

# President's Message

## Friends,

As India traverses into the biggest exercise on the planet, the national elections and waits with bated breath for the outcome, it seems that 2019 will be a stimulating year. Every Indian of voting age, about 900 million people will get a chance to exercise their franchise and choose political representatives of their choice who will decide the destiny of our nation. With two-thirds of the population under 35 years of age, the youth vote could prove to be a game changer in these elections. Nowadays, people are aware about their rights and consider casting votes a responsibility as citizens. I would like to encourage young India to vote as every vote counts. They need to educate themselves and know what they are voting for and how that might impact the country's future.

The economic environment often plays a major role in electoral verdicts. Whichever party is elected, we opine that the economic priorities for the new government should be focused on development agendas. Investors expect to see more volatility, which is likely to remain elevated at least in 2019 due to global winds driven by monetary stimulus withdrawal in the US, uncertainties linked to US and China trade discussions, loss of momentum in Europe and ambiguity surrounding Brexit, besides policies impacting Oil producers.

The government has put in place structural reforms such as GST, Insolvency and Bankruptcy Code, and Real Estate (Regulation and Development) Act 2016 that would facilitate businesses and would have long standing positive impact on the economy. India has retained its position as the world's fastest growing major economy, continuing to maintain the 7 per cent figure for several years. And the forecast for the future seems equally robust. This is further reiterated by RBI Governor, Mr. Shaktikanta Das in his recent statement, "Real GDP growth is expected to clock 7.2 per cent during 2019-20, the fastest among large economies of the world, growing by an average rate of around 7.5 per cent in recent years."



**Rajeev Talwar**

It is widely acknowledged that India's high GDP growth, while being a result of favourable policies, can also be attributed to a strengthened regulatory framework, FDI liberalization, infrastructure growth and increasing digitization of the economy that has improved India's rank in the World Bank's Ease of Doing Business Index.

To make India a US\$ 5 trillion economy by 2024, Mr. Amitabh Kant, CEO, Niti Aayog while addressing the Chamber's Managing Committee members recently pointed out that India needs to grow at a rate of 9 to 10 per cent for the next three decades to eliminate poverty. He further elaborated that in order to achieve higher growth, India must penetrate into global markets with higher exports, especially of agricultural commodities along with manufactured goods. In this context, the Chamber recently released a five-pronged strategy for revitalizing exports and achieve US\$ 700 annual billion by 2025.

Despite significant progress made in the economy, today the biggest concern for the electorate is joblessness in the agriculture sector as well as amongst the educated youth and a faltering rural economy, which needs to be addressed. For creating jobs, the investment cycle needs to be sustained and invigorated. Experts point out that sectors such as tourism, textiles and food processing need to be promoted and women become equal stakeholders in every

sphere of activity. Further, when we talk of jobs, we should talk of skilling, reskilling and reengineering.

India's trade and investment flows are anticipated to leapfrog to the next level as reforms undertaken by the present government have continuously focused on dynamic trade and investment facilitation measures during the last five years. Having said this, to keep our bilateral relations cordial, our 35th edition of the Ambassadors' Meet held last month has become the hallmark of good economic, social and cultural relations with all the Foreign Missions in India. Around 150 diplomats including Ambassadors/High Commissioners and other diplomats representing more than 75 countries participated in the event.

I am positive that the government will continue with the existing reforms as well as take new initiatives to achieve more than 10 per cent growth and focus on ease of doing business, while keeping the cost of doing business low. There is tremendous potential in India and I see it fructifying, if provided a conducive environment. However, areas that require further attention are labour, land and agricultural marketing. A flexible labour market will create millions of valuable jobs. If land acquisition is done right, construction activity will be another employment generator. Needless to say, emphasis of the government should be on digitization, especially robotics, AI, and automation in manufacturing and services sectors. Good governance is one of the most important factors in economic growth and social development. To conclude, I would like to pen down a quote by Geoff Mulgan, "The responsibility for good government lies not just with governments themselves but also with every other part of the system they operate in, including media, non-governmental organizations and the public." Having said this, we at the Chamber would collectively and assiduously work with the government towards achieving an inclusive and prosperous India.

**Rajeev Talwar**  
President, PHDCCI

