

Remarks by Ambassador Pavan Kapoor at
ICAI 32nd Virtual Annual International Seminar
(19 November 2020, Abu Dhabi)

EMBRACE, ADAPT & LEAD – CONQUER THE FUTURE

H.E. Sheikh Nahayan Mubarak Al Nahayan, Minister for Tolerance and Co-existence,
CA Atul Gupta, President, ICAI
CA Neeraj Ritolia, Chairman, ICAI Abu Dhabi and
Distinguished participants,

Namaste and festive greetings to everyone!

1. I am very pleased to participate in the ICAI's 32nd Annual International Seminar today. The theme of this seminar - **'Embrace, Adapt & Lead – Conquer the future'** is very appropriate as it reflects the present global scenario where each country has been affected in a dramatic manner by the Covid-19 pandemic, and has had to decide how to respond. It reminds me of India in 1990-91 when we were facing a financial crisis of an unprecedented nature and how the Government and the private sector came together to respond positively. India today has come a long way since 1991, when our GDP was around US\$ 270 billion.

2. With a GDP of almost US\$ 3 trillion and foreign exchange reserves of more than US\$ 500 billion, India now is a key player in global economic growth. The reason I am recalling the early 90's is because the policy reforms and measures undertaken by us at that time of crisis paved the way for broader economic growth and economic development of our country.

3. Today, we are at a similar inflection point, where what started as a public health crisis transformed into a global socio-economic crisis in a short span of time; with many countries witnessing sharp contractions in their GDP and a massive slump in global demand. Large sectors of the economy were brought to a complete halt with unbelievable consequences for individuals and organizations. However, the Government of India, along with support from private enterprises, has responded in an upfront and timely manner by literally embracing and adapting to the changes, and taking the lead on several fronts.

4. Like other countries, India too suffered enormous consequences from the pandemic, and given our size of population, our challenges were particularly daunting. An early lock down, even when numbers were low, gave us the time to ramp up our capacities and to prepare ourselves for a long spell of pandemic protocols. This allowed India to keep the burden on our health infrastructure within manageable limits. At the onset of the COVID-19 pandemic, there was a shortage of medical equipment like oxygen cylinders, PPE kits, N95 masks and ventilators in India. However, in a short span of 60 days, the government brought in remarkable policy reforms and timely regulatory changes that enabled the Indian medical equipment manufacturers to meet domestic demand. Today, these companies are not just

successfully meeting domestic demand in India but are also exporting PPE kits, N95 masks, ventilators and other medical equipment to a number of countries.

5. The crisis has stimulated innovation and enterprise in India, and we are now able to manufacture cost-effective but high-quality critical health devices for India and the world.

6. India is also gearing up to be a vital player in the global vaccine development efforts with various potential vaccines at different stages of trial. As made clear by our Prime Minister when he addressed the UN General Assembly two months ago, as the largest vaccine producing country of the world, India's vaccine production and delivery capacity will be used to help all humanity in fighting this crisis.

7. The economic impact of the pandemic has been our biggest challenge. During the first phase of the crisis itself, the Government of India announced a mega stimulus package of US\$ 266 billion, amounting to almost 10% of our GDP. This was directed at helping low income groups, migrants and those in the informal economy who were affected by the lock down, marginal farmers, and small businesses. Last week, the Government announced a further US \$ 35 billion package and complemented it with sweeping structural reforms, and the introduction of Productivity-Linked Incentive measures in some key sectors of the economy. The Government had also deferred tax payments, injected liquidity into the economy and lowered interest rates. It initiated a food transfer programme that ensured extra rations to almost 800 million people. It also transferred money into the bank accounts of over 400 million people and provided free cooking gas to around 80 million families.

8. While handling the pandemic at home, India did not lose sight of its global role as a responsible international player. India has supplied essential medicines to 150 countries during this pandemic. More than half of them were grants that India offered to struggling partner countries. We have gifted millions of tablets of Hydroxychloroquine to countries in our neighbourhood and beyond. Throughout the crisis, we have maintained an uninterrupted supply of essential medicines that the world has needed to fight the virus.

9. India's response to overcome the Covid-19 pandemic is articulated in the vision of '**Aatmanirbhar Bharat**' or self-reliant India. In the words of our Prime Minister, Shri Narendra Modi, and I quote "*It is not just about competition, but also about competence; it is not about dominance, but about dependability. It is not about looking within, but about looking out for the world. So, when we say Aatmanirbhar Bharat, we mean an India that is, first of all, self-reliant. A self-reliant India is also a reliable friend for the world. A self-reliant India does not mean an India that is self-centered.*"

10. India's quest to become 'aatmanirbhar' or self-reliant is not just a vision but a well-planned economic strategy. A strategy that aims to use the capabilities of our businesses and skills of our workers; to make India into a global manufacturing power-house; a strategy that aims to use our strength in technology to become the global centre for innovation; a strategy that aims to contribute to global development using our immense human resources.

I am glad that ICAI Abu Dhabi is supporting this strategy by circulating all events and activities under its aegis to various chambers and organizations.

11. A self-reliant India is going to be a force-multiplier for global economic development and resilient global supply chains. Our Prime Minister's call of 'Vocal4Local' is also a call to leading global manufacturing companies to set up their factories in India. The International Monetary Fund (IMF) and many leading global economic forums have opined that India will be one of the economies to recover fastest in a short span of time and achieve higher economic growth.

12. Even while we are focused on dealing with the health and socio-economic impact of the pandemic, we have continued to use the opportunities of the crisis to make India a more attractive destination for investment, with a focus on the future. We have introduced reforms in different sectors of the economy, including a new Labour Law regime which balances the welfare of workers and the ease of doing business for employers. India is now among those countries where the corporate tax is the lowest, and we also have a faceless regime for income tax assessment and appeal, that takes away any element of subjective discretion.

13. The government has brought in reformist agricultural legislation with farmers' welfare and viability of agriculture as an income source, being the main tenets. These reforms are going to accelerate the growth of agriculture, through private sector investment in building resilient infrastructure and supply chain facilities, to get a fair price for farm produce in national and global markets.

14. With an aim to qualitatively improve the Ease of Doing Business of the IT Industry, particularly Business Process Outsourcing (BPO) and IT Enabled Services, the Government has drastically simplified the Other Service Provider (OSP) guidelines of the Department of Telecom. The new guidelines tremendously reduce the compliance burden of the BPO industry.

15. To match the rapid changes that the world is undergoing in the knowledge landscape, with various dramatic scientific and technological advances, the Government of India recently introduced the National Education Policy 2020. This latest education policy introduces many fundamental changes with the aim of promoting critical thinking in children for problem solving, along with multidisciplinary learning and a holistic approach.

16. There is an increasing momentum towards fundamental research and applications in areas of artificial intelligence, robotics, sensors, and big data analysis in India's start-up ecosystem. This would offer India a global leadership role in multilateral technology forums. To realize the fruits of technology and innovation in the start-up ecosystem, the government recently launched a new scheme in which technology is playing an important role. This scheme involves a Survey of Villages And Mapping with Improvised technology in Village

Areas. Under it, residential and land property in villages are being mapped for the first time in India using drone technology.

17. India has an ambitious plan to invest US \$ 1.5 trillion for the National Infrastructure Pipeline. A pioneering, multi-modal connectivity infrastructure master plan is being finalized. India has embarked on a massive infrastructure building spree of highways, railways, metros, water-ways and airports across the country. We are building millions of affordable houses for the new middle class. We want investments not just in big cities but smaller cities and towns too. The Gift City in Gujarat is a good example of this. The government is implementing mission-mode schemes for development of such cities.

18. Just like the Government's strategy for strengthening its manufacturing base, and for building world-class infrastructure, its strategy for the financial sector has also been holistic. Some of the major steps undertaken in this sector include:

- Comprehensive banking sector reforms
- Strengthening of financial markets
- Unified authority for the International Financial Services Centre
- One of the most liberal FDI regimes
- A benign tax regime for foreign capital
- Suitable policy regimes for investment vehicles like the Infrastructure Investment Trust, and the Real Estate Investment Trust
- Implementation of the Insolvency and Bankruptcy Code; and
- Financial empowerment through Direct Benefit Transfer and fin-tech based payment systems like Ru-Pay cards and BHIM-UPI

19. As an encouraging sign for all the reforms that the government has initiated lately, it is heartening to see that the global investor community has been showing confidence in India's future and potential. In the last 5 months, despite the pandemic and the slowdown of our economy, India has seen a 13% rise in FDI inflows compared to last year. This is a resounding statement of faith in the Indian system

20. As our Prime Minister told key investors at a Global Virtual Investors Round table two weeks ago, and I quote, "India's growth has the potential to catalyze global economic resurgence. Any achievement by India will have a multiplier impact on the world's development and welfare. A strong and vibrant India can contribute to stabilization of the world economic order. We will do whatever it takes to make India the engine of global growth resurgence."

21. We continue to prepare for the world of tomorrow and India's role in it. There has been no let down in the intensity of our engagements with the rest of the world during this period. We have joined many of the multilateral and bilateral conversations that are taking place around the world, in multiple configurations, about the pandemic and have continued to expand our normal business of diplomacy.

22. India represents one-sixth of humanity and will play a key role in shaping the future. India has progressed in promoting its heritage like Yoga and Ayurveda; led initiatives like the International Solar Alliance and the Coalition for Disaster-Resilient Infrastructure, thereby expressing greater national self-confidence on the global stage.

23. Many international relations experts look at the ability of a nation to take care of its people abroad as an integral component of its growing status. The Indian diaspora is known for its exceptional achievements. Indian Missions abroad are working hard to match the expectations of our diaspora, in looking after their needs while living in lands far away from home. The Covid-19 pandemic presented an exceptional test for Indian diplomats, and our collective efforts through the 'Vande Bharat Mission', emerged as evidence of our capabilities to adapt to new circumstances and lead the way in responding to challenges. I take this opportunity to express our sincere appreciation to the UAE leadership, and the Indian community associations, including ICAI Abu Dhabi, who came forward to voluntarily assist us in accomplishing this difficult task.

24. India will celebrate its 75th year of independence in 2022. As we approach that historic occasion, I am confident that the progress we achieve by then would show that our response to the Covid-19 pandemic was a clear example of transforming a crisis into an opportunity to take the lead into the future.

Thank you!
