FICCI

Shardul Amarchand Mangaldas

Why India as an Investment Destination for Japanese SMEs & Large Corporates



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Message from H.E. Mr. Sibi George, Ambassador of India to Japan for Knowledge Report on 'Why India as an Investment Destination for Japanese SMEs & Large Corporates'

I am happy to note that FICCI is publishing a Knowledge Report on 'Why India as an Investment Destination for Japanese SMEs and Large Corporates' on the 70th anniversary of establishment of diplomatic relations between India and Japan.

India and Japan share a Special Strategic and Global Partnership covering cooperation in a wide range of areas including political, defense and security, economic, science and technology, education, cultural and people to people exchange.

Economic cooperation forms a major pillar of India-Japan ties. Japan has played an important role in India's economic and infrastructural development and Japanese companies have made significant investments in India, shaping key sectors such as automobile, research and development, and electronics industries.

As we stand today, there is immense potential for Japan to unlock investment opportunities in India's Small and Medium Enterprises (SMEs) across sectors ranging from manufacturing and electronics to food and renewable energy. With Japan looking to expand its investment avenues in India, it is crucial for Japanese SMEs and start-ups to explore the investment options offered by India. The report provides an overview of the various sectors that offer significant investment potential for Japanese entities and highlights the competitive advantage offered by India coupled with favourable government policies in India.

I hope that the report will serve as a valuable reference material for Japanese companies, particularly SMEs, looking to expand their investment horizons in India and for Indian SMEs looking to tap into Japanese expertise and resources.

(Sibi George)

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Foreword



Mr Onkar Kanwar
Chair, India-Japan Business Cooperation Committee & Chairman, Apollo Tyres Ltd

Japan is the important trade partner and the 5th largest investor in India and has been a strong contributor in the economic growth of various Indian States. Japan is one of the most important development partners for India and has also been a great friend of India. Japan has been a strong contributor towards India's economic development across a wide spectrum of agenda including some of India's flagship initiatives such as Make in India, Digital India, Smart cities and Skill India etc.

The last few years have seen an impressive expansion and deepening of India's 'Special Strategic and Global Partnership' with Japan. Shared values of democracy, respect for the rule of law combined with convergence of political, economic and strategic interests have made this partnership even stronger.

Japan and India share the vision of "Free and Open Indo-Pacific" and have deepened their cooperation under Special Strategic and Global Partnership. High-level meetings under QUAD initiative and the Foreign and Defense Ministerial Meetings ("2+2") have been held.

In the recent years special emphasis have been laid down for cooperation within Digital infrastructure, climate change countermeasures, Supply Chain Resilience Initiative (SCRI) for promoting social innovation towards building a decarbonized society and promoting carbon neutrality by 2070.

This knowledge report will unleash some of the highlights of the investment potential in SMEs in India in various sunshine sectors, including manufacturing, electronics, food, railways, renewable energy, digital partnership, etc. The report also throw light on the recent policy reforms introduced by the Government of India towards attracting greater investments in India. I am sure that the information in this report will be useful for the Japanese investors looking at making investments in India, both Greenfield as well as expansion of existing businesses.

I once again congratulate FICCI and Shardul Amarchand Mangaldas & Co. for this report and wish you happy reading!

Onkar S Kanwar

Onkar S. Kanwar
Past President, FICCI & Chair, India-Japan Business Cooperation Committee (IJBCC)
Chairman, Apollo Tyres

Foreword



Shardul S. Shroff
Executive Chairman and
National Practice Head - Insolvency and Bankruptcy

This report is prepared for the 46th Joint Meeting of India-Japan Business Cooperation Committee scheduled on February 9, 2023, at New Delhi, hosted by Federation of Indian Chambers of Commerce & Industry (FICCI) in partnership with Japan Chamber of Commerce and Industry on the theme '*India-Japan Business Cooperation for Sustainable Society for Future Generation*'.

India and Japan have a long history of cultural, diplomatic and economic ties. The bilateral contours of the economic relations have witnessed remarkable growth transforming the Indo-Japan partnership into a 'Special Strategic and Global Partnership'. The signing of the historic India-Japan Comprehensive Economic Partnership Agreement in 2011 has further elevated the bilateral, commercial equation between the two countries. Commemoration of 70th anniversary of diplomatic relations and economic cooperation between Japan and India in 2022 marks the plethora of endeavours between the two economies towards deepening their bilateral linkages, synergizing sectoral engagements through ease of doing business for Japanese companies in India, and capitalising on shared commercial objectives towards a sustainable business environment.

India is emerging as one of the fastest-growing economies in the world and a lucrative investment destination with enormous market potential, rich human resources and reliable supply chains. Japan is the fifth largest investor in India, with a cumulative foreign direct investment (FDI) inflow of approx. USD 38.13 billion from April 2000 to September 2022.

India has received investments from Japan in various crucial sectors, such as, automobile, pharmaceuticals, construction development and services sectors. In the recent past, Japanese companies have been looking to invest in emerging sectors in India, such as, renewable energy, digital technology and healthcare. Further, Japan is planning to expand its investment portfolio in India in relation to Small and Medium Enterprises (SMEs) and startups.

The sectoral opportunities for Japanese investment in India are marked by crucial policy reforms by the GoI such as: (a) Production Linked Incentive schemes covering key sectors, such as, electronics, food processing, pharmaceuticals, telecom, automobiles (including electric vehicles); (b) National Single Window (NSWS) – a digital single-window portal for filing for business approvals across various sectors and under different departments and ministries of the Central and State government; and (c) PM Gati Shakti – a digital platform for multi-modal, integrated infrastructure connectivity.

While economic relations between India and Japan have strengthened in the recent years, the two strategic partners need to capitalise on their foundational partnership and approach towards a more sustainable economic integration. In this backdrop, Japanese entities should consider diversifying and expanding their investment by tapping the dynamic and emerging investment areas, such as, manufacturing, renewable energy, FinTech, construction development and digital technology, as a step further towards gaining economic prosperity and enhancing the trade, investment and relationship between the two economies. Japanese investors may also consider directing their investment portfolios in SMEs and startups in light of the favourable regulatory framework.

This report is an attempt to underscore the emerging investment potential, sectoral opportunities and favourable regulatory regime in India for sustainable growth for both India and Japan.

Yours sincerely,



Shardul S. Shroff
Executive Chairman,
Shardul Amarchand Mangaldas & Co.

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Snapshot of 70 years of Diplomatic and Economic Relations

Introduction

India and Japan have a long-standing friendship which finds its roots through cultural and civilizational ties. In 1903, the Japan-India Association was set up to promote mutual understanding and friendship between Japan and India. This association is the oldest international friendship body in Japan. On the diplomatic front, post-World War II, India concluded a separate peace treaty with Japan called the 'Treaty of Peace' in 1952. Today, both the nations have continued this legacy of an association which has been based on shared values on both cultural and diplomatic fronts. Till date, this association continues to be strengthened in the form of various partnerships and bilateral agreements. The political relations grew with various Prime Ministerial and Presidential visits between India and Japan beginning from 1957.

On the economic front, Japan has been aiding India since 1958 in the form of bilateral loans and grants. Japan has been India's largest ODA donor and has accelerated and facilitated the economic and infrastructural development in India, with priority in areas, such as, transportation, power and environmental projects.

Corporations such as SMC have entrusted faith upon the India economy and made path breaking investments in India since early 1980s. Over the years, other major Japanese companies, such as, Hitachi (since 1930s), Mitsui (since 1950s), Panasonic (since 1972), Honda (since 1995), Sony (since 1995) and Mitsubishi Group (since 1998) have also invested in India. Such marquee investments have shaped the Indian economy into what it is today, and has revolutionized major sectors including the automobile sector, research and development as well as electronics sector. India has harboured a substantial number of Japanese companies which have set up numerous



business establishments in India. As of June 2022, there were 1,439 Japanese companies registered in India. These Japanese companies had 4,790 business establishments in India (which include liaison offices, branch offices and local subsidiary companies). To facilitate such companies, India has special dedicated townships or JITs. As of December 2021, there were 11 JITs which house major manufacturing Japanese entities such as Daikin, Isuzu, Kobelco, Yamaha Music, Hitachi Automotive etc. Further, there were approximately 114 Japanese companies across the 11 JITs in India.

From a Global Partnership between India and Japan in the early 2000s, our relationship has elevated into a 'Global and Strategic Partnership' and subsequently further elevated into a 'Special Strategic and Global Partnership', with a transformation of diplomatic relations into diplomatic and strategic partnerships which have acted as a catalyst in boosting both Indian and Japanese economies.



Dr. Ravindra Sannareddy
Founder Managing Director
Sri City

"India-Japan relations have grown to become complementary and formidable. Japan is the only country with dedicated Industrial Townships offering an array of facilities. Sri City with 27 Japanese companies is the 2nd largest such township (JIT) in India. The advent of the Aatmanirbhar Bharat and Make in India missions, coupled with the PLI schemes, has bolstered investments into India and further strengthened our economic ties.

I commend FICCI and Shardul Amarchand Mangaldas & Co for their deep insights and research that has been translated into this report. Reports such as these add value to the industry and further Indo - Japanese bilateral linkages."

Key diplomatic and economic developments between India and Japan

Key diplomatic and strategic relations and developments	Year	Key economic relations and developments
Treaty of Peace signed between India and Japan After the World War II, Japan and India established diplomatic relations and signed the Treaty of Peace on April 28, 1952.	1952	
	1958	**Japan's first ever ODA to India** Japan has been the largest ODA donor to India. It supports India for accelerated economic development in areas like power, transportation, environmental projects, and other projects pertaining to basic human needs. Some of the recent ODAs relate to the Mumbai- Ahmedabad High Speed Rail project, the Western Dedicated Freight Corridor, the Delhi-Mumbai Industrial Corridor and the Chennai-Bengaluru Industrial Corridor.
Japan's Imperial Highness the Crown Prince Akihito and Princess Michiko visited India for the first time They were hosted by the first leaders of Independent India – President Rajendra Prasad, Vice President S. Radhakrishnan and PM Jawaharlal Nehru.	1960	
	1982	**Investment by SMC** It is one of the notable developments in the history of India, that SMC invested in India, which revolutionized the automobile sector. The year 2022 marked the commemoration of 40 years of SMC in India.
Launch of India-Japan Global Partnership Japan's PM Mori, during his visit to India, launched the India-Japan Global Partnership with Indian PM Vajpayee, with an objective to build a multifaceted cooperative relationship with India in a wide range of fields.	2000	
	2002	**Delhi Metro commenced operations** The Delhi Metro project which was supported by Japan's ODA commenced its operations in December 2002. As of August 2021, cumulatively, Japan has contributed over JPY 1.3 trillion in ODA loans to establish metro rail systems in Delhi, Bengaluru, Kolkata, Chennai, Mumbai and Ahmedabad. As on March 31, 2022, JICA signed loan agreements to provide Japanese ODA loans of up to JPY 312.258 billion for seven infrastructure projects, which includes the Chennai Metro Project for which a loan of approximately JPY 73 billion will be provided.

Key diplomatic and strategic relations and developments	Year	Key economic relations and developments
Global Partnership upgraded to Global and Strategic Partnership and provision of Annual Prime Ministerial Summits A joint statement was issued by PM Manmohan Singh and PM Shinzo Abe that the relationship was upgraded from Global Partnership to a Global and Strategic Partnership.	2006	
PM Shinzo Abe visited India and delivered a speech "Confluence of the Two Seas" PM Shinzo Abe mentioned that Japan and India are looking to form a "Strategic Global Partnership" in which Japan and India will expand their relations. His speech focused on the fact that Japan and India coming together will create a "broader Asia" which will evolve into an immense network spanning the entirety of the Pacific Ocean. It will be an open and transparent network. PM Shinzo Abe touched upon the ODA from Japan to India and a recurring theme of the ODA being "forest" and "water" such as the ODA to Tripura, Gujarat and Tamil Nadu on operating in a way that people can make a living without cutting down trees and promoting projects that create means to overcome poverty.	2007	
	2011	**Comprehensive Economic Partnership Agreement** A CEPA was concluded between Japan and India. The CEPA is one of the most comprehensive agreements between India and Japan. It covers aspects such as trade in goods, services, movement of natural persons, investments, intellectual property rights, custom procedures, and other trade related aspects. The CEPA envisaged abolition of tariffs on 94% of goods traded between India and Japan.
Japan's Emperor and Empress paid an official visit to India This visit was a testimony to the close and friendly relations that exist between India and Japan. The Royal couple was in India at the invitation of President Pranab Mukherjee. A joint statement by PM Manmohan Singh and PM Shinzo Abe made a specific reference to this visit. The Royal couple met with Indian and Japanese communities in Delhi. They visited Chennai as well.	2013	
Summit meeting between PM Shinzo Abe and PM Modi The PMs concurred to upgrade the bilateral relationship to "Special Strategic and Global Partnership".	2014	

Key diplomatic and strategic relations and developments	Year	Key economic relations and developments
Global and Strategic Partnership upgraded to Special Strategic and Global Partnership In December 2015, PM Shinzo Abe paid an official visit to India and attended a summit meeting with PM Modi. The two PMs resolved to transform the Japan-India Special Strategic and Global Partnership into a deep, broad-based and action-oriented partnership that reflects a broad convergence of their long-term political, economic and strategic goals. Together, they announced the "Japan and India Vision 2025 Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific and the World".	2015	
India Japan Agreement for Cooperation in the Peaceful Uses of Nuclear Energy This agreement was signed in November 2016, and it came into effect in July 2017. This agreement is a strategic partnership between India and Japan. It is aimed to enhance cooperation in energy security and clean energy. This agreement is aimed to promote full cooperation between India and Japan in the development and use of nuclear energy for the peaceful purposes on a stable, reliable and predictable basis.	2016	
India-Japan Act East Forum India and Japan established the AEF in 2017 for (i) the development of the North-East region of India and (ii) to promote connectivity within this region and between this region and Southeast Asia. AEF aims to provide a platform for India-Japan collaboration under India's Act Eat Policy and Japan's Vision of a Free and Open Indo-Pacific.	2017	
India Japan Digital Partnership In 2018, the IJDP was launched during PM Modi's visit to Japan. Both GoI and Government of Japan facilitate various projects for digital transformation, support to provide opportunities for Indian IT professionals to work in Japan and Japanese companies, and collaboration made in the area of IoT, artificial intelligence and other emerging technologies.	2018	
Acquisition and Cross Servicing Agreement On September 9, 2020, an agreement between the Government of Japan and the GoI concerning reciprocal provision of supplies and services between the Self-Defense Forces of Japan and the Indian Armed Forces was signed. It was aimed at smooth and prompt provision of supplies and services between both the forces and to enable them to actively contribute to international peace and security.	2020	**Partnership Agreement with Japan External Trade Organisation** In January 2020, MeitY Startup Hub & JETRO signed a partnership agreement to strengthen the Indian & Japanese tech startup ecosystem.

Key diplomatic and strategic relations and developments	Year	Key economic relations and developments
Basic Framework for Partnership for Specified Skilled Workers GoI and the Government of Japan signed an MoC in January 2021 for a Basic Framework for Partnership for Proper Operation of the System Pertaining to Specified Skilled Workers. It was aimed to foster mobility of workers and skilled professionals from India to Japan. **Supply Chain Resilience Initiative in Indo-Pacific Region** In April 2021, the Trade and Industry Ministries of India, Japan and Australia formally launched the Supply Chain Resilience Initiative to enhance the resilience of supply chains in the Indo-Pacific Region and to develop dependable sources of supply and to attract investment.	2021	**India Japan Industrial Competitiveness Partnership** An MoC was signed between Department for Promotion of Industry and Internal Trade, India and the Ministry of Economy, Trade and Industry, Japan for enhancing India's industrial competitiveness through discussion in areas such as development and utilization of industrial zones to promote FDI, lowering cost of logistics, and facilitating smooth governmental procedures. **MoU to support textile trade and industry in India** Ministry of Textiles, GoI and M/s Nissenken Quality Evaluation Centre, Japan signed an MoU in January 2021 to provide required support to textile's trade and industry for ensuring quality as per the requirement of Japanese buyers through testing, inspection & conformity assessment, training, research & development etc.
India- Japan Clean Energy Partnership On March 19, 2022, India and Japan announced the CEP to enhance energy cooperation through shared resources and technologies particularly in segments such as EVs, solar photovoltaic cells, wind energy, use of liquified natural gas, and emerging fuels including biofuels, compressed biogas etc.	2022	**Proposal to invest JPY 5 trillion in India over the next five years** During the visit of Japan's PM Fumio Kishida to India in March 2022, the Governments of both India and Japan expressed their shared intention to realize JPY 5 trillion out of investment and financing from Japan to India over the next five years. **MoU with GIFT City** On August 26, 2022, Fintech Association of Japan concluded an MoU with GIFT City for mutual support and cooperation in the development of FinTech ecosystem, acceleration of FinTech innovation and support to FinTech startups.

Comparision between India and ASEAN

Brief Comparative Study of Advantages Provided by India as Compared to Other ASEAN Countries

Parameters	Indonesia	Thailand	Vietnam	India
Estimated Growth	According to IMF, the projected real GDP growth for 2023 is 5.0%.	According to IMF, the projected real GDP growth for 2023 is 3.7%.	According to IMF, the projected real GDP growth for 2023 is 6.2%.	According to IMF, the projected real GDP growth for 2023 is 6.1%. As per an OECD report, India is set to be the second-fastest growing economy in G20 in FY 2022-23, despite decelerating global demand and tightening of monetary policy to manage inflationary pressures.
Manufacturing & Exports	Emphasizes highly on export of commodities, such as, rubber, oil and gas, minerals, palm oil and electrical appliances.	Emphasizes highly on export. The main Thai industries are electronics, steel and automotives. It is also an assembly hub for international car brands.	Emphasizes highly on export of commodities, such as, phones, electronic goods, machinery, textiles and foot ware.	Upcoming manufacturing hub. Also, a major exporter of IT services, business outsourcing services and software workers.
Trade Agreements	PTAs with Australia, China, Hong Kong India, Japan, Korea, and New Zealand. On January 2, 2023, the Regional Comprehensive Economic Partnership Agreement became effective for Indonesia. This agreement was signed by 15 countries including the 10 ASEAN Member States, Australia, China, Japan, Korea and New Zealand on November 15, 2020. The private sector can now use the preferential tariffs provided by the agreement whether exporting to or importing into Indonesia. Indonesia and the UAE have concluded a new FTA in July 2022, under the UAE-Indonesia Comprehensive Economic Partnership Agreement. The FTA removes trade barriers for a variety of goods and services with the aim to increase bilateral trade to approx. USD 10 billion by 2030 from approx. USD 4 billion in 2021.	Thailand has entered into 14 FTA with 18 countries including Australia, New Zealand and Japan. The Regional Comprehensive Economic Partnership Agreement, which came into force in January 2022, is the latest trade pact amongst ASEAN countries and Australia, China, Japan, New Zealand and South Korea. Thailand is also a party to such agreement.	The new generation FTAs Vietnam has signed recently are the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the EU-Vietnam FTA, the EU-Vietnam Investment Protection Agreement, the UK-Vietnam FTA, and the Regional Comprehensive Economic Partnership. Vietnam signed the Comprehensive and Progressive Agreement for Trans-Pacific with 10 countries which includes Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru and Singapore. This agreement came into effect on January 14, 2019 for Vietnam. The UK-Vietnam FTA, which officially came into force on May 1, 2021, has created favourable and transparent conditions for the import of agricultural products, food, beverages and other products.	India has signed 13 FTAs including with Mauritius, UAE and Australia. India has also signed six limited coverage PTAs which includes Asia Pacific Trade Agreement, Global System of Trade Preferences, SAARC PTA, Indo-Afghanistan PTA, India-MERCOSUR PTA and India-Chile PTA. India UK FTA is in pipeline and will double bilateral trade to USD 100 billion by 2030. The sixth round of negotiations for UK-India FTA was concluded on December 16, 2022. Indian Canada FTA is also in pipeline. The negotiations may include discussion on duty-free access for export of apparel, textiles and agricultural products to Canada.

Parameters	Indonesia	Thailand	Vietnam	India
Trade Agreements	Recently, Indonesia also ratified a bilateral trade pact with South Korea, hoping to attract investment to develop the electric vehicle and batteries industry in the country. The Indonesia-Japan Economic Partnership Agreement aims to enhance economic cooperation between the two countries by boosting bilateral trade, facilitating investment in Indonesia and conducting industrial capacity-building programs.			India EU Trade and Investment Agreement(s) is under negotiation. It will bring major benefits as it will help India in further expanding and diversifying its exports of goods and services, including securing the value chains. The formal signing of the Early Progress Trade Agreement between India and Canada is anticipated to occur when Canadian Prime Minister Justin Trudeau visits India in September 2023 for the G20 leaders' summit. The agreement is expected to be finalised in the second half of 2023.
MSME Sector	The MSMEs constitute a vital part of Indonesia's economy. MSMEs contribute 61% of Indonesia's GDP and employ around 97% of the total workforce in the country.	MSMEs in Thailand contributed around 34.6% to the country's GDP in 2021.	Vietnam MSMEs are an essential part of the economy, contributes to 40% of the GDP, 33% of industrial production value, 30% of exports and creating jobs for 50% of the labour force.	MSMEs are the backbone of the Indian economy, contributing approximately 30% of the country's GDP, 45% of manufacturing output and providing employment to 110 million of India's population. The GoI has been proactive to ensure that all the benefit of these MSME schemes reaches to the MSMEs in time.
Incentives, Tax Benefits etc.	Indonesia ranked 73rd in World Bank's EoDB 2020. The Indonesian government hopes to take advantage of the strategic location of Indonesia between Asia and the Pacific, and current unfavourable international context due to weakening demand from China.	Thailand ranked 21st in World Bank's EoDB 2020. The Thai Board of Investment offers import tax exemptions on raw materials required for production aimed at export. Thailand offers incentives to invest in advanced technologies, innovative activities and research and development.	Vietnam ranked 70th in World Bank's EoDB 2020. Vietnam offers exemptions from corporate income tax for specified time periods.	India ranked 63rd in World Bank's EoDB 2020. Units in Special Economic Zones enjoy various tax exemptions such as 100% exemption on export income for specified time period. GoI reduced corporate taxes on existing companies from 30% to 22% in 2019 and reduced corporate taxes for newly incorporated manufacturing units from 25% to 15% .

Parameters	Indonesia	Thailand	Vietnam	India
Incentives, Tax Benefits etc.				Benefits are being provided to startups registered with Department of Promotion of Industry and Internal Trade such as tax exemptions, fast tracking of start-up patent applications etc.
Incentives, Tax Benefits etc.				Large English-speaking populations and lower labour costs. The GoI is also revamping labour laws of the country to ensure EoDB. Capability to supply raw materials and offer businesses the prospect of reducing their dependence on multiple global sourcing. With the PLI Scheme for semiconductors in manufacturing boosting the market, India's semiconductor component market is likely to reach USD 300 billion in revenue by 2026. India has well established local supply chains.

Opportunities for Japanese SMEs in India

India provides diverse opportunities for cooperation between Indian entities and Japanese SMEs to achieve mutually beneficial partnerships and economic growth. Since Japanese SMEs do not typically have large investment resources as compared to larger Japanese entities, the GoI along with the Government of Japan is exploring more opportunities to increase participation of Japanese SMEs.

As part of the India-Japan Industrial Competitiveness Partnership Roadmap, both India and Japan have also agreed to set a MSME working group to discuss certain items from the viewpoint of supplier development in order to make MSMEs competitive across industries. Such items include introduction of MSME promotion policies by the Japanese Government, cooperation for Japanese MSMEs to expand their business in India, and collaboration in the area of technology and technology centres.

As part of its EoDB initiatives and in a bid to attract more foreign investment, the GoI and the State Governments, have notified various policies, schemes, incentives, and other notifications in various industry sectors which have been summarised in this Section of this report in the ensuing paragraphs.

CEP

India has announced an enhanced target for reducing carbon emissions, including a target to achieve net-zero carbon emissions by 2070. Similarly, Japan has also targeted to achieve net-zero by 2050. The need to explore a variety of options for achieving sustainable economic growth and addressing climate change has been acknowledged by both nations. Furthermore, there is immense potential to enhance bilateral cooperation in the area of clean and sustainable development, since both India and Japan are seeking to tap into low-carbon sunrise sectors and enhance new technologies and business models to reduce carbon emissions.

During the visit of Hon'ble Prime Minister of Japan, Mr. Fumio Kishida, to India in March 2022, India and Japan announced the launching of CEP, which aims at promoting energy cooperation between the nations through diverse and realistic transitions utilising all



energy sources and technologies in order to ensure energy security, carbon neutrality and economic growth.

On March 30, 2022, JICA signed a grant agreement with GoI to provide grant aid of up to JPY 4,016 million for the 'Project for the Improvement of Power Supply in Andaman and Nicobar Islands'. Under this initiative, the electricity supply of the region will be transitioned towards LNG fired thermal power generation and solar power generation which lead to less carbon emissions.

In furtherance of the CEP, Japan's 'Asia Energy Transition Initiative' for supporting countries in the ASEAN region for pushing towards net-zero carbon emissions, including an outlay of USD 10 billion in finance for renewable energy, energy efficiency and LNG projects, is slated to include India as well.
Under the FDI Policy, FDI of up to 100% is permitted in the renewable energy sector under the automatic route, i.e., where no prior government approval is required.

Further, certain States in India have notified specific incentives for projects in the renewable energy sector. For example, in Uttar Pradesh, a subsidy of 30% is given as per applicable conditions for Mini Grid Projects installed in villages/ Majras identified by the relevant authority (State Government) through the private developers. Similarly, in Uttarakhand, if the developer purchases private land for the solar project, it will be eligible for an exemption of 50% on stamp duty, subject to applicable conditions.

Digital Partnership

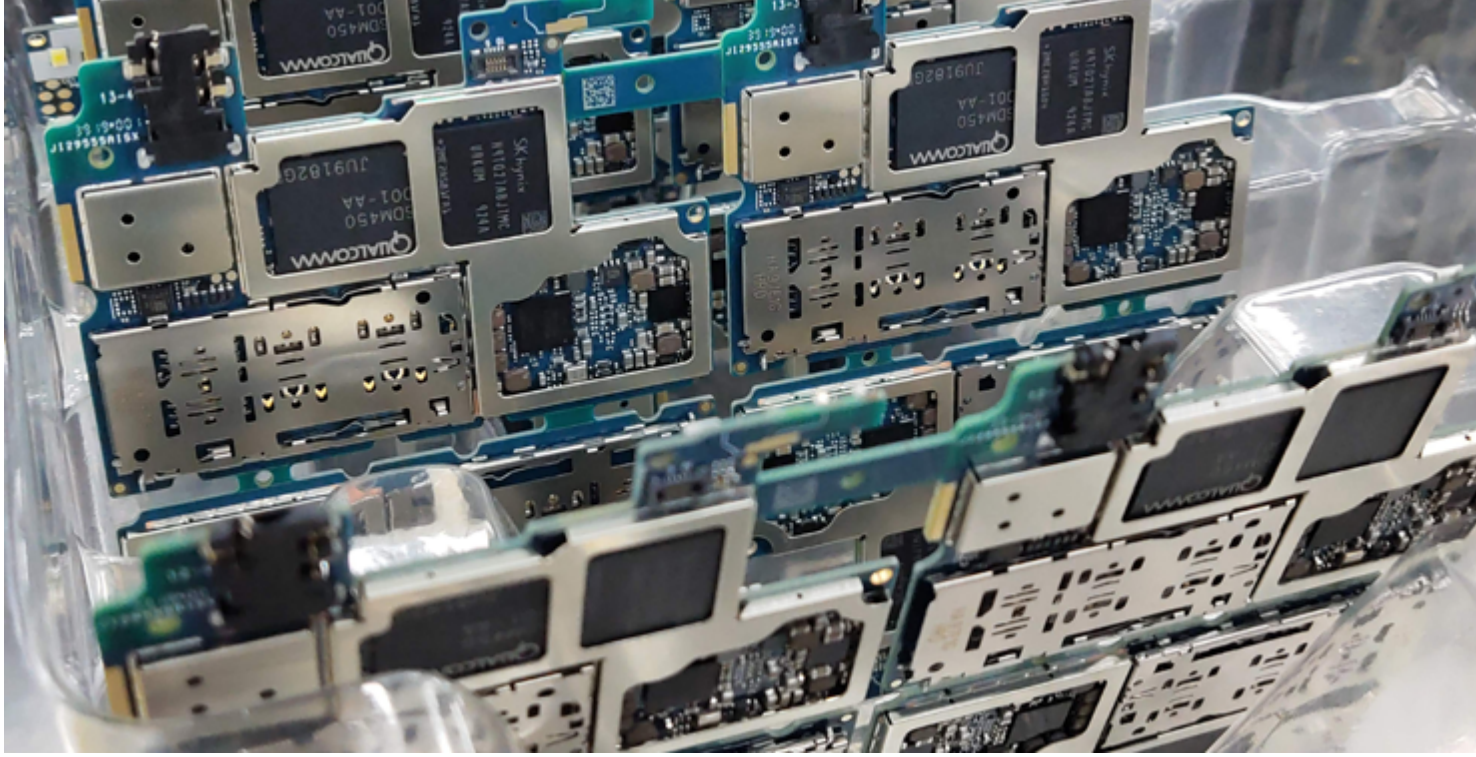
Both India and Japan are undertaking initiatives to promote 'Ease of Living' with a focus on next-generation technologies such as Artificial Intelligence (AI), Big Data, and IoT; as evidenced by Japan's concept of 'Society 5.0' and India's flagship programs like 'Digital India', 'Smart City' and 'Start-up India'. In view of these complementarities between both nations, a MoC on 'India-Japan Digital Partnership' or 'IJDP' was signed on October 29, 2018, in Tokyo during the visit of Indian Prime Minister, Mr. Narendra Modi to Japan. The IJDP envisages cooperation in six sub-areas, namely, Start-up Initiative, Corporate Partnership, Electronic Systems Design and Manufacturing Promotion, Digital Talent Exchange, R&D Cooperation, and Security Related Strategic Collaboration.

The 7th Japan-India ICT Joint Working Group Meeting was held virtually on May 13, 2022, which was attended by delegations from Japan and India. Both nations acknowledged the need for growing cooperation under the India-Japan Digital Partnership with a view to enhancing digital economy through promotion of joint projects. The discussions also focused on expanding cooperation under the framework of the existing MoC between India and Japan in various fields such as 5G technology, Open RAN, Telecom Network Security, submarine cable systems, and Quantum Communications.
Further, the 4th India-Japan Cyber Dialogue was hosted by India virtually on June 30, 2022, during which delegations of both nations discussed important areas of bilateral cyber cooperation and reviewed the progress achieved in the areas of cybersecurity and Information and Communication Technologies, including 5G technology.

Under the FDI Policy, up to 100% FDI is allowed under automatic route in relation to manufacturing and services related to IT/ ITES.

The DEITY has also taken steps to support the growth of the sector. These include providing infrastructure support by the setting up of Information Technology Investment Regions and promoting R&D by providing an exemption of 150% of expenditure incurred on in-house R&D under the Income Tax Act, 1961, subject to applicable conditions. DEITY has also put in place two key schemes, namely Support International Patent Protection in Electronics & IT, and Multiplier Grants Scheme.

Further, certain States in India have also notified specific incentives for projects in the IT / ITES sector. For example, in Haryana, reimbursement of 100% stamp duty for setting up units in notified IT Parks, IT cities, Technology Parks / STPIs or any land earmarked by the State Government for IT industry and units set up in Block 'B', 'C', and 'D' subject to prescribed conditions. In



Odisha, as part of its fixed capital rebates and subject to applicable conditions, the available incentives include a subsidy of 25% for MSMEs.

Electronics Manufacturing – Semiconductors

India is committed to reach USD 300 billion worth of electronics manufacturing and exports by FY 2025-26. The domestic production in electronics in India increased to USD 67 billion in FY 2020-21. Further, India's semiconductor market is also expected to increase from USD 15 billion in FY 2020-21 to USD 110 billion in FY 2029-2030, by growing at a CAGR of 22%.

FDI up to 100% is allowed under the automatic route in manufacturing which includes electronics manufacturing.

The Semicon India Program has been launched by GoI with the vision to develop a sustainable semiconductor and display ecosystem in the country and provides an incentive outlay of USD 10billion. This program is aimed to establish India as global hub for semiconductor and display manufacturing and strengthen resilience in global supply chains.

Railways

India has the fourth-largest railway system in the world, behind only US, Russia, and China. The railway sector of India aims to electrify the entire network by 2023 which will lead to annual energy savings of USD 1.55 billion. As of November 30, 2022, 83% of the total 'Broad-Gauge' network has been electrified.

The railway sector in India aims to contribute about 1.5% to the country's GDP by building infrastructure to support 45% of the modal freight share of the economy. This sector also has the highest ever planned capital expenditure of USD 32 billion in FY 2022-2023.

Under the FDI Policy, up to 100% FDI is permitted under the automatic route for railway infrastructure.

The NMP envisages creation of a system for inter-connected and multimodal transportation as announced on December 21, 2022. The NMP aims at establishing integration and synergy amongst different infrastructure sector projects such as National Highways, Railways, Waterways, Telecom, etc., catering to development requirements/ logistic supports of different sectors and industries (e.g., Steel, Power, Fertilizers, Coal, etc.). While there are no separate funds allocated under the NMP, however the budget allocated to specified projects will be available as per the applicable project requirements, and subject to the sanctioned project costs.

Defence

GoI has identified the Defence and Aerospace sector as a focus area for the 'Aatmanirbhar Bharat' initiative, with a formidable push on the establishment of indigenous manufacturing infrastructure supported by a requisite R&D ecosystem. The vision of GoI is to achieve a turnover of USD 25 billion including export of USD 5 billion in Aerospace and Defence related goods and services by 2025.

India is the 3rd largest military spender in the world and its defence budget accounts for 2.15% of the country's total GDP. Over the next five to seven years, GoI plans to spend USD 130 billion for fleet modernisation across all armed services. Further, as per Union Budget 2022-



2023, USD 70.6 billion was allocated to the Ministry of Defence, GoI. In line with recent initiatives, the share of domestic capital procurement, which was earmarked at 64% in FY 2021-2022, has been enhanced to 68% of the Capital Acquisition Budget of the Defence Services for FY 2022-2023.

The FDI Policy permits up to 100% FDI in the Defence sector, wherein up to 74% is permitted under automatic route and beyond 74%, government approval is required wherever it is likely to result in access to modern technology or for other reasons considered by GoI. Specific terms and conditions such as industry license requirement, security clearance, etc., as prescribed in the FDI policy shall be applicable.

The Ministry of Defence has also notified three 'Positive Indigenisation lists' comprising of 310 defence equipment to be manufactured locally. Additionally, two dedicated Defence Industrial Corridors in the States of Tamil Nadu and Uttar Pradesh were also announced which would act as clusters of defence manufacturing that leverage existing infrastructure, and human capital. Further, to enable innovation within Defence & Aerospace eco-system there are supportive government schemes such as iDEX and DTIS.

Further, certain States in India have also notified specific incentives for projects in the defence manufacturing sector. For example, in Gujarat, as part of its fixed capital rebates, 25% rebate on fixed capital is available for eligible MSMEs, subject to applicable conditions. Similarly, in Odisha, as part of its fixed capital rebates, capital subsidy for 10% of investment in plant and machinery is available subject to applicable conditions.

EVs

GoI has set a target of 30% EVs by 2030 in India. Currently, the automobile sector contributes 49% to India's manufacturing GDP and 7.1% to India's GDP. India's EV market is expected to expand at a CAGR of 49% between 2021-2030.

The Delhi-Chandigarh highway is the 1st highway in the country which has been made e-vehicle friendly with successful commissioning of 20 Solar Based EV Chargers.

Under the FDI Policy, up to 100% FDI is permitted under the automatic route for manufacturing of EVs.

The PLI Scheme on Advanced Chemistry Cell was launched and approved by GoI in 2021 at a budgetary layout of INR 181 billion over a five-year period, in order to boost local manufacturing of advanced chemistry cell which would bring down prices of batteries in the country, and ultimately also reduce the cost of EVs as well. This scheme was oversubscribed by 2.6 times, and after final evaluation, a total of four companies were selected for incentives, which includes Reliance New Energy Solar Limited; Ola Electric Mobility Private Limited; Hyundai Global Motors Company Limited; and Rajesh Exports Limited. The scheme eventually closed on January 14, 2022.

Further, certain States in India have also notified specific incentives for projects in the automobile manufacturing sector. For example, in Jharkhand, as part of its fixed capital rebates, financial assistance of 50% is available for fixed capital investments in building and common infrastructure, with an upper cap of INR 200 million for development of Auto Clusters, Auto Vendor Park, or Automotive Suppliers Manufacturing Centres.

Regulatory and Policy Framework for Japanese SMEs In India

Introduction

SMEs are a key aspect of the sectoral economic growth of India (in particular, manufacturing sector) as evident from their contribution to about 45% of India's total manufacturing output. SMEs are governed by the Micro, Small and Medium Enterprises Development Act, 2006 which aims at facilitating development and enhancing competitiveness of the SMEs.

Given the vast potential of SMEs to accelerate investment opportunities in various sectors in India, particularly manufacturing sector, the GoI has laid key emphasis on attracting investments in the SMEs sector. The FDI regulatory regime has also provided for sourcing of a minimum percentage of value of goods to be procured from SMEs, in the case of single-brand and multi-brand retail trading in certain cases. It is key to identify and explore how Japanese SMEs can establish their footprints in India across sectors such as manufacturing, electronics, renewable energy, food etc., and how such influx of Japanese SMEs in the Indian market can generate mutual benefits for both the economies. This Chapter aims to delineate the scope for Japanese SMEs to invest in India in light of the lucrative regulatory and policy framework of India and the collaborative initiatives between the GoI and the Government of Japan.

Presence of Japanese SMEs in India

As of date, the presence of Japanese SMEs in India is abysmally low in comparison to India's counterparts such as China and the ASEAN countries. As of June 2022, a total of 1,439 Japanese companies are registered in India (compared to 267 such companies in 2006). However, out of these, only a handful of Japanese companies are small and medium sized.

In a bid to augment the presence of Japanese companies in India, Japan has indicated its intention to bring in more Japanese SMEs in India. Mr. Takashi Suzuki, Chief Director General of JETRO, has noted that as compared to China (where majority of Japanese entities are small and medium sized enterprises and only a few are large sized entities), in India, 80% of Japanese companies are large sized / listed companies and rest 20% are SMEs. He noted a likely shift in this regard and corroborated Japan's plans to bring in more SMEs and start-ups in the non-automotive and service sector in India. As per Mr. Suzuki, there are emerging potential sectors for Japanese SMEs to foray into India such as food, agro-tech, healthcare, research and development, electronics, renewable energy, semi-conductors and space.

Initiatives by GoI

PLI scheme

In a bid to incentivize investments in the manufacturing sector, GoI launched PLI scheme in 2020, which provides incentive between 4% to 6% on the incremental sale of goods manufactured in India for a period of five years. PLI scheme covers 14 key sectors including electronics, pharmaceuticals, telecom, food, automobiles, textiles and steel. As of December 2022, a total of 13 PLI schemes have approved around 650 applications from various companies. The beneficiaries of PLI schemes include approx. 100 SMEs across various sectors such as telecom, white goods, bulk drugs, medical devices and food processing.

NSWS

In furtherance of EoDB in India, GoI introduced NSWS in September 2021. NSWS is a single window digital platform that enables business entities to identify and apply for business approvals across various sectors falling under 26 Central government departments and 19 State government departments. Additionally, NSWS also enables applicants to apply for relevant Government schemes and incentives provided thereunder. So far, over 75,000 approvals have been granted by various Central and States departments and ministries under the aegis of NSWS. Through a hassle-free and time efficient, single window clearance mechanism, NSWS can provide impetus to Japanese SMEs to undertake investments in India, establish and smoothly operate businesses and ensure regulatory compliances / approvals.

India Industrial Land Bank

IILB is a GIS based platform with various industrial parks mapped across various sectors and States / Union Territories. It provides information to potential investors such as contact details, modal points of connectivity, raw material etc. in respect of the available land, industrial parks, plots etc. It also provides a sectoral and State / Union Territory wise bifurcation of the available land and industrial parks. Presently, IILB provides for approx. 3,797 industrial parks, over 4.78 lakh hectares of the total land area, out of which the total available land is 1,25,157.42 hectares.



Startup India Action Plan

SIAP was launched on January 16, 2016 with a view to enable sustainable economic growth by fostering startup ecosystem in India. It envisaged various incentives to startups including compliances of certain labour and environment legislations based on self-certification, launch of Startup India Hub as a single point of contact for information exchanges and access to funds, legal support and fast-tracking patent examination at lower costs, and tax exemptions, amongst others. In furtherance of SIAP, in November 2022, the Department for Promotion of Industry and Internal Trade, under the Ministry of Commerce and Industry, launched startup applications for registration on the MAARG portal – a one stop mentorship program to enable mentorship across sectors.

PM Gati Shakti – National Master Plan

In order to reduce logistical costs for businesses in India, GoI launched PM Gati Shakti – an integrated national plan for multi-modal connectivity for integrated and coordinated infrastructure development in October 2021. So far, the National Master Plan has successfully incorporated over 1,900 GIS data layers for mapping of infrastructure projects across various ministries and departments at the Central and State level.

Udyam Registration Portal

The MSME Ministry, on July 1, 2020, launched an exclusive portal for registration of SMEs which is fully digitized, free of cost and based on self-declaration, with minimal documentation requirements, and fully integrated with income tax and goods and services tax systems.

SAMADHAAN Portal

For redressing grievances of SMEs pertaining to delayed payments from buyers, the MSME Ministry, on June 14, 2020, launched a special sub-portal within SAMADHAAN portal for reporting dues payable by government ministries / departments to MSMEs.

SPECS Scheme

The MeitY notified SPECS on April 1, 2020 to promote domestic manufacturing of semiconductors. The scheme provides an incentive of 25% on reimbursement basis for capital expenditure incurred in units engaged in manufacturing of such components and semiconductors as mentioned in the scheme. The minimum threshold of investment ranges from INR 50 million to INR 5 billion in various components and semiconductors. Further, in the year 2022, the Ministry approved modified programmes for semiconductor for providing fiscal support of 50% of project cost in setting up of semiconductor and related components.

Indo-Japan cooperation towards promoting and assisting SMEs

Japan India Startup Hub

Both Japan and India have shared interests in promoting startups. The two nations have a dedicated platform called 'Japan India Startup Hub' which was conceptualised through a joint statement signed between the Ministry of Economy, Trade, and Industry, Japan and Ministry of Commerce and Industry, India dated May 1, 2018. It aims to promote Indian & Japanese startup ecosystems and joint innovation in startups.

Launch of India Japan SME Business Council

IJSBC is a flagship initiative of Small and Medium Business Development Chamber of India (SME Chamber of India), Maharashtra Industrial and Economic Development Association and India International Trade Centre, and supported by the Embassy of Japan in India, Embassy of India in Japan, and JETRO amongst others. It aims to enhance business cooperation between India and Japan in the SME segment by way of assistance and support services to SMEs in India and Japan. It assists Indian and Japanese SMEs in identifying business opportunities across various sectors, business partners, technical collaborations, financing, liaison with government authorities in matters concerning SMEs, amongst others.

Conclusion

There is immense scope for Japan to unlock the investment potential in SMEs in India in various sectors, including but not limited to manufacturing, electronics, food, renewable energy etc. Given that Japan is looking to bring its SMEs and startups to India in order to expand its investment avenues in India, it is key for Japanese SMEs to understand and explore the sustainable investment options offered by India, through the benefits of low manufacturing and labour costs coupled with favourable government policies in India. It is key to note that marquee Japanese investor companies such as SMC, Sumitomo Corporation, Honda Motor Co, etc. have successfully established their footprints in India across diverse segments, and thus, it is the right time for SMEs and startups from Japan to take cues and explore investment potential across various sectors in India. It will also benefit India by providing boost to the SME sector through funding, resource integration, and technical collaborations.

Various emerging sectors such as digital technologies, healthcare, renewable energy, construction development and textiles can be key areas of investment for Japanese entities. Given the remarkable growth in the number of startups and unicorns in India, there is huge investment potential for Japanese entities to expand their investment in startups. The growth in the above-mentioned sectors coupled with favourable government policies vindicate the economic potential of investments by Japanese SMEs in India.

Overview of Investments in MSMEs



Introduction

The MSMEs industry in India makes a significant contribution to the socioeconomic growth of the nation. Along with fostering entrepreneurship, the MSMEs sector significantly contributes approx. 30% to the nation's GDP. From 2019 to 2020, the number of MSMEs increased by a CAGR of 18.5% . There are over approx. 63 million MSMEs in India and as of March 31, 2022, there were more than eight million MSMEs that were registered on the Udyam Registration portal, a government portal for registration of MSMEs in India.

The MSME Ministry has issued various schemes, policies and programmes for MSMEs. For instance, the Special Credit Linked Capital Subsidy Scheme was introduced in 2021 in an effort to address the technological needs of the businesses in service sector. Additionally, the budget allocation for MSMEs for FY 2021-22 has been doubled to USD 2.14 billion from USD 1.03 billion in FY 2020-21, as part of the government's policy support for economic growth. With more than 60 million businesses, the MSME sector has become a low capital-cost sector after agriculture in the Indian economy, encouraging entrepreneurship and creating chances for self-employment. By implementing various schemes and programmes for credit support, technological assistance, infrastructure development, skill development and training, enhancing competitiveness and market assistance, the MSME Ministry fosters the growth and development of the sector, including khadi, village, and coir industries.

Investment trends from other countries

The GoI has laid key emphasis on attracting investments in MSME sector. To encourage FDI, the GoI has implemented an investor-friendly policy, under which most sectors and activities, including MSMEs except certain strategically important sectors/activities, are open to 100% FDI under the automatic route, subject to sector-specific laws, rules and regulations, security requirements, and State and local laws and regulations.

Investment trends in MSMEs in India from certain identified countries have been discussed below:

Japan

The number of Japanese companies in India has remained constant over the past few years. In the years 2018, 2019, 2020, and 2021, the total number of Japanese companies in India were recorded as 1441, 1454, 1455, and 1439, respectively.

Mr. Takashi Suzuki, the Chief Director General of Japan government's trade promotion arm, JETRO, has noted that Japan would need to diversify into the business sectors that Japanese companies have not yet explored. According to him, in India, 80% of Japanese companies are large or listed companies, with the remaining 20% being MSMEs whereas in countries like China and ASEAN, it is exactly the opposite, and only around 20% of Japanese companies are large, with the remaining 80% being MSMEs. He has also expressed that one of the ways to boost bilateral trade relations and increase the presence of Japanese MSMEs in India is for Indian enterprises to acquire Japanese MSMEs even if those MSMEs are sick but technologically sound.

Further, as per the data provided by the Government of Japan's trade promotion arm JETRO in 2019, the percentage of Japanese SMEs as compared to total Japanese companies is as follows:

Country/ Region	Total number of Japanese Companies	Percentage of Japanese SMEs
China	13,000-15,000	40-60 %
ASEAN	13,000	40-60 %
India	1,439	15-20 %

In order to expand Japanese presence in Indian MSMEs sector, Japan is now looking to invest in non-traditional sectors, such as, processed foods, agro-tech, e-commerce, fresh fruits, retail, healthcare, electronics, space, co-research, and research and development.

Vietnam

From USD 200 million in 2000 to more than USD 13 billion in 2021, bilateral trade between Vietnam and India developed quickly. In 2022, the two nations hoped to reach bilateral trade of USD 15 billion. India was rated 25th out of 140 nations and territories investing in Vietnam as of February 2022, with 315 legitimate projects totalling more than USD 918 million, the majority of which are in the processing, manufacturing, power production and distribution, and mining industries. However, Vietnam has nine investment projects, mostly wholesale and retail ones, worth more than USD 6 million in India.

In order to support the Indian MSME sector, the MSME Ministry has signed joint action plans, MoU and long-term agreements with 19 nations including Vietnam.

In 2019, Odisha's MSMEs had also been invited to trade with Vietnam in a variety of areas. Pham Sanh Chau, the then ambassador of Vietnam to India, welcomed MSMEs in the industries of food processing, travel, tourism, pharma, health care, and handloom and handicraft to engage in trade with Vietnam during a seminar on "Credit and Marketing Linkage to MSMEs and Exporters".

Thailand

In order to facilitate digital networking between Indian and Thai SMEs, the Thailand India Business Council and networking platform for MSMEs GlobalLinker, a Mumbai-based digitization platform has signed an MoU recently to create Thailand India GlobalLinker a customised digital platform. In order to connect SMEs and enable them to create new agreements, India and Thailand will establish a new corridor. It is anticipated that more than 40,000 MSMEs from both countries would join the GlobalLinker platform as a result.



With the help of the Royal Thai Embassy in New Delhi, the OSMEP of Thailand was able to connect 27 potential Thai SMEs all of which were registered with the OSMEP to collaborate with Indian buyers in the context of the 'Namaste Thailand Festival 2019' in India.

The second North East India festival was held from July 29 to July 31, 2022, to commemorate the 75th anniversary of diplomatic relations between India and Thailand. The festival's main objectives were to promote business, tourism, investment opportunities, and interactions in the fields of education and culture. Throughout the festival, goods from a variety of industries, including handicrafts produced by MSMEs from the Northeast and processed foods, agri-products, and handicrafts, were on show.

Indonesia

The MSME Ministry had entered into long term agreements and an MoU with Indonesia with an endeavour to boost MSMEs to sustain the economic climate post the COVID-19 pandemic. The collaboration was with the aim to provide the MSMEs with latest technology, sharing of experiences and best management practices in the international arena.

Indonesia has shown interest to strengthen ties with India which revolves around development of small to medium sized businesses. The Group of Twenty forum, particularly when discussing the economy, is becoming more and more relevant, according to the Chairman of the Indonesian Chamber of Commerce. He is of the belief that it is time to start discussions regarding small to medium sized businesses, strategies for reducing poverty, and how to democratise health care. A trade pact between India and Indonesia is already being discussed. It ought to be greater than that as it should be, an economic cooperation pact where discussions should revolve around investment, commerce, education, capital development, and technology in addition to other topics.

Glossary

Abbreviation	Full form
AEF	Act East Forum
AI	Artificial Intelligence
ASEAN	Association of South East Asian Nations
CAGR	Compound Annual Growth Rate
CEP	India-Japan Clean Energy Partnership
CEPA	Comprehensive Economic Partnership Agreement
DEITY	Department of Electronic and Information Technology, Government of India
DTIS	Defence Testing Infrastructure Scheme, India
EoDB	Ease of Doing Business
EU	European Union
EV	Electric Vehicles
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy, 2020 of India
FICCI	Federation of Indian Chambers of Commerce & Industry
FTA	Free Trade Agreement
FY	Financial Year
GDP	Gross Domestic Product
GIFT City	Gujarat International Finance Tec-City
GIS	Geographic Information System
GoI	Government of India
iDEX	Innovations for Defence Excellence, India
IILB	India Industrial Land Bank
IJDP	India Japan Digital Partnership
IJDP	India-Japan Digital Partnership
IJSBC	India Japan SME Business Council
IMF	International Monetary Fund
INR	Indian National Rupee
IoT	Internet of Things
IT	Information Technology
ITES	Information Technology Enabled Services
JETRO	Japan External Trade Organisation
JICA	Japan International Cooperation Agency

Abbreviation	Full form
JITs	Japanese Industrial Townships
JPY	Japanese Yen
LNG	Liquified Natural Gas
MAARG	Mentorship, Advisory, Assistance, Resilience and Growth
MeitY	Ministry of Electronics and Information Technology
MoC	Memorandum of Cooperation
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MSME Ministry	Ministry of Micro, Small and Medium Enterprise, Government of India
NMP	PM Gati Shakti National Master Plan, India
NSWS	National Single Window System
ODA	Official Development Aid
OECD	Organisation for Economic Co-operation and Development
OSMEP	Office of the SMEs Promotion
PLI	Production Linked Incentive
PM	Prime Minister
PTA	Preferential Trade Agreement
R&D	Research and Development
RAN	Radio Access Network
SAARC	South Asian Association for Regional Cooperation
SIAP	Startup India Action Plan
SMC	Suzuki Motor Corporation
SMEs	Small and Medium Enterprises
SPECS	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
STPIs	Software Technology Park of India
UAE	United Arab Emirates
UK	United Kingdom
US	United States
USD	United States Dollar

ABOUT IJFF

The India-Japan Friendship Forum (IJFF) has been formed under the patronage of Ambassador of Japan to India and is chaired by Amb. Deepa Wadhwa, Former Indian Ambassador to Japan.

The secretariat for IJFF is located and would be provided by FICCI, New Delhi.

The mission of IJFF is to increase visibility of Japan in India, and thereby enhance mutual understanding between India and Japan by showcasing art and culture and exchange knowledge and ideas and to deepen understanding on Japan amongst Indians.

The India-Japan Friendship Forum partners with several organisations both in India and Japan to organise various activities to foster and facilitate exchange of people and ideas between the two countries.













The launch of the IJFF was held on January 8, 2019 in the august presence of **H.E. Mr. Taro Kono, Minister of Foreign Affairs of Japan** and **Shri Suresh Prabhu, Minister of Commerce and Industry and Civil Aviation**. IJFF has 28 partner organizations working towards promoting India-Japan relations are partners to the IJFF.

Some of the major events and prorammes organsed under IJFF include India-Japan Tourism Roundtable during FICCI's Great Indian Travel Bazaar (GITB) 2019; Celebration of New Imperial Era (Reiwa) and welcoming JCCII board members; India-Japan Collaboration Opportunities in Fintech; Special lecture by Shri Ramesh Abhishek, Former Secretary, DPIIT, Government of India and welcome reception for Japanese Ambassador H.E. Mr Satoshi Suzuki.

An exclusive website of IJFF under the address of ijff.co.in has been launched and is live now for everyone to access.

FICCI INITIATIVES WITH JAPAN

- Economic Engagements- India-Japan Business Cooperation Committee (IJBCC)
- People to people connect: “India-Japan Friendship Forum”(IJFF)
- Engaging parliamentarians: “India - Japan Forum of Parliamentarians”
- Connecting Indian States: “Dialogue with States”
- Promoting Government of India’s flagship initiatives including Make in India, Skill India with Japan
- Partnership through MOU with JCCI, JETRO and JCCII
- Experience of conducting Investment promotion roadshows for Vibrant Gujarat & Advantage Assam in Japan
- Facilitating India-Japan sectoral cooperation including auto & auto components, electronics, fintech, green energy, pharmaceuticals and medical devices, defense manufacturing and tourism
- FICCI Representative office in Japan













ABOUT SAM & CO.

Shardul Amarchand Mangaldas, founded on a century of legal achievement, is one of India's leading full service law firms. Our mission is to enable business by providing solutions as trusted advisors through excellence, responsiveness, innovation, and collaboration.

We are one of India's most well recognised firms, and are known globally for our integrated approach. With approximately 775 lawyers including 159 partners, we provide exceptional services across practice areas which include General Corporate, Merger & Acquisition, Private Equity, Banking & Finance, Insolvency & Bankruptcy, Competition Law, Dispute Resolution, Projects & Project Finance, Capital Markets, Tax, Intellectual Property and Venture Capital. We are at the forefront of global and Indian M&A and Private Equity transactions, cutting edge high risk litigation and advice on strategically important matters across a spectrum of practices and industries for our multi-jurisdictional clients.

We have a pan India presence, with offices in seven cities across India - New Delhi, Mumbai, Gurugram, Bengaluru, Chennai, Ahmedabad and Kolkata.

ABOUT FICCI

Established 96 years ago, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organization, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry, reaching out to over 2,50,000 companies. FICCI serves its members from large (domestic and global companies) and MSME sectors as well as the public sector, drawing its strength from diverse regional chambers of commerce and industry.

The Chamber with its presence in 16 states and 9 countries provides a platform for networking and consensus-building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

www.ficci.in

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