

## It's time for India!

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*H.E. Venu Rajamony, Ambassador of India during his speech.*

**H.E. Venu Rajamony, India's Ambassador to the Netherlands & Dr. Vikas Chaturvedi, Chairman ASSOCHAM Europe.**

India, the world's largest democracy and fastest-growing large economy, celebrates 70 years of independence on August 15 this year. Interestingly, this year also marks 70 years of the establishment of India-Netherlands diplomatic relations. The Ambassador of the Netherlands was present in India when the flag of freedom was hoisted by its leaders in 1947.

In the last couple of years, the political and business engagement between India and the Netherlands has risen to new heights for several reasons.

The rapid economic growth achieved by India in recent years is drawing the attention of countries and companies from far and wide. According to the IMF, India's growth is expected to be 7.2% in the 2017-18 fiscal year, and 7.7% in 2018-19.

In 2016-17, the inflow of Foreign Direct Investment (FDI) to India was a record US \$60.1 billion. India has become the fastest-growing investment region for foreign investors. According to the World Bank, private investments in India are expected to grow by 8.8% in 2018-19.

In the last two years, around US \$6 billion worth of investments have gone into India from the Netherlands. At the same time, India also makes significant investments into the Netherlands, with 180 companies based here and US \$ 3.3 billion worth of total investments.

In 2015, Dutch Prime Minister **Mark Rutte** visited India, taking along with him 80 Dutch companies. The visit enabled him to establish a personal equation with Indian Prime Minister **Narendra Modi**, under whose leadership the Indian government has been working hard to achieve the goal of 'Minimum Government and Maximum Governance'.

Moreover, Indian Prime Minister Modi paid an eight-hour, intense and highly productive visit to the Netherlands on June 27, 2017. During this visit, he called upon The King and **Queen of the Netherlands**, and held bilateral discussions with Prime Minister Mark Rutte who was accompanied by four other Ministers. The primary focus of PM Modi's visit was expanding economic and business ties. He participated in a round-table moderated by the Chairman of VNO NCW, with the CEOs of 16 key Dutch companies, i.e., Aegon, APG, Arcadis, Boskalis, Enraf

Nonius, PGGM, Philips, Port of Rotterdam, Rabobank, Rijk Zwaan, Tata Steel, Unilever, Van Oord, Vopak, and Zeelandia.

In the last three years, the Indian government has implemented a number of programmes aimed at making India an attractive destination for companies to invest. It has also been working tirelessly to eliminate black money, corruption, red tape, and outdated laws which have existed for decades.

Some of the important schemes launched by the Indian Government, and decisions that contribute to improving ease of doing business are as follows –

1. Implementation of Goods and Services Tax (GST):

As of 1<sup>st</sup> July 2017, GST has been introduced with the intention of creating a single India, single tax and single market. This law is believed to be a game-changer for the Indian economy. It will simplify the tax structure and compliance. With the introduction of GST (one tax), around 15 indirect taxes have been repealed.

2. Simplification of Investment process in India:

Today, virtually for all the sectors, companies can invest in India without formal approval process. This eliminates the red tape that existed in India.

3. Creation of a Single Window facilitation platform called 'Invest India':

'Invest India' is the official Investment Promotion and Facilitation Agency of the Government of India, mandated to facilitate investments into India. It is envisaged to be the first point of reference for potential investors. A team of domain and functional experts provide sector-and state-specific inputs, and hand-holding support to investors through the entire investment cycle, from pre-investment decision-making to after-care. They assist with location identification, expediting regulatory approvals, facilitating meetings with relevant government and corporate officials, and also provide aftercare services that include initiating remedial action on problems faced by investors.

4. Digital India:

A flagship programme launched on 2<sup>nd</sup> July 2015, it seeks to transform India into a digitally empowered society and knowledge economy. This includes transforming the entire ecosystem of public services through the use of information technology. The government has allocated US \$ 100 million for this programme in the Union budget 2017-18.

5. Clean India:

The Clean India Mission is the most significant cleanliness campaign by the Government of India. Launched throughout the country on 2<sup>nd</sup> October 2014 as a national movement, it aims to achieve the vision of a 'Clean India' by 2019. The government has allocated around US \$ 2.5 billion for the Clean India Mission in 2017-18.

6. Make in India:

Launched on 25<sup>th</sup> September 2014, this major national programme is designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. It aims to attract investments from across the globe and strengthen India's manufacturing sector, along with a focus on live projects like industrial corridors. In the Union budget 2017-18, Make in India was given a further boost with the allocation of US \$ 62 billion for infrastructure, with US \$ 7 million for electronics manufacturing, as well as further liberalization of FDI policy being considered.

7. Start-Up India:

This flagship initiative was launched on 16<sup>th</sup> January 2016 to build start-ups and nurture innovation. Through this initiative, the Government plans to empower start-up ventures to boost entrepreneurship, economic growth and employment across India. The promotion of digital and cashless transactions will encourage the digitization drive, and provide a boost for the start-up ecosystem. The Union budget 2017-18 provides tax breaks and income tax benefits for Micro Small and Medium Enterprises (MSMEs).

8. 100 Smart Cities by 2022:

Launched on 25<sup>th</sup> June 2015, this mission is aimed at developing the entire urban eco-system, which is represented by the four pillars of comprehensive development-institutional, physical, social and economic infrastructure. The strategic components of area-based development in the Smart Cities Mission are city improvement (retrofitting), city renewal (redevelopment) and city extension (green-field development) plus a Pan-city initiative in which Smart Solutions are applied covering larger parts of the city.

The Union government has decided to allocate around US \$ 75 million over five years at an average of around US \$ 15 million per city per year. In the first phase of implementation, 20 cities have been shortlisted for the initiative's implementation. With regard to project management consultants from the Netherlands, Royal Haskoning DHV and STUP Joint Venture have been selected for developing solutions to upgrade the infrastructure of the city of Kota, Gujarat.

9. Doubling farmers' income by 2022:

India is the third-largest in global agricultural output, and has the sixth-largest food and grocery market in the world. At the same time, however, huge amounts of food products go waste. Attaining the above goal would require a huge increase in agricultural products. India is the largest global producer of spices, pulses, milk, tea and cashews, the second-largest producer of wheat, rice, fruits and vegetables, sugarcane and oilseeds, along with being second globally in inland fish production. A 'World Food India' event is being held in New Delhi in November 2017. It is the first international investment and sourcing event in the food sector in India, and will showcase a vast landscape of opportunities in the food processing industry.

There are around 200 Dutch companies doing business with India. However, this number does not depict the true potential that exists for Dutch investments into India. India has huge needs with regard to infrastructure development i.e. Water Management, Waste to Energy, Port development, road development, inland water bodies' development and Agro and food processing amongst other sectors.

Dutch companies have a wealth of experience and technical know-how. This is the opportune time for Dutch companies engage with India for mutual benefit. By combining their strengths, India and the Netherlands can together become the best in the world.