

Charge d'Affaires ANDO's remarks
on the occasion of the FICCI report launching
on 18 September, 2020

I am pleased to attend this launching event of FICCI's new report, "India-Japan: Time to Seize New Opportunities." The presence of His Excellency Dr. Jaishankar and other dignitaries attests to the high degree of interest and expectation to bringing our bilateral economic relations to another level.

Indeed, there has never been a better time to seize opportunities. The spread of COVID-19 has brought various challenges and hardships to the world, but at the same time has changed the way we think and act. When essential goods could not reach our land amidst the pandemic, we realized how important it is to create robust and resilient supply chains. When it became difficult to meet in person, we have quickly adopted ourselves to utilize technologies, as we meet online today. Necessity is indeed the

mother of invention. Our new mindset can open up new opportunities.

I believe that this mindset has prompted India to pursue both goals of “Self-reliant India” and “Make for World” under the strong leadership of Prime Minister Modi. His statement clearly intended to put India at the center of global supply chains. Indeed, India will become stronger by playing a pivotal role in global supply chains through enhanced trade and investment. Of course, this cannot be a one way street. Allowing a free and stable importation of mid-products and other resources is critical, if goods made in India are to be competitive in the global value chains.

Japan has always been keen to see successful development of India and has been a steadfast partner in advancing “Make in India.” I also want to emphasize that Japanese companies are making significant contribution to “Make for World” through working with their Indian partners. A well-known example is Maruti Suzuki. They are exporting automobiles made in India to Africa and even

to Japan. Japanese companies are proud to make such first-rate competitive products together with their Indian colleagues.

Japanese businesses are indeed keen to play their roles in India's new quest to be the hub of global supply chains. Last year, the number of Japanese companies in India rose to 1,454. But we should not be content with ourselves by just painting such a rosy picture for ourselves. To make this picture a reality, I believe there are still more we must do.

India's ease of doing business ranking has made a remarkable stride for the past few years, currently ranking at number 63 in the world. But Japanese companies are still facing various challenges in conducting their businesses here. Complicated legal and tax systems, late payments, difficult labor issues, and inadequate infrastructure are among the concerns repeatedly raised by them. When we look at the "level of enforcement of contracts," India is still number 163 in the world. Can you imagine how much more Japanese investment we could expect if the "level of enforcement

of contracts” is improved?

This report by FICCI is issued at a critical moment. It contains some concrete ideas for further reforms and policy recommendations from a viewpoint of FICCI, representing India’s business community. It also includes policy recommendations jointly submitted by FICCI, Japan Chamber of Commerce and Industry in India (JCCII), Japanese External Trade Organization, India (JETRO) and our Embassy. The report is comprehensive, capturing the demands from both Japanese and Indian industries. It also makes valuable comparisons between India and ASEAN countries. These comparisons should provide us with constructive ideas of what needs to be done. So I ask all of us, both Japanese and Indians, to closely look into this report, and more importantly, to act to resolve the issues even going beyond this report.

Last month, Prime Minister Modi acknowledged there are “millions of challenges” on a way to be self-reliant. I believe he is confident that India has the capability to resolve them. Japan is

ready to go along with our Indian friends on this path. Based on the discussion held between our two economic ministers last December, we have agreed to establish the “Japan-India Industrial Competitiveness Partnership.” Under this initiative, Japan will share its expertise and experiences to raise the competitiveness of India’s industries in the global market.

Another important effort is the new Japan-India-Australia joint initiative to strengthen regional supply chains. The trade ministers of the three countries had a very fruitful meeting earlier this month and agreed to work out the details of the idea of resilient supply chains in the Indo-Pacific within this year.

The collaboration between Japan and India is multifaceted, including the growing service sector and finance. Our joint efforts should be and are touching upon new frontiers, including IT, 5G, AI and other digital transformations. In order to connect the vibrant talents of our countries, we have established the fund of funds for start-ups.

As you know, in Japan, Prime Minister Suga has just sworn in. I am convinced that the premium our two countries attach to our relations remain very strong under the new Japanese administration. And the Japan-India relations, strengthened by our shared goal for a free, open and inclusive Indo-Pacific, are now having positive influences across the globe. In an increasingly uncertain world, Japan and India can bring about assurance over peace, stability and prosperity, by working with other like-minded countries.

In closing, let me stress that our economic partnership is the core of our expanding bilateral relationship. I would like to quote Minister Jaishankar from his latest book: “If Noida and Nagoya are to truly meet, it would add a new page to Asia’s history.” Thanks to this report by FICCI, I am confident our economic ties will become even more robust through our mutual diligent efforts, and we can “add a new page to Asia’s history.”

Thank you very much.