

# President's Message

**Friends,**

At the outset, I must congratulate the Modi Government on its completion of four years of good governance driven by a focused agenda towards inclusive growth with equity. Under Prime Minister Modi's adept leadership, a number of business friendly and nation building measures were undertaken culminating into faster economic growth. I further applaud the incremental reforms such as GST, demonetization, bankruptcy code to address banking sector defaults, and various other flagship schemes such as rural electrification, housing for all and digitization.

The Indian economy is in a cyclical recovery mode with growth registered at 7.7 percent in the January-March 2018 quarter, backed by government spending and increase in investment by 14.4 percent. GDP for FY 2018-19 is forecast at 7.5 percent to be supported by higher minimum support prices and a normal monsoon. The government deserves kudos for bringing inflation under control as retail inflation declined to 4.58 percent in April 2018 from 8.48 percent in May 2014. Regarding the recent rise in fuel prices, I suggest that this too should be covered under GST ambit, which will help bring down external costs to companies, keeping businesses competitive.

I say with pride the world is seeing India as an exciting business destination. We are the third-largest economy, moving forward with zeal towards the Prime Minister's dream of a new India by 2022. Here, farmers shall earn their rightful due and housing for all would be a reality.

Having said this, I must comment that India continues to experience rising unemployment amongst its large population of youth, with more than 65 percent of the population under 35 years of age. This large demographic dividend could become an advantage with immense potential to innovate, build enterprises and add value to the nation. Here comes the role of innovation and start-ups, the key engine powering the next wave of India's economic growth.

We all acknowledge that the heart and soul of an Enterprise is creativity and innovation. The Indian entrepreneur is recognized for its "Jugaad" spirit or frugal innovation. However, Jugaad should not replace the structured approach but complement it and be integrated into an organization, systematically.

India has already evolved new game-



changing business models. We are witnessing the rise of an 'entrepreneurial economy', diversifying across various economic streams, with an unleashed wave of technological innovations. The innovation cycle is speeding up immensely and big or small, businesses are bringing about disruptions in technology.

As evidence shows, there is a strong relationship between new start-ups and job growth. Dhirubhai Ambani had aptly stated, "The success of the young entrepreneur will be the key to India's transformation in the new millennium." India's progress lies in its youth, fueled by passion and an ingenious spirit. We should recognize that while the government plays a pivotal role, the real work should be led by the private sector.

I appreciate the Indian government for taking measures to nurture a culture of innovation and entrepreneurship across a number of sectors. It is noteworthy that initiatives such as Start-up India, Make in India, Atal Innovation Mission, Support to Training and Employment Programme for Women, Digital India, Biotechnology Industry Research Assistance Council, Stand-Up India, Trade related Entrepreneurship Assistance and Development and Science for Equity Empowerment and Development are helping build a New India. Platforms for collaboration between academia, industry, investors, and non-governmental organizations are providing new avenues for R&D, leading to collective growth.

Further, I commend the present government for recognizing and encouraging women entrepreneurs and ensuring that policy initiatives are geared towards enabling equal opportunity for all and integrating women into development. The government is already

providing loans, low taxation rates, markets as well as trainings to women.

Last week, the Tax Department exempted angel investors from income tax on their investment in start-ups from April 11 onwards, subject to the rider that share capital and share premium of the start-up should not exceed Rs. 100 million. I note that the government has also announced a US\$ 16 million fund for setting up R&D units with the help of industries. Niti Aayog's support for those setting up and modernizing existing start-up incubators across the country and productizing technologies is a step in right earnest for budding entrepreneurs.

The announcement of US\$ 40 million technological innovation fund by India and Israel aims to be a great enabler for Indian enterprises wanting to tap Israeli expertise in nurturing industrial innovation and technological entrepreneurship. Further, this will support high value-added R&D and enhance knowledge base of Indian technology industries.

Genius, philanthropist and business magnate, Henry Ford said, "Coming together is a beginning; keeping together is progress; working together is success." Keeping in sync with this Fordism spirit, to enhance trade and economic relations with other countries/organizations, the Chamber signed more than 40 Memorandum of Understandings (MoUs) in the past one year-both domestic and international, including Netherlands, Moldova, Taipei, as well as Republic of Uzbekistan, in the past 1-2 months, thus forging strong bonds with world economies.

I am happy to state that PHD Chamber is doing its bit to promote entrepreneurship in the country by organizing various workshops and seminars to mentor upcoming entrepreneurs. Last month, a Start-up Mentoring Cell was launched in Jaipur in collaboration with the Dept. of Information Technology and Communications, Govt. of Rajasthan for the benefit of youth, women and rural population. Another MoU was also signed with Panjab University, to promote innovation and provide mentorship opportunities to start-ups.

"Entrepreneurship, entrepreneurship, entrepreneurship. It drives everything: Job creation, poverty alleviation and innovation." And for this, the Chamber shall keep fostering partnerships, and nurturing our young talent to re-invent, challenge, and explore newer ways of doing business so that a new India emerges by 2022.

