India and Japan need to maintain momentum of growing business ties

India and Japan need to maintain the recent improvement in bilateral economic relations through more Government to Government (G2G) and Government to Business (G2B) relations, particularly focused on supporting MSMEs. Some of the steps that can be taken in this regard are: promoting trade in e-commerce, setting up an MSME skill development platform, setting up a joint fund for capacity building for local MSMEs etc.

In recent years, bilateral partnerships have largely focused on infrastructure. Since 2003, India has overtaken China as the largest recipient of yen loans from Japan. A large part of the Japanese loan to India is used for infrastructure projects in sectors such as power, transportation, environment and social welfare.

Both the countries have joined hands under the Act East Forum for 'economic modernization' of North Eastern States by strengthening the region's connectivity, infrastructure and industrial linkages. This project has the potential to benefit MSMEs, engaged in potential sectors such as food processing, value addition of forest products, herbal products and tourism in north eastern India.

In 2018, both the countries set up Japan India Startup Hub to promote collaborations among start-ups, investors, incubators, & aspiring entrepreneurs from both the countries. In future, both the countries can launch similar platform to promote collaboration among MSMEs.

MSMEs from both the countries can also benefit from the 12 Japan Industrial Townships (JITs) that are being developed in India to attract Japanese investment into the country. JITs are integrated industrial parks equipped with world class infrastructure facilities. These 12 townships are located in Jhajjar (Haryana), Greater Noida (UP), Pithampur (Madhya Pradesh), Krishnapatnam (Andhra Pradesh), Ponneri and two other areas in Chennai, (Tamil Nadu), Tumkur (Karnataka), Neemrana (Rajasthan), Supa Parner (Maharashtra), Mandal (Gujarat) and Ghilot (Rajasthan). These townships have the potential to attract large Japanese companies. Indian MSMEs can be the potential component suppliers for these large Japanese firms that will invest in these townships. In the township at Neemrana, already 45 Japanese companies have set up operation. These firms include Daikin, Nissin Brake, Mytex Polymer and Nippon Pipe, to name a few.

According to recent surveys, Japanese investors have considered India as one of the most attractive destinations for investment outside Japan. According to one survey by the Japan External Trade Organization (JETRO) in 2019, at least 65% Japanese firms in India decided to expand their business activity in the next 1 to 2 years.

In yet another survey by the Japan Bank for International Cooperation (JBIC) in 2019, Japanese manufacturing firms chose India as the third preferred country for potential business expansions.

Notifications

Press Information Bureau, Government of India

DAILY BULLETIN ON COVID-19

https://pib.gov.in/PressReleseDetail.aspx?PRID=1646488

Partial Credit Guarantee Scheme (PCGS) 2.0 extended

https://pib.gov.in/PressReleseDetail.aspx?PRID=1646470

CBIC

Amendment to Special Warehouse (Custody and Handling of Goods) Regulations, 2016

https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt77-2020.pdf

Amendment to the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019

https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt76-2020.pdf

Manufacture and Other Operations in Special Warehouse Regulations, 2020

https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt75-2020.pdf

Appointment of Common Adjudicating Authority

https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt73-2020.pdf

Appointment of Common Adjudicating Authority

https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt74-2020.pdf