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Title: The Government of India took opportunity of the Corona pandemic to make the Indian economy more resilient and competitive"

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The Ambassador of India in Israel H.E Sanjeev Singla, in a special interview with the Chairman of the Israel-India Chamber of Commerce, talks about the reforms being carried out by the Indian government to increase the efficiency of the Indian economy and estimates that normalization with the UAE will have a positive impact on the economic relations between Israel and India.

The Ambassador of India in Israel H.E Sanjeev Singla, took office more than a year ago, but Israel was not foreign to him. Six years ago he was posted as Counselor for several months, until he was called back to India for a post that is hard to refuse - the private secretary of the Prime Minister of India, Narendra Modi. His return to Israel as Ambassador of his country indicates how important Israel is to Modi, since he had appointed a private on his behalf.

India is currently embarking on the world's largest immunization program. In Israel, it is not easy to manage a population of about nine million inhabitants. Imagine how difficult it is to manage a pandemic which involves a population close to 1.4 billion people, with crowded cities and challenging sanitation conditions in many places. In between the different lockdowns, I met with the Ambassador of India to talk about India, Israel, Corona and the trade relations.

Dear Ambassador, how did the pandemic effect the economy in India, and its foreign relations?"

I think the big story is that the Government of India has taken advantage of the pandemic to make the Indian economy more resilient and competitive. It has done so by implementing structural reforms that will strengthen the economy and help it grow. For example, it has carried out the biggest labor law reforms since 1991. The reform consolidates the 44 key labor laws into four codes covering pay, industrial relations, occupational safety and social security. While the old system of laws consisted over 1,200 sections, the four new codes reduced them to just under 500 sections. The new codes address vexations issues such as threshold for hiring and firing. To date, an industrial

company with 100 workers required special government approval to dismiss employees. This threshold has now been raised from 100 workers to 300 workers and gives employers flexibility in laying off workers. The code also requires the payment of social security contributions for gig workers. The government has enacted far-reaching reforms aimed at achieving better yields for farmers, productivity and post-harvest value chain. The Reforms in agriculture will have a significant impact since over than 50% of India's population is dependent on agriculture. The government has also focused on promoting the Make-in-India program in the fields of electronics and communications, and presented incentive programs for manufacturing in these fields. We are already witnessing beneficial results. companies like Apple and Samsung are expanding their manufacturing in India"

Identify new opportunities

According to the Ambassador, at present, the latest figures indicate that economic recovery in India is in full swing and economic activity is approaching the pre-pandemic levels, with the exception of the services sector where the situation is more complex. For example, the manufacturing procurement index called IHS Market India reached an 8-

year high. "If you look at sales of equipment for tractors and agriculture, sales of passenger cars, digital payments or manufacturing activities, they all indicate inventory creation and the return of growth rate. The agriculture industry is also showing growth. Tax collection on products and services is increasing. Exports are increasing, especially in core areas like steel and engineering products. The employees are resuming work" said the Ambassador. "The government is continuing to make major efforts to creating digital and physical infrastructure. For example, the Atal Tunnel was recently inaugurated to connect Manali and the cities in the Northern part of the country. The nine-kilometer tunnel is the longest tunnel in the world at 3,000 meter height. In the field of services, like in other parts in the world, it will take more time. Overall, there is a macro-economic policy to support productivity-enhancing reforms. The government is considering another round of support if necessary. As for the impact on society and foreign policy, it may be too early to say, but the pandemic has highlighted the urgency of these changes."

Israel and India renewed diplomatic relations in 1992 and since then mutual trade has been on the rise. However, we do not realize

even a small part of the potential inherent in the synergy of the two economies. Where do you see the growth in trade relations between Israel and India?

"I think we need to look at it from a broader perspective and be aware of three basic trends around us. One of which is a change in the distribution of power in the international arena, which requires further strategic convergence between India and Israel. The second is the fundamental disruption in the world's economy, partly due to the pandemic and partly due to a partial decoupling between the two largest economies in the world - China and the United States. Third is the accelerating development of disruptive technologies, enabling our two countries to harness their scientific and technological strengths for cooperation. Once we look at it from this angle and understand the size of India's economy and its diversity, we will begin to identify new opportunities, whether in supply chain diversification and manufacturing solutions, cyber security, fintech, security, health, water or agriculture. We have already seen how the two countries have worked together to fight the corona virus, taking advantage of India's power as the world's pharmacy and the

world's largest vaccine manufacturer".

A Relief in the geopolitical situation of the two countries

During our conversation I reminded the Ambassador that it has been more than a decade since Israel has been pushing for a free trade agreement with India and that is not happening. I am trying to find out what is India's position concerning the agreement, which we believe has the potential to lead to an increased mutual trade. "We are currently considering a preferential trade Agreement for goods," replied Sanjeev Singla. "Each of the parties has provided the other with a list of about 280 types of goods for initial consideration and a first round of discussions has been held. We hope that another round of meetings will be held sometime soon, followed by analyzing in depth the profitability of the agreement".

Now that Israel has established diplomatic relations with the United Arab Emirates, Bahrain and several other countries, what consequences do you think this will have for the region and for Israel-India relations?

India consistently supports peace, stability and development in West Asia, an area considered as India's extended neighborhood. In this

context, we have welcomed the full normalization of relations between Israel and the United Arab Emirates. Both Israel and the United Arab Emirates are main strategic partners of India. Nevertheless, considering the historic ties of India with the UAE and our strong business presence in the Gulf, the trade between us and the UAE is ten times greater than our trade with Israel, although both Israel and the UAE are similar in terms of population and GDP. The normalization can open up new opportunities for business relations between India and Israel".

When you compare your work in Israel six years ago to today, do you see a change?

I see two big changes: One, in the context and the other in the broader arc of our bilateral relations. In terms of context, I think the larger geopolitical challenges that are happening around us have come into a sharper relief now for both our countries, compared to six years ago. In terms of bilateral relations, I think they are now in a qualitatively different trajectory after the historic visit by Prime Minister Modi three years ago, followed by Prime Minister Netanyahu's visit to India.

Personally, what do you like about Israel and Israelis?

I really like the importance of family and tradition and also the importance that Israel attaches to documenting history. Also the irreverence that comes with the *Chutzpah*, something that enables a vibrancy in your democracy and an out-of-box thinking as matter of habit. Personally, I would love to see more restaurants serving really good Indian cuisine here".

The author is the Chairman of the Israel India, Nepal and Sri Lanka Chamber of Commerce, and the Vice President of the Israel Asia Chamber of Commerce. CEO of the consulting and investment company A&G Partners.