

President's Message

Friends,

I welcome you all to this New Year with a quote from the renowned businessman, Jack Welch "Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion." This gives us all an opportunity to start afresh with renewed energy and enthusiasm to aspire higher and achieve greater heights. To realize our aspirations for India to emerge as a leading world power, our approach must be modern, focused and in tune with the global trend. In achieving this goal, our role as a Chamber is to address the concerns of industry and the common man in the most effective manner by bridging the gap between the policy-makers and consumers and developing a favorable investment climate.

We at the Chamber opine that there are optimistic expectations for the Indian economy in the coming year. The World Bank report released recently projects India's growth to accelerate to 7.3% in the year, overtaking China which is estimated to experience a slowdown to 6.4% in 2018. This is a positive outcome of private investment which is expected to revive as corporate sector adjusts to GST; infrastructure spending increases, improvement in public services and internet connectivity; and private sector balance sheet weaknesses are mitigated with the help of the government and the Reserve Bank.

Growth in industry has come with a strong rebound with the manufacturing sector showing exponential expansion of activity towards the final quarter in 2017, mostly due to an accelerated increase in output and new orders. Nikkei India Manufacturing Purchasing Managers' Index rose to 54.7 in December 2017 from 52.6 in November with a sharp increase in construction activity. This is further reiterated by the World Economic Forum which lists India as the fifth largest manufacturer in the world with a total added manufacturing value of over US\$ 420 billion in 2016.

Finance Minister, Arun Jaitley's statement, "The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities" reinforces this belief that there will be a turnaround in the investment cycle in 2018 with increase in employment growth. We believe that improvement in tax collection, among other



things, would help in further rationalization of GST rates. Moreover, infusion of capital of over Rs. 2.12 lakh crore to public sector banks which has resulted in a surge in credit growth is also indicative of a sign of revival of private sector investment in the country.

I must highlight here that India's exports have surged in the last few quarters as significant efforts have been made by the Government to promote exports especially by easing the GST refund process of the exporters and by reinforcing the Insolvency and Bankruptcy Code, all of which auger well for growth.

I must also commend the government's recent reform measures which have given a fillip to the infrastructure sector, especially transport and power. The new set of FDI reforms such as opening up of 100% FDI in single-brand retail and construction industry through the automatic route will give an impetus to foreign investments which shall further bolster private investments.

We look forward to further economic respite from the Government to improve ease of doing business. Consolidation of labour laws in a single uniform code across the country would definitely help in this direction.

Agriculture reforms such as a shift from farm production towards raising farmers' income through use of technology in lowering cost of production, greater market access and creating agriculture clusters in districts would boost farm income.

As a recommendation, the Government should increase public spending in the health and education sectors. Education is the most powerful tool that can change the world. More

labour resources are needed in the production chain for improving the skill sets in the country. In alignment with these goals, the Chamber has already established the DCM Skill Centre.

Further improvement in physical infrastructure with targeted outcomes in the areas of road development, railway services, expansion of ports and civil aviation would help corporates plan their business strategies. Reforms in the energy sector are needed to reduce the increasing energy import dependence with more renewable and clean energy sources.

Working towards the Chamber's focused areas, I had very successful meetings with Mr. Suresh Prabhu, Union Minister of Commerce and Industry, Ms. Harsimrat Kaur Badal, Union Minister of Food Processing, Mr. Piyush Goyal, Union Minister of Railways and H.E. Anil Bajjal, Lieutenant Governor of NCT of Delhi.

The forthcoming Budget 2018 to be presented on February 1, 2018 is going to be very crucial being the first budget post GST as the government has to address the expectations of the urban as well as rural areas. The government should prioritize on stabilizing the business environment to uplift the confidence of investors with promises to open more avenues for projects, products and partnerships. Entrepreneurs should be nudged to invest more by using the investor friendly policies. I hope the process of rationalization of direct tax structure continues along with reduction in corporate tax.

We at the Chamber will do our best to push industry, "Beyond Boundaries" to arise, exceed the boundaries of yore, to excel and tread uncharted new lands for businesses to flourish. We envisage a Transformed India where the economy is in double digit growth trajectory, the manufacturing sector is globally competitive, the agriculture sector is sufficient to sustain the rising population and millions of jobs are created for socio-economic growth of the nation.

As rightly quoted by the Centre for Economics and Business Research, India is expected to achieve spectacular growth by 2032 overtaking Britain and France, to become the fifth largest economy in the world in 2018, and third largest in 2032. This gives us immense optimism and empowerment to work towards achieving these goals.

