwC report on Smart Border Management – An Indian Perspective, explores how Government of India can respond to border management challenges and adopt a proactive and resilient approach towards smart border management that should have four key elements: Innovation & Technology Infrastructure, Collaborative Border Management, Capacity Building and an Agile Organisation.

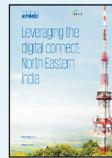
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Connectivity Led Development of North East India Through BBIN Corridor

The core issue impacting development in the North Eastern Region is that of connectivity. With 5300 kms, and its geographic position can easily be positioned as the hub of trade, commerce and connectivity between India and SE Asia. The signing of the BBIN motor vehicle agreement has lent new impetus to the collaborative efforts to harness economic complementarities and create value chains that transcend borders. This report on "Connectivity led development of North Eastern Region through BBIN Corridor" makes an attempt to assess the potential benefits of developing the BBIN corridor, identifies the key interventions necessary to realise these benefits and proposes a way forward to create few sustainable cross border value chains.

<http://www.ficci.in/publication-page.asp?spid=20774>



Leveraging the digital connect: North Eastern India

Among the parameters that define connectivity in a modern economy, digital connectivity has become synonymous with a complete transformation in the way the world conducts its business. It has brought a paradigm shift in business, education and governance processes. Today, a strong digital backbone is an essential ingredient necessary to harness and strengthen development in all other sectors.

This report delves into how a digital connectivity based model can reengineer the way the economy and governance functions in North East. The report explores how with its unique geography and location, the North East can leverage digital connectivity to catalyse economic growth and investments in the region especially through transformation in Agriculture, ICT, Textile, Sports, Tourism, Healthcare, Education etc.

<http://www.ficci.in/publication-page.asp?spid=20775>

Mainstreaming Migration in the SDG Agenda

On 30th August 2015, FICCI in collaboration with the International Labour Organization (ILO) and the International Organization for Migration (IOM) organized a roundtable discussion on "Mainstreaming Migration in the SDG Agenda in the Indian Context." This report provides a brief summary of the proceedings of the consultation, while highlighting the main issues flagged by the speakers and the key recommendations made by them.

The objective was to draw attention to migration related issues and explore options for including it more concretely into the strategies for implementing the Sustainable Development Goals that are adopted by India. An additional focus of the Roundtable was considering how the global indicators for measuring progress on migration relevant SDGs can be applied in the Indian context.

Relevant stakeholders such as the Government of India (NITI Aayog; Ministry of Statistics and Programme Implementation; the India Centre for Migration, Ministry of External Affairs), UN Agencies, academics, researchers and civil society organizations participated in the consultation.

<http://www.ficci.in/publication-page.asp?spid=20758>



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