

**Speech by Ambassador Nagma M. Mallick at the event: Fostering SME
collaboration between India and Chubu Region
10 March 2026, Hotel Courtyard by Marriot**

Shri Amardeep Singh Bhatia, Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India.

Mr. Hidenobu TERAMURA, Director-General, Chubu Bureau, Ministry of Economy, Trade and Industry (METI-Chubu)

Mr. Satoru KATSUNO, Chairman, Central Japan Economic Federation

Mr. Toshihiko Kurihara, Deputy Director General, Japan Bank for International Cooperation (JBIC)

Mr. Koichi Suzuki, Managing Officer, Executive General Manager, India Operations, Suzuki Motor Corporation

Honourable dignitaries, esteemed business leaders, and distinguished guests

I am glad to welcome you all to today's event focused on forging partnership between SMEs in the Chubu Region (*comprising 09 prefectures of Aichi, Nagano, Shizouka, Toyama, Yamanashi, Niigata, Ishikawa, Gifu and Fukui*) and India. Linkages between Indian States and Japanese Prefectures are an important driver of our bilateral relationship.

The successful visit of Prime Minister Modi to Japan in August 2025 imparted renewed momentum to our Special Strategic and Global Partnership. Through a **Joint Vision for the Next Decade**, our countries have reaffirmed and upgraded our partnership. Collaboration between SMEs is a key focus area **of our Next Generation Economic Partnership** and it has the potential to deepen trade, investment, and industrial collaboration.

Friends, today's gathering comes at an opportune time. We inaugurated the **India-Japan SME forum in November 2025**. This forum helps foster visit of **Japanese SMEs to India** and is an important arena for **deepening industry linkages**.

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Under the SME Forum, a 40-member strong **SME Mission** focussed on Aerospace sector from Japan visited India in **December 2025**. We hope to welcome many more such SME Missions from now onwards.

I am also pleased to note the **robust industrial engagement** between **Nagoya and India**, which saw a cross sectoral 18-member trade delegation visit to India in 2025 followed by a **visit by the Mayor of Nagoya** to India in mid-2025.

Friends, the Chubu region, centred around the industrial powerhouse of **Aichi** and extending through the **precision-engineering hubs of Shizuoka and Nagano** accounts for nearly **20% of Japan's GDP** and stands as a global leader in the **automotive, aerospace, and robotics sectors**. The region is home to **Toyota Motor, Denso, Aisin, Honda, Brother Industries, NGK Insulators, Mitsubishi Heavy Industries** amongst others. These anchors industry are supplemented by their crucial **ancillary SMEs suppliers**. This region represents the pinnacle of the **industrial synergy that India seeks to emulate and partner with**.

From the pioneering production lines of **Suzuki and Toyota to the cutting-edge semiconductor and optics clusters in Hamamatsu**, Chubu exemplifies the "**Japanese Monozukuri**" spirit—an unwavering commitment to manufacturing excellence.

Automobile manufacturers of Chubu region have already demonstrated what India- Japan partnership can achieve. They have built globally competitive manufacturing bases in India, serving both the domestic market and exports worldwide.

Friends, the last decade was defined by the hardware of mobility, we believe **the next will be defined by the silicon that powers it**. This makes the semiconductor and advanced electronics **space the natural successor to our automotive success**. India's semiconductor initiative is driven by the Semicon India Programme, implemented through the India Semiconductor Mission, with a fiscal outlay of **USD 10 billion**. India is focusing not only on chip fabrication but on the **entire semiconductor value chain—including design, packaging, research, logistics, and skilled workforce development**.

Friends, today, India's growth story is one of scale, stability, and opportunity. India is the fastest-growing major economy globally, and for FY 2025–26, growth is projected at about 7.4 percent, supported by stable governance,

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policy continuity, and strong domestic demand. Over the last **three and a half years**, India has concluded **nine Free Trade Agreements with 38 countries**, providing preferential market access covering nearly two-thirds of global GDP and trade. This expanding trade architecture is positioning India as an important hub for global manufacturing and supply chains.

India's transformation over the last decade rests on four key pillars:

- Public investment in physical, digital, and social infrastructure
- Commitment to inclusive growth
- Expansion of manufacturing capacity and innovation
- Simplification of regulations to improve the Ease of Doing Business

Over the past 12 years, India has implemented a series of structural economic reforms aimed at improving competitiveness, transparency, and investor confidence. Prime Minister Modi often describes this transformation by saying that **"India has boarded the Reform Express."**

Some major reforms include:

- New Income Tax reforms (2025) to stimulate savings and consumption
- **Production Linked Incentive (PLI) schemes, offering performance-based incentives to boost manufacturing in key sectors**
- Labour law reforms, where four modern labour codes replaced 29 outdated laws, simplifying compliance
- Increased FDI caps in sectors such as defence, insurance, and pensions
- Next-generation Goods and Services Tax or GST reforms aimed at further simplifying taxation.

In India, today we have around 5.93 crore registered MSMEs employing more than 25 crore people. India's **MSMEs**, we believe will play a key role in expanding India's merchandise **exports to USD 1 trillion within the next six to seven years**. India is positioning itself as a reliable supplier and a valuable player in **resilient global value chains**. **Japan remains one of India's most trusted economic partners, with cumulative FDI of over USD 45 billion, more than 40 percent of which is in manufacturing. We hope that Japanese enterprises and technology leaders will continue to partner with us to co-create for long-term growth and mutual benefit.**

Independent surveys reflect strong confidence on the part of the Japanese industry in India:

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- JBIC has ranked India the most promising overseas destination for Japanese companies for the fifteenth consecutive year
- JETRO surveys show that nearly 80 percent of Japanese companies operating in India are profitable

Friends, while the last few decades in our partnership were defined by "**the Big Industry**" (**Metros, Suzuki, Steel**), we believe the next generation **partnerships** will be defined by the "**Small Giants**"—**the specialized Japanese SMEs**—with the scale and talent of Indian SMEs.

For India, Chubu is not merely a geographic entity but a strategic gateway for collaboration in next-generation mobility, green energy, and resilient supply chains. As we look toward a "**Viksit Bharat**," the deepening ties between Indian states and Chubu's nine prefectures—particularly through initiatives like **India-Japan SME partnerships**—are vital in bridging our economy of scale with Chubu's technological mastery to co-create solutions for our region and beyond.

As we move forward, we hope that the synergy between Chubu's industrial precision and India's will act as **force multiplier for a resilient, future-ready economic partnership**. We look forward to working closely with industries and financial institutions from Chubu region to take forward our mutually beneficial partnership.

Thank you.
