

Best still to come for India-Japan partnership

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On behalf of all members of the Indian Chamber of Commerce and Industry in Japan (ICCJ), I convey our greetings for the Independence Day of India.

When freedom was finally achieved 64 years ago, millions in our country looked forward to great things, to great achievements and to India taking its place among the nations of the world as a leader and exemplar. Much has been done and achieved in the past six decades, especially for the masses, which was unthinkable in the years before independence. But not all the hopes with which we embarked on our career as a free nation have been realized.

The vision of India becoming a developed country by 2020 is on schedule. Our people shall rise well above the present poverty and contribute more productively to their country because of their own improved health, education and self-esteem. With time and effort, as every Indian is in the process of being empowered to make use of life and opportunities, I am convinced the best is yet to be.

India-Japan relations have undergone a significant and qualitative shift in recent years. There is huge potential for further enhancing our economic and commercial ties. Japan can particularly take advantage of India's huge and growing domestic market and its vast resources, particularly its human resources.



The India-Japan Comprehensive Economic Partnership Agreement (CEPA) was signed on Feb. 16 in Tokyo. The CEPA came into force from Aug. 1. It is one of the most comprehensive of all such agreements concluded by India in so far as it covers more than 90 percent of trade, a vast gamut of services, rules of origin, investment, intellectual property rights, customs and other trade related issues. It is India's third CEPA, after Singapore and South Korea, and is in line with India's larger vision of an East Asia partnership.

Under the CEPA, Japan has scrapped import duties on 87 percent of tariff lines with India with immediate effect. A large number of these items are of export interest to India. With the implementation of the agreement, India is likely to gain greater market access in Japan for various sectors, including textiles and garments, pharmaceuticals, marine products, tea, jewelry, and organic and inorganic chemicals. India shall be scrapping tariffs on 17.4 percent of tariff lines with Japan with immediate effect and on another 66.32 percent of tariff lines over a period of 10 years. Tariffs on many goods of export interest to Japan, such as automotive equipment, steel products, peaches and persimmons, will be scrapped in India over the next five to 10 years.

Currently, India accounts for just over 1 percent of Japan's textile and garment imports, worth \$33 billion, while pharmaceuticals from India constitute a miniscule 0.09 percent of Japan's \$16 billion-plus import market. With the CEPA, Indian exporters of textiles and garments and pharmaceuticals are likely to do much better. Current bilateral trade between India and Japan is around \$12.6 billion and it is expected to double to \$25 billion by 2014.

Japan currently ranks sixth largest in cumulative foreign direct investment flows into India. Japanese companies have made actual investments of \$4.63 billion (4 percent of total FDI) between April 2000 and November 2010. The sectors attracting Japanese investment are the automobile industry, electrical equipment, trading, service sector (financial and non-financial)

and telecommunications. The CEPA will provide a more stable, predictable and conducive business and investment environment for Japanese companies.

In the wake of the devastation caused by the magnitude 9.0 earthquake and tsunami on March 11 in northeastern and eastern Japan, Indian Prime Minister Manmohan Singh made a statement in Parliament on March 14 expressing India's full solidarity with the people of Japan. Relief materials consisting of 25,000 blankets, 10,000 bottles of mineral water and 10 tons of high-energy biscuits were sent to Japan. A 46-member Indian Relief and Rehabilitation Team from the National Disaster Management Authority was dispatched to Japan. The highly specialized team carried out relief operations in the coastal town of Onagawa, Miyagi Prefecture, which was directly impacted by tsunami. The team's work has been much appreciated by the Japanese authorities, local people and the Japanese media.

The Indian community continues to fervently pray for the victims and earliest recovery of all evacuees. The saying of Indian sage Sri Sathya Sai Baba, "Hands that help are holier than lips that pray," was put to practice when hundreds of volunteers from the Sri Sathya Sai Seva Organization, in cooperation with the services of the Japan Coast Guard, organized extensive deliveries of life-line supplies to over 100,000 evacuees, which continues to date by permanent bases of Sai volunteers operating on a daily basis in the affected areas. ISKCON and other Indian institutions have been doing commendable work by weekly volunteer visits to serve evacuees with delicious Indian curries. Noteworthy is the noble service of donating good-condition cars, clothing and other necessities on an ongoing, weekly basis by renowned spiritual organization Universal Brotherhood based in Yokohama.

As an apex body of Indian interests, ICCJ commemorates its 90th founding anniversary this year. We renew our pledge of dedicated commitment to foster Indo-Japanese economic engagement.

We deeply appreciate the valued support of The Japan Times, and its readers.

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