

'Make in India'

Q&A - Ashourouq,
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Q 1 As is known, your country has launched a 'Make in India' campaign. To which extent has this idea been realised?

Ans.1: Among the many campaigns launched by His Excellency Mr. Narendra Modi, Prime Minister of India, perhaps the most high-profile has been the Make in India campaign. Our government has already taken important steps to improve the regulatory climate, to enable manufacturing and to open Foreign Direct Investment in key sectors, i.e., the three pillars to bring about a positive transformation in manufacturing. Important sectors like defence production, civil construction and railways have been opened to greater foreign investment by the government. The process of applying for industrial licences has been greatly simplified and made online. Manufacturing units, except for those producing hazardous materials, can now do a great deal of self-certification, thereby reducing the ambit of government inspectors in the private manufacturing sector. Much of the interface between entrepreneurs and the government, both central and state, has been made online.

Important economic structural reforms have been put in place: the government has **removed the subsidy for diesel in India** a couple of weeks ago, an important rationalization which will improve government finances and reduce wasteful consumption in the country. Remarkably, diesel prices actually fell throughout the country, following this measure, due to international petroleum prices being low, i.e., this measure has been good for the people **and** the Government of India! Another reform: the government has put in place **a new gas pricing policy in October 2014 which specifies that price notification will occur once in six months based on international prices of gas**, thereby introducing predictability into this important price which affects almost every sector of the economy. Another crucial reform which will also improve the availability of power within India is the **establishment of a simplified system for auctioning coal mines online, which will introduce transparency into this sector, a most important one for power generation in India** and which will, therefore, improve the economy as a whole.

The results of these reforms are showing: the index of industrial production has grown rapidly, while inflation has declined to 2.38% in September 2014 compared to 7.05% in September 2013. The stock market index is establishing new records every day, attesting to the large investments coming into, and to the enhanced industrial and economic activity in, India. Both imports and exports have increased appreciably over the last few months. The Indian currency remains stable.

Q 2 Indian economic growth in the first half of the current year reached 5.7%. With this, it has attained the highest level of percentage in the last two

years. How do you explain this big economic leap in a large country like India with more than 1 billion people?

Ans.2: All the economic measures put into position by the government, and, more than that, the evident determination of the government to improve the climate for doing business in India, along with their resolve to improve employment and decrease poverty among the people, have produced these results. There is a new confidence among the entrepreneurial community in the legislative framework and the regulatory mechanisms of the government, at the same time there is a new belief among the common people that rapid progress and development for them and their families is possible. Hence the enhanced growth.

Q 3 Since Mr. Narendra Modi, Prime Minister of India, took over, foreign investors are rushing to India. What is the reason for that?

Ans.3: The structural reforms that have already been instituted by the government, some of which I have detailed, and the promise of honest, predictable and growth-oriented governance are giving confidence to foreign investors, which is why we see this influx of foreign investment into India. You must remember that Prime Minister Modi has been the head of the Government of Gujarat since the past 13 years, during which time he made Gujarat one of the most industrialized states of India, with a very modern physical and online infrastructure. Thus, investors, both foreign and Indian, have confidence in the leadership and proven track record of Prime Minister Modi and his government.

Q 4 Despite continued efforts to attract investors, the Indian economy still has limited competitive capacity in the international markets, either through export or setting up ventures abroad. Is this the choice of your government or inability to open new markets for the economy of your country?

Ans.4: I do not agree that the Indian economy or Indian companies have limited competitive capacity in the international market. On the contrary, we have seen Indian companies and Indian brands conquering new markets: Indian automobiles like Mahindra and Tata have taken important market shares in South-east Asia, Africa, Europe and Latin America. Similarly, Indian pharmaceuticals and vaccines are widely sold all over the world. Today every second child in Africa and every third child in the world is vaccinated using Indian-made vaccines. Indian-made Anti Retro Viral Therapy (ART) drugs and cancer treatment drugs, known as they are for their excellent price-quality match, are keeping alive hundreds of millions of people in Asia, Africa and Latin America. India is proud to be the 'Pharmacy of the Developing World'. Indian software has made a name for itself in the world.

We have also seen prestigious acquisitions of international brands by Indian companies, namely, the acquisition of Jaguar and Land Rover, legendary UK brands, by Tata Motors, the acquisition of the European company, Arcelor Steel by

steel magnate Lakshmi Mittal, and the acquisition of Corus Steel, the second-largest steel making company of Europe (originally British-Dutch) in 2007 by Tata Steel, and so many others, all of which indicate that Indian companies and Indian-made products are competitive and valued in foreign markets.

Q 5 In February 2014, Indian Minister for External Affairs visited Tunisia. It was the first ever visit at this level between the two countries. How has this visit contributed to the promotion of economic relations between the two countries?

Ans.5: Economic relations between our two countries are expanding slowly but steadily. The current year has been a year of elections in both India and Tunisia and thus a period of transitions. Our new government is in position, and the new government in Tunisia will soon be in position as well. There is a continuing interest from Indian investors to invest in diverse sectors in Tunisia, and there is continual interest on the part of Tunisian businessmen also, as I witnessed first-hand during my recent travels in the South and in the Sahil, in establishing economic partnerships with the Indian business community. I look forward to working with the new government in Tunisia in order to deepen the economic interaction between our two countries and to establish many new economic partnerships. I see the work of the Embassy as mainly a facilitating job: to spread awareness of the economic opportunities that exist in both the countries and to facilitate meetings between the business communities of the two sides. Our External Affairs Minister, Mrs. Sushma Swaraj has stressed the importance of economic diplomacy to all the Ambassadors and I am working to fulfill her mandate.

Q 6 Is there any effort from your side to explore opportunities of cooperation between the two countries; is there a Joint Business Council?

Ans.6: We do not have a Joint Business Council established as yet. Setting up a Joint Business Council is one of my tasks in the near future.

Q 7 India is one of the largest importers of Tunisian phosphate. Is bilateral commercial exchange increasing, especially are your country's industrial and technological products getting popularity worldwide?

Ans.7: India is the largest importer of Tunisian phosphates. In the pre-Revolution period, we were importing upto US\$ 200 million worth of phosphate products, which has currently fallen to less than half that value, only because there is not enough phosphate production in Tunisia. I know that the government of Tunisia and CPG and GCt are working hard to ensure optimum production of phosphate and I am confident that production will rise to good levels again. The link of phosphates is a valuable one as phosphatic fertilizers contribute to India's agricultural sector which is still an important economic sector for India; both our countries are committed to strengthening and enhancing our cooperation in this sector.

Tunisia imports diverse items from India, but unfortunately, I see that it still does not import many items made in India which are of excellent quality and priced reasonably, like tractors, harvesters and other agricultural vehicles, engineering goods and machine tools, and textiles, for which India has been famous since centuries. While Tunisia imports tobacco from India, it hardly imports rice and tea, despite the fact that Indian rice and tea are famous for their quality and uniqueness. I am working to diversify both Tunisia's imports from India as well as Tunisian exports to India.

Q 8 How does India look at the Tunisian revolution and its political evolution after the success of the elections? What new areas have been opened after that in the relations of the two countries?

Ans.8: India strongly supports democracy in Tunisia. Indeed, we are full of admiration for the remarkable manner in which Tunisia has progressed through the various stages of its transition to becoming a durable democracy, despite the many challenges and obstacles that it has faced throughout the last 3 years. The adoption of a new Constitution was a truly remarkable achievement which displayed fully the tolerant and consensus-based attitude of the Tunisian leadership. My government has congratulated the people and the government of Tunisia for the peaceful elections that have just been held, within the timeframe established by the Constitution.

Many new areas of cooperation have been opened in the post-Revolution period. Relations were enhanced in the political sphere, with the exchange of high-level visits including, as you mentioned, the first-ever bilateral visit to Tunisia of the Foreign Minister of India; in the economic sphere, this period saw the coming into operation of TIFERT SA, the bilateral joint venture in phosphates, the establishment of the assembly unit of Mahindra pickup trucks in Sousse, and other important new initiatives which will bear fruit in the months to come. The two countries also came closer in the cultural sphere, with the exchange of many cultural troupes, Tunisian Sufi group *Mishqat* which visited India and which was much appreciated, as well as many Indian troupes which visited Tunisia like the Rajendra Gangani and Sonam Kalra troupes. We have also inaugurated in 2013 an important programme of cooperation in the scientific field between the *Institut Pasteur* of Tunisia and the International Centre for Genetic Engineering and Biotechnology in India, which are cooperating in research to control infectious diseases like Malaria and Leishmaniasis. Tunisian interest in Indian scholarships and programmes of study, particularly scientific ones, has grown appreciably. I look forward to working with the new government to build upon the progress in all these new sectors and to take our bilateral cooperation to new heights to mutually benefit our peoples.
