FICCI prepares action plan for industry

Amid the ongoing border tensions with China, FICCI has prepared a five-point "PEACE" action plan and asked its members to look for alternate sources of supplies.

Imp Points

The industry body has asked its members to look for alternate sources of supplies and not remain dependent on a single nation.

FICCI President Sangita Reddy said in a letter to members that the industry needs to focus on the five-point "PEACE" action plan.

WHAT IS ACTION PLAN PEACE?

Productivity: FICCI has urged its members to raise their productivity by setting benchmarks for themselves. The body will start a consultancy wing to assist members in raising productivity.

Efficiency: While companies are asked to individually improving productivity and to reduce dependency, the efficiency of the whole ecosystem, too, needs to improve. Companies have been suggested to work with local and state governments to improve efficiency through reforms to improve the ease of doing business. Many of FICCI's suggestions have been accepted and the body has had multiple interactions with the prime minister, the finance minister, chief ministers, and other ministries who have addressed many issues. FICCI will take the views and suggestions of its members to the governments to boost efficiency in days to come.

Alternates: Many in the industry are dependent on suppliers form a single country. Though many products are domestically available, yet many companies import products from abroad. Each member should look at alternate sources of supply from other countries.

The PM had earlier laid the vision that each member could identify a product that is being imported and manufacture it in India, this idea should be implemented with full gusto. The need of the hour is to collectively encourage suppliers and buyers to develop alternate globally competitive supply chains in India.

FICCI on its part has developed a strategy for air conditioners, furniture, textiles, electronic components, and mobile phones. These are work in progress in the government and announcements have been made.

Competitiveness: Innovation and value-addition will enhance competitiveness and allow entry into the global supply chain - this is a must now. The current coronavirus situation has seen many sectors and firms innovate and competitively produce different products and services, we need to look at each of our businesses and prepare an action plan to improve competitiveness.
FICCI realises that many aspects of government policy affect business’ competitiveness - the cost of power, land, labour, etc. The body has clearly communicated to the government that subsidies and wage support (which is crucial to support farmers and lower strata) must come from the government directly and not from businesses.

Exports: Given the current situation in the country, focus on exports is imperative now. FICCI members are urged to ramp up their exports and to begin with exporting 5 per cent of their products and those who are already exporting, must aspire to double it.

Exploring new markets, new products and services will help to take India’s share in global trade to 8-10 per cent.

FICCI has taken up these points and specific recommendations with the government for the industry as a whole and in specific sectors also, the body is now looking at enabling the members to work on this PEACE formula in all possible manner.