

***India story for Japanese cos. has just begun, their future lies in India: Amitabh Kant***  
**16 Indian States score over 80% in World Bank-DIPP ranking of States**  
**based on 340 parameters on 'Ease of Doing Business': DIPP Secretary**  
***'FICCI-India Plus' office in Japan to be launched soon***

**NEW DELHI, 24 October 2016:** The 'Make of India' programme of the government has spurred strong competition among Indian states in improving the ease of doing business in order to attract investments and drive the economies of their regions.

This was stated here today by **Mr. Ramesh Abhishek, Secretary, Department of Industrial Policy and Promotion (DIPP), Government of India**, while addressing the **41<sup>st</sup> Joint Meeting of India-Japan Business Cooperation Committee (IJBCC)**.

Mr Abhishek said that as many as 16 states of India had scored over 80% in the World Bank-DIPP ranking of States based on 340 parameters on 'Ease of Doing Business'.

"We are trying to address specific policy issues that would hasten the pace of reforms and remain determined on taking up issues in areas such as infrastructure and taxation to improve the manufacturing competitiveness in States", he emphasized.

The DIPP Secretary said that the landmark goods & services Tax (GST) which will be operational from April 2017 would create a level-playing field for manufacturers in States. Currently, manufacturers have to bear the burden of a large number of state taxes which raises the cost of manufacturing; come April, this will be a thing of the past. GST, he added, would speed up the movement of goods; there will be greater predictability in assured transportation that will bring down the cost of holding inventories.

FICCI, on its part has decided to open a 'FICCI India Plus' office in Japan, which will be launched soon. The office is expected to be of great help to Japanese companies interested in doing business in India and vice versa.

**Mr. Amitabh Kant, CEO, NITI Aayog**, urged Japanese companies to rapidly move into the Indian market as the process of infrastructure creation and reforms will throw up ample opportunities for investment. Japanese companies, he said, must learn from Maruti's India story which has brought in a culture of manufacturing excellence to India.

He said that in the governance structure in India today there is consistency, clarity and predictability of policy. Evidence of this can be found in the structured changes that have been brought about on business process engineering and the enactment of the bankruptcy law. The India story for Japanese companies has just begun, Mr. Kant said adding that while Japanese companies are over-exposed in China, their future lies in India.

A Joint Statement issued at the end of the meeting noted that the two sides discussed potential areas of cooperation between India and Japan, such as pharmaceuticals and Information Technology. IJBCC highlighted the issues on market access in these areas, such as the below par share of Indian companies in the Japanese drug market and the low share of India's IT services in the Japanese IT market. The Indian side also sought improvement on the certificate of eligibility for Indian persons intending to obtain business visa for Japan.

To increase two-way investment, it was considered imperative for both India and Japan to proactively address the Regional Comprehensive Economic Partnership (RECP) negotiations.

**Mr. Onkar S. Kanwar, Chairman, IJBCC and Chairman, Apollo Tyres Ltd.,** said that agreements for introducing Japanese Shinkansen technology for the Mumbai-Ahmedabad High Speed Rail (MAHSR) Project had been signed. The Shinkansen, known for its speed, reliability and safety, is seen in India as a vehicle to embark on a high-growth trajectory through better connectivity, on the lines of Japan's own transformational half a century ago.

He said that there is also a lot of scope in expanding our trade in services. In Information Technology, India has already emerged as a global hub and has a vast reservoir of intellectual capital. There is a lot of potential for bilateral cooperation in this sphere. The implementation Social Security Agreement between India and Japan from October 1, 2016 will favorably impact the profitability and competitive position of Indian and Japanese companies with foreign operations in either countries by reducing their cost of doing business abroad.

On the occasion, the DIPP Secretary and other dignitaries released a ***Report on India-Japan: A Snapshot of Economic and Investment Relations*** by Shardul Amarchand Mangaldas & Co.

**Mr. Masami Iijima, Chairman, Japan-India Business Cooperation Committee (JIBCC) and CEO & President, Mitsui & Co. Ltd.,** in his remarks, pointed out that that Japan and India have called for a special strategic global Partnership and noted that as of October 2015, 1229 Japanese companies have come to India. He said there was an overall improvement in the business environment in India and the passage of the GST Bill in Parliament holds out great hope for making the business environment more friendly.

**Mr. Kenji Hiramatsu, Ambassador of Japan to India,** said that it was important for Indian companies to establish site offices in Japan and Japanese companies must be convinced of India's efforts at de-regulation of Indian business. He expressed the hope that the Indian Government would continue to strive for improving the business environment and told Japanese companies that this was the most opportune time for them to capture the visible potential that is emerging in India.

**Mr. Kenichi Ayukawa, MD & CEO, Maruti Suzuki Ltd.,** noted that global investors were now focusing their sights on India. His company tries to find common ground to problems faced in this country by endeavoring to understand one another. The landmark taxation reform by way

of introduction of the GST next year was the new buzzword which was being keenly watched by businesses around the world.

**Mr. Rohit Relan, Co-Chairman, IJBCC and Managing Director, Bharat Seats Limited,** said that there were huge opportunities for Japanese companies in India in manufacturing areas such as pharmaceuticals, defence, textiles, chemicals and auto components and “I hope Japanese businesses will take a closer look at these avenues for enhancing their activities and presence in India. I believe the way forward is to break new grounds of cooperation by exploring complementarities in our economic strengths and plan investments accordingly,” he said.

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