



## CII Media Releases

### [CII signs MoU with National University of Singapore to enhance ease of doing business in states](#)

Mar 19, 2015

#### **Ease of Doing Business is key to promote North as a manufacturing hub -CII**

##### **Improving Investment Climate: Taking India to Top 50 on Ease of Doing Business ranking**

Confederation of Indian Industry (CII) signed a Memorandum of Understanding (MoU) with Lee Kuan Yew School of Public Policy, National University of Singapore (NUS) with the aim to improve India's rating on **ease of doing business** and bring it amongst the top **50 countries** from the present 142<sup>nd</sup> slot as per World Bank Report. The MoU was signed during the CII Conference on Make in India: Focus North organised by Confederation of Indian Industry (CII) as part of CII Northern Region's Annual Regional Meeting, here today.

**HE Mr Lim Thuan Kuan**, High Commissioner, Republic of Singapore, New Delhi opined that addressing the issue of ease of doing business is crucial for accelerating growth and job creation. Singapore, which is ranked at no.1 country in ease of doing business, would be happy to work with CII to take forward the state level dialogue on ease of doing business. Our MoU with CII today is the first step in this direction.

"As per the MoU that we have signed today, CII and NUS will conduct joint state level research across 11 parameters including starting a business, dealing with construction permits, getting electricity, land acquisition and registration of property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulations", informed **Mr Chandrajit Banerjee, Director General, CII**.

"This MoU would subsequently be followed by individual tripartite MoUs between the CII, NUS and respective state governments to in turn create state-wise Master plan for ease of doing business and then prepare a comprehensive state-level action plan. The NUS would study where the states stand presently on various parameters, guide on the specific best practices to be adopted by different states, handhold them and would also analyze their improvement on year on year basis", shared the CII Director General.

"Experts from Asia Competitiveness Institute (ACI) of the National University of Singapore have already discussed proposals and got positive feedback from the Chief Ministers / Chief Secretaries of state governments like Rajasthan, Delhi, Chhattisgarh and Madhya Pradesh while more are in the pipeline", added Mr Banerjee.

"CII is at forefront of promoting the Make in India campaign & is also working closely with State & Central Governments towards developing a conducive investment climate in the country. Today's MoU was one such initiative", he added.

"The 'Make in India' campaign aims to position India as a world class manufacturing destination. However, in order to realise this potential, the major thrust needs to be placed on improving the investment climate in states ranging from ease of doing business, structural & regulatory reforms to enabling infrastructure", he added.

Highlighting the importance of federal competitiveness at the State level, **Mr Ajay Shriram**, President, CII & Chairman & Senior Managing Director, DCM Shriram Ltd, very categorically remarked that States need to make themselves relevant in the minds of investors. Talking in generalities will not help, and we need to go into the granularities. States need to be more pro-active to do a detailed analysis in their respective areas of concern like labour reforms, employment generation and reviving manufacturing.

Highlighting Hon'ble PM's clarion call on "Make in India", **Mr Zubin Irani**, Chairman, CII Northern Region & President – Building & Industrial Systems (India) UTC India Pvt Ltd shared that The Northern Region in particular, with its resource endowment, demographic advantage and strong consumption base offers a variety of investment opportunities and can play a critical role in taking the 'Make in India' mission forward. However, investments in manufacturing have not been able to commensurate with size & potential of the region. One of the key concerns for achieving Make in India is the doing business environment where India has been ranked at the bottom of global rankings by World Bank.

Sharing the recognition of India as a global destination, he added, "Investment is going to come to India, question is to which State it will go.

Suggesting a road map for the States, **Mr Raghupati Singhania**, Chairman & Managing Director, JK Tyres & Industries Ltd, said that Change is required for improving the business environment which includes change in attitude of the Government; enabling infrastructure; competitive cost of capital; labour reforms. But realization is setting in for becoming business friendly and few of the northern states are now also working aggressively on attracting investments in their respective States by continuously working on the implementation of single window system, state level labour reforms, speedy environmental clearances, etc.

Expressing the industry perspective, **Mr Banmali Agrawala**, President & CEO (South Asia), GE India said, the industry needs to increase the appetite for risk and make investments. He said that besides, large demand size, it is availability of abundant natural resources that brought industry to sub Saharan countries, to Germany for quality skills, to Singapore for quality of governance, however a balanced combination of availability of skills, investor friendly Government and availability of raw materials and natural resources would certainly attract investments to India. And that he sees movement in rail, oil & gas, aviation, defence, power, and infrastructure sectors and feel enthused for doing business in India. He added that there should be considerable investments in research & innovation across different states, especially in the direction of enhancing the affordability of products and services.

He cited, 'Make in India' campaign has increased the excitement amongst the MNCs about India and "Make in India" can no longer be seen as "a choice" by MNCs looking to get a bigger pie of the market but has become a 'necessity to win'.

**Prof Tan Khee Giap**, Associate Professor & Co-Director, Asia Competitiveness Institute – Lee Kuan Yew School of Public Policy, National University of Singapore said, since globalization is an important part of the sub-national economies, hence, ranking them on the business environment would enable them to chum out a road map of reforms and policy measures that will facilitate investments.

The mission is to establish a niche as a leading policy think tank in Asia by identifying competitiveness promoting competition & synergizing complementarities amongst Asian economies & improve EODB amongst business corporations.

Eminent speakers from the industry and the government including Mr Talleen Kumar, CEO & MD, DMICDC and Joint Secretary, DIPP, GoI; MrShreekantSomany, CMD, Somany Ceramics Ltd, MrSalilSinghal, CMD, PI Industries and Mr Jayant Davar, Co-Chairman, CII National MSME Council & Co-Chairman& MD, Sandhar Technologies shared their perspective on Make in India: Focus North.

### **Extracts from the Theme Paper released on “Make in India : Focus North” on Sectoral Opportunities in Northern Region\_**

The NorthernRegion with its diverse geographic terrain and resource endowment coupled with favourable policy regime of the constituent states, offers investment opportunities across varied sectors, some of which are:

#### **Automobile & Auto Components**

The Indian automobile market is estimated to become the third largest in the world by 2016 and account for more than 5 per cent of the global vehicle sales.[1] Over the next 20 years, the country is likely to be a part of the big global automotive triumvirate, the other two being China and the US.

Northern Region has emerged as a hub of auto and auto components industry. Delhi-Gurgaon-Faridabad is amongst the four largest auto manufacturing hubs across the country. Of late, the state of Uttarakhand has also emerged as the automotive hub on the back of incentive package offered by the government. Similarly, Punjab and Rajasthan have many OEMs along with the component manufacturers.

#### **Defence& Aerospace**

Defence being one of the topmost priority of the government, it spends Rs 93,217 crore in 2013-14on defence procurement. Out of this, around 40 per cent of this procurement at Rs 38,203 crore being sourced from foreign procurement.To procure from indigenous sources and develop the domestic defence industry, the Government increased the FDI to 49 per cent.

As there are synergies between automobile and defence sectors, so many of the auto players are also venturing into defence segments or are planning to do so in the near future. To name a few, Tata and M&M have already ventured into the defence segment. As North is key hub of the auto industry, the potential in defence is huge. In addition, the region has significant base of MSMEs and light engineering industry, which is ideal for setting up of manufacturing industries catering to the defence and aerospace sector.

#### **Construction & Capital Goods**

India is expected to invest a trillion dollars over the coming years on improving infrastructure including affordable housing. This not only creates opportunities for manufacturing materials such as cement and steel but also in construction equipment, locomotives, power generation equipments and so on.

The base of MSME industry along with strong presence of engineering sector offers, competitive advantages to this region in the sector.

#### **Electronics and IT Hardware**

The Digital India initiative of the Government along with increased demand for electronics and IT related products has created many avenues for investment in the Electronics & IT hardware sector. There exists huge potential for growth in the Indian electronics sector with substantial part of the current demand for electronic products being met by imports. India imports about US\$45 billion of mobile phones, computers and communications hardware; by 2020, this is projected to grow to US\$300 billion, probably exceeding India's oil import bill.[2]

In the Northern Region, the State Governments have declared electronics manufacturing as the one of the thrust sector. Some of the initiatives in the region includesElectronic Manufacturing Clusters (EMC) near Delhi, Semiconductor Wafer Fabrication (fab) manufacturing facility being set up in Uttar Pradesh and Electronics Complex encompassing Electronics Hardware Technology Park at Kukas, Jaipur.

#### **Food Processing**

Northern Region is also known as the food bowl of the country as the region accounts for 29 per cent of the country's agriculture and allied GDP. Hence, the potential of the food processing sector increases tremendously. The food processing industry features in the list of high priority sectors of Delhi, Haryana, Jammu & Kashmir, Punjab, Rajasthan,

Uttar Pradesh and Uttarakhand Governments.

### **Textile**

Increased penetration of organised retail, favourable demographics, and rising consumerism and income levels are projected to drive textiles demand in India. To enhance the competitiveness of this sector, Government of India has allocated Rs 2,000 million for setting up of mega textile clusters at Bareilly and Lucknow along with some other centres in India[3].

Considering the potential of textiles sector in the Northern Region various State Governments have also taken initiatives to promote the sector. For example, the Handloom, Hosiery, Textile and Garments Manufacturing sector is being considered as a high priority sector by the state of Haryana. Punjab has developed Amritsar (Dyeing, printing, spinning, weaving and garments), Ludhiana (Dyeing, spinning, hosiery and garments) and Bathinda as manufacturing hubs for the textile sector. Besides this, the sectoral growth is being encouraged by Himachal Pradesh which has a textile park for establishment of new units. A textile park is proposed to be set up at Jaspur in Uttarakhand encompassing a total area of 75 acres.[4]

### **Biotechnology**

The Department of Biotechnology has established Biotech Parks in various parts of the country to facilitate product development, research and innovation, and the development of biotechnology industrial clusters. One such biotech park is already operational at Lucknow in Uttar Pradesh.

In North, biotechnology has been recognised as an important sector by Delhi, Himachal Pradesh and Uttarakhand. The Himachal Pradesh Government has plans to develop the state as centre for excellence in biotechnology and has well drafted sector-specific policy. A Biotechnology Park (BTP) in Aduwal, Solan have been cleared for development under PPP mode spread over 35 acres and will witness investment inflow of Rs 2 billion.[5]

### **Pharmaceuticals**

India is expected to be the third largest pharmaceutical market by 2020 and third largest global market for active pharmaceutical ingredients by 2016. Also, India is doing exceedingly good at frugal innovation in medical devices such as low cost X-ray and ECG machines.

In the Northern Region, Himachal Pradesh, Haryana, Punjab and Uttarakhand have emerged as base of the pharmaceutical industry. For example, Baddi in Himachal Pradesh has emerged as pharma hub.

**19th March 2015**

**New Delhi**

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