

Onkar Kanwar to lead FICCI delegation to Japan
India Inc. to seek capital and technology expertise from Japanese counterparts

NEW DELHI, September 2, 2013. A high-powered FICCI delegation led by **Mr. Onkar Kanwar, Past President, FICCI and CMD, Apollo Tyres**, is embarking on a two-day visit to Japan beginning September 4, 2013 to Japan with a view to attracting large doses of capital and boost the prospects of cooperation with SMEs and deepen the engagement between Indian and Japanese businesses.

The visit is considered significant as it comes at a time when emerging Asia is grappling with reverse flow of capital and infusion of external financial resources has become the lifeline of economies in the region.

The FICCI business delegation, the largest ever, comprises 70 companies and over 100 participants from diversified sectors represented by captains of industry, business heads, senior state government officials as well as top consultants. The delegation will participate in the 38th Joint Meeting of India-Japan Business Cooperation Committee being organized jointly by FICCI and Japan Chamber of Commerce and Industry (JCCI) on September 4-5, 2013.

The initiative is timed suitably to serve as a build-up to the momentum generated in the ties between India and Japan in the last few years through a series of high-level visits and growing engagement that has evolved into a strategic and global partnership. FICCI has been instrumental in bringing businesses of the two countries together and had led several initiatives to stimulate bilateral trade, investments and technological transfers.

Even as businesses from both sides connect and build bridges of partnership through more than 250 planned business-to-business interactions during this mission, the overall objective of FICCI's strategy would be to impart greater substance to the steadily expanding economic relations. Bilateral trade between India and Japan has seen substantial growth over the years and reached US\$ 18.6 billion in 2012-13. The India-Japan Comprehensive Economic Partnership Agreement (CEPA) signed in February 2011, promises to boost trade to US\$ 25 billion by 2014.

The delegation's visit comes at a time when slowdown in growth and lingering economic uncertainties, both global and domestic, are creating a stronger compulsion for greater India-Japan partnership towards the larger end of reviving growth in both countries. Moreover, in these days of tumultuous financial markets, India could turn to one of its time-trusted friends, Japan, and attract long-term capital given our higher interest rates. Japan too is looking at India as a potential investment destination with the growing attractiveness of the Indian consumer market buttressed by a new wave of economic reforms. There are already close to 1000 Japanese companies in India with investments worth US\$ 14.75 billion.

To deepen our engagement with Japan and draw more and more small and medium enterprises into the Indian market, FICCI has come out with a **'Guide for Investment in India'**, a joint endeavor with Amarchand Mangaldas. This report will be released at the 38th Joint Meeting of the India-Japan Business Cooperation Committee on September 4, 2013 in Tokyo and will be a valuable reference document for Japanese companies eyeing the Indian market or planning business expansion in India.

To take forward the agenda of deeper engagement with Japan, the FICCI delegation will visit other places in Japan such as Toyoma for a greater outreach to industry and enterprises which will help both sides to add depth to the existing areas of cooperation and tap new opportunities that are emerging. There is a 'great creative potential' for both the countries in many areas which remains to be tapped.

Japan could well look at manufacturing, the next big opportunity in India. India is looking at the creation of several National Investment and Manufacturing Zones to revamp the ailing manufacturing sector, create jobs and turn around the Indian economy. There is an opportunity to draw FDI in the setting up of these zones, 12 of which have been approved and seven of which are along the Delhi-Mumbai Industrial Corridor (DMIC).

Small and medium enterprises are another lucrative avenue for building cooperation and drawing FDI. India, today, faces the urgent need to focus on SMEs and enhance the use of technology and innovation to upgrade the SMEs. The medium-sized players from Japan have cutting edge technology. By

foraying into the Indian market, these players can help local manufacturers to become more competitive through technology transfers, creating more employment opportunities and human resources development.

India also offers huge opportunities for infrastructure. Japan already has a commitment of US\$ 4.5 billion for the ambitious US\$ 100 billion DMIC. The project will have nine mega industrial zones, high speed freight lines, three ports, six airports, a six-lane intersection-free expressway connecting the country's political and financial capitals, and a 4000 MW power plant.

The Japanese could also bring in their technology and experience in the setting up of an entire integrated value chain in the food processing sector.

The other major area of collaboration could be energy. With Japan now open to development of nuclear energy in India, the estimated US\$ 100 billion Indian nuclear energy market could be an attractive prospect for Mitsubishi, Hitachi and Toshiba, which can bring their advance civil nuclear energy technologies to India and set up projects.

The framework for cooperation is already in place in the strategic and economic arena. The delegation will go a long way in directing the focus on effective utilization and implementation of opportunities that would allow both partners to help each other grow and prosper.

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