

Address by Mr Rashesh Shah, President, FICCI

- Shri Arun Jaitley, Hon'ble Finance Minister Government of India
- Colleagues from FICCI
- Ladies and Gentlemen

Good Evening!

A warm welcome to everyone to the 91st Annual General Body Meeting of the Federation of Indian Chambers of Commerce and Industry.

I want to start off by thanking everyone for being here. It is an honor and privilege to be hosting this august gathering.

We are honoured to have the Finance Minister, Shri Jaitleyji with us today. Sir, thank you for being here but thank you also for providing a very calm and balanced leadership in these turbulent times. When the news channels are

screaming headlines, and there is so much cacophony and misinformation all around us – it is good to have someone like you providing rational and balanced views in a calm manner.

Today marks the last day of my tenure as FICCI President andWhat a year it has been for the world, for India and for FICCI.

To paraphrase the words of Charles Dickens...

“It was the worst of times, it was the best of times, it was the age of foolishness, it was the age of wisdom, it was the epoch of incredulity, it was the epoch of belief, it was the season of darkness, it was the season of light, it was the winter of despair, it was the spring of hope.”

Journey in last 12 months

I have learnt a lot in the last 1 year

We in Mumbai and in business have a very simple understanding of how government works. At least I did.... but the last year has shown me the complexity of government decision making and the need to consider the varying, and sometimes conflicting interests of many stakeholders. After seeing this up close, I can say that my appreciation of the government working has increased manifold.

The last one year has truly been a story of partnerships for me – partnership with the FICCI Secretariat, partnership with the business community and partnership with the government.

FICCI Secretariat - The FICCI Secretariat is the backbone of who we are and their relentless efforts through the year has helped us truly be the voice of India's business and industry. It has been a great experience working with all 612 of you - and I am thankful for your support.

Business Community - Personally, the best part of last year has been meeting the various sections of the business community and seeing their perspectives – especially the MSMEs. FICCI being a federation, I had the opportunity meet many regional chambers and their members who are largely MSME companies.

Meeting many of them reminded me of my late father – who was also an SME entrepreneur in the 1980s. I can still remember my father making multiple rounds of the bank and waiting for hours just to get a loan application processed. Though there still remain many struggles for the small entrepreneurs, being an SME entrepreneur today is much better. Today it is much easier to get a loan with many Banks, NBFCs and Fin-Tech companies working to provide capital to MSMEs.

Government - The partnership with the government has also been very gratifying. FICCI is truly grateful for the support and cooperation from the government. Not only have we been given a fair hearing on all our concerns, the government has actively worked on addressing the industry's challenges. In turn, the government has also communicated their needs and their priorities to us to be channelized to the business community – this has truly been a two way communication channel and relationship and one that has yielded benefits for both sides.

FICCI the organisation. 91 years young!

FICCI was founded in 1927 and in this 91 years...our relevance to the industry and to the country continues to grow with every passing year. What has enabled us to remain vital to the industry has been our ability to continuously evolve and adapt to the changing times.

I have been associated with FICCI for 10 years now and it has been amazing to see how FICCI has consistently managed to identify and tackle the most relevant threats facing industries. Our focus on MSMEs, on startups, on women issues via FLO, amongst others have truly allowed us to be sensitive to the heterogeneous needs of our diverse stakeholders.

FICCI, in fact, reminds me of the mantra - *Improvise, Adapt and Overcome* – over the years, FICCI has done exactly that.

Last year at our AGM, Hon Prime Minister Shri Narendra Modiji had cautioned us that FICCI should resist the tendency to become risk averse – which happens to many batsmen in their 90's. I can confidently say that that forget risk aversion, we have taken many risks to evolve, to adapt and to change!

Truly, FICCI is not 91 years old but 91 years young.

India's economy going forward,. Best time ever!

The theme for today's AGM – Building a New India – was an easy one for us to pick.

Having met several entrepreneurs and business owners over the last year, I have sensed an excitement about the new paradigms getting established in the business world. Mixed with this is also some anxiety and discomfort. But we must remember that while change is discomfoting, we cannot realise our true potential without change. As Someone said...*Change is inevitable, Progress is Optional*

This is what the new India is about - change, the accompanying discomfort, the ensuing progress and most importantly, a shared belief in our bright future.

The India of today is replete with opportunities in all directions. We are well and truly into our Golden Age of Compounding where our strong and consistent GDP growth rate will help drive us reach a GDP of USD 5 trillion by 2025 and USD 40 trillion by 2040.

We are becoming a true global economic superpower.

Supporting this compounding growth is the democratisation of credit. The world over, true economic growth is always preceded by credit access to masses. India is seeing this with the Jan Dhan Yojana laying the foundation. With enhanced credit information, scale-up of NBFCs and the financial digitization of the nation have significantly enhanced the ability of the common man, even in rural areas, to access credit.

We have a lot more to do but a lot has been done....

Having said that, the India growth story till now has not been without hiccups. There have been times of volatility. In such a scenario, it is important to be able to manage this short-term volatility while being able to play on the long-term growth trend –
through what we call**a Bifocal Vision**

Role of Business

The New Way of Doing Business will also need businesses to change and evolve. The perception about Business needs to be transformed – we need to be seen as responsible partners in nation building. Former Chief Economic Advisor, Arvind Subramaniam's comments describing public opinion about the business world shifting from crony capitalism to stigmatised capitalism is indeed a wake-up call!

We will have to adopt a new paradigm around how business is conducted. This change will be at several levels -

From closed door to more transparency

From what we do to how we do

From shareholder to stakeholder

From profit based to value based

From short term to long term

From owners to custodians

This change will not suffice with just an incremental improvement but will need a transformation. The difficulty with a transformation is that the beginning is the hardest and gratification is delayed. It is a challenging ask ...but by no means unmanageable.

Role of Government

Government will play a key role in this transformation. It has already thrown the gauntlet with a slew of reforms - from Jan Dhan to RERA to IBC to GST, each reform has brought about a seminal change in the way business is being done in the country.

This shows up clearly in our Ease of Doing Business rankings. With the current pace of reforms, I am very confident that top 50 is now within reach.

While the Government has done well in a number of areas, there is still a lot that needs to be done in areas likeeducation, ...healthcare,agriculture and in creating employment opportunities. Many of these issues will eventually be tackled by market based solutions but the government has an important role of creating a conducive economic environment.

The government also needs to repose its trust in the ability of the businesses and the markets in coming up with sustainable and viable solutions. With the government as an enabler and a catalyst for reforms, and responsible actions by the industry, we can be confident that we will be able to handle these challenges going forward. **If we want to create history, we need to build chemistry between govt and industry.**

India has been and will continue to be a land of opportunities. The onus is on us to partake in these opportunities. However, growth is only one part of the story. We need to capture this growth in a responsible manner – by creating employment opportunities and by tackling economic inequality.

I am confident that if we inculcate this new way of doing business and continue to progress on this reformist agenda with a concerted focus on job creation, our vision of a New India is not far away – Another Tryst With Destiny is not too far away

I would like to sign off with a few lines from a song which resonate with me every time I think of the New India

Chodo kal ki baatein

Kal ki baat purani

Naye daur mein likhein hum

Milkar nayi kahaani

Hum Hindustaani, Hum Hindustaani

Thank You