

## Why be “Vocal for Local”

An earlier slogan: “Be Indian & Buy Indian” has relentlessly been propagated by the CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy), a forum created by FICCI in 2011 to launch a pan India campaign against the menace of illicit trade in smuggled, counterfeited, pirated goods etc. This cause, no doubt, is of immense significance since it is aimed at minimising the insidious erosion which illicit trade is causing to the revenue of the government, health and life of people, and also security of the state. Further, since these infringing goods remain unaccounted through the supply chain, they are untaxed, and a sizeable portion of the profit generated on them finances insurgency and international terrorism. Moreover, when smuggling takes place, the manufacturing activity shifts abroad, causing job loss in the victim country of smuggling. A study by FICCI CASCADE had estimated that due to smuggling, over 16 lacs jobs were lost in India during 2017-18 in respect of 5 industry sectors only. It is in this background that the CASCADE has been creating public awareness to reject such illicit products.

In this context, it is pertinent to note that the trade in the last five decades, gradually, shifted from being protectionist to globalised, resulting in the world being one integrated market. This also promoted fairness in competition at global level, and gave consumers a fair option to buy better quality products at affordable prices. The world, however, has changed dramatically due to the unprecedented global health crisis created by COVID. Already, the world has changed unrecognisably, never to become the same again. This has also brought about a sea change in the way businesses are done, and the choices people make for their purchases. Viewed in this background, the Prime Minister’s clarion call to “Be Vocal For Local” may, at the first sight, seem to be a retrograde step. However, if analysed critically, this appeal is perceived to be based on pragmatism and expediency to protect the national interest in a critical situation.

We are facing a tsunami not a cyclone. With the country reeling under the impact of the pandemic, the Indian economy, as per the prediction of RBI, is likely to contract by 9.5 percent during FY21. Hence, immediate recovery of economy is crucial, and that cannot

happen unless indigenous gets unrestricted preference over the imported - 'Swadeshi' over the 'Videshi'. If the misery of the people, not in million but in billion, is to be mitigated in not too distant a future, faster growth in a shorter time has to become a reality. Therefore, there is no alternative to local manufacturing, local market, and local supply chain. And this cannot happen unless the people buy Indian make goods. PM's call to drive economic resurgence will increase share of manufacturing in the country's GDP as in China, create job opportunities, and will build 'Brand India'. This would also contribute substantially in reducing the cross border illicit trade.

This, however, does not imply stopping imports and violating the WTO rules. For our indigenous manufacturing, we have huge dependence on imports. Value-wise, nearly two thirds of the country's imports are of raw materials, semi-finishing goods, and machineries which are all indispensable for the domestic industry. What, in fact, is needed is only a behavioural shift in the preference of people for buying only such ready-to-sell consumer products which are of Indian make. Consumption of such imported items which do not need any more value addition in India has to be curtailed. This would need a motivated proactive response to the PM's call in favour of the local.

During such challenging times, would it be correct to remain generous even for them who consistently create impediments in our efforts to become a secure and prosperous nation? When we deal such hostile attitude towards our vital national interests, reciprocity has to take an upper hand over generosity. As suggested by Sartre, the need of 'existence' has to get preference over 'essence'. Accepting the Prime Minister's suggestion would also help achieve the goal of "Atmanirbhar Bharat".

Now, after lifting of the lockdown, the economy has started to recover faster than expected. But since the setback has been so severe that some sectors like MSME which employs much larger number of people, would, in view of its inherent weaknesses, take much longer time to return even to February, 2020 level. In a situation like this, to make the recovery faster through enhanced sale of local products, it is required that they sell at cheaper prices. This cannot happen unless there is reduction of GST rates. We may recall that the central excise rates were drastically cut from 12.5 to 8 percent in 2008 during the then global slowdown.

Now, it seems the right time has arrived when responding to the consistent representations from the Indian industry since 2017, the government rationalises the GST rates, and fixes only four rates may be at 0, 5, 15, and 25 percent. This, no doubt, would give boost to the industry, increase sale of domestic products, augment revenue through enhanced compliance, and also minimize illicit trade, the last one is the main objective that CASCADE has been pursuing for long . The onus to make contribution during this hour of extreme crisis is not only on citizens but on the government also. Sooner the government realises this better would be the results. This would also help in eliciting enthusiastic response of the people to the call made by the PM.

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