

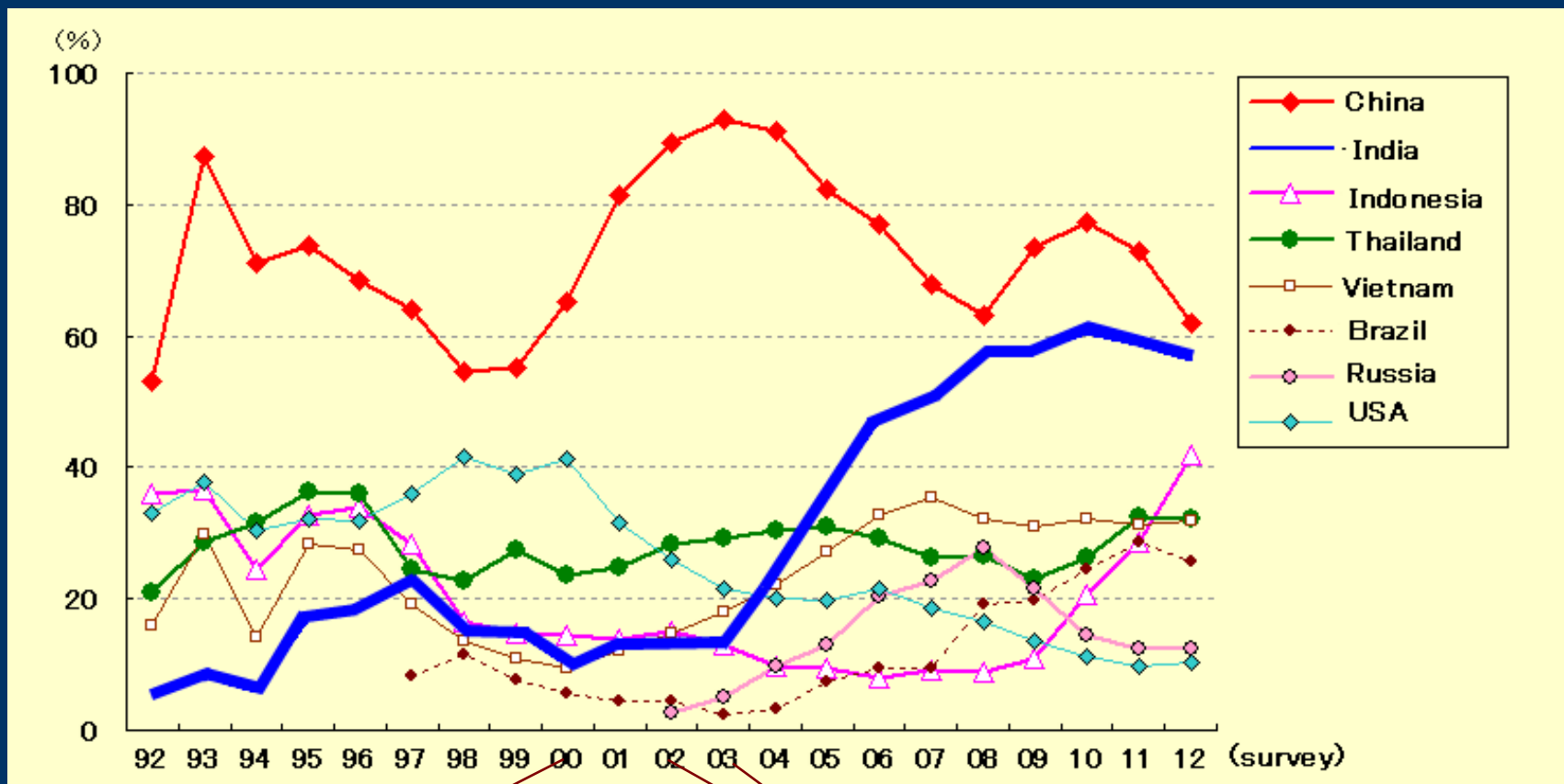
**International Conference**  
***The Changing Paradigm of India-Japan Relations***

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# 1. Growth of interest of Japanese companies in India

Promising Countries/Regions for Overseas Business over the Medium-term (next 3 yrs. or so): Percentage Shares



(Source: FY2012 JBIC's Survey Report on Overseas Business Operations by Japanese Manufacturing Companies)

## Japanese Business establishments in India

	2008	2009	2010	2011	2012
Japanese Business Establishments in India(※)	838	1,049	1,236	1,422	1,804
(Delhi/Haryana)	255	295	328	385	454
(Tamil Nadu)	143	169	240	286	344
(Karnataka)	104	123	155	182	228
Japanese companies registered in India	550	627	725	812	926

※Head office, Manufacturing unit and Branch

(Source: Embassy of Japan in India)

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## 2. Prevailing perception of difficulties in doing business in India

- Shortage of infrastructure
  - Difficulties in land acquisition and complexity of land ownership
  - Complicated regulation
  - Difficulties in appropriate fund raising
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# 3. Promotion of win-win relationship between India and Japan

① Recent change in Global Financial Flows

② How to overcome challenges

- Closer governmental cooperation
  - National Manufacturing Policy ( NMP)
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**Private Financial Flow**  
in Global markets

**Banks**

**Global Financial Markets**

Recapitalization  
Capital Injection  
**Tax**

Operate here  
first!!  
**Government**

Keep our jobs!!  
**Taxpayers**

Invest in  
Domestic market!!  
**Parliament**

**Financial Patriotism**  
**Financial Nationalism**  
(Financial Protectionism)

*Shrinking Private Flow in the markets*

Environment  
Resolution

Infra-structure  
Financing

Trade Financing

ODA is shrinking  
← **Fiscal Constraint** in Many Developed Economies

More **Private Flows** should be mobilized

**Financial  
Patriotism**

**Fear for  
Liquidity Shortage**

**Cautious Operation by Private Banks**

**Capital-ratio  
Requirement**

**Shortening  
Asset Maturity**

**3 Functions played by Public Institutions**  
  
countercyclical function  
analytical function  
rouble-shooting function

**Multilateral  
Institutions (MDBs)**

**Sustaining Capital Flows**

**Bilateral  
Institutions (ECAs)**

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## 4. JBIC's approach to India

- Key feature of JBIC's finance
  - JBIC's approach to infrastructure finance
    - Public-Private Partnership
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## New Development in PPP (Public-Private Partnership)

From “PPP” to “PPPPP”

[Pattern A]

- ① Public ( Hosting country’s Government-Central and/or Local )
  - ② Public ( Multilateral Institutions and Foreign Public Entities)
  - ③ Private ( Foreign Companies and Investors)
  - ④ Private ( Domestic Private Companies)
- Partnership

[Pattern B]

- ① People of the country
  - ② Public Entities
  - ③ Private Investors and Contractors
  - ④ Providers of Finance
- Partnership

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# 5. Conclusion

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