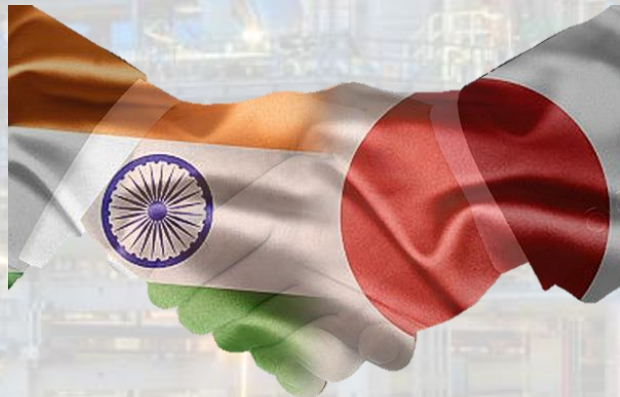


India-Japan Chemicals and Petrochemicals Forum

India Chem 2021



Mr. Ramkumar Shankar

India Chem 2021



Agenda

- **Indo-Japan relationship – a history**
- **Japanese investments in India**
- **Bilateral trade**
- **India-Japan trade : Chemicals and Petrochemicals**
- **Indian Chemical & Petrochemical sector**
- **Opportunities in India**

Indo-Japan Relationship Long-standing & very special

- Cultural exchange dates back to the 6th century –introduction of Buddhism into Japan
- Diplomatic relations established in 1952 – post WW2 reconstruction in Japan greatly aided by iron ore from India
- First yen loan by Japan, was to India in 1958
- Japan-India annual summit meetings from 2005
- December 2006, relationship elevated to Global and Strategic Partnership
- India-Japan Comprehensive Economic Partnership Agreement (CEPA) 2011
- Sept 2014, upgraded to Special Strategic and Global Partnership – doubling Japan's investment and the number of Japanese companies by 2019

Indo-Japan Relationship Long-standing & very special

- December 2015, Japan and India Vision 2025 announced
- Greater cooperation and coordination in security
- Japanese industrial townships to be established around DMIC and CBIC
- Shinkansen (Bullet Train) project launched
- India – the largest recipient of Official Development Assistance (ODA) from Japan
- October 29, 2018, Japan and India Vision 2025 announced
- “India-Japan Digital Partnership” (I-JDP) was launched during the visit of PM Modi to Japan in October 2018 with new initiatives in S&T/ICT, focusing more on “Digital ICT Technologies”

Indo-Japan Relationship Long-standing & very special

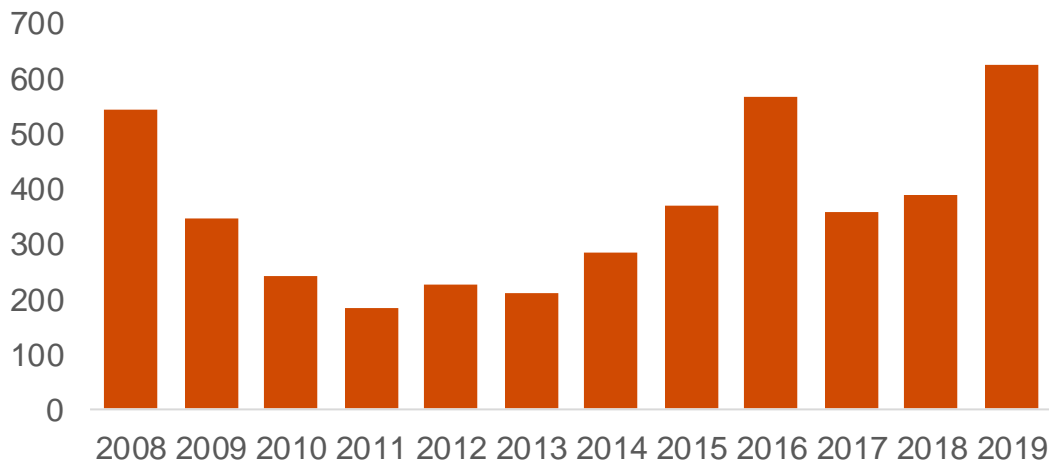
- MeitY Startup Hub & JETRO signed a partnership agreement to strengthen the Indian & Japanese tech startup ecosystem on 20 January 2020
- Approximately 38,000 Indians live in Japan including IT professionals and engineers working for Indian and Japanese firms as well as professionals in management, finance, education, and S&T research
- In Jan 2021, The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the signing of a Memorandum of Cooperation between the Government of India and Government of Japan, on a Basic Framework for Partnership for Proper Operation of the System Pertaining to "Specified Skilled Worker"

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Japanese investment in India

Direct Investment from Japan, JPY bn



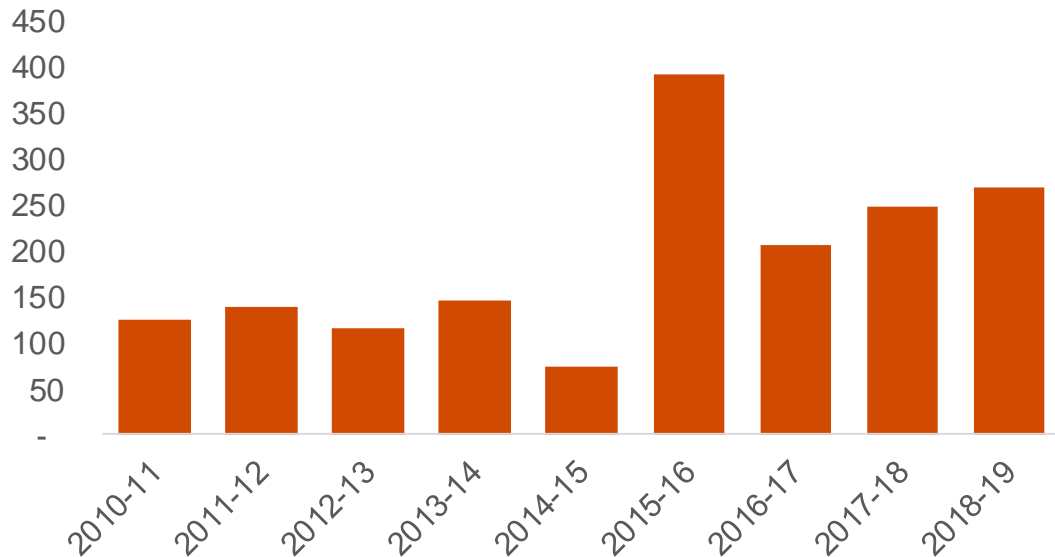
- Japan is the **5th largest** investor in the Indian economy with cumulative FDI inflows of **USD 34.15 bn** during April 2000 and Sept 2020, contributing **7%** to India's total FDI inflows during the same period

- India rated the most attractive investment destination, by Japanese manufacturing companies, in survey conducted by Japan Bank for International Cooperation
- The number of Japanese companies registered in India is 1,441 as of October 2018, 5% increase compared to previous year

Source: MOFA, Japan, Invest India

Japanese Official Development Assistance (ODA)

Japanese ODA to India, JPY bn



- Japan – largest bilateral donor to India

Areas of assistance : Power, transportation, environment, projects related to basic human needs

Source: Embassy of India

Specific Projects and Industrial Corridors

➤ **Delhi Mumbai Industrial Corridor (DMIC)- Implementation in progress**

- Flagship project of Indo-Japanese cooperation.
- \$90bn investment, initially
- Industrial infrastructure development & creation of new smart cities across six Indian States
- 24 industrial regions, 8 smart cities, 2 international airports, 5 power projects, 2 MRTS, 2 logistical hubs over 1500km
- Master planning by world class intl. consultants. EPC contracts for approx Rs. 3200 crore awarded in Dholera (GJ), Shendra (MH), Vikram Udyogpuri (MP) & G. Noida.
- DMICDC has commissioned a 5MW Model Solar Power Project at Neemrana, RJ
- Approval obtained for Greenfield Intl Airport at Dholera(GJ) at Kotkasim (Rajasthan)

The project is executed through JICA funding of JPY 550 billion. Total disbursement of loan till July 2018 is JPY 443 billion

➤ **High speed rail corridor (Bullet Train)**

- Mumbai – Ahmedabad
- Rs. 1.10 lakh crore (around \$15bn)

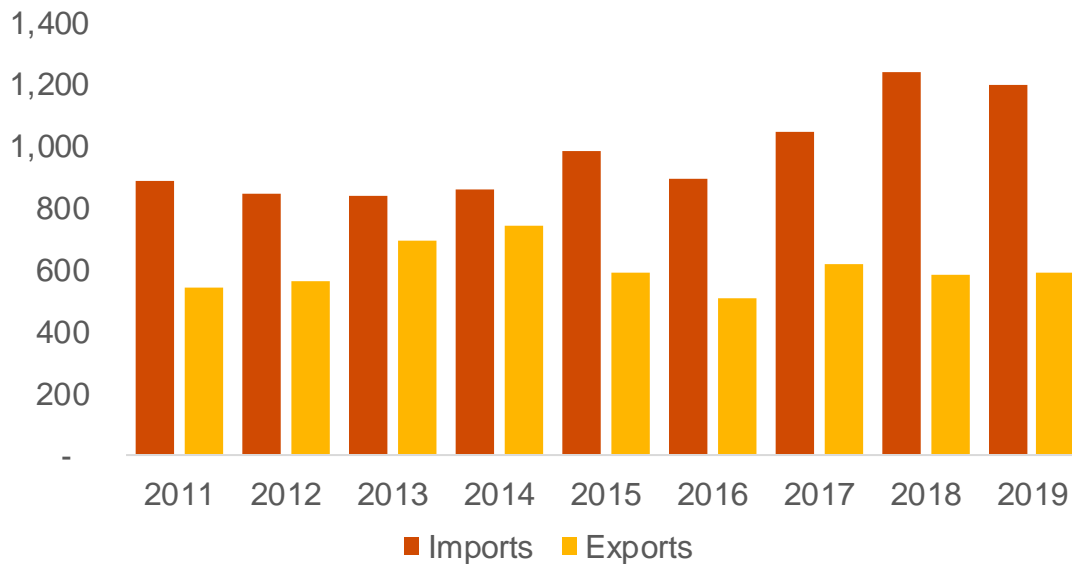


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BILATERAL TRADE HIGHLIGHTS

India- Japan Trade (JPY bn)



- **Japan is...**
 - **19th** largest export partner
 - **14th** largest import partner
- India's imports showed a growth of **102.7%** whereas, exports showed a growth of **26.2%** in a span of 12 years

- **India's primary exports to Japan:** Petroleum products, metalliferous ores & scrap, clothing, iron & steel products, textile yarn/fabrics, machinery etc.
- **Japan's primary exports to India:** Chemicals, plastics, machinery etc.

Source: Ministry of Foreign Affairs of Japan

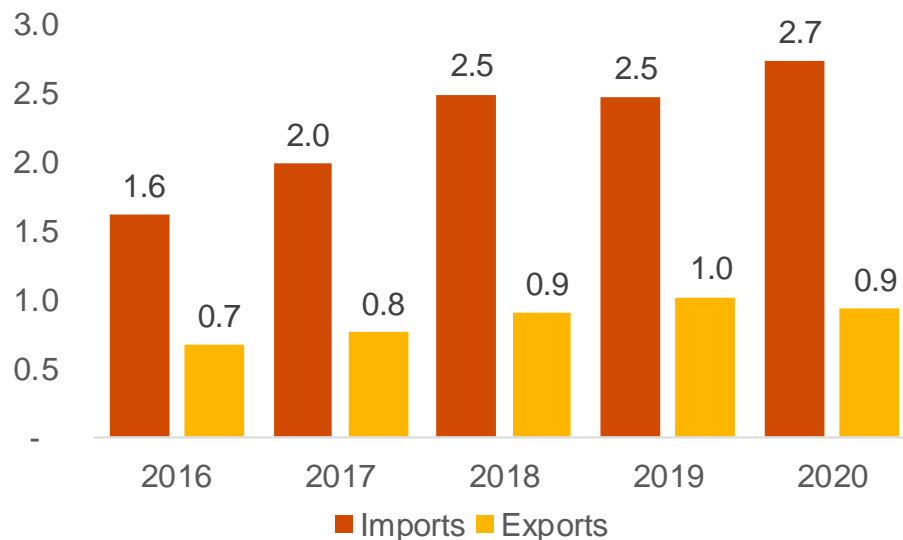
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BILATERAL TRADE

Chemicals & Petrochemicals

India- Japan Trade (USD bn)



- **India's primary exports to Japan:** Cyanuric acid, Caprolactum, Salts of nucleic acids, Pyridine derivatives, PET, Carbon black
- **Japan's primary exports to India:** PVC, VCM, Caustic Soda, Superabsorbent polymer, MDI, PE

Source: UN Comtrade (HS Code- 28, 29, 32, 38, 39, 4002, 54, 55)

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Indian Chemical & Petrochemical Sector

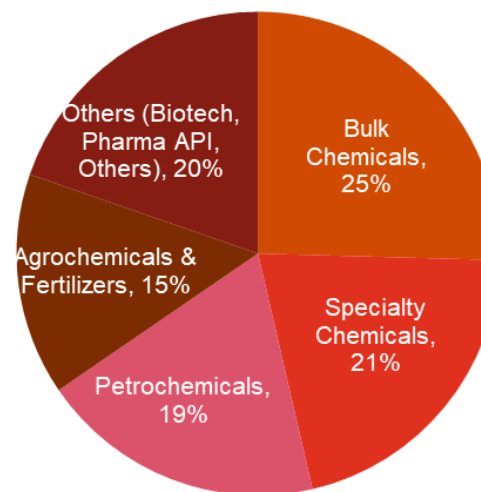
Highly diversified

- Over 80,000 products
- Employs 2 mn people
- Main hubs Gujarat & Maharashtra

Indian Chemical Industry

- USD 178 bn in 2020 – 2.5% of global chemical industry
- Expected to cross USD 300 bn by 2025
- Contributes 7.8% to manufacturing GVA and 1.2% of National GVA

Indian Chemical Industry: Segment Split (FY 20)



Total: USD 178 bn

Global Chemical Industry: USD 5 tn in 2018, expected to grow at 5.5% till 2025

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MAKE IN INDIA

- India - One of the fastest-growing countries globally- **average GDP growth of 7%** in last 20 years
- **India's National Income** is growing at a **CAGR of 11%**, Will be among the **5 largest world economies** by 2025
- **India** will surpass **China** and become the most populous country by 2023
- Favorable demographics – **world's largest youth population**
- India is on the move: **Cities** are likely to house **42.5%** of Indian Population by 2025
- **Huge domestic market** : Urban market shall account for **2/3rd of consumption** growth by 2025
- Produce closer to market
- Significant **improvements in infrastructure** – ports, roads, airports, railways, telecom
- The Ease of Doing Business ranking of India has improved from **142 in 2014** to **63 in 2019**

Thank you