



# Excerpts from PM's address at inaugural session of 90th Annual General Meeting of FICCI

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President of FICCI Shri Pankaj R. Patel Ji, President-elect Shri Ramesh Shah Ji, Secretary General Dr. Sanjay Baru Ji and other dignitaries present here,

All of you are sitting here taking stock of the work done in the last year. This year, FICCI is also completing its 90<sup>th</sup> year. It's a matter of great pride for any organization. I convey my best wishes to all of you.

Friends,

It was sometime near to the year 1927 when the Simon commission was constituted. The way Indian industry galvanized itself against the commission as that time it was extremely inspiration and historic event. Industry had raised the voice against the Simon commission by rising above its self interest. As every organ of Indian society came forward for in the national interest similarly Indian industrialists also devoted their energy in nation building.

Brothers and sisters,

As 90 years ago common man had come forward to take the responsibility of the nation along with his routine responsibilities, similarly the same era has started once again. You can understand the level of people's expectation, anticipation these days. People have been fed up with these internal vices, corruption, black money and they want to get rid of all of these.

That is why today every institution be it a political party or an industry body like FICCI this is a time for them to deliberate and formulate their future strategy by understanding the requirements and feelings of the people of the country.

Friends,

Many things have been achieved in the country following the independence but it is also true that several challenges have come before us in all these years. Even 70 years after the independence we had a system under which poor persons were fighting against this system in some way or the other. He was struggling for very small things. If that poor person wanted to open a bank account then system created hurdles. If he wanted to get a gas connection then he was required to knock on ten different doors. Commission was required to be paid at several places just to get his own pension or scholarship.

My government is doing the job of ending this fight against the system. We are creating such a system that is not just transparent but it's sensitive as well. Such a system that takes into consideration the problems faced by the people.

That is why we got such a splendid response when we had started the Jan-Dhan scheme. You would be surprised to know that we could not fix a target as how many accounts we needed to open for poor people as the government did not have any such data, any information in this regard.

We only had this information that banks turn down poor people - sometimes by scolding by them or by finding faults with their documents. And today when I see that more than 30 crore poor people have opened their bank accounts through Jan-Dhan scheme then I realize that what a great requirement of people have been fulfilled. One study has also revealed that in the rural areas where such accounts have been opened in large numbers, inflation rate has come down in those areas. It means what kind of big change this scheme has brought about in the lives of poor people.

Brothers and sisters,

Our government has formulated its schemes by taking into account the problems faced by the people and their requirements. This vision has been given priority that the lives of people become easier and it leads to increase in Ease of Living.

Ujjawala scheme has been started so that poor people can be set free from the smoke of kitchen stove. We have provided free gas connections to more than 3 crore women. Now it has been revealed in another study that after the launch of this scheme fuel inflation has come down in the rural areas. It means now the poor people are required to spend less amount on fuel.

We have been working to solve every single requirement, every single problem faced by poor people by understanding them. More than 5 crore toilets have been constructed so that poor women don't have to face embarrassment, so that their health and safety are not put to risk.

Pradhanmantri Avas Yojana has been started so that poor people can have their own house, so that a house can be provided to them on the same amount that they spend on rent.

Friends,

You will find a completely different world altogether in the far flung areas, in the villages of the country that is completely different from these glittering lights of VigyanBhawan, different from this decoration and atmosphere. I have come amongst you people by coming out from that world of poverty. Limited resources, limited education but unlimited, unrestricted dreams. That world has taught me to work, to take decisions and to implement them by understanding the requirement of the country, of the poor people.

As Mudra scheme has been meeting a big requirement of young people. This was the requirement of a bank guarantee. If any youth wants to do something on his own then the first question he encounters is that how will he arrange the funds? The government is giving this guarantee under the Mudra scheme. In the last three years we have sanctioned nearly 9.75 crore loans. More than 4 lakh crore rupees have been disbursed to youth without bank guarantee. The government of India is standing with the youth in meeting a big requirement of youths and as a result of it the country has got nearly three crore new entrepreneurs in the last three years.

These are those people who have obtained their first bank loans under the Mudra scheme. These three crore people have further expanded, strengthened the country's small industries sector, MSME sector.

Government is also encouraging start-ups. The biggest requirement of start-ups is to have risk capital. In order to meet this requirement that government has created a fund of funds under the SIDBI. Following this decision, the investment made by SIDBI has been leveraged by more than four times with the help of other investors. Because of this thing it has become easier for those start ups which have new ideas.

Brothers and sisters,

The investment made by Alternate Investment Funds are important in the eco-system for start-ups. The investment has increased significantly in the last three years due to these policy decisions taken by the government. And you will notice that the government has been taking decisions, formulating policies by taking the requirements of youth into consideration. You will notice just a contrast of this policy during the previous government. At that time, loans worth billions of rupees were given to some top industrialists; the loans were sanctioned by applying pressure on banks.

Friends,

FICCI mentions about itself - industry's voice for policy change. You convey the industry's voice to the government. You keep publishing your surveys, keep organizing seminars. However, I'm not aware that whether FICCI has done any survey or not on the issue of how the policies of previous government had wrought the banking sector. These days there is a lot of noise around Non-Performing Assets, NPA-NPA, that is the biggest liability handed over to this government by some 'economists' sitting in the previous government.

I am also interested to know that what the organizations like FICCI were doing when some people sitting in the government were facilitating loans for some select industrialists by applying pressure on the banks. The people sitting in the previous government knew this was wrong, bank knew it, industry knew it and institutions related to markets knew that it was wrong.

This was the biggest scam of UPA government. It is bigger than Commonwealth, 2G and Coal Scam. In a way the people sitting in the government looted the hard earned money of public through the banks. Was it referred in any survey, in any study even once? Whether any institution made any attempt to wake those people up who have been watching everything in silence?

Friends,

The government has regularly been taking steps to rectify the sorry state of our banking system, to strengthen our banking system. When the interests of banks are protected, when the interest of customers are protected only the interest of the country will be safe.

In such a situation, institutions like FICCI have an important role to play in spreading awareness, in providing correct information to the people and industry. For example, now some rumors have been spread in the last few days about the Financial Resolution and Deposit Insurance Bill - FRDI Bill.

The government has been working to protect the interest of customers, to protect their money deposited in the banks. However, completely opposite news are being disseminated. The contribution of institutions like FICCI is extremely essential in thwarting any such attempt to mislead the industry and the common people.

You will have to think how will you maintain a balance between the government's voice, the industry's voice and voice of the public. I will give you an example why this coordination is necessary.

Friends,

It was an old demand of Industry that GST should be passed, it should be implemented. And when it has been implemented then what role have your organization played in making it more effective? Those people who are on social media, they must have noticed it for several days users were posting the bills issued by restaurants that the tax might have come down but some restaurants have not reduced prices by increasing the basic bill. It means the benefits of the decisions were not passed on to the customers.

The government is making its own efforts to deal with such situations. However, whether FICCI has made any attempt to create awareness among the public, among the businesses?

Brothers and sisters,

Systems like GST can't be created overnight. And we have been trying to change the system created in the last 70 years. And it's our target to link the maximum number of businesses with it.

Be it a turnover of Rs. One lakh or Rs. 10 Lakh, we have been trying to bring in the smallest traders in the formal system. It's not because the government wants to collect revenue or earn some money. The government has been doing all these things because the more formal, the more transparent the system will become it will be equally beneficial to the poor. In addition to this, due to this formal system they will easily get credit from banks, the quality of raw material will improve and the cost of logistics will come down. It means even the small businesses will become more competitive in the global business. I believe that FICCI must have made a large scale program for guidance of small businesses.

Brothers and sisters,

I've been told that MSME vertical of FICCI was constituted in 2013. The MSME vertical of this 90 year old institutions was constituted just four years ago! I'd not like to comment any further but I'd certainly like to see that this vertical of yours helps in expanding the schemes like Mudra Yojana, Start-up India, and Stand-up India. Our small scale industries will be able to work with more energy when such an experienced institution will hold their hands.

The system that the government has created under the name of GeM - Government EMarket place; you will have to increase your efforts to connect the small industries of the country with that system. Now even the small time manufacturers can sell their products to the government through GeM.

I have one more expectation from you people. You should do something so that the amount of small companies that is due on the big companies is being paid in time. There are rules but it is equally true that the payment of small businesses gets stuck with the big companies. Their dues are cleared after three-four months. He hesitates to demand the payment of money lest it disturbs the business relation. You people should also make some effort to alleviate his this kind of sufferings.

Friends,

There were several reasons because of them our country was not able to take full advantage of industrial revolution in the last century. And today there are plenty of factors because of them Indian can start a new revolution.

This government has been formulating new policies by understanding the requirements of the country. It has been repealing the old laws and enacting new ones.

Recently we have taken an important decision with regard to bamboo. In our country there were two laws to determine whether bamboo was a tree or not. Now the government has settled this issue that the bamboo that has been grown outside forests is not a tree. This decision will benefit those millions of small businessmen who have been working in the bamboo related industries.

Friends,

I've been told that maximum number of FICCI's members are those who are associated with manufacturing sector. Companies associated with sectors like Engineering goods, Infrastructure, Real Estate and Construction Materials make up for the one fourth of FICCI family.

Brothers and sisters,

Then why the news of arbitrariness by the builders did not reach the previous government? Middle class was suffering, it was not able to get the homes even after paying their lifelong earnings to the builders? And why no solid steps were taken? Why? Laws like RERA could have been passed earlier as well but they were not enacted. This government alone understood the problems faced by the middle class and it put an end to the arbitrariness by the builders by enacting a law.

Brothers and sisters,

We alone understood the fact that the government schemes did not get a complete year after presentation of budget in March. Three-four months were wasted due to monsoon. That is why the budget date for this year was advanced by a month. And as a result of it the departments got the funds in time and they also got one full year to work on the schemes.

Friends,

This government formulated new policies with regard to urea, textile sector, aviation sector, a new policy for integration transport sector and one more for health sector. And it's not like that the policies are created just for sake of making a policy.

When we changed our policy with regard to urea then new urea plants were set up in the country and urea production in the country increased by 18-20 lakh tons. The new policy in the textile sector will create one crore (10 million) new employment opportunities. Policy change in the aviation sector will provide the facility of taking flights to the people with slippers. The integration of transport sector will reduce the burden on different modes of transportation.

In the last three years more than 87 important reforms have been carried out in 21 sectors. Important changes have been brought about in the defense sector, construction sector, financial services sector, food processing and many more. And you are able to see their impact on different parameters related to the economy.

India has reached to the 100<sup>th</sup> position from 142<sup>nd</sup> position in just three years. India's foreign exchange reserve has increased to Rs. 40,000 crore dollars from Rs. 30,000 crore dollars. India's ranking in the Global Competitiveness Index has improved by 32 points. India's ranking in the Global Innovation Index has jumped by 21 points and by 19 points in the Logistics Performance Index. If we talk about FDI then in the last three years India's foreign direct investment has gone up by nearly 70%.

Brothers and sisters,

A large number of FICCI members belong to the construction sector. You would be aware that the 75% of the total foreign direct investment in the construction sector has come in the last three years alone.

Similarly, be it air transport sector, mining sector, computer software and hardware or be it electrical equipments, half of the foreign direct investment in all these sectors have come in the last the three years.

I'd like to place some more data to show the strengthening of the economy. I believe that you would be aware about these data released in the last two three days but I want to draw your attention towards them.

Friends,

The sale of passenger vehicles in the domestic market has gone up by 14% in November. The sale of commercial vehicles that reflects the economic activity in the country has registered a growth of 50%. The sale of three wheelers, that is considered an indicator of employment, has registered a growth of 80% in the month of November. The sale of two-wheelers, which reflects the rising income of middle class and in rising income in the rural areas, has registered a growth of 23%.

Friends,

You know that this kind of big changes only take place when the common man's trust in the economy goes up. These reforms are also an evidence of the fact that the government has been taking administrative, financial and legal steps at the ground level. These reforms also testify that the social reforms carried out by the government are automatically leading to economic reforms, they are playing an important role in job creation.

For example, if I talk about Pradhanmantri Avas Yojana (PMAY) then this government has been working on the target of providing every poor person a home by 2022. Millions of houses are being constructed in cities and villages for this purpose. And the manpower for constructing these houses has been arranged at local level only. The construction material used for this thing is being sourced from local markets. Similarly the work of laying gas pipelines in the country is also resulting in the development of city gas distribution system in several cities. A new eco system of job market is being created in those cities where CNG has been supplied.

Brothers and sisters,

If all of us work by understanding the requirements of the country only then requirements and expectations of public will be met. Companies associated with FICCI should also consider producing those things in the country that India has been constrained to import from outside. In so many areas finished goods are sold to us that have been manufactured by using the raw materials sourced from us. We need to get our country out of this situation.

Friends,

Our country will celebrate 75 years of its independence in 2022. All of us have pledged to make a New India. The scope of work of institutions like FICCI is so vast, their responsibility is so great that they are expected to come forward and make new pledges for making a New India. FICCI will have to consider what new pledges it can

make by considering the future requirement of the country. You have so many sectors where there is immense potential for doing something. Sectors like food processing, artificial intelligence, solar power, health care can benefit from FICCI's experience. Can your organization work like a think tank for the country's MSME sector?

Brothers and sisters,

We have a lot of things to do, we just need to make a pledge and we need to materialize that. When our pledges will be materialized then the country will be successful. But we need to keep one thing in mind what happens in the game of cricket, some batsmen start playing slowly in the anticipation of a century when they have scored 90 runs, FICCI should not follow them. You just wake up and hit a four or a six and cross the mark of 100.

I conclude my speech by conveying my best wishes to FICCI and its member one more time.

Thank you very much to all of you.

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