

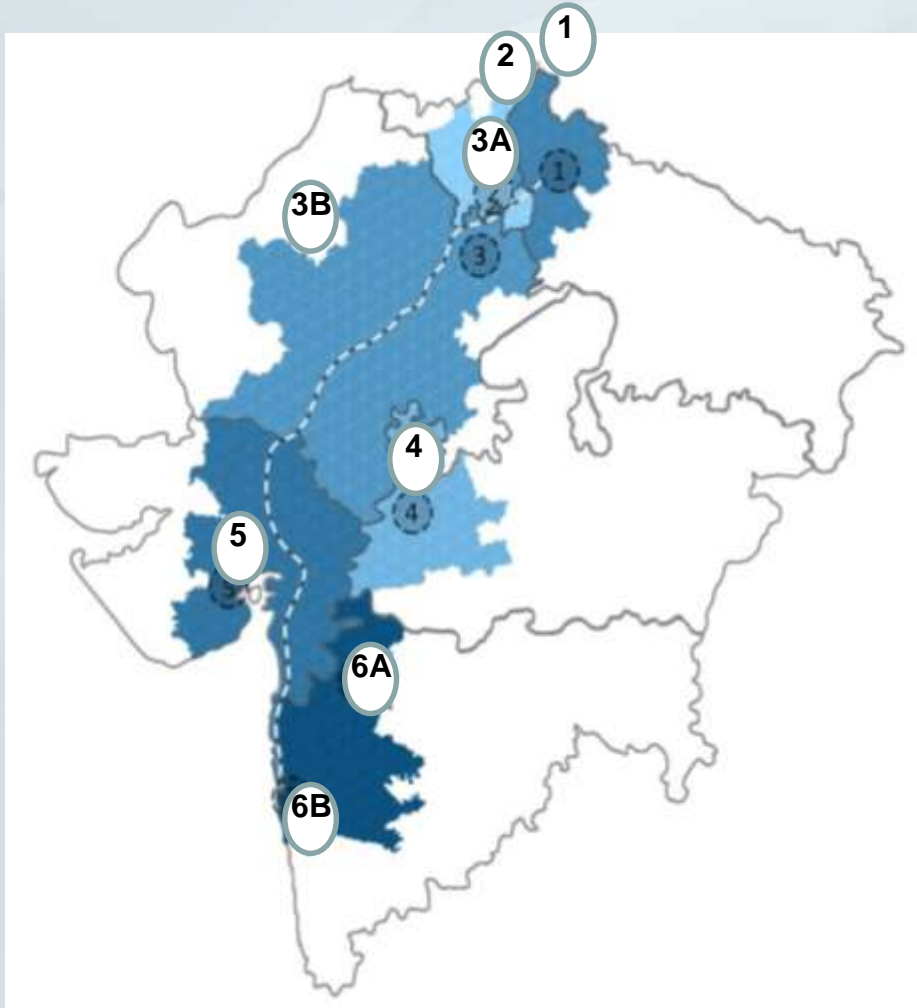
# **PRESENTATION ON INDIA JAPAN BILATERAL RELATION**

# India and Japan Strategic and Global Partnership - Background

- ❖ The investment partnership between India and Japan is an essential pillar for the future architecture of the entire region.
- ❖ Strategic and global partnership between the two countries was established in December 2006 during the visit of the PM to Japan.
- ❖ During Prime Minister Hatoyama's visit to India in December 2009 the India-Japan Project Development Fund (PDF) for Delhi-Mumbai Industrial Corridor (DMIC) was concluded.
- ❖ An MOU was signed for development of eco-friendly cities and 'smart communities' in the DMIC zone.

# Delhi Mumbai Industrial Corridor (DMIC)

Being developed as a global manufacturing and investment destination utilizing high capacity 1483 km long western Dedicated Railway Freight Corridor.



1 **UP:**

Dadri – Noida - Ghaziabad Investment Region

2 **Haryana:**

Manesar – Bawal Investment Region

3 **Rajasthan:**

(3A) Khushkhhera – Bhiwadi- Neemrana Investment Region,  
(3B) Jodhpur Pali Marwar Industrial Area

4 **Madhya Pradesh:**

Pithampur- Dhar - Mhow Investment Region

5 **Gujarat:**

Ahmedabad – Dholera Special Investment Region

6 **Maharashtra:**

(6A) Shendra - Bidkin Industrial Park &  
(6B) Dighi Port Industrial Area

# Delhi Mumbai Industrial Corridor (DMIC)

- ❖ Funding support of US\$ 4.5 billion in the first phase.
- ❖ The Japan Bank of International Cooperation (JBIC) has 26% share in the equity structure of DMICDC.

Five proposed smart industrial cities are moving towards implementation:

- ❖ Ahmedabad-Dholera Investment Region in Gujarat,
- ❖ Shendra-Bidkin Industrial Park city near Aurangabad in Maharashtra,
- ❖ Integrated Industrial Township in Greater Noida, U.P.
- ❖ Integrated Industrial Township: “Vikram Udyogpuri” near Ujjain M.P.
- ❖ Global City in Gurgaon in Haryana.

# Trends of FDI from Japan to India

## FDI from Japan

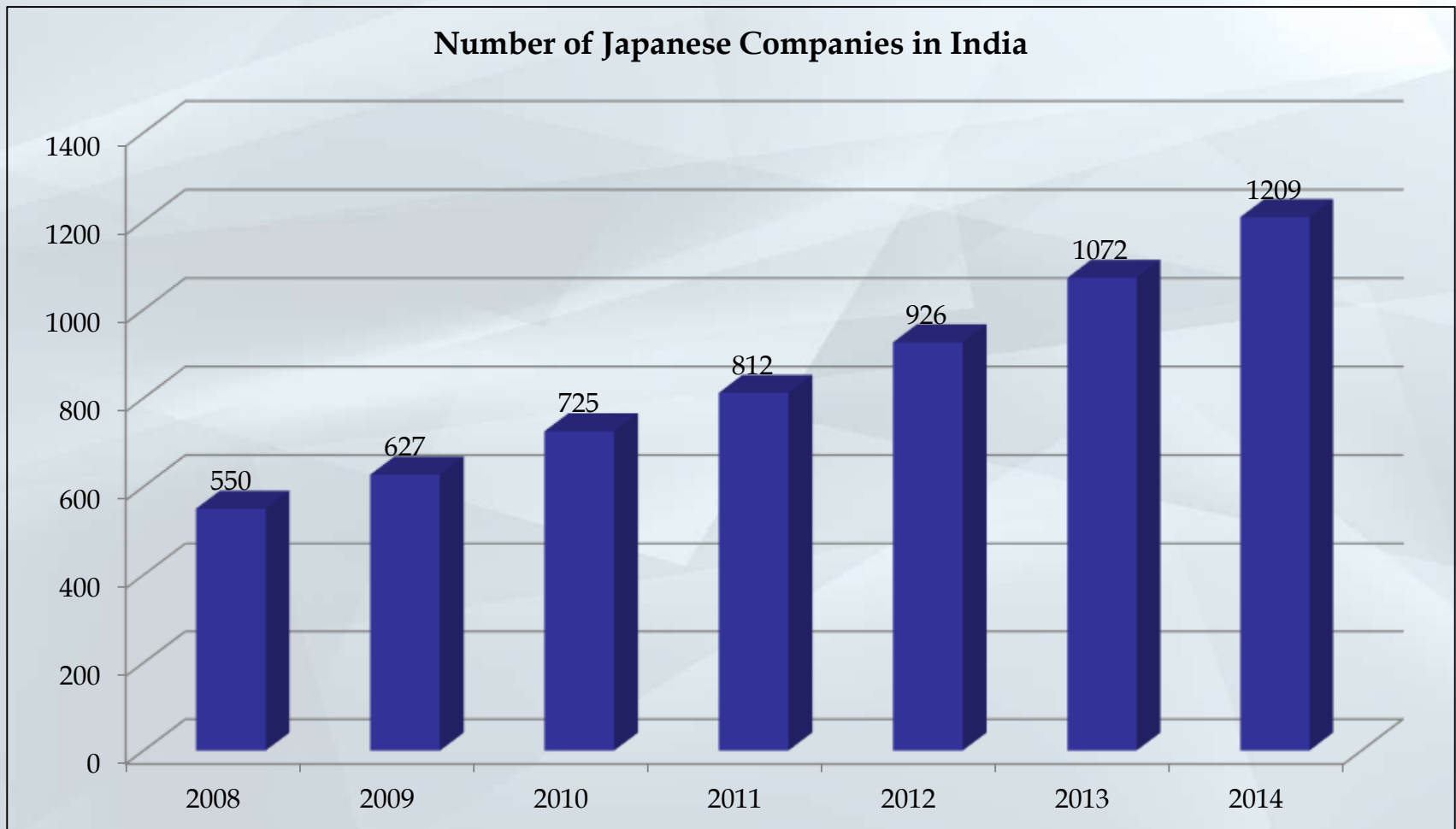
Year	Values in USD Million
2008-09	405
2009-10	1183
2010-11	1562
2011-12	2971
2012-13	2237
2013-14	1718
2014-15	2084

Source: Department of Industrial Policy & Promotion

- ❖ **Cumulative FDI equity inflows** from Japan during the period from April 2000 to July 2015 is US\$ 18.96 billion.
- ❖ Of India's total cumulative FDI inflow from all countries during April 2000 to June 2015, Japan ranks 4<sup>th</sup> with a share of 7.29%.
- ❖ FDI from Japan registered a growth of 21.34 % in 2014-15 as compared to 2013-14.
- ❖ Over the last seven years (2008-09 to 2014-15), FDI from Japan was highest at US\$ 2971 million in 2011, out of this, USD 1060 million or 36% came from the merger between JFE Steel Corporation and JSW India Ltd.
- ❖ **During the first 4 months (April-July) of 2015-16, FDI inflows from Japan was US\$ 609 mn.**
- ❖ Top Sectors that attracted maximum FDI:
  - ❖ Drug & Pharmaceuticals (24%)
  - ❖ Automobile (18%)
  - ❖ Service (14%)
  - ❖ Metallurgical Industries (8%)
  - ❖ Electrical Industries (6%)

# Japanese companies in India

Number of Japanese companies in India has doubled in last 5 years.



# Possible Areas of Cooperation

- Capital- ODA/FDI
- Technical expertise and Transfer of Technology
- Skill development in India
- Make in India
- Accept Indian engineers and talent pool for Japanese Companies

# Possible Areas of Cooperation

- Promotion of Industrial Parks with good infrastructure and plug & play facilities.
- Good living conditions with Japanese ambience
- Tax concessions
- Infrastructure debottlenecking
- Cheap and Skilled Labour
- Ease of Doing Business



# Institutional Mechanisms

- ❖ **India - Japan CEPA** was signed on 16<sup>th</sup> February 2011.
- ❖ **India- Japan Business Leader's Forum (IJBLF)** announced in December 2006, 5 meetings held, last during the visit of PM to Japan in Sept'2014.
- ❖ **India Japan Ministerial Dialogue (IJMD)** During the visit of Mr. Miyazawa, Minister of Economy, Trade and Industry (METI) of Japan with business delegation from Japan, the India-Japan Ministerial Dialogue (IJMD) was held in New Delhi on 30<sup>th</sup> April 2015. The Indian delegation was led by Minister of Commerce and Industry (CIM).

# Institutional Mechanisms contd...

## ❖ **Japan Chamber of Commerce & Industry in India (JCCII)**

The Japan Chamber of Commerce and Industry in India (JCCII) have been submitting Suggestions for Government of India since 2009 to DIPP. These suggestions are in the nature of requests to resolve the issues that Japanese companies are facing, such as taxation, visa issues, infrastructure, land acquisition, logistics, finance, etc.

# Initiatives taken by Government of India to attract FDI from Japan

- ❖ During the **Prime Minister's visit to Japan** in September 2014, Japan expressed its intention to invest 3.5 trillion yen of public and private investment and financing, including Overseas Development Assistance (ODA), in India in next five years.
- ❖ To realize the above objective, a **Core Group** has been constituted under the Chairmanship of Cabinet Secretary with 17 other Secretaries of Ministries/Departments of Government of India as Members for inter-ministerial coordination and effective monitoring.
- ❖ *(Railway Board, Ministry of External Affairs, Department of Economic Affairs, Department of Expenditure, Department of Financial Services, Department of Revenue, Ministry of Medium, Small & Micro Industries, Department of Commerce, Ministry of Urban Affairs, Ministry of Textiles, Department of Defence Production, Department of Electronics & Information Technology, Ministry of Food Processing, Department of Heavy Industries, Department of science and technology, Department of Industry Policy and Promotion and National Manufacturing Competitive Council)*

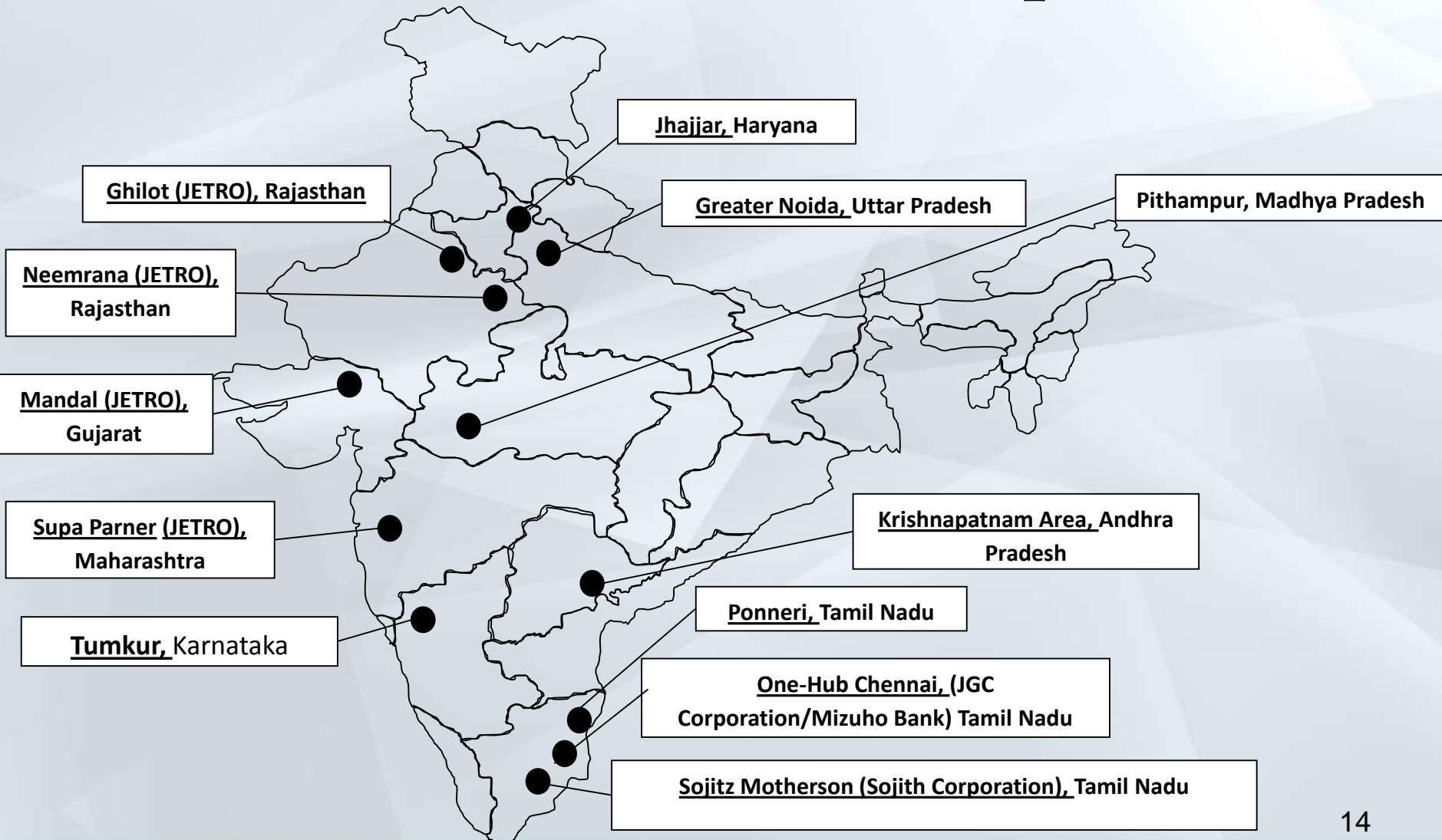
# Initiatives taken by Government of India to attract FDI from Japan contd...

- ❖ DIPP has set up a special management team viz. “Japan Plus” to facilitate and fast track investment proposals from Japan.
- ❖ Japan Plus is working closely with the different Ministry/Agencies under Government of India in initiating, attracting, facilitating, and handholding Japanese investments across sectors.
- ❖ In the past ten months, Japan Plus has guided more than 100 Japanese companies on matters related to various aspects of businesses.
- ❖ A number of Japanese investors have indicated their interest in investment in India and have already committed their future investment plans to the tune of Rs. 75000 crores (approx. US\$12 billion) in next 2-3 years.

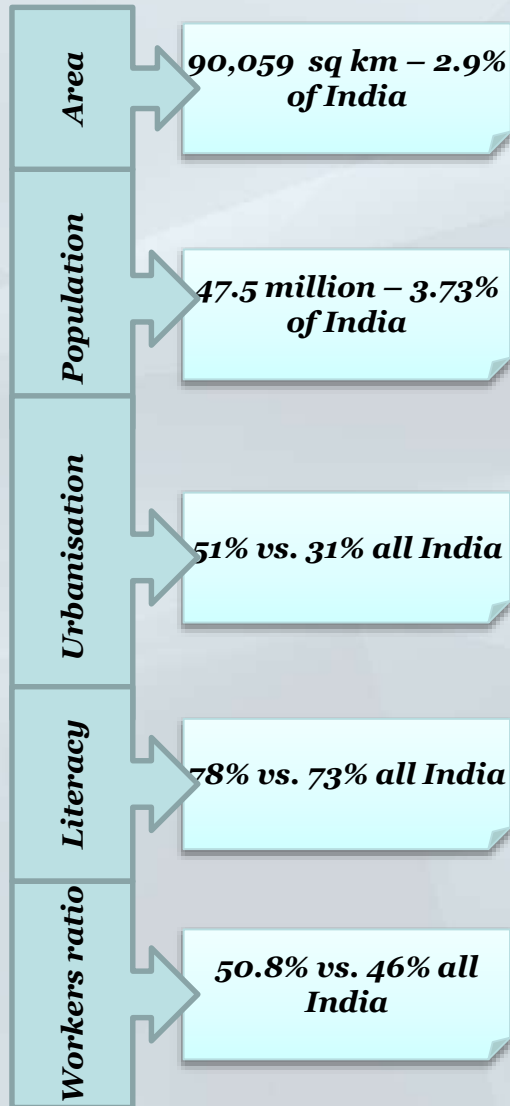
# Japanese Industrial Townships

- ❖ In order to realize the objective of attracting FDI from Japan, H.E. Mr. Yoichi Miyazawa, Minister of Economy, Trade and Industry, Government of Japan met Hon'ble CIM Nirmala Sitharaman on 30.4.2015.
- ❖ The two Ministers decided to take steps to develop “Japanese Industrial Townships” in India especially in Delhi Mumbai Industrial Corridor (DMIC) and Chennai Bengaluru Industrial Corridor (CBIC) regions.

# 12 Potential Sites for developing Japan Industrial Townships



# Chennai - Bengaluru Industrial Corridor (CBIC)



**Higher propensity of Japanese companies to locate along the corridor:**

- 1,229 Japanese entities are located in Tamil Nadu(577), Karnataka(395) and Andhra Pradesh(257). ( in 2014)
- CBIC region currently accounts for 6 % of National GDP<sup>15</sup>

- Being developed between Chennai-Bengaluru-Chitradurga (around 560 km) with Influence Area spread across Karnataka, AP & TN in partnership with Japan International Cooperation Agency (JICA).
- Master Planning for 3 new Industrial Nodes [Ponneri (TN), Krishnapatnam (AP), Tumkur (Karnataka)] completed.



An estimated 11 billion USD investment is currently in pipeline from Japan, being tracked by Japan Plus.

**Thank you**  
**Arigatou**