

Embassy of India

Tokyo

Remarks by Ambassador Sibi George at the Indo-Japan Partnership Seminar Organized by Automotive Components Manufacturers

Association of India (ACMA)

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Mr. Vinnie Mehta, Director General, ACMA

Participants from India and Japan

Ladies and gentlemen

Good morning.

I am delighted to be at the Indo-Japan Partnership Seminar today. I would like to thank the President and the Director General of Automotive Components Manufacturers Association of India (ACMA) for inviting to me speak today. I take this opportunity to welcome the members of the ACMA delegation. I am happy to note that 31 companies from India are participating in the India-Japan Matchmaking Expo and the Seminar. A

special word of thanks to JETRO and Japan Auto Parts Industry Association for their support to the Seminar. Warm greetings to all present here.

2. As you would be aware, this is a special year in India-Japan ties. This year, we are celebrating the 70th anniversary of the establishment of diplomatic relations between India and Japan. This year is also special as we are celebrating Azadi ka Amrit Mahotsav to mark 75 years of India's independence. Today's event is one of the many that have been held as part of these celebrations and the many that we plan to hold in the coming months.

3. India and Japan share a Special Strategic and Global Partnership. This is a relationship which has for long been driven by robust economic cooperation. In recent years, the relationship has further expanded and transformed into a broad and comprehensive partnership. As our Prime Minister Shri Narendra Modi noted, this partnership today covers every area of national endeavour.

4. Japan has been a trusted and valued partner in India's developmental journey. Japan has been a key partner for India in several flagship projects and initiatives for infrastructure and economic development. Japan is one of the largest investors in India. The target of 3.5 trillion Japanese yen investment in India, set in 2014, has been exceeded. Our bilateral trade stood at USD 20.57 billion during FY 2021-22., the largest ever. But there is potential to set and achieve greater goals.

5. The Annual Summit held in India earlier this year between Prime Minister Shri Narendra Modi and Prime Minister KISHIDA Fumio provided a new energy and momentum to the relationship. At the Summit, our Prime Ministers agreed to an ambitious target of five trillion yen or close to USD 40 billion of public and private investment and financing from Japan to India over the next five years.

6. A number of steps are being taken to achieve this target. I'll mention a few which would be of interest to the gathering present today.

7. The first is the adoption of a clear roadmap to implement the India-Japan Industrial Competitiveness Partnership. The focus of the Partnership is to enhance competitiveness of the Indian industry with the help of Japanese expertise and promote industrial cooperation in a wide range of areas, including auto.

8. Second is cooperation to ensure reliable and resilient supply chains. India and Japan are committed to work together towards securing reliable, resilient and efficient supply chains and are engaged on this issue both bilaterally as well as through the Supply Chain Resilience Initiative involving India, Japan and Australia.

9. Another important initiative is in the area of human resource development for manufacturing and movement of skilled workers from India to Japan. This is one area in which both countries should take maximum advantage of complementarities between our economies. India with its young demographics– over 50% of our population is below the age of 30 years – can meet the demand for skilled workers in the Japanese economy. The Government of India has placed a strong emphasis on skilling human resources under its “Skill India” programme. These skilled workers are ready to serve the needs of the Japanese industry.

10. As I mentioned earlier, there is great potential to do more in our economic ties. This is true in the case of automotive and auto components sectors as well. As you already know, India has a very small share in Japanese imports of auto components. Japan imports auto components worth around USD 7 billion annually. India’s share in this stands at below 2%. Clearly there is a lot of room for Indian exports to grow. For this, work needs to be done to create new linkages between the industries of our countries. This is where events such as this one are useful.

11. Parallely, Government of India, on its part, is committed to making the country a leading global manufacturing and investment destination across sectors. It has taken a series of reform measures to improve ease of doing

business in India. Production Linked Incentive Schemes have been launched to promote manufacturing in 14 sectors, which also included automobile and auto component industry. The Schemes have received a very enthusiastic response from the industry. In the auto sector, for instance, the Scheme received proposals worth nearly double the expected investment. I am happy to note that 15 Japanese companies are participating in the Production Linked Incentive Scheme for the automobile and auto components sector.

12. The Government is also working to develop India as a global research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres as well as the National Automotive Board to act as facilitator between the Government and the industry. Several leading names in the automotive industry, including Suzuki from Japan, have already set up their R&D centres in India which are working on global projects. India and Japan can explore further opportunities in this area.

13. I'll conclude my remarks here. I once again thank the organizers for inviting me to speak at the event. I am certain that businesses on both sides have had the opportunity to hold productive discussions during the Expo. I convey my best wishes to the organizers and all participants at the Seminar and Expo.

Thank you.
