

Transaction cost reduction yields \$450 million to exporters: Scindia

Minister of State for Commerce & Industry, Mr Jyotiraditya M. Scindia, chaired two panel discussions at the annual meeting of the World Economic Forum at Davos on January 26, 2012.

Mr Scindia spoke on how the manufacturing sector can transform growth and employment. He observed India's unique growth model is based on equitable and inclusive growth. Giving examples on the initiatives of the Government of India such as creation of the National Skill Development Mission, National Manufacturing Policy, DMIDC, etc he emphasized that India's goal should not only to be to prepare for providing a talented and skilled work force for its own needs but also to be the human resource basket for the world.

Mr Scindia also mentioned that the national investment and manufacturing zones envisaged under the National Manufacturing Policy will create greenfield infrastructure townships, benchmarked with the best manufacturing hubs in the world. The minister mentioned that for enhancing the trade performance of industries, a strong initiative to

reduce the transaction costs has been undertaken by the Ministry of Commerce which has resulted in bringing down the transaction costs for the exporters by about \$450 million. Indeed, due to its policy liberalization, India has become one of the most attractive destinations for foreign trade investment.

Chairing another discussion panel on the "Future of South Asia" at the Forum, Mr Scindia emphasized that economic growth and political stability are deeply interconnected. Efficient delivery of public goods and justice are at the core of political and economic stability. He mentioned that liberalization in India is inextricably linked to sustainable and inclusive growth and has helped the business and regulatory environment to successfully move towards greater transparency and efficiency.

Mr Scindia mentioned that the government of India has launched ambitious programmes such as Bharat Nirman, NREGA, JNURM etc to empower the poor and to provide quality infrastructure to urban and rural population. Speaking on India's demographic dividend, he emphasized the fact that India is presently among the world's youngest nations



Mr Jyotiraditya Scindia
Hon'ble Minister of State for
Commerce and Industry

with a median age of 25 years.

He also mentioned that India has to improve profitability in the agricultural value chain and also move people away from agriculture to manufacturing and service.

Speaking about the economic integration of South Asia, Mr Scindia mentioned that a dynamic and outward looking South Asia can bring huge benefits not only to the region but also to the world. ■

Increase in FDI limit with attendant condition will benefit exports: FIEO Chief

Welcoming the decision to increase the FDI limit in single brand retail from 51% to 100%, Mr Rafeeqe Ahmed, President, FIEO, said it will encourage major global players to invest in India and existing single brand retailers to bring more FDI into the country thereby having a sombre effect on the rupee. The Indian rupee has witnessed high volatility in the last two months with demand supply mismatch and weak global indications.

Mr Ahmed complimented Union Commerce, Industry

and Textile Minister Mr Anand Sharma for ensuring that in respect of proposals involving FDI beyond 51%, there will be mandatory sourcing of at least 30% procurement from small industries/village and cottage industries.

He said this would boost domestic manufacturing, provide value addition and offer provide greater exposure to Indian suppliers, enabling them to compete successfully in overseas markets.