

President's Message

Friends,

Emerging as a bright star globally, while playing a significant unifying role, India is at the cusp of a major economic transformation. I say with pride that our country continues to be the fastest growing economy worldwide, though at a slightly slower pace of 7.1 percent registered in the July-September quarter against 8.2 percent rate during the previous quarter. At the same time, I would like to congratulate Prime Minister, Mr. Narendra Modi for his recent commitment to play a "due and responsible" role by reducing our greenhouse gas Emissions Intensity of Gross Domestic Product (EIGDP) by 33 percent to 35 percent below the 2005 levels by 2030, according to the UN Environment Program.

India's investment climate has become conducive with big reforms such as the Insolvency and Bankruptcy Code, GST, fiscal consolidation and good governance practices being adopted by the government in recent months. These proactive measures have helped India leap up by 23 places to reach 77th position in the global ranking out of 190 countries in the World Bank's 'Doing Business 2019' report released recently, making it South Asian region's top ranked economy. Substantial efforts have been undertaken to enhance Ease of Doing Business (EoDB), starting from registering an enterprise, dealing with regulatory permits and also movement of goods across borders. PM's recent launch of a Grand Challenge Campaign on resolving seven identified 'EoDB problems' with the use of cutting edge technologies is a great initiative to encourage startups and private enterprise and provide them with a platform to showcase their innovative ideas on Artificial Intelligence, Internet of Things, Big Data Analytics, Block Chain and other technologies to further reform the government processes. Improvements in EoDB have the potential for India to become a US\$ 100 billion investment destination in the next very few years from US\$ 62 billion FDI it attracted in FY 2017-18.

Going ahead, the Chamber commends the US government for extending a significant waiver to India to trade with Iran, allowing Indian oil companies including Oil India Limited and Mangalore Refinery and Petrochemicals Limited to import more than 1.25 million tons of oil in the coming months. I also wholeheartedly welcome the US government's decision to favour India for developing the strategically located Chabahar Port in Iran, along with the construction of a railway line connecting it with Afghanistan. This would facilitate bilateral trade between India and Iran especially of agricultural



and pharmaceutical products. As India's trade deficit with Iran traditionally has been dominated by import of crude oil, and keeping in view Iran's vast natural gas resources and India's LNG capacity, gas could be another important part for future ties, going forward.

The recent softening of crude oil prices and the rupee appreciation may help India save billions of dollars in oil bills. Lower oil prices means less pressure on inflation, lower Current Account Deficit and less pressure on Reserve Bank of India to raise interest rates. Further, the recent softening of vegetables and fruits prices shall keep food inflation under control.

Though uncertain global trading environment has led IMF to lower its targets for global growth citing US-China trade dispute as a major factor, India shall continue to provide machinery, electrical equipments, vehicles and transport parts, chemicals, plastics and rubber products and other competitive goods to the US markets. Alongside, Indo-China trade would continue as India plans to export two million tons of raw sugar to China in 2019 and also non-basmati rice.

PHD Chamber's niche is in the states where it works for the government and industry at the grass root levels. This very well corroborates with Vice President, Mr. Venkaiah Naidu's recent assertion wherein he stressed upon the importance of building a 'Team India', a resurgent India, a strong India where the states work seamlessly, in harmony, complementing and compensating each other, even while competing with each other. I strongly concur that states need to implement new game-changing models for improving the living standards of their people and not resort to conventional or populist measures. I am happy to inform that the Chamber is working vigorously to form State chapters- Pan India, in order to help the State governments to frame policies for the benefit of industry. Recently, we launched our

Kerala State Chapter, that was inaugurated by the Union Minister of State for Tourism, Mr. Alphons Kannanthanam.

Former American President and a distinguished Statesman, Theodore Roosevelt once said, "Rhetoric is a poor substitute for action, and we have trusted rhetoric. If we really to be a great nation, we must not talk big, we must act big." Keeping in sync with this, the Chamber in November organized a number of mega events such as DILLI: KAL, AAJ, aur KAL, "Towards a Sustainable and Smarter Delhi" that saw the presence of Mr. Hardeep Puri, Union Minister of State (IC) for Housing & Urban Affairs; Mr. Manish Sisodia, Deputy Chief Minister of Delhi; Mr. Satyendar Jain, Minister for Industries & Power, Government of NCT of Delhi who all suggested viable solutions to overcome the challenges being faced by the people of Delhi such as pollution and infrastructure deficit and make Delhi an ideal place to live in with smooth traffic, cleaner air and better civic amenities.

The 4th PHD Chamber's Air Cargo Summit - 2018 "Enabling continued growth of Air Cargo" also saw the presence of Dr. Suresh Prabhu, Union Minister of Commerce & Industry & Civil Aviation and Mr. Jayant Sinha, Union Minister of State for Civil Aviation, wherein the government announced that a new Integrated Logistics and Air Cargo Policy would be announced very soon to the best satisfaction of all stakeholders.

At the G20 Summit held in late November, PM Modi offered to host the 2022 G20 Summit in India, coinciding with our country's 75th year of Independence. We hope to play a pivotal role as a Chamber in organizing the event and providing crucial advocacy support to the government.

India is primed to become a US\$ 5 trillion economy and the 3rd largest consumer market in the world by 2025. As quoted by Former Secretary General of UN, Ban-Ki-moon, "Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance." India's contribution to global economic growth and prosperity underlines its endeavor to support fair and sustainable development. I am certain our industry-led by India's young demographics shall continue to exhibit dynamic enthusiasm, technological innovativeness and an unquenchable quest for excellence in all sectors. In the times to come, India's growth story will be mainstreamed in a holistic manner, so that while ensuring basic livelihood needs of the entire populace, we move ahead on a rapidly soaring trajectory to become a global economic power by 2022.

