

**SPEECH BY THE PRESIDENT OF INDIA, SHRI PRANAB MUKHERJEE AT
THE PLENARY SESSION OF THE JOINT SEMINAR ON BUSINESS, SCIENCE
AND TECHNOLOGY HELD AT CONFEDERATION OF NORWEGIAN
ENTERPRISE (NHO)**

Oslo, Norway: October 14, 2014

His Majesty the King,
Distinguished Guests,
Ladies and Gentlemen,

1. It is indeed a privilege to address this distinguished gathering of business participants, academicians and scientists from both countries. All of you play a vital role in making the relationship between our countries stronger and more robust. India and Norway have had traditionally warm and friendly relations based on our shared commitment to multi-party democracy, open societies, rule of law, a vibrant press and an independent judicial system. Our positions converge on many regional and global issues.

2. Economic and commercial relations obtain between us in a wide variety of sectors like shipping and maritime, oil and gas, information technology, textiles, minerals, commodities and machinery. The total trade between our economies stood at nearly one billion US Dollars in 2013-14 which, I must say, is not a true reflection of the relative size of our economies and, indeed, of the potential for economic and commercial exchanges that exists. I hope for an early conclusion of the on-going negotiations for a Trade and Investment Agreement between India and the European Free

Trade Association (EFTA), of which Norway is one of the four member nations. I am accompanied on this visit by a business delegation comprising captains of industry from sectors like financial services, ports, defence, seafood, oil and gas, energy, healthcare, hydro-power, information technology, manufacturing and pharmaceuticals. I am certain that they will connect with their Norwegian counterparts to usher mutually beneficial business partnerships.

3. India is the third largest economy in the world in terms of purchasing power parity. In the last decade from 2004-05 to 2013-14, our economy grew at an average rate of 7.6 per cent per year. Due to the continuing global economic slowdown and other factors, our GDP growth rate was subdued at below five per cent during the last two years. I am, however, happy to share that the green shoots of recovery are clearly visible. In the first quarter of the current financial year, the Indian economy achieved a growth rate of 5.7 per cent. Our external sector has already strengthened with our current account deficit declining sharply from 4.7 per cent of GDP in 2012-13 to 1.7 per cent in 2013-14. Steps taken towards fiscal consolidation like deregulation of diesel prices have shown positive results. A progressive reduction of our fiscal deficit to 3 per cent of GDP by 2016-17 now seems eminently achievable. Inflation has decelerated over the past three years and we hope to contain it below 5% through a judicious mix of policy measures. Our agriculture sector is performing well. India

now ranks second in the world in both wheat and rice production. A record food grains production of 264.8 million tonnes last year helped the agriculture sector grow at a healthy 4.7 per cent in 2013-14. A number of measures aimed at investment revival, strengthening of macro-economic stability and ramping up infrastructure will certainly posit India back into the high growth trajectory of 7-8 per cent.

4. India continues to be one of the most preferred destinations for foreign direct investment with FDI inflows into India peaking at 46.6 billion US Dollars in 2011-12. I am confident that with the revival of global business sentiment we will be able to attract substantial FDI inflows. India has a growing and aspirational middle class, an increasing per capita income and a young working population all of which present a great opportunity and are of interest to foreign investors. To further facilitate FDI, we have recently enhanced FDI limits in sectors like insurance and defence manufacturing and allowed 100 per cent FDI in railway infrastructure. This will further strengthen our position as a credible destination for overseas investors. I may, however, point out that of the total FDI equity inflows into India of 228 billion US Dollars since April 2000, FDI from Norway has only been 164 million US Dollars which belies the vast potential that exists in our economic relationship. I am confident Norwegian industry will make full use of the new investment opportunities that now present themselves in India. The coming together of India's large

talent pool and technological and financial investments from Norway can well catapult our economic relationship to a new high.

5. Overall Norwegian investments, including investments in the capital market, in India have doubled from 4 billion US Dollars in 2012 to approximately 8 billion US Dollars in 2013. This is indicative of the promise that Norwegian investors, particularly portfolio investors, see in the growing Indian market. In this context, I would like to make a special mention of the Government Pension Fund – Global of Norway, which is the largest sovereign wealth fund in the world with assets close to 900 billion US Dollars. Investments of the Fund in equity and fixed income assets in India are only about 4 billion US Dollars. Given India's tremendous growth potential, I am hopeful that the Fund will considerably increase its investment exposure to our economy.

6. We have renewed our thrust on the manufacturing sector in India. In 2011 we unveiled a policy that envisaged increasing the contribution of manufacturing to our GDP from 15 percent presently to 25 percent by 2022. We remain committed to pursuing our objective of making India a manufacturing hub. We are well on course to becoming a manufacturing base and an export hub for diverse goods ranging from agricultural products to automobile components to high-end services. Many of our

industrial sectors today are globally competitive and internationally acclaimed for their quality. The Indian government is committed to a business-friendly environment – impediment free, predictable, facilitatory and transparent. To that end, India has embarked on an ambitious ‘Make in India’ program to make the country an investor-friendly destination by setting up single window clearances, e-Business portals and Investor Facilitation Cells. I am confident that Norwegian investors shall take optimum advantage of the new policies unveiled.

7. The infrastructure sector is a focus area for our economy. In the next few years, we envisage a spend of a trillion US Dollars on infrastructure, including on new power projects, which offer a great opportunity for energy companies in Norway. Your country is a repository of advanced technology in hydro-electric power and there is tremendous scope for cooperation in this area between our two governments. India needs to augment her power generation capacity to meet the ever-expanding energy needs of our growing economy. Clean and renewable energy is recognized as the way forward for sustainable expansion of our energy programme. I am confident that both our countries can work together in this sector for mutual benefit. India also holds immense promise for Norwegian companies seeking to invest in sectors such as oil and gas, shipping, machinery and clean technologies. To facilitate greater investment in infrastructure,

we have set up facilities and schemes such as Industrial Corridors, the Industrial Infrastructure Up-gradation Scheme, National Investment and Manufacturing Zones, Industrial clusters and Smart Cities. Development of infrastructure will not only propel economic growth in our country but shall also enable foreign companies that invest in India to participate in and partake the benefits of our growth.

I am pleased to inform you that Norway will feature in the list of few countries to be soon granted the facility of Tourist Visa on Arrival which will greatly facilitate travel for Norwegian citizens to India.

8. The Joint Working Groups between our two countries in areas such as Environment, Science & Technology, Higher Education, Hydrocarbons, Culture, Local Governance and Maritime matters have the potential of transforming our bilateral relationship. The Statement of Intent on Research in the Defence Sector being formalized today further underscores the depth of our engagement in a multitude of high technology areas and our shared strategic objectives.
9. The Higher Education Sector in India is a priority and is expanding at a fast pace. Many new institutions of higher learning have either been established or are in the process of being set up. There is in India today immense emphasis on fundamental research in science and technology. We hope this

will help us manage better, issues such as climate change, food and drinking water security and sustainable, clean energy sources. Collaborations between India and Norway in science and technology and research and innovation need to intensify and focus on these high priority areas. We also need to create an ecosystem that shall facilitate exchange of students and faculty between our two countries and also nurture innovation and enterprise through joint courses and degrees. I have in my delegation eminent educationists from leading Indian institutions who shall no doubt carry forward these ideas in deliberations with their Norwegian counterparts in the roundtables that shall follow.

10. I am extremely happy to note that India and Norway are signing several MoUs and Agreements designed to further collaboration between our Governments in areas such as diplomatic visa waivers; research & development; joint knowledge sharing programmes; exchange of faculty, scientists and research scholars; and exchange of research materials and information. Apart from the governmental agreements, it is heartening to note that an agreement is also being signed between Fish Biotech Private Ltd. (India) and the Akva Group ASA to set up a joint venture fish farming project near Delhi. This project entails use of intensive 'aquaponics' in a controlled environment with state of the art Recirculation Aquaculture System (RAS) technology from Norway.

11. I must congratulate Norway's Trade & Industry Minister, Ms. Monica Maeland, CII, NHO (Confederation of Norwegian Enterprises) and NICCI (Norway India Chamber of Commerce) who are working together in close cooperation with both governments to boost bilateral trade and investments. I am confident that the dedicated efforts of all stake holders shall redefine and re-invigorate the economic and trade relations between our two great nations. It is my pleasure to extend an invitation to Norwegian businesses to participate in the 2nd India-Central Europe Business Forum to be held in India in the first quarter of 2015.

12. I wish all of you-industry & business leaders, academics and scientists-from both our countries success in your future endeavours and Godspeed in your efforts.

Thank You.