



Speech by Prime Minister at the Business Meeting in Germany (May 30, 2017) Her Excellency, Dr. Angela Merkel, Leaders from Global Business Community, Ladies and Gentlemen!

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It is a great pleasure to meet you all. It is an added pleasure to talk to you in the presence of an enlightened leader like Chancellor Merkel. In fact, I do not miss any opportunity of meeting her. I particularly recall my interactions during my visit to Hannover Fair in April 2015. India was Partner Country in that fair. This was followed by Chancellor Merkel's visit to India in October 2015. Together, we have had several rounds of discussion with German and Indian CEOs. Today again, I can see lot of energy and enthusiasm in this hall. I can also see a number of Indian CEOs present here.

Friends!

Germany is among India's most important partners both bilaterally and in the global context. I am very happy to see participation of German companies in India's growth story. It is equally heartening to see that Indian companies have also made their presence felt in Germany. Germany ranks 7th among foreign investor countries in India. Major sectors attracting FDI inflows from Germany are engineering, chemicals and services. About 600 Indo-German joint ventures are presently operating in India. They provide employment to around two hundred thousand people. However, there is tremendous further potential in India-Germany economic collaboration. Our economic partnership is still below its full potential. To enhance this, we, in India, are ready with open arms to welcome German companies. With a view to help the German companies, we have put in place a Fast Track Mechanism. A number of issues have already been resolved through this mechanism. We are doing it sincerely because we value German participation a lot.

Friends!

We are on the path of making India a global manufacturing hub. Already a good eco-system exists in India for manufacturing. India already offers:

- A globally cost competitive manufacturing eco-system;
- A vast pool of skilled professionals with knowledge and energy;
- World class engineering education base and strong R&D facilities;
- Rise in GDP and purchasing power creating further growth in the domestic market;
- One of the most liberal FDI Policy regimes in the world;
- Government's focus on easing the business environment further.

Due to these strengths, as said by UNIDO, India is already the 6th largest manufacturing nation in the world. To make it better, we are working hard on various enablers.

Through our 'Make in India' initiative, we are committed to transform India as a major player in the global value chain. Prime motive is creation of jobs and narrowing the gap between affluent and lower sections of society. Make in India has already created a strong impact.

Germany is contributing in a big way in the success of Make in India. Particularly, India's participation as Partner country in the Hannover Fair has given a big boost to Indo-German partnership. During the Hannover Messe, specific areas for collaboration were mutually identified. This included manufacturing, skill development, railways, cleaning of rivers, renewable energy, education, science and technology. In addition, we are also implementing a strategic market entry support Programme, since September 2015. It is called MIIM (Make in India Mittelstand). This is mainly to assist German Mittelstand Companies in entering the Indian Market.

The MIIM Programme has been offering a wide range of business support Services. The initiative has resulted in growing interest of German companies in India.

The outcomes are that in this short period:

- 83 companies expressed interest to join the program;
- 73 Companies have enrolled as official members;
- 47 are at the advanced stage of investment implementation Another ongoing and very successful programme between India and Germany is the Indo-German Managers Training Programme. This is for advanced training of business executives especially from Indian SMEs. The program has resulted in:
- increased investments, creation of new joint ventures and increased B2B contacts between the two countries
- Over 500 Indian managers have benefited by this programme so far.

In addition, there is a good weather already existing. Some examples are that:

- Bosch, Siemens, BASF and SAP have started specific R&D operations exclusively in India
- Mercedes Benz India inaugurated its second manufacturing facility in Chakan in July 2015. This will double the plant capacity to 20,000 units per annum.

For our efforts, we have also received good global recognition. I would like to mention some of them.

- India remains a bright spot in the subdued economic landscape across the world;
- India has emerged as the fastest growing major economy the last three years with GDP growth rate of over 7%;
- We have moved up 32 places in last two years in the Global Competitiveness Index of the World Economic Forum- this is highest for any country;
- India also moved up 19 places on the Logistics Performance Index of 2016 of World Bank;
- We have also moved up 16 places on the Global Innovation Index of WIPO in 2016.
- We are 3rd among the top 10 FDI destinations listed by UNCTAD;

These are just a few examples. Our emphasis has been on reducing Government and enhancing Governance. I would give some examples:

- We are moving fast towards becoming a Digital Economy;
- GST is among the most Historic reforms India has ever done- and it is going to be implemented from the next month;
- In the last two years, we have moved towards a low tax regime both on personal as well as corporate side;
- We have lowered the corporate tax from 30% to 25 % particularly for new investments and smaller ventures;
- New laws and institutions for Bankruptcy and Insolvency as well as IPR and Arbitration are now in place;
- More than seven thousand reforms have been implemented on the front of Ease of doing business;
- 36 white industries have been taken out from the requirement of environmental clearance;
- Similarly, more than 50 items have been taken out of defence list;
- Validity period of industrial licenses has been increased upto fifteen years;
- Custom clearance has been made 24X7 at 19 ports and 17 air cargo complexes;
- Incorporating a company along with allotment of DIN, PAN, TAN and the CIN is now just one day affair;
- Power connection is provided within a time frame of 15 days;
- India's ranking is now up by 111 places on 'Getting Electricity' parameter of World Bank.

The above examples are in addition to thousands of reforms done by the states. Along with the Federal Government, the states have also taken keen interest in implementing such reforms. I will give you some examples:

- Here, I am mentioning about some states but due to a sense of competition, the trend of reforms is spreading fast to all the states.
- Reforms include -
- 100% implementation of single window system for payments & approvals in 16 states;
- 100% implementation of e-filing of tax returns in 13 states;
- Automated online building plan approval in 13 states;
- E-filing system for commercial disputes have been implemented in 11 states;
- Specialized Commercial Courts have been established at District level in 13 states;

Friends!

Now, India has one of the most liberal FDI Policy regimes in the world. More than 90% of the foreign investment flows are under automatic route. Last week we formally decided to abolish the Foreign Investment Promotion Board which was made in 1990s to examine the FDI proposals. The idea is to expand the engagement of overseas investors in the Indian economy. Due to this approach, Our FDI Outlook has been ranked highly positive by various International Agencies.

There has also been tremendous growth in the FDI inflows in the last 3 years and has now reached to 60 billion US Dollars in 2016-17.

Friends!

India is a big country. Hence, nothing is enough when it comes to development. We have many dreams. And the dreams are big. But we have small timelines. And this is your opportunity.

These opportunities range from building millions of houses to setting up hundreds of smart cities; modernization of railway networks and stations to setting up of high speed rail corridors; generation of renewable energy to construction of transmission and distribution networks. In addition, there is an ever growing need for National Highways, Bridges, and Mass Urban Transport systems, schools, hospitals and skill training institutes.

We are trying to empower our people to realise this potential through our campaigns like Digital India and Skill India. To tap the youth energy fully, we have launched the Start up India and Stand up India Campaigns.

Chancellor Merkel and Friends!

When I spoke in April 2015, our process of reform had just started. Now, I can safely say that we have completed a sizeable part of it. However, we are committed to do more and more; in a faster and better manner. I strongly believe that we should create institutional networks to understand and advocate such reforms. This is necessary to leverage the underlying economic potential of our two countries. At the end, I invite more and more German colleagues and companies to India.

Our direction, desire and dreams create tremendous business opportunity. Never before, India was so much ready for business. We are on a take off stage. Moreover, our democratic values and an alert judicial system will ensure the safety of your investments.

I assure you that we will work hand in hand with you to make your efforts successful.

Thank You!

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