

Remarks of Ambassador Suzuki at the India-Japan Business Forum
on 26th August 2020

Mr. B S Yeddyurappa, CM, Govt of Karnataka
H.E. Mr. Sanjay Kumar Verma, Ambassador of India to Japan,
Distinguished Guests, Ladies and Gentlemen,

Good Morning,

It is an honor for me to participate in the “India-Japan Business Forum” today and I would like to thank Me. Mayank Jalan to host today’s event.

India and Japan have built a solid and strong relationship based on the economic activities led by many vigorous companies in both our countries. Both Japan and India have made tremendous efforts to promote our relations in the past two decades, and have transformed it into what we call today a “Special Strategic and Global Partnership.”

Even in the difficult times that we are experiencing amid the COVID-19 crisis, I remain firmly convinced of India's vast economic potential and its ability to contribute to the world economy in the post COVID-19 world. India is poised to be a hub of stronger regional and global supply chains as President Modi recently described it as ‘Make for World’ alongside ‘Make in India’. We have already started to take a path toward that end. Last December, our two countries established “The India-Japan Industrial Competitiveness Partnership” and are actively engaged in discussions on how we can strengthen India’s competitiveness and help India become a good export base to the world. We are working on it together.

However, let us take a step back and look outside of India for a moment. This is necessary, because ultimately, India must compete with other countries in the region to become a truly effective export base. We can’t just keep staring at our beautiful selves in the mirror and be complacent about what we see.

So as an example, let us compare the export sales to total sales ratio of Japanese companies operating in various places in Asia. The export sales ratio of Japanese companies in many ASEAN countries are in the upper 40% to 50% zone. Even Japanese companies in China have a 33% export sales ratio. On the other hand, in India, the export sales ratio of Japanese companies remains at a low 18%, almost half of that in

China. This shows how the companies here are still very much focused on the domestic market and not so much on exports.

When we consider the fact that export-oriented companies have a tendency to show better profit forecasts, I believe there are things we should learn from what ASEAN countries did to attract investment and turn themselves into a successful export hub. For instance, Malaysia and Thailand have streamlined investment procedures with a single government body called “one-stop center” to oversee all foreign investment. They also have deployed their branch offices in Japan. On the other hand, if you allow me to speak frankly as a friend, many Japanese companies are still confronted with various kinds of obstacles when they enter and operate in the Indian market. We must do something about this, and we must act quickly if we were to fully unleash the vast potential of our economic ties in the post COVID-19 world.

Our relationship goes both ways. So while we work to achieve a better business environment in India, we must also work to attract more investment to Japan from India as well. I believe that there is good potential for Indian companies to invest in Japan especially in such areas as AI and IoT. This January, JETRO held the “Invest Japan Symposiums” in Mumbai and Gurugram to promote investments by Indian companies in Japan. They also had the same event in Bengaluru and Hyderabad in 2018. I hope these types of efforts will bear fruit in the near future resulting in a higher interest in India to invest in Japan.

The COVID-19 crisis is changing the world in such a drastic and unforeseeable way. It is my sincere wish to continue working with all stakeholders, including economic organizations like ICC, to deal with this uncertainty and to create a deeper relationship between two countries. I hope the interactions in today's forum will be fruitful in that it may lead to clues as to how we can effectively address the issues and challenges that I have touched upon today.

Please allow me to close my remarks by offering my best wishes for this forum's great success. Thank you very much.