



Commerce Minister emphasises the potential for synergies between India and Japan

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The Indian delegation led by the Commerce and Industry Minister of State Smt. Nirmala Sitharaman, participated in day-long India conference in Nagoya city, in Aichi Prefecture of Japan.

Governor of Aichi Prefecture, Hideaki Ohmura thanked the Ministry of Commerce and Industry for establishing the Aichi Desk in 2016 within the Department of Industrial Policy and Promotion (DIPP). Governor Hideaki acknowledged that the India Conference will further encourage the companies in Aichi Prefecture to invest in India.

Smt. Sitharaman commended the contribution of Aichi Prefecture towards manufacturing value addition despite high savings rate among the Prefectures in Japan. It was discussed that India could learn from Aichi Prefecture as to how manufacturing can grow along with savings. The Minister acknowledged the increase in FDI from Japan in recent years. Although Japan is the 3rd largest foreign investor in India (USD 25.2 Billion in cumulative FDI during the April 2000 – December 2016), behind Mauritius and Singapore (ranked 1 and 2) , it can be considered a top investor as the other two countries are used by companies from across the world to route investments.

Smt. Sitharaman urged the Governor to consider diversification of investment in other sectors such as Food Processing, Textiles, Medical Equipment, Electronics, Information Technology, etc. Both sides agreed for deeper engagement in future.

The Minister invited Governor Hideaki to lead a delegation of Japanese companies to MSME clusters in India to explore partnership and investment opportunities. It was discussed that the delegation could visit before the expected visit of Japanese Prime Minister in second half of 2017. Governor Hideaki mentioned that Aichi Prefecture companies have an appetite to grow their business overseas and hoped the partnership would bring prosperity to both sides.

The Minister reiterated the potential for huge synergies between India and Aichi Prefecture. She highlighted key reforms undertaken to ease the business operations in India including passage of Goods and Services Tax (GST) bill, advancement of the Budget session, introduction of a new Insolvency and Bankruptcy code, reduction in corporate tax and commitment to level it with international benchmarks, etc.

Smt. Sitharaman also emphasized the importance of flagship initiatives including Digital India, Start-Up India, and JAM (Jan Dhan, Aadhar, and Mobile) trinity in driving the future growth. She said India wants to increase the contribution of manufacturing sector to GDP to 25% and Japan is a natural partner in our goals. Ambassador of India to Japan Sh Sujan Chinoy termed Commerce and Industry Minister's visit as a rare opportunity to review economic relations between the two countries.

A presentation on 'Make in India' was made by Secretary DIPP, Mr. Ramesh Abhishek. The Secretary highlighted the unparalleled opportunities and advantages that investors could leverage by Making in India. The Secretary stressed on the recent reforms undertaken on Ease of Doing Business, the investments being made and planned for skilling under the Skill India program, and strengthening of Intellectual Property Regime.

The Indian economy is more open than ever with 100% FDI allowed in most sectors and the impact was shown in the comparison of FDI data from before and after the launch of 'Make in India' initiative. Total FDI increased by 56% from USD 83.7 Billion during July 2012-September 2014 period to USD 130.4 Billion during October 2014-January 2017 period; during the same period equity FDI increased by 69% from USD 57 Billion to USD 96.1 Billion. Secretary further highlighted the huge investments India is making in Infrastructure development .

Several meetings with leading Japanese companies were held to explore areas of mutual cooperation. The Minister also held interaction with the Japanese and Indian media.

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