



Confederation of Indian Industry

CII Theme for 2021-22

**Building India
for a New World:
Competitiveness,
Growth,
Sustainability,
Technology**



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As India stabilizes after the deep ravages of the Covid-19 pandemic on the world economy, the imperative ahead for the country is to maintain a high pace of growth over the next few years. Indian Industry has shown its mettle in adapting and reconfiguring in a severe crisis situation to supply critical medical equipment and healthcare necessities and support the country. A competitive and sustainable industry must now assume a lead role in India's future development as well as play a key role in the emerging shape of the global economy.

Given this as an imperative, the Confederation of Indian Industry (CII) has defined its Theme for 2021-22 as 'Building India for a New World: Competitiveness, Growth, Sustainability, Technology.'

As India marches towards its 75th year of Independence in 2022, CII rededicates itself to meeting the aspirations of citizens under its mission of India@75TM for a morally, economically and technologically advanced country in partnership with the Government, Industry and all stakeholders. All parts of the economic ecosystem must work in partnership to ensure the fastest possible progress under these metrics and CII as a synergistic organization can be a great connect between the various parts.

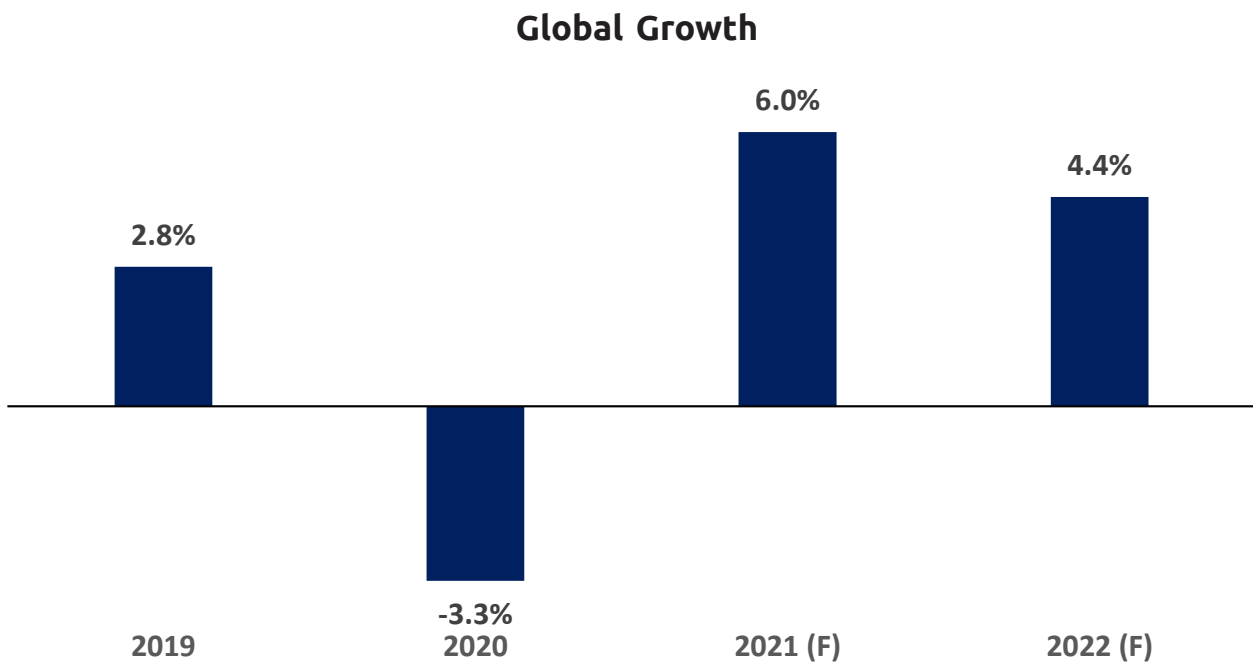
Current Status of the World and the Indian Economy and Prospects for 2021

The year 2020-21 will go down in history with the unprecedented healthcare emergency brought on by Covid-19 which altered the entire economic paradigm like no other event in the recent past. The pandemic wreaked havoc with people's lives and recurrent lockdowns disrupted economic activity, travel, supply chains and more. As a result, the world over, economies went into a tailspin and economic activity diminished significantly. In India, the second wave of the pandemic was a massive humanitarian crisis whose impact was felt across the country as the caseload soared.



Governments all over the world responded to the crisis with stimulus plans, and increasingly reset their economic strategies. Globally, the fiscal stimulus to combat the pandemic has topped trillions of dollars and expansionary monetary policy has cushioned growth to a large extent.

As a result, the world economy is gradually heading towards revival. In its April forecast, the IMF has revised its estimates for the global economy, which is now believed to have contracted by about 3.3 per cent in 2020, an upgrade from its previous prediction of (-) 4.5 per cent made in June 2020.



Source: World Economic Outlook, IMF, April 2021; (F) is forecast

The global economy is set to rebound sharply in 2021, expanding 6.0 per cent which is an upward revision from 5.2 per cent forecast in October. This signals expectations of an improvement in economic activity, driven by vaccine rollouts and additional fiscal policy support to offset the immediate challenge posed by the pandemic.

The path and strength of recovery, however, is expected to vary across countries depending upon the access to medical intervention, effectiveness of policy support and structural characteristics.



IMF World Economic Outlook Projections – Select Regions and Countries

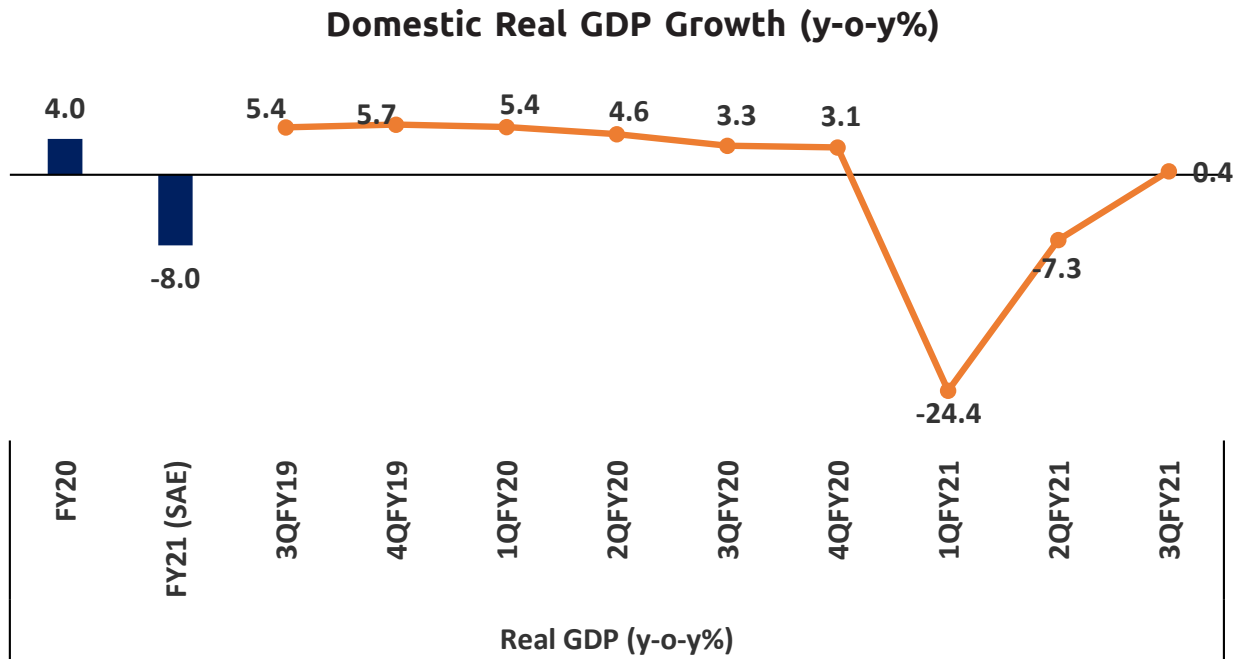
	Projections		
	2020	2021	2022
World Output	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
<i>United States</i>	-3.5	6.4	3.5
<i>Euro Area</i>	-6.6	4.4	3.8
<i>Japan</i>	-4.8	3.3	2.5
Emerging & Developing Asia	-1.0	8.6	6.0
<i>China</i>	2.3	8.4	5.6
<i>India</i>	-8.0	12.5	6.9
<i>ASEAN-5</i>	-3.4	4.9	6.1

Source: IMF World Economic Outlook, April 2021; growth rate is year-on-year

Emerging and developing Asian economies, which account for half of world growth, are projected to grow at 8.6 per cent during 2021 as against a (-) 1.0 per cent growth in 2020. India, in contrast, was expected to pick up pace to 12.5 per cent in 2021 and remain on a fast pace the next year. However, following the second wave of the pandemic, analysts are cutting their growth forecasts.

The Indian GDP for 2020-21 is estimated to contract by (-) 8.0 per cent based on the second Advance Estimates of CSO. With a muted recovery expected in 2021-22 and the year ahead, Indian industry must calibrate and restructure to emerge as a driving force for India's continued growth as well as the world's recovery.

It is critical for the investment rate to rise so that a strong multiplier effect can be generated that will drive growth in the years to come.



Note: SAE is second advance estimates
Source: CSO

While the challenge from the pandemic remains uncertain, with adequate safeguards in place and an accelerated vaccination drive, economic activity in the country will remain on a growth path.

In this backdrop, CII has identified 10 systemic force multipliers that Indian industry must accelerate which are consolidated under the pillars of competitiveness, growth, sustainability and technology, or CGST. The multipliers build upon CII’s work in the previous year, while also taking forward the agenda in new directions. Given the overarching element of celebrating 75 years of India’s Independence in 2022, this will be a special CII agenda for the year.

India@75

CII under its India@75 framework of collaborative and participative approach has been activating The People’s Agenda, developed through a collaborative visioning exercise in 2008, by promoting awareness and working on key pillars. CII will step up engagement with various stakeholders especially the Government to commemorate India’s 75 years of achievements. CII will augment the efforts



of Ministries by syncing its plans in specific sectors to support the clarion call made by the Hon'ble Prime Minister for celebrating "Azadi Ka Amrut Mahotsava" through various activities from now till August 2022.

In this effort, mainstreaming youth energy through volunteerism and entrepreneurship development as well as community outreach will continue to play the major role. Targeting a developed India by 2047 will necessitate proactive participation of youth.

I. Competitiveness

As India aims to become competitive in the world, a competitive investment and sectoral environment outside the factory gate, as well as competitiveness inside the factory gate is a powerful force multiplier.

i. Ease and cost of doing business

An encouraging and facilitative business environment boosts entrepreneurship with positive outcomes for successful expansion. CII has accorded high attention to digitization of processes, faster clearances and approvals and decriminalization, among others, at various levels of Government through policy advocacy and inputs on key areas to be addressed. This process would intensify over the coming year.

With infrastructure as an economic multiplier, CII would work with the Government as well as state governments for building infrastructure in a strategic manner, ensuring lower power costs and developing the public private partnership model.

The right environment at the sectoral level would enable India to create champion sectors for manufacturing as well as services. CII has been engaging regularly with various departments of the Government and has identified champion sectors in both verticals. Next steps would be taken to develop the right policy environment.

ii. Competitive enterprises make a competitive nation

CII has been engaged on building competitiveness inside the factory gate, raising awareness, building capacity, and providing assessments



and audit along with inputs for enterprises to become more productive, innovative and capable of withstanding shocks. During the coming year, CII would widen the reach of its Centres of Excellence which provide such services to enterprises to a larger segment of industry.

Quality is an important determinant of competitiveness and can be the differentiator for global participation of Indian enterprises. As India Inc goes global, its quality attainments, productivity, efficiency and capability for meeting the stringent requirements of international markets will be a special focus area. Training of MSME for higher competitiveness is proposed to be stepped up.

II. Growth

With the pandemic surging and receding in waves, policies to contain the economic spillovers will continue to be high on the agenda, calibrating as per evolving circumstances. The inputs of industry across sectors, particularly stressed sectors, would remain crucial to the right balance for sustaining a high growth rate as that alone will take India forward.

CII would work across policy areas that would drive growth. The focus will be to ensure that the recovery is not just a bounce-back from the depressed activity levels seen in 2020-21 but a sustained revival and strengthening of economic fundamentals. Constant monitoring of economic indicators to understand emerging scenarios of growth will be our endeavour.

iii. Protecting lives and livelihoods

Covid-19's devastating second wave placed healthcare in the spotlight. To protect lives, the country must place healthcare as its highest priority, even when full vaccination is done. The mitigation of the pandemic impact on livelihoods is the second major consideration as the creation of a large number of jobs will bring higher incomes and can help protect lives. The two are deeply intertwined and must be taken up in tandem.

Thus, the three areas that CII will focus on to strengthen the force multiplier of lives and livelihoods are healthcare, skilling and education, and entrepreneurship development. In all these areas, CII's work for



societal remedies through engagement with grassroots communities, especially for pandemic relief and rehabilitation, would be an intrinsic component of its programs during the year and beyond.

In the Covid period, the vaccine rollout with private sector participation will continue to be important, as vaccination for 1.3 billion people will be required in several rounds. CII would step up its focus on partnerships with central and state governments as well as local administrations for Covid management including for wider inclusion of the vaccine rollout process to workers and the surrounding community.

In addition, Covid has shown that comorbidities and other communicable and non-communicable diseases can be devastating for the general population. India needs to address the issues of widening and strengthening healthcare infrastructure, medical equipment, pharma and other life sciences sectors for ensuring resilience during any future waves of the pandemic. CII will work with healthcare providers and manufacturers to ensure a conducive business climate for investments. As the lead in charge of the Healthcare Sector Skill Council, CII would endeavour to expand skills for healthcare personnel to man the hospitals and clinics.

India's levels of skilling and education will receive a boost from the implementation of the new education policy which also promises to increase the share of expenditure on education. CII has a strong focus on skill development, reaching to 1 million people annually and this would be greatly expanded in the year ahead. In education, collaboration between industry and academia would be intensified for higher quality human resource. Efforts will also be made towards enhancing skills in emerging technologies such as AI.

MSME have been particularly hard hit by the pandemic and will need special attention as they are critical players in creating jobs and livelihoods and their ability to grow has high impact on employment. CII gives high priority to MSME development through policy advocacy and proactive initiatives for technology and finance, which will be scaled up during the year.



iv. Stable macroeconomic conditions

Macroeconomic stability today represents the overarching benign scaffolding for industry to grow. With the need to balance fiscal sustainability with provision of stimulus to the economy, it is important to finetune the targets for macroeconomic stability and public debt management.

The Government needs to prioritize public capital expenditure while also incentivizing private sector participation. The CII intervention on working towards a facilitative and encouraging investment climate would be high on the agenda, including for stressed sectors.

At the same time, enterprises need access to equity and debt capital for financing growth. For this, there is need to strengthen the financial sector and deepen financial markets. CII would work with both users and providers of finance to achieve the best solutions for industry members.

v. The world is an opportunity for India

India's strengths as the pharmacy of the world have created a new brand for the country while global value chains are exploring the country for opportunities. It is increasingly important from the strategic perspective for Indian companies to seek a stronger role overseas and deepen their footprint in global trade and investments.

With the global trade scenario changing due to implementation of new free trade agreements (FTAs), CII would act as a bridge between negotiators and industry for best outcomes for India. It would also undertake activities to enable Indian industry to exploit the potential of existing FTAs.

Export promotion will be critical to growth and CII would work on this in mission mode through different activities including policy development for states, district level promotion, market development, and handholding enterprises, among others. CII will create a strategy paper on enhancing exports through integration into the Global Value Chain.

Catalyzing inward investments in key sectors will be encouraged through higher liquidity in the world market. Indian industry needs to also leverage



external sources of growth and invest overseas, for which beneficial financial sector conditions are important. CII would help to promote inward and outward FDI.

III. Sustainability

The past year included rising incidents of abnormal climate events, apart from the pandemic, which underscored the need for mitigation of carbon emissions. Likewise, environmental degradation requires containment at a faster pace as the economy accelerates. With industry playing a vital role in addressing environmental needs, enterprises must take more actions for sustainable solutions and CII would assist them through audits and capacity building.

vi. Global action for sustainability

Global coordination on climate change and sustainability at the governmental level is gaining traction and CII has accorded high priority to catalyzing India's role in international platforms. This is possible when India's domestic actions act as exemplars.

During the year, CII proposes to bring out the CII Vision document on Climate and Sustainability, and accelerate new technologies for decarbonizing key sectors, such as Green Hydrogen and carbon capture and storage.

Air pollution adversely impacts the public health and at the same time, it is responsible for significant loss of GDP every year. CII's efforts are positioned towards ensuring cleaner air and a better quality of life for every Indian citizen by involving all stakeholders in the process, especially industry leaders, to take concrete steps for curbing air pollution and collaboratively design lasting solutions. Clean Air activities will be scaled up to more geographies.

Recognizing the need for India to meet the challenges of global change and transition to a circular economy, CII will work through a business-led alliance to propagate the principles and practice of circular economy, from micro (firm-level) to macro level (nation-wide).



vii. Enterprises are intrinsic to the sustainability solution

On climate action, CII will expand its engagement in integrating the climate and sustainability agenda across key sectors such as steel, cement and chemicals; and handhold MSME and suppliers, especially resource-intensive supply chain partners. It will create enabling platforms for Indian businesses to share, learn and demonstrate climate action commitment especially the MSMEs. There will be a focus on accelerating investments in low carbon technologies and scaling up adoption.

For sustainable water management, CII will continue to deepen its engagement with industry and governments in providing solutions driven by world-class and state-of-the art integrated tools such as CII's WATSCAN, optimization of operational water through Water PINCH, and Water Audits. CII will work with stakeholders for building awareness on resource use efficiency both at local and regional scales, thereby leading to increased adoption of new and innovative technologies for water and wastewater management.

Greening Indian industry is an inextricable part of the green agenda. CII's Indian Green Building Council (IGBC) is pioneering the green building movement in the country. CII IGBC is working towards a target of 10 billion sq feet by 2022 and initiating a 'Net Zero Building' movement in India. CII will work towards a green transformation of manufacturing and services sectors through the GreenCo rating system for assessing green enterprises and GreenPro rating system for ecolabeling of products, energy efficiency activities and facilitating green entrepreneurship by promoting cleantech startups.

IV. Technology

The pandemic accelerated the pace of digital adoption like never before, with new technologies such as Artificial Intelligence, robotics, machine learning, and others gaining space. Indian industry must keep pace with these changes and be a leader in shaping new and emerging technologies.



viii. Digital transformation of the nation

The digital economy is moving at a rapid pace across all sectors including education and healthcare. Issues such as data management, introduction of 5G, and expansion of digital literacy need a close cooperation between policymakers and industry.

CII proposes to work towards creating digital transformation centres and Smart Manufacturing Clusters in its regions to assist Indian enterprises to face the digital wave and be globally competitive. Capacity building of the existing workforce would be high on the agenda, along with digital services for industry through knowledge portal and digital exhibition platform developed by CII.

ix. Startups

India has the 3rd largest startup ecosystem in the world that has witnessed launch of more than 55,000 startups to date with more than 3,200 startups raising \$63 billion in funding in the last five and half years alone. With the world struggling through pandemic, Indian startups have shifted gears, pivoted and risen to the occasion to adjust to the new normal and have shown some remarkable innovation and growth. CII will continue to work toward helping startups and future business through various activities and initiatives, including its Corporate-Startup Business Connect, across sectors of manufacturing, services, and agriculture, both from urban and rural areas.

x. Accelerating new technologies

Artificial Intelligence (AI) has the potential to drive growth through enabling intelligent automation, labour and capital augmentation and propelling innovations as it diffuses through the economy. CII would set up the CII Centre for Artificial Intelligence and continue to work with industry both at tech provider level and user sector to leverage transformative technologies.

To become a global leader, R&D by the private sector and strong linkages with academic and research institutions needs to be stepped up. CII has worked on the policy environment for this and proposes to take up advocacy among industry with significant increase.



Space is a key sector for technology enablement and growth. To enhance the engagement of Indian Industry in the space technology sector, CII is proactively working towards building the competence of Indian Industry in space technology sector and would continue to work in this area.

CII will maintain a high focus on developing the matrix for growth by strengthening the above ten force multipliers. Its work through the year will be guided by the need to collaborate with the Central and State Governments, energize Indian industry, aid CII Members and work with the community at large. CII's partnership mode will assist and accelerate India's recovery from the global pandemic contagion.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with over 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 294 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India marches towards its 75th year of Independence in 2022, CII, with the Theme for 2021-22 as **Building India for a New World: Competitiveness, Growth, Sustainability, Technology**, rededicates itself to meeting the aspirations of citizens for a morally, economically and technologically advanced country in partnership with the Government, Industry and all stakeholders.

With 68 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 394 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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