

Kamal Nath Invites Japanese Investment Co-operation Plan Between India & Japanese SMES Suggested

Speaking at the Seminar on "Investing in India" in Tokyo today, Mr Kamal Nath, Minister of Commerce and Industry of India, said, that the economic reforms process had led to India being on a growth trajectory and the confident industry invited the Japanese industry to invest in India.

He said India had followed its own reform process – a calibrated one and added that the India economic growth was domestic market driven and not export market driven. The Minister urged Japanese industry to look at India's demographic pattern, the synergies between IT, bio-tech, automation and high technology. India offers a manufacturing base with embedded technology to Japanese industry. Indian skilled workforce could partner Japanese industry which is technology driven to be most competitive.

Mr Kamal Nath spelt out the opportunities for Japan in the financial services, in SMEs and spoke of the special affection India had for Japan. He stated that the Japan desk in his Ministry was being strengthened especially to support and facilitate SMEs.

Mr R Seshasayee, President, CII speaking at the Session on Manufacturing, elaborated the strengths of Indian Manufacturing sector and emphatically stated the attractiveness of India as a manufacturing destination for Japanese Industry. Japan's FDI Projects in India in the Manufacturing Sector over the Period 2005-07, from five leading Japanese companies with manufacturing base in India stood at USD 1223 million.

Mr Seshasayee added that the strong Indian manufacturing sector with a strong Quality movement, could boast of 16 Deming Award winners. In fact, this was the largest group of companies outside Japan.

Mr Seshasayee referred to the initiative taken by CII on Total Quality with Japanese organisations; Kaizen (improvements) in more than 1000 companies; training and re-vamping of ITIs; Cluster approach for SMEs, etc were aimed at strengthening the Indian manufacturing sector.

Hi-lighting the sectoral strengths, Mr Seshasayee mentioned that the telecom sector targets to assemble telecom equipment worth USD 100 billion in the next three years;

India is rapidly becoming an outsourcing hub for auto/auto component companies worldwide, and exports to more than 150 countries; in contract drug manufacturing, it is 40 percent cheaper to set up a plant in India, and the cost of bulk drug production is 60-70 percent cheaper and India aims to produce 65 million tonnes of Steel per annum by 2010 and more than 110 million tonnes per annum by 2020.

With a confident and strong industry, the manufacturing story of India has never had it so good and therefore, the Japanese industry would now find it attractive to partner and manufacture in India. India is the fourth largest economy in terms of PPP; and India's GDP is expected to be ahead of other Brazil, China and Russia.

Mr Seshasayee added that Intellectual Property laws guaranteed protection for Japanese Industry.

Earlier Mr R Seshasayee and members of the CII delegation in Japan, coinciding with the visit of the Prime Minister of India, met a select group of 20 Japanese Members of Parliament led by Mr Y Nishimura, Liberal Democratic Party. These young MPs have visited India in the past 2 years and are serving as "Honorary Ambassadors" to promote Japanese investment in India in sectors other than automotive, and covers food processing, logistics; infrastructure, etc. Their role is to encourage Japanese industry to look at investing in India. This group of young influential MPs have an active relationship with Japanese industry and CII has been meeting with them regularly.

Emphasizing co-operation between SMEs of India and Japan, Mr Seshasayee suggested a 2 year action plan wherein CII and SMRJ (Organisation for Small and Medium Enterprises and Regional Innovation, Japan) could work together towards establishing a good working relationship. He suggested to SMRJ that they share their technology with their counterparts in India.

He urged the new generation entrepreneurs and SMEs in the two countries must capitalize on the potential opportunities.

Tokyo
15 Dec, 2006