

Brief Summary/Takeaways of India Investment Summit 4-5th February, 2016

Department of Economic Affairs, Ministry of Finance and SBI Capital Markets- the knowledge partners organized India Investment Summit in New Delhi on 4-5th February, 2016.

KEY TAKEAWAYS

On 4th February, 2016, the summit started with the welcome address by Chairman State Bank of India Ms Arundhati Bhattacharya – where she stated that in midst of global volatility, if there was one country that was growing -it was India. She mentioned that the macro-economic indicators in the country were sound and it was the right time to invest in India's growth story. She asked the participants to consider India's soft power and the fact that we are a nation of entrepreneurs.

She was followed by Shri Shaktikanta Das, Secretary, Department of Economic Affairs, who laid out the structure of the National Investment and Infrastructure Fund and informed the objectives of the fund. In particular, he emphasized that NIIF would have 49% share-holding by Government and the entire organization would function like any fund in the private sector. There would be little interference from the government and the fund would follow best global practices.

Honorable Minister of Finance, Shri Arun Jaitley, outlined the initiatives taken by the government in last 18 months and how the government was trying to improve the country's ranking in ease of doing business. He stressed on minimum government and maximum governance and said the NIIF would be given total freedom to operate in a professional manner.

Shri Venkaiah Naidu – Hon'ble Minister of Urban Development, Poverty Alleviation and Parliamentary Affairs emphasized on formulating policies based on experience gained at ground level.

Citizens needed to pay for services and the government would endeavor to work to remove hurdles in this regard. Cost recoveries needed to improve substantially from 39% currently. He said that the government was working on Real Estate Regulation and Development Bill.

Dr. Nandita Chatterjee, Secretary in the same ministry made a presentation on challenges to housing and urban development. She mentioned that housing had a multiplier effect has on the economy which employs 12% of the country's labor force and that housing had linkages with 250 industries.

In the session on oil and gas Mr. Kapil Dev Tripathi, Oil and Gas Secretary estimated huge increase in energy consumption if India were to grow at current levels. Our country was already the 3rd largest consumer of petroleum products globally. He talked of opportunities in building gas pipelines, expanding the national gas grid and expanding the PNG network.

Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, laid out a vision on how he would like to increase the daily road construction from current 18 kms per day to 30 kms per day and also said that he was examining ways to increase this to 100 kms a day. He wanted to increase the coverage of National Highways from the current level of 150,000 kms out of the total road network of over 5.2 million kms in the country.

He stressed on improving the ease of doing business by facilitating land acquisition, obtaining environmental clearances, obtaining clearances from the railways for building rail-overbridges and obtaining quarries for raw materials. The Minister wanted to increase focus on inland waterways citing the examples of Japan, Korea and few western countries where 40% of domestic freight and passenger load was carried by ferries and ships. The comparable figure in India was only 3%.

On 5th February, 2016, the discussion started with the regulatory framework. Honorable Minister of State for Finance, Shri Jayant

Sinha started the day's proceedings by saying that Government wanted to roll out red carpet and not red tape. Government was working on stable and predictive policies.

Chief Economic Advisor, Shri Arvind Subramaniam, in his remarks stated that

- India was a haven of macro-economic stability , the macros were stable
- Weak oil and commodity prices had helped the economy and were a positive shock for infrastructure development and
- Thus, there was a huge opportunity in infrastructure

From RBI and SEBI, Shri H R Khan, Deputy Governor and Shri. S Raman, Wholetime Director respectively, talked about the consultative process while coming out with guidelines and stressed that their organizations were consultative and were "listening organization's which responded to investors needs and always remained proactive. Many formalities with regard to obtaining of approvals had been removed. They said they were open for change and nothing was cast in stone.

There were sessions on investment opportunities by States and presentations were made by Odisha, Tamil Nadu, Karnataka, Haryana Punjab, Andhra Pradesh, West Bengal, Gujarat (GIFT City) and Madhya Pradesh.

The last session was chaired by Shri Suresh Prabhu, Hon'ble Minister for Railways who said that the decision making process in the Ministry of Railways had been accelerated significantly. The lead time for calling tenders had been reduced to six months from two years. He said that Railways would devote more attention to Dedicated Freight Corridors and said that railways had been able to get 50 years funding with a moratorium of 15 years from Japan at extremely competitive rates. He wanted to improve the speed of goods trains and wanted to reduce cross-subsidization within railways.

The summit concluded with Vote of Thanks to the print and electronic media for providing wide coverage to the event, Ministry of External Affairs, Embassies / High Commissions and overseas branches of State Bank of India and their CEOs for reaching out to all the invitees, Officials of Department of Economic Affairs and SBI Caps to make the event successful and to all who came all the way, despite their busy schedules to attend this summit.