



2-3 December 2024, New Delhi

CONCEPT NOTE

Economic backdrop

The global economy, which was on a recovery path post the Covid-19 pandemic, is now faced with significant supply chain disruptions, heightened policy uncertainty and volatility in consumer prices driven by recent geopolitical headwinds. As per International Monetary Fund (IMF) estimates, the world economy is expected to post a stable but slow recovery and is projected to grow by 3.2% in 2024 and 3.3% in 2025.

India held its General Elections in the first half of 2024, which resulted in the incumbent Government under the leadership of Prime Minister Narendra Modi returning for the third consecutive term. This has reinforced India's stability and fosters continuity of the robust economic reform process as well as key policies for entrepreneurship, employment and the social sector.

Notwithstanding the global challenges, the Indian economy continues to flourish and expanded at a robust pace of 8.2% during 2023-24, cementing its position as the fastest growing major economy in the world. This expansion is further reinforced by the strong growth in services, manufacturing, and construction sectors in the first quarter of 2024-25, which helped maintain the pace of gross value added in the economy at 6.8%. Private final consumption expenditure increased to 56.3% of GDP, while gross fixed capital expenditure stood at 34.8%.

India's macroeconomic fundamentals remain robust as reflected in the high performance of several high-frequency macroeconomic indicators. The comprehensive measures announced in the Union Budget 2024-25 with a strong focus on driving inclusive economic growth while adhering to fiscal prudence is further expected to cement India's strong footing in the global stage.

On the external front, India's resilient services growth continues to contribute significantly to economic growth. India's overall merchandise and services trade in 2023-24 reached a new peak of USD 777 billion with major contribution coming from exports of electronic goods, drugs and pharmaceuticals, and engineering goods, among others. Investments from overseas too remain healthy.

In terms of external engagement, India signed a benchmark trade agreement with European Free Trade Association (EFTA) nations which includes the objective of bringing USD 100 billion investments in India. India continues to enhance regional engagement through strategic forums such as QUAD and has stepped up bilateral cooperation with countries in Europe, West Asia, and Africa.

Through trade, investment, and strategic collaboration between the Global North and the Global South, it is time for nations to come together to celebrate innovative ideas such as the World 2.0 and facilitate deeper partnerships among countries.

Given this backdrop, Confederation of Indian Industry (CII) is organizing the 29th CII Partnership Summit 2024 on 2-3 December in New Delhi. The CII Partnership Summit, held annually since 1995, has been regularly partnered by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India. The previous summit, held in March 2023, witnessed participation from 67 countries with over 2000 business delegates and more than 400 international delegates.

This year, the Partnership Summit will deliberate along the seven broad tracks of trade, future of industrialization, sustainability and climate action, technology and innovation, growth, geoeconomic framework, and inclusion. The summit will bring together global experts to deliberate on diverse topics and contribute to high level discussions. It offers an excellent platform for exchange of ideas and facilitates trade and business collaboration, while working towards the common goal of a prosperous and a collaborative future.

Focus Areas

1. Trade

Recent geopolitical developments have affected transaction costs for exporters, especially for sea-transported goods, leading to higher shipping costs and subdued growth in global trade of goods and services. There is a need for businesses to identify strategies to insulate themselves from such economic and geopolitical shocks by establishing resilient Global Value Chains (GVCs) and also facilitating a smooth transition to Trade 4.0.

This track highlights the direction of India's FTA strategy and ideas on whether trade will depend on a multilateral or a regional world order. The summit will also focus on trade finance strategies and the way forward for intangible and services trade.

2. Future of Industrialisation

While industry 4.0 is well established, the emergence of industry 5.0 - a new phase of industrialization where humans work alongside advanced technologies and smart machines, is well on its way, increasingly defining the future of industrialisation.

Industry 5.0 has an increasing focus on innovation and sustainable practises with key trends such as automation, robotics, virtualization, Artificial Intelligence (AI), and IoT, among others, reshaping how industries operate, while enhancing their business efficiency and precision. The current evolution will also require significant transformation of global labour markets, with a focus on upskilling and reskilling of workers to meet the demands of increasingly automated markets.

This track will focus on some of these key emerging themes and will also focus on how technology partnerships can benefit businesses and economies in this context.

3. Sustainability and Climate Action

The world is increasingly becoming open to the idea of carbon neutral strategies with the introduction of European Commission's Carbon Border Adjustment Mechanism (CBAM). World leaders will further reinforce commitments to sustainability in the upcoming COP29 Conference to gradually bridge the gap between vision and reality.

The role of industry remains pivotal for adopting innovative carbon-neutral technologies while also embracing the concept of circular economy with focus on sustainability and generating green jobs. This track will include sessions on the role of climate finance to fund climate change mitigation and adaptation strategies among the participating countries.

4. Technology and Innovation

The combination of various technological elements is crucial for the design and implementation of Digital Public Infrastructure (DPI), which can play a catalytic role in enabling digital transformation and improving public service delivery at scale. India's leadership in developing DPI has been recognized worldwide, positioning it as a model for adoption in countries seeking to enhance financial and digital inclusion.

Greater investments in R&D are critical for greater technological innovations which in turn can bolster productivity, support equitable growth, and provide a competitive edge to businesses.

5. Growth

While the global economic outlook remains positive in the near term, continued economic uncertainty poses challenges and requires cautious policy actions from global policymakers and experts. In the aftermath of the pandemic and other global events, rising inflation and high debt levels have become key constraints for global growth. The role of effective monetary policy decisions in managing economic fluctuations and achieving price stability has assumed greater relevance than ever before.

With nations navigating many challenges in the current global economic landscape, the need for coordinated policy action and stronger international cooperation cannot be overstated. A robust global financial architecture with effective fiscal and financial policies is an imperative for building resilience towards economic shocks.

Given this backdrop, this track will focus on strategies and role of international partnerships in promoting economic growth.

6. Geoeconomic Framework

After several decades of enhanced global economic integration, the world is faced with fresh risks of geoeconomic fragmentation with the recent escalation of geopolitical

tensions. Security concerns and pursuit of advanced technologies for securing greater competitiveness have created new economic divides between countries. With resurfacing of supply chain disruptions, vulnerabilities of supply chains have exacerbated, requiring businesses to reassess their strategies and look for ways to build greater supply chains resilience.

The sessions under this track would look at the rise of a new multipolar world with the rise of new growth centers and the structural changes in growth dynamics. Global partnerships and closer international cooperation will be critical imperatives.

7. Inclusion

Inclusivity encompasses various dimensions and is pivotal for ensuring all-round economic development and provision of equal opportunities to all. Economic evidence points towards greater economic benefits through closing the gender gap and promoting gender equality and diversity in the workplace, including in leadership roles. Greater investments in education and creation of meaningful employment and inclusive entrepreneurship are also essential prerequisites for achieving inclusivity.

This track would explore the critical responsibility of businesses and enterprises in creating inclusive and equitable growth processes.

Conclusion

With the world faced with myriad challenges, the role of international partnerships and global collaborations have assumed critical importance. Through diverse discussions on key topics the CII Partnership Summit 2024 would set the pace for intensifying India's global engagement. As a key player in the global stage, India will play a central role in driving these efforts. With industry as a key player in driving the growth mission, the collaborations formed at the summit will play a critical role in driving the global economic trajectory.
