



ASSOCHAM

INDIA



Economic
Security



Energy
Security



Livelihood
Security



National
Security



Ecological
Security

AGENDA FOR ECONOMIC GROWTH

Roadmap for the new Government



Message from

Rana Kapoor

President 

Managing Director & CEO 

The Indian economy has been facing a challenging economic environment, which is a combination of several globally interlinked external and domestic stress factors. Given this economic backdrop, ASSOCHAM has a crucial role of championing “BOLD ACTIONS” on behalf of the industry towards achieving “Economic Security of India”, which is crucial for our nation's overall socio-economic development.

Only “bold” and “strategic” actions by the next Government, in partnership with the industry, will steer back the economy to the 8-9% growth trajectory, improve investor confidence, and bring on track other parameters like fiscal deficit under 3% by 2016-17. Creating an enabling legislation and policy guidance environment is crucial for achieving this growth trajectory.

ASSOCHAM, the apex knowledge chamber of India, believes that economic development is the key to building a strong and vibrant nation. The Chamber has been pursuing the cause of nation building through regular interactions and policy interventions with all relevant stakeholders.

In connection with the imminent constitution of the 16th Lok Sabha, I would like to share ASSOCHAM's perspective on the policy imperatives to fast track economic progress and enable the adjacent priorities of inclusive growth and securing strategic national interests. I hope the suggestions of the Chamber contribute to the agenda of national governance that is being pursued by various stakeholders.

1 Economic Growth: Backbone of National Development

A. Financial / Structural Reforms

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Liberalize external commercial borrowings guidelines for corporates • Rationalize policy rates to catalyse growth • Undertake steps to ensure reduction in NPA's in Banking sector
Mid-term	<ul style="list-style-type: none"> • Bring part of the farm income within the purview of taxation • Prioritize disinvestment of sick industrial units, PSUs
Long-term	<ul style="list-style-type: none"> • Encourage FDI to bring in foreign capital, leading to job and asset creation • Target fiscal deficit at 3% of GDP by 2016-17

	State Perspective
Short-term	<ul style="list-style-type: none"> • Build consensus among all states on GST implementation • Bring about consent of the states to roll out FDI in retail and, in particular, improve the farm-to-fork value chain
Mid-term	<ul style="list-style-type: none"> • Prepare a roadmap for Inclusive Financial Services for urban slum dwellers, migratory population, rural areas and women population
Long-term	<ul style="list-style-type: none"> • Ensure Fiscal Federalism and Fiscal discipline among the states



B. Infrastructure

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Revamp model contract for PPP in National Highways Program • Streamline approval process for timely clearance for projects
Mid-term	<ul style="list-style-type: none"> • Develop high speed rail network - Diamond Quadrilateral • Expedite projects for the National Highways • Upgrade existing airports and develop 100 new ones • Utilize PPP to create or upgrade port facilities • Transparent and competitive bidding process through increased role of ICT
Long-term	<ul style="list-style-type: none"> • Develop the East & West Dedicated Freight Corridors • Target spending of USD 1 trillion in the coming decade • Prepare a roadmap for inter-linking major rivers • Involve industry and academia along with the Cabinet Committee on Investment and Project Monitoring Group to realize the vision of Smart Cities • Evolve PPP into “People-Public-Private-Partnership” models to encourage stronger participation of the local community

	State Perspective
Short-term	<ul style="list-style-type: none"> • Facilitate land acquisition for infrastructure projects
Mid-term	<ul style="list-style-type: none"> • Build metro rail in all 5 million-plus cities • Develop inland waterways to complement coastal shipping • Empower municipalities to develop infrastructure in urban areas
Long-term	<ul style="list-style-type: none"> • Create an efficient public transport system to reduce dependence on personal vehicles and decrease traffic congestion • Prioritize capital expenditure on infrastructure projects like freight and industrial corridors



C. Manufacturing and Industry

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Enact SIDBI (Amendment) Act, 2012 to allow more units to avail finance as MSMEs • Review MSME definition to broaden the ambit and ease the access to finance • Further extend the sunset clause for Export-oriented Units
Mid-term	<ul style="list-style-type: none"> • Rationalise regulatory environment for ease of doing business • Implement labour reforms with better provisions for employee welfare • Promote trade through stable export-import policy • Tax relief to select industries resulting in short term revenue losses but long term gains for the economy
Long-term	<ul style="list-style-type: none"> • Fast pace implementation of Manufacturing projects to achieve 25% contribution of Manufacturing sector in the country's GDP • Plan gradual import substitution by extending offset clause from the Defence sector to other sectors and through increased R&D focus • Target creation of 5 crore jobs in the next 5 years • Develop India as a global manufacturing hub through the creation of dedicated Industrial Corridors

	State Perspective
Short-term	<ul style="list-style-type: none"> • Simplify the land acquisition process • Ensure industry enablers like stable power & connectivity • Focus on Geographic Appellation for growth & sustainability
Mid-term	<ul style="list-style-type: none"> • Implement single window clearance system in all states • Ensure effective Centre-State coordination for a time bound and transparent clearance for all projects
Long-term	<ul style="list-style-type: none"> • Develop manufacturing hubs along DMIC and other proposed industrial corridors • Create land banks to ease transfer of land to industry for commercial purposes



2

Social Capital: Facilitating Inclusive Growth in India

A. Education & Skill Development

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Increase education spending to 6% of GDP from the current 4% • Enable investments from foreign universities to expand education avenues
Mid-term	<ul style="list-style-type: none"> • Set up an e-library with nation-wide access to school teachers and students • Transform UGC from a grants agency into a Higher Education facilitation commission • Encourage growth of self financing educational institutes
Long-term	<ul style="list-style-type: none"> • Improve research standards in universities to help them compete with top-flight institutes globally • Enhance soft skills and digital literacy of youth for better employability • Establish University Innovation Cluster (UIC) as proposed by the National Innovation Council • Strengthen industry-academia linkages to improve curricula & research and mentor entrepreneurs

	State Perspective
Short-term	<ul style="list-style-type: none"> • Provide autonomy to institutes of higher learning and strengthen the regulatory mechanism • Improve the teacher-student ratio • PPP for delivery of education in rural areas • Ensure skilling of students towards employability
Mid-term	<ul style="list-style-type: none"> • Increase school enrolment and reduce drop-outs through incentives like mid-day meals, modern IT enabled learning aids • Promote Non-Formal Education, Open & Distance learning systems to increase outreach of education
Long-term	<ul style="list-style-type: none"> • Encourage corporates and HNIs to invest in education to complement public investment • Provide opportunities to teachers for proper training and continuous knowledge upgradation • Institute mechanism for skill mapping and local language training modules along with the industry • Promote collaboration between Indian and foreign universities for joint research and exchange programs



B. Healthcare

Centre Perspective	
Short-term	<ul style="list-style-type: none"> Implement Insurance Laws (Amendment) Bill, 2008 to facilitate increased coverage of health insurance
Mid-term	<ul style="list-style-type: none"> Leverage Direct Benefit Transfer System to make medicines affordable for the poor Introduce sanitation ratings for Indian cities
Long-term	<ul style="list-style-type: none"> Create 60 lakh jobs in healthcare sector by 2020 through focused training programs Convergence in monitoring the healthcare, food & nutrition, pharmaceuticals sectors
State Perspective	
Short-term	<ul style="list-style-type: none"> Improve infrastructure and install modern healthcare equipments in public hospitals Awareness Creation towards e-healthcare in remote areas
Mid-term	<ul style="list-style-type: none"> Strengthen Primary Healthcare Centres to improve last mile delivery of services Deploy more doctors in rural areas and utilize ICT to reach out to remote areas Effective coordination of State & Central Schemes to ensure better delivery of healthcare initiatives
Long-term	<ul style="list-style-type: none"> Increase healthcare expenditure from 4% to 6% of GDP to provide affordable and quality healthcare services Improve Child Sex Ratio, Infant Mortality Rate and Maternal Mortality Rate by promoting Institutionalized Delivery

C. Agriculture Productivity

Centre Perspective	
Short-term	<ul style="list-style-type: none"> Rationalize lending rates to enable farmers to avail agri-extension services Establish the Ministry of Fisheries to improve livelihood opportunities particularly in coastal belts Formulate agricultural policy with support from the Inter-State Council
Mid-term	<ul style="list-style-type: none"> Improve the coverage of agricultural credit and farm insurance schemes
Long-term	<ul style="list-style-type: none"> Evolve a non-partisan consensus on adoption of genetically modified crops Focus on agri-education & research and capacity creation Work with agriculture cooperatives and SHGs to build capabilities in agri-exports Encourage investments to improve agriculture practices and technology to help reduce reliance on seasonal monsoon



	State Perspective
Short-term	<ul style="list-style-type: none"> • Implement Model Act for APMC in all states
Mid-term	<ul style="list-style-type: none"> • Promote organic farming to cater to growing demand overseas • Focus on drip irrigation and other resource conservation techniques in farming • Facilitate the increased implementation of agri-insurance
Long-term	<ul style="list-style-type: none"> • Encourage diversification to high economic value activities like horticulture, dairy, fisheries, poultry • Incentivize PPP to develop agri-infrastructure and logistics • Facilitate information percolation to farmers through IT enabled services



3 Energy: Securing India's Growth Story

A. Mining

	Centre Perspective
Short-term	<ul style="list-style-type: none"> Enact Coal Mines (Nationalisation) Amendment Bill, 2000 to deregulate coal production and efficient pricing of domestic coal Set in place efficient mechanisms including e-auction for resource allocation
Mid-term	<ul style="list-style-type: none"> Formulate National Policy for judicious utilization of critical mineral resources Nationwide resource mapping to be undertaken to map out resource base
Long-term	<ul style="list-style-type: none"> Encourage value addition to natural resources by domestic industries Balanced approach to resource utilization taking into account the environment and ensuring national security
	State Perspective
Short-term	<ul style="list-style-type: none"> Better Centre-State coordination for harnessing natural resources
Mid-term	<ul style="list-style-type: none"> Encourage socially responsible use of resources through social equity and local involvement
Long-term	<ul style="list-style-type: none"> Address challenges posed by extremists in insurgency hit areas towards natural resource utilization and ensuring local development

B. Power

	Centre Perspective
Short-term	<ul style="list-style-type: none"> Ensure assured availability of coal and tariffs linked to costs for viability of power sector
Mid-term	<ul style="list-style-type: none"> Facilitate an efficient spot market for power trading Address high aggregate technical and commercial (AT&C) losses through smart grid technologies Create a comprehensive energy policy to effectively channelize funds for development of energy resources
Long-term	<ul style="list-style-type: none"> Target nationwide 100% access to electricity in urban areas and 90% in rural areas Effective implementation of National Mission on Energy Efficiency to optimize energy consumption



	State Perspective
Short-term	<ul style="list-style-type: none"> • Facilitate land acquisition for power projects • Streamline approval process for setting up power generation facility
Mid-term	<ul style="list-style-type: none"> • Develop renewable energy to complement conventional sources through a robust policy framework • Ensure grid discipline to avoid systemic collapse of national grid • Encourage private sector participation to complement the services of public power utilities
Long-term	<ul style="list-style-type: none"> • Increase capacity in power generation and ensure long term viability of distribution companies • Plan and frame incremental strategy to increase generation capacity



4 Sustainable Growth in Harmony with Society

A. Urban Development

	Centre Perspective
Short-term	<ul style="list-style-type: none"> Increased priority to aspects of urban infrastructure like affordable housing, urban transport Remove cap on interest rates of Municipal Bonds to attract investors
Mid-term	<ul style="list-style-type: none"> Introduce schemes for better livelihood opportunities to alleviate urban poverty Implement redevelopment schemes for slums in Tier 1 & 2 cities Greater autonomy to civic bodies to invest surplus funds
Long-term	<ul style="list-style-type: none"> Enact legislation to give more power to local bodies on administrative aspects of local governance
	State Perspective
Short-term	<ul style="list-style-type: none"> Accord high priority to public utility services like water and waste management
Mid-term	<ul style="list-style-type: none"> Focus on urban waste reduction through recycling and integrated waste management Involve the private sector to improve delivery of public utility services
Long-term	<ul style="list-style-type: none"> Develop masterplan for all cities and towns with special focus on EWS & LIG housing Build new urban habitats on the basis of twin cities and satellite town models

B. Rural Livelihood

	Centre Perspective
Short-term	<ul style="list-style-type: none"> Increase untied funds to Panchayats to strengthen local self governance
Mid-term	<ul style="list-style-type: none"> Ensure time bound implementation of rural schemes to improve socio-economic conditions in rural areas
Long-term	<ul style="list-style-type: none"> Implement urban amenities and employment avenues in rural areas through a formal rural rejuvenation program
	State Perspective
Short-term	<ul style="list-style-type: none"> Full digitization of land records in rural areas to help create clear land titles
Mid-term	<ul style="list-style-type: none"> Provide all-weather roads and uninterrupted power to all rural habitats
Long-term	<ul style="list-style-type: none"> Leverage rural employment guarantee schemes to improve rural infrastructure in terms of water, education, health, linkage to markets, etc.



C. Tourism

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Implement electronic visa process • Speed up execution and delivery of 250 planned mega projects
Mid-term	<ul style="list-style-type: none"> • Tourism Development Fund to invest in physical infrastructure and train human resources in unexplored tourist places • Focus on promoting the North East as tourist destination
Long-term	<ul style="list-style-type: none"> • Create 50 tourism circuits around high potential themes, e.g. Buddhist Pilgrimage, History & Archaeology, Culture & Spirituality, Art & Cuisine • Establish Centres of Excellence for Human Resource Development

	State Perspective
Short-term	<ul style="list-style-type: none"> • Improve service delivery in government hotels, resorts and tour packages • Ensure environmental, health, safety and security compliance
Mid-term	<ul style="list-style-type: none"> • Encourage distribution through the Internet, e-commerce and other emerging technologies • Establish apex tourism and hospitality institutions
Long-term	<ul style="list-style-type: none"> • Involve more local participation in tourism activities to ensure equitable and last mile distribution of income receipts • Prioritize investments in Tourism to create multiplier impact on allied sectors and the GDP



5

Precedence to National Security and Strategic Interests

A. Defense

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Increase FDI cap for Indian Defense Industry from 26% to 49% • Create mechanisms and incentives for technology transfer
Mid-term	<ul style="list-style-type: none"> • Set up six dedicated defense universities to meet manpower shortage • Strengthen R&D capabilities with spending upto 10% of budget and encourage private sector innovation in defense • Initiate digitization of defense land records in cantonment and other places • Reform the National Security Council to strengthen digital and cyber security and improve real time intelligence dissemination
Long-term	<ul style="list-style-type: none"> • Modernize armed forces with sustained R&D to indigenize defense manufacturing • Institute a transparent procurement policy to incentivize domestic manufacturing • Set up National Maritime Authority with world-class infrastructure and technology

	State Perspective
Short-term	<ul style="list-style-type: none"> • Enhance Public-Private collaboration to further the indigenization policy
Mid-term	<ul style="list-style-type: none"> • Strengthen Coastal Maritime Security apparatus
Long-term	<ul style="list-style-type: none"> • Create greenfield Defense Manufacturing Hubs, including defence production ecosystems under NIMZs



B. Communication

	Centre Perspective
Short-term	<ul style="list-style-type: none"> Strengthen cyber security through private sector partnership Implement capacity-building and training mechanism on piracy for industry players, consumers and enforcement agencies
Mid-term	<ul style="list-style-type: none"> e-enable all institutions and schools in a phased manner Generate IT based jobs in rural and semi-urban areas Increase rural telephony to promote mobile/e-Banking and facilitate financial inclusion Ensure efficient utilization of spectrum for meeting national security and communication objectives
Long-term	<ul style="list-style-type: none"> Make India the Global IT capital with every household digitally empowered Encourage the corporate sector to invest in R&D

	State Perspective
Short-term	<ul style="list-style-type: none"> Leverage technology for e-Governance in states for effective public grievance redressal mechanism
Mid-term	<ul style="list-style-type: none"> Establish data centers in every state to handle the intra and inter departmental exchange of information
Long-term	<ul style="list-style-type: none"> Establish state-of-art International Financial/Technological Centers in developing states



C. Foreign Trade Commonality

	Centre Perspective
Short-term	<ul style="list-style-type: none"> • Acquisition of natural assets like oil & gas, mineral reserves across the globe by PSUs • Facilitate innovation and advanced technology for domestic business to compete in global market
Mid-term	<ul style="list-style-type: none"> • Encourage cross border acquisition of assets and businesses by Indian companies in strategic partners countries • Forge strategic trade engagement with partner countries in the immediate neighbourhood • Encourage private sector to undertake initiatives like contract farming in Africa and CIS Countries • Maintain a flexible approach with strategic partners in areas of shared interest and work towards deepening trade ties
Long-term	<ul style="list-style-type: none"> • Re-align Foreign Policy paradigm towards overall promotion of domestic businesses in foreign countries • Build on strategic trade engagement with ASEAN, BRICS, G-20, IBSA, MERCOSUR, Shanghai Cooperation Organization (SCO), etc.

	State Perspective
Short-term	<ul style="list-style-type: none"> • Strengthen state level facilitation framework for attracting foreign investment in strategic focus sectors
Mid-term	<ul style="list-style-type: none"> • Fast-track Trade Corridor between North-Eastern states and South East Asian countries
Long-term	<ul style="list-style-type: none"> • Thrust on diversification of export basket • Facilitate identification of newer markets for expansion of exports



6 Addendum

Food Inflation

Short Term	<ul style="list-style-type: none"> • Set up price stabilization fund
Medium Term	<ul style="list-style-type: none"> • Establish Special Courts to control hoarding and black marketing • Restructure FCI into separate procurement, storage and distribution verticals
Long Term	<ul style="list-style-type: none"> • Evolve a seamless National Agricultural Market for better price realization • Take cohesive steps to dismantle cartelization in Agri commodities to help contain CPI

Economic Growth: Snake & Ladder Situation

Short Term	<ul style="list-style-type: none"> • Policy framework to be made more conducive to investments leading to economic growth
Medium Term	<ul style="list-style-type: none"> • Pursue a tradeoff between growth and controlling inflation while promoting sectors with job and income creation potential
Long Term	<ul style="list-style-type: none"> • Implement fiscal discipline without curtailing resources essential for inclusive development and GDP growth

Taxes

Short Term	<ul style="list-style-type: none"> • Remove uncertainty in tax treatment of foreign firms and for various cross border transactions • Speedy resolution of tax litigation and disputes to unlock tax revenues
Medium Term	<ul style="list-style-type: none"> • Propose moderate tax rates for less tax burden and better compliance • Simplify and rationalize tax enforcement structure • Avoid retrospective application of tax laws • Implement DTC and nationwide rollout of GST
Long Term	<ul style="list-style-type: none"> • Increase size of bodies for Advanced Rulings, fill up vacancies in the Appellate forums

Job Creation

Short Term	<ul style="list-style-type: none"> • Transform Employment Exchanges into Career Centre to provide counselling and training through IT enabled modules
Medium Term	<ul style="list-style-type: none"> • Develop sectors with high employment potential like manufacturing, tourism, infrastructure, housing • Focus on multi-skills development agenda in urban and rural areas
Long Term	<ul style="list-style-type: none"> • Incubate entrepreneurship and enable credit availability to promote youth self-employment



Housing & Construction

Short Term	<ul style="list-style-type: none"> • Provide interest subvention opportunities to stimulate affordable housing and maximise house ownership
Medium Term	<ul style="list-style-type: none"> • Promote REIT to connect investor capital and realty firms and bring liquidity and transparency in the real estate sector
Long Term	<ul style="list-style-type: none"> • Prepare a blueprint for developing 100 new cities to cater to the trend of increasing urbanization

Simplified Clearance Process & Business Regulation

Short Term	<ul style="list-style-type: none"> • Ensure time-bound clearance of stalled projects in critical sectors • Speed up land acquisition and environmental clearance of mega projects
Medium Term	<ul style="list-style-type: none"> • Streamline processes in government departments to reduce cost of compliance • Implement e-governance and e-clearance initiatives to help set up industrial units
Long Term	<ul style="list-style-type: none"> • Set up Regulatory Reform Task Force to continuously monitor and recommend steps to improve ease of doing business

Centre-State Coordination

Short Term	<ul style="list-style-type: none"> • Build consensus among all states on GST implementation
Medium Term	<ul style="list-style-type: none"> • Involve states in promotion of trade & commerce through dedicated Investment Promotion offices in each state
Long Term	<ul style="list-style-type: none"> • Encourage inter-state cooperation to address security issues, mutual disputes resolution and economic integration • Robust mechanism for Centre-State sharing of budgeted expenditure

Black Money

Short Term	<ul style="list-style-type: none"> • Track down illicit money held in foreign banks and offshore accounts
Medium Term	<ul style="list-style-type: none"> • Enact laws for recovery of black money and curb generation of new illicit funds • Levy penalties for non-compliance of applicable laws
Long Term	<ul style="list-style-type: none"> • Constitute a regular information sharing mechanism with foreign governments to monitor black money situation



Passage of Pending Bills within 100 days

Bill	Impact
Direct Taxes Code Bill, 2010	Develop an effective and equitable direct taxation system
Goods & Services Tax Bill	Rationalize multiple tax regimes into a single and simplified nationwide indirect taxation system
Insurance Laws (Amendment) Bill, 2008	Relaxation of FDI limits for the insurance to aid sector growth
Coal Mines (Nationalisation) Amendment Bill, 2000	Liberalize norms to facilitate increase in domestic coal production through private sector involvement
Mines and Minerals (Development and Regulation) Bill, 2011	Facilitate transparency in mining sector operations
Small Industries Development Bank of India (Amendment) Bill, 2012	Expand the scope of SIDBI's business to improve access to capital for the MSME sector
Micro Finance Institutions (Development and Regulation) Bill, 2012	Improve the functioning and regulation of MFIs to further the cause of financial inclusion
National Bank for Agricultural and Rural Development (Amendment) Bill, 2013	Set up National Rural Credit Fund to fund short term agricultural activities
Forward Contracts (Regulation) Amendment Bill, 2010	Increase the regulatory oversight of FOMC and allow trading in all commodity derivatives
Biotechnology Regulatory Authority of India Bill, 2013	Implement oversight of research and applications of biotechnology in India
Real Estate (Regulation and Development) Bill, 2013	Establish regulatory mechanism for development of the real estate sector and protecting consumer interests
National Waterway (Lakhipur-Bhanga) Bill, 2013	Develop a National Waterway in Barak River, Assam to improve connectivity in the North-East





Shri Rana Kapoor

President, ASSOCHAM

E-mail: president@assocham.com, rana.kapoor@assocham.com

Shri D. S. Rawat

Secretary General, ASSOCHAM

E-mail: d.s.rawat@assocham.com

THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA

ASSOCHAM Corporate Office,

5, Sardar Patel Marg, Chanakyapuri, New Delhi – 110021

Tel: 011-46550555 (Hunting Line)

Fax: 011-23017008/9, E-mail: assocham@nic.in; president@assocham.com