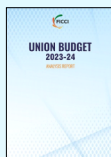


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KNOWLEDGE PAPERS

Series 1/2023



Union Budget 2023-24: Analysis Report

The Union Budget 2023-24 was balanced and progressive reflecting the strategic approach of the Government. The reform blueprint was carried forward with a clear intent to steer us into a New India. The Union Budget continued to build on the pillars of Resilience, Inclusivity, Sustainability and Excellence for Future. The Union Budget 2023-24: Analysis Report provided a macro-overview of the budget, a sector wise analysis of the announcements and their implications and highlighted key taxation related reforms. Investment and consumption are the key drivers of growth, and the Budget did a wonderful job by refuelling these drivers. The increase in capital outlay by 33% to Rs 10 lakh crore - which is around 3.3% of GDP – was historic. Also, the revision in tax rates under the new regime was a welcome move. Overall, the Budget reiterated Government’s commitment to a comprehensive growth roadmap ensuring manufacturing competitiveness, ease of doing business, reducing compliance touch points, enhancing infrastructure prowess, and supporting livelihoods across sections. Also, the emphasis on green growth across sectors – green energy, green farming, green building, green equipment - was well aligned with the India’s global commitment towards NDC targets.

<https://ficci.in/publication.asp?spid=23748>



Why India as an Investment Destination for Japanese SMEs & Large Corporates

There is immense scope for Japan to unlock the investment potential in SMEs in India in various sectors, including but not limited to manufacturing, electronics, food, renewable energy etc. Given that Japan is looking to bring its SMEs and start-ups to India in order to expand its investment avenues in India, it is key for Japanese SMEs to understand and explore the sustainable investment options offered by India, through the benefits of low manufacturing and labour costs coupled with favourable government policies in India. It is key to note that marquee Japanese investor companies such as SMC, Sumitomo Corporation, Honda Motor Co, etc. have successfully established their footprints in India across diverse segments, and thus, it is the right time for SMEs and start-ups from Japan to take cues and explore investment potential across various sectors in India. It will also benefit India by providing boost to the SME sector through funding, resource integration, and technical collaborations. Various emerging sectors such as digital technologies, healthcare, renewable energy, construction development and textiles can be key areas of investment for Japanese entities. Given the remarkable growth in the number of start-ups and unicorns in India, there is huge investment potential for Japanese entities to expand their investment in start-ups. The growth in the above-mentioned sectors coupled with favourable government policies vindicate the economic potential of investments by Japanese SMEs in India.

The Report covers: 1. Snapshot Of The 70 Years of Diplomatic and Economic Relations Between India and Japan 2. Brief Comparative Study of Advantages Provided by India as Compared to Other ASEAN Countries 3. Sectoral Opportunities for Japanese SMEs In India 4. Overview of Regulatory and Policy Framework for Japanese SMES In India 5. Overview of Investments in MSMEs In India

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Achieving Excellence in Defence Grade Drones

As the face of warfare is changing, defence procurement globally started shifting towards new age technologies like drones in a quest to equip their forces with strategic edge and operational excellence. In view of the increasing importance of drones in defence, Government of India has initiated drone development programmes to achieve atmanirbharta (self-reliance) in making and upgradation of defence grade drones in India. Defence forces, PSUs, academia and industry collaborated in developing some of the path-breaking unmanned / remotely piloted and autonomous aerial platforms to be deployed by forces. This background paper presents a strong case for indigenisation of defence grade drones by mentioning their demand, tactical advantages and risks related to the use of imported components & subsystems. It also highlights salient features of existing Indian defence grade drone programmes and their success. The paper also touches upon some of the challenges for indigenisation roadmap and leaves readers with key questions which needs critical thinking and can be addressed through collaborative efforts of government, industry and academia.

<https://ficci.in/publication.asp?spid=23768>



Promoting Sustainability in Indian Agriculture: Focus Areas for Responsible Growth

Promoting Sustainability in Indian Agriculture: Focus Areas for Responsible Growth - Indian agriculture has witnessed remarkable growth in production over the last seven decades. However, this transformative growth has been accomplished with significantly high ecological costs. This report highlights the imminent need for sustainability-focused initiatives, the critical role that agriculture plays in achieving Sustainable Development Goals, identifies key initiatives that could be focused on by the private sector while developing a sustainability action framework and suggests select enabling policy actions that could accelerate multi-stakeholder contribution to responsible growth in the Indian agriculture sector.

<https://ficci.in/publication.asp?spid=23759>



Approaches for Measuring India's Circular Economy Transition

Measuring progress of circular economy adoption is crucial for India to ensure an accelerated yet orderly transition over the coming years. Businesses will play a key role in this measurement process through standardized reporting of performance within their own and extended supply chains. This paper adds significant value in understanding current state of circular measurement maturity in India and in identifying potential challenges faced by Indian companies in measuring circularity. The study based on insights from industry and existing global frameworks highlights some key design principles which will provide foundation to introducing and implementing CE measurement in India and seeks to assess the current maturity of circular economy measurement frameworks and help policy makers and businesses shape a robust measurement framework for India. The five key findings of the report are as follows:

- A consensus is emerging among large corporates that measuring circularity and disclosing progress is critical.
- More than 10 off-the-shelf measurement solutions are available. However, there are challenges with their applicability in the Indian context.
- India should chart a path where it takes leadership on business-level circular measurement, yet is harmonized with global standards and frameworks.
- Following three design principles are proposed for development of a circular economy measurement framework for India.
 - Harmonize with global foundational framework, and enhance for Indian context.
 - Provide sector-specific guidelines that supplement the sector agnostic framework.
 - Enable aggregation at sectoral-level and critical raw material level.
- A three-pronged public-private joint action can help carve out an efficient CE measurement approach for India.

<https://ficci.in/publication.asp?spid=23761>



FICCI-Vestian Knowledge Report on Warehousing & Logistics Sector in India: A Brief Analysis

The warehousing and logistics sector in India has experienced remarkable growth in recent years, fuelled by the rapid expansion of e-commerce and the rise of organised retail. The COVID-19 crisis, while hampering industries, only served to hasten the warehousing sector’s pace of growth with delivery of essential goods gaining increased import during the period. The sector has also been positively impacted by government initiatives such as the implementation of the Goods and Services Tax (GST) and the development of infrastructure projects.

With a young and growing population, a thriving economy, and a strategic geographic location, India has the potential to become a major hub for warehousing and logistics in the region. In this context, it is important to explore the key drivers, challenges, and opportunities of this dynamic sector in order to understand its potential and contribute to its sustainable growth. The fact that several reputed city-based developers have entered the fray for development of warehousing projects in the city, bodes well for the growth of the sector.

<https://ficci.in/publication.asp?spid=23765>



FICCI - BBP Rights Catalogue 2023

FICCI Rights catalogue in Indian writing was launched during the FICCI Seminar at the Bologna Children's Book Fair 2023. The catalogue was distributed to all the Rights Managers and publishers present at the Book Fair.

FICCI - BBP Rights Catalogue of Indian Writing included titles from the following genres: Fiction, Non-Fiction, Literary/research work including poetry, short story, novella, Publications under humanities and social sciences, Children / Young Adult Writings, Illustrated books/ Graphics novels, Others.

<https://ficci.in/publication.asp?spid=23772>

FICCI-Colliers Knowledge Report on Emerging Trends and Opportunities in Office Sector - 2023



From the ordinary to extra ordinary, from a cubicle desk checkerboard pattern to a feel-good activity-based setup, workplaces have metamorphosed. While the 'work' now follows a people-first approach, workplaces are undergoing a space transformation with an interplay of physical infrastructure, technology, wellness, making them multifaceted.

The most appropriate model for working has been in debate ever since the inception of pandemic. Even today, occupiers have been going back and forth on remote working and return to work. But there is no one size that fits all. In the future of work, hybrid working model is setting the right frequency for occupiers and employees.

As work evolves, the way of working will evolve too depending on the nature and future of work. The offices of tomorrow will swivel on such structural shifts in the world of work. On the workspace front, occupiers are not only looking at measurable growth but an extension of work culture that reflects their identity and boosts productivity of employees. In the given economic situation, flex spaces act as the one-stop solution for occupiers. Will flex spaces compete with traditional spaces? Maybe not, but it will make traditional space owners contemplate about how to meet occupiers' needs better.

These new dimensions in the world of work will be driving key office fundamentals amidst the emerging economic & business environment. Time will tell whether the office market will surpass the recessionary concerns and set its ground in the latter part of 2023 or will the economic headwinds have a prolonged impact. However, what we know is that the market is sturdy enough to dodge back as it did during the pandemic times.

<https://ficci.in/publication.asp?spid=23766>



PROPEL Retail and FMCG sectors

India's retail market is one of the world's largest and is projected to reach \$1.41 trillion by 2026. The FMCG and retail sectors have exhibited resilience and rapid adaptation to the new normal. With the right support and interventions, this sector can further drive the country's economic growth. After almost three years of disruption, India is now fully open for business. FMCG companies and retailers

are preparing for major expansion plans in the next five years, including the development of new routes to market, D2C models, offline expansion, and online platform investment. Increased technology integration will help businesses analyse customer behaviour and direct marketing campaigns more effectively, while digital enablement will boost inventory management and improve the overall customer purchasing experience. The Indian government has implemented several initiatives to promote the FMCG and retail sectors, including allocating \$27.82 billion to the Department of Food and Public Distribution and \$222.19 million to the Department of Consumer Affairs in the Union Budget 2022-23. The government has also approved a \$1.4 billion Production Linked Incentive Scheme for the food processing industry to promote domestic manufacturing and exports. The retail trading sector in India has received \$3.96 billion in FDIs between April 2000 and March 2022, with 51% FDI approval in multi-brand retail and 100% FDI approval in cash and carry and single-brand retail. The government has also drafted a new consumer protection bill that emphasises building a comprehensive mechanism for timely and affordable delivery of justice to consumers. The FMCG and retail sectors in India have shown resilience and rapidly adapted to the new normal. With improved mobility, the sectors are showing signs of a healthy rebound as evident from strong consumer goods' sales and rise in demand for consumer durables.

<https://ficci.in/publication.asp?spid=23762>

FICCI - Randstad: startup hiring trends report



FICCI in partnership with Randstad India, one of the leading organizations in the HR services industry, has launched their exclusive survey on startup hiring trends. Over 300 startups participated in the survey. Despite the current trend of layoffs among larger corporations, the survey highlights that a significant proportion (80%) of early-stage startups, those with a current workforce of fewer than 20 employees, are actively seeking to expand their workforce in 2023. Notably, these startups have secured Series A and Series B funding, are well-capitalized, and are actively seeking to hire new talent. 92% of these startups stated that their hiring decisions will primarily be driven by new project orders, additional funding raised from investors and expansion strategies.

<https://ficci.in/publication.asp?spid=23771>



INDUSTRY'S VOICE FOR POLICY CHANGE

Federation of Indian Chambers of Commerce and Industry, FICCI

Federation House Tansen Marg, New Delhi - 110001

Phone: 23738760-70 (11 Lines), Fax: 23320714, 23721504

E-Mail: ficci@ficci.com, Website: www.ficci.in

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For more details contact at tripti.kataria@ficci.com

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