

Address by Ambassador Kenji Hiramatsu
“Japan and Rajasthan: Areas for Extending Cooperation”
August 28th, 2019

Mr. Sachin Pilot, Honourable Deputy Chief Minister of Rajasthan,
Mr. Rahul Kaswan, Mr. Ramkumar Verma and Mr. Balak Nath, Honourable Members
of Parliament,
Mr. Harshavardhan Neotia, Former President of FICCI and Chairman of FICCI's
Forum of Parliamentarians Council,
Mr. Manish Singhal, Deputy Secretary General and Head International - FICCI
Distinguished Guests from all quarters of the State of Rajasthan,
Ladies and Gentlemen,

1. Introduction

It is a great pleasure for me to have the privilege of addressing you at this forum, “Rendezvous with Rajasthan”, co-organized by FICCI's Forum of Parliamentarians and the Embassy of Japan. This special event is the Third of a series entitled “Dialogue with States”, in which we hold events in regional cities to highlight various aspects of cooperation between Indian States and Japan.

I would like to begin by expressing my sincere appreciation to the Honorable Members of Parliament for their contribution in strengthening the Japan-India relationship, and taking time to attend this dialogue today as members of FICCI's India-Japan Forum of Parliamentarians. Since I came to New Delhi as the Japanese Ambassador, our collaboration with FICCI has greatly enhanced. In addition to revitalizing the FICCI India-Japan Forum of Parliamentarians three years ago, and the annual meeting of Japan-India Business Co-operation Committee, we are holding many interactions in such areas as Tourism and IT. I am glad that cooperation with the FLO is also expanding. I am deeply grateful for FICCI's secretariat and leadership, especially Mr. Neotia, for his personal commitment to Japan-FICCI cooperation. I look forward to continuing and expanding our joint endeavors.

I have visited Rajasthan and Jaipur many times for official purposes as well as for private trips. I am very happy to speak to you today in this beautiful Pink City, the capital of Rajasthan, the State blessed with a rich and attractive culture, historical heritages represented by the world heritage Hill Forts, and the fascinating natural beauties.

2. Japan-India Relations

Japan and India share the universal values of freedom, humanism, democracy, tolerance and non-violence, through a long history of academic, spiritual and scholarly exchanges. In an increasingly uncertain and volatile world, the India-Japan Special Strategic and Global Partnership, which is firmly rooted in history and based on their common values, has increased its significance. Japan and India are working together to contribute to a Free and Open Indo-Pacific, as well as to the peace and prosperity around the world.

Japan and India have institutionalized their Prime Ministers' annual reciprocal visit, since 2005. You may remember the picture of Prime Minister Modi and Prime Minister Abe, beaming in front of the autumn leaves of Yamanashi, during the Prime Minister Modi's visit to Japan last October. The visit was the best ever, and the two leaders reaffirmed to promote Japan-India relations at all levels. Later this year, Prime Minister Abe is expected to visit India, and I am fully convinced that his visit will boost the Japan-India partnership to an even higher orbit.

[FDI]

The foundation for this solid relationship, indeed, lies in the vigorous economic activities led by the private sectors of our two countries. Japan is the largest investor for India among the major advanced countries. In the last five years, the amount of total investment from Japan has exceeded USD 10 billion, which is contributing significantly to the "Make in India" initiatives. The number of Japanese companies operating in India has also registered a steady growth and has reached 1,441 in 2018.

I am pleased that Japanese investment is being welcomed across India. Thanks to the Modi administration's efforts to promote FDIs, including the introduction of GST, India's rank in the World Bank's Ease of Doing Business survey has climbed significantly in the past few years, and stood at 77th among 190 countries surveyed last year. In his speech on the Independence Day, Prime Minister Modi mentioned that he aims to put India in the Top 50 in global ranking. Furthermore, many states are providing incentives to attract Japanese investments. With continued reforms and right incentives for improving the business environment, I hope that India will become an even better place for Japanese business in the future.

[Textile Retail]

Japan's FDIs to India have traditionally been led by the manufacturing sector, especially automobile industries. However, recently, our investment is diversifying to other sectors. We are keen to invite more investment in such areas as food processing, healthcare, textiles and retail. Lately, famous Japanese brand MUJI has already established its business in India, and UNIQLO will soon enter the Indian market. Many other Japanese retail companies are expressing interest in India, and I sincerely hope they will decide to invest in India.

[Food Processing]

With regard to food processing, Japanese food processing industry leaders, including ISE Foods in poultry, KAGOME Foods in tomato processing, and KAMEDA in rice cracker processing, have invested in India after the 2017 World Food India. Pre-packaged curry giant OTSUKA Foods and major Japanese curry restaurant ICHIBANYA have entered the Indian market to promote Japanese curry here. India is a rich repository of agricultural produce. I believe food processing is important for adding value, bringing better lives to farmers, and avoiding unnecessary food losses. That is why I have been eagerly promoting investments in the agri-food processing field and will continue to do so.

3. Japan-Rajasthan Relations

[DMIC]

Now please allow me to talk about the relationship between Japan and Rajasthan.

Japan is assisting the establishment of Delhi-Mumbai Industrial Corridor (DMIC) to enhance connectivity and induce vibrant economic activities. Rajasthan accounts for a large portion of this economic corridor and will play an important role in the value chains created by this dynamic corridor.

[Nimrana]

In this DMIC, Neemrana occupies a special place as the host to a Japanese Industrial Township (JIT). This is an industrial park dedicated to Japan, established in 2007, in order to promote Japanese investment. 51 Japanese companies are operating from JIT in Neemrana, making the city a hub of Japanese companies' operations in India.

Earlier, I mentioned about incentives provided by State Governments. Rajasthan is, indeed, one of the first states which took steps to improve the business environment. For example, the Rajasthan State Industrial Development and Investment Corporation (RIICO) has appointed a full-time Japan Desk representative. The State of Rajasthan is also responsive to the requests by Japanese companies, not only at the initial stage of setting-up, but also throughout their business operations.

This sincere approach has won the trust of Japanese companies and made Neemrana a successful example of industrial clustering in India. I had a discussion last night with Japanese companies' representatives in Neemrana. They have a very positive views on Rajasthan Government RIICCO's support to their business operation in Neemrana. Neemrana has become the shining example of Japanese Industrial Township Projects in India. I know that many other states authorities have visited Neemrana and learned the lessons and inspirations. I would like to express my deep appreciation for the support of the State Government.

[JIM]

Japan has also been investing in human resource development, in line with the Skill India initiative. Since 2017, Japan-India Institutes for Manufacturing (JIMs) have commenced training programmes for shop-floor leaders, who are expected to shore up India's industrial development. There are ten JIMs across India, and one of them is in Rajasthan. Daikin has set up a JIM program in Neemrana since 2017, and its graduates are working actively at the forefront.

[ODA]

Along with the business cooperation I sketched out, there are a number of Japanese Official Development Assistance (ODA) projects in Rajasthan. Let me take the example of the agriculture sector, which is one of the most important industries in this state. The challenge is water. According to meteorological data, the previous 100 years' average annual rainfall in the state is 54% of the national average.

In order to deal with this challenge, the Government of Japan signed an agreement with the Government of India to provide an ODA Loan of 13,725 million Japanese Yen (approximately INR 800 crores) to the Water Resource Department (WRD) and allied departments under the Government of Rajasthan, for the "Rajasthan Water Sector Livelihood Improvement Project (Tranche I)" in 2017. This project focuses on the improvement of water use efficiency through rehabilitation of around 80 medium and minor irrigation schemes in the state. Moreover, this project puts an emphasis on strengthening participatory water management, improving the agricultural productivity, and enhancing the marketing capacity of the farmers. Capacity building and enhancing women's participation for decision making in agriculture and water management is another important component of this project.

Japanese Government is also working on "Rajasthan Rural Water Supply and Fluorosis Mitigation Project" to provide safe and adequate drinking water supply to people, in order to improve their health and living environment in Nagaur District.

4. People to People Exchanges

[Tourism]

Tourism is another promising area where Japan and Rajasthan can cooperate. It goes without saying that Jaipur is an amazing tourist destination, which most Japanese group tourists love to visit. But Rajasthan has a lot more to offer. There are beautiful tourist destinations with unique history and culture, like Udaipur, Jodhpur and Jaisalmer, as well as rich wildlife and nature, like Ranthambore National Park. Their charm is yet to be fully discovered by the Japanese travelers. I therefore found “The Great Indian Travel Bazaar ‘19” held here in Jaipur, in April by FICCI, to be very helpful. Many Japanese tour operators participated in this event, and learned about many such potentials of Rajasthan. I am confident that such endeavors to promote Rajasthan’s tourist destinations are rewarding for both, the State as well as the Japanese travelers.

The number of Japanese visitors to India reached the record high of 223,000 in 2017, but the growth rate in recent years is not increasing as much as we hope. The Governments of Japan and India are discussing ways to increase visitors through the India Japan Tourism Council. Its third meeting was held in January this year and brought about a deeper understanding on how we can further promote tourism.

Considering the promising relationship and the valuable tourism resources of our countries, we have not tapped the full potential yet. As people-to-people exchanges are the foundation of relations between nations, we would like to strive more to reinforce our bonds.

[Academic exchange, Japanese language]

There are other areas of people-to-people exchanges I want to touch upon. The Japanese Foreign Minister's Commendation was conferred upon the Biyani Group of Colleges (BGC), Jaipur, Rajasthan, in 2017, for their great contribution towards enhancing grass-root level people-to-people exchanges. They regularly organize academic research exchanges between Japanese Universities, such as, Japan Advanced Institute of Science and Technology (JAIST), Saitama University, and Kyushu University. In addition, every autumn, they organize an academic event to which many

Japanese academicians, including young scientists and graduate students, are invited to participate.

Japan and India are jointly conducting high quality Japanese language teachers' training program. We would like to promote Japanese language certificate courses in more universities in Rajasthan through this program.

5. **Closing**

Today I have only focused on a selected number of fields, but let me emphasize that Japan and India are already cooperating in various areas, such as start-ups, smart cities, science and technology, and sports. I am hoping that we can identify some more promising areas of cooperation between Japan and Rajasthan through our discussions today. I am very pleased to have a presence of Deputy Chief Minister of Rajasthan, Mr. Sachin Pilot. We will continue to work together to enhance our already very close friendship to a higher level. Thank you very much, Honourable Deputy Chief Minister. It is my firm conviction that the Japan-India relationship is a symbol of strength and stability in an increasingly uncertain and volatile world. As Prime Minister Abe says, "a strong India is in Japan's interest; a strong Japan is in India's interest". I hope that all of you in this room and many more will join in our common endeavor to further strengthen the Japan-India and Japan-Rajasthan partnership.

Thank you very much.