

**Address by Ambassador Nagma M. Mallick at the India-Japan SME Forum  
Inauguration Event  
21 November 2025**

**H.E. Mr. INO Toshiro, Hon'ble State Minister of Economy, Trade and Industry, (METI) Government of Japan.**

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

**Mr. ISHIGURO Norihiko, Chairman and CEO, Japan External Trade Organization (JETRO)**

**Mr. TAKAYAMA Naritoshi, Deputy Director-General for Trade, Economic Cooperation and Food Expo, METI**

**Mr. OGAWA Kazunori, Senior Managing Director, Japan Bank for International Cooperation (JBIC)**

**Mr Rajesh U Pandya, Director & Executive Officer, KAI India / KAI Corporation Japan**

**Mr. SAYU Shinya, Director General, SPRIC  
Business leaders, and friends,**

It is a pleasure to welcome you all to the inauguration ceremony of the India-Japan SME Forum – an important milestone in the India-Japan Next Generation Economic Partnership.

Today's event follows the successful visit of our Prime Minister to Japan in August 2025 which imparted renewed momentum to our Special Strategic and Global Partnership. Through the **Joint Vision for the Next Decade**, our countries have reaffirmed and upgraded our partnership.

Friends, the Prime Ministers of India and Japan have committed to some important initiatives:

(i) Next Generation Economic Partnership to deepen trade, investment, and industrial collaboration, with a target of ¥10 trillion in new Japanese investments in India in sectors including the Small and Medium Enterprises.

(ii) Economic Security to build resilient supply chains in critical sectors like semiconductors, clean energy, critical minerals, bio-technology, pharmaceuticals;

## Check Against Delivery

- (iii) Next-Gen Mobility Partnership for smart, connected, and disaster-resilient infrastructure. These include high-speed rails, metros, airports, roadways, etc.;
- (iv) Ecological Sustainability promoting green growth and clean energy cooperation;

The ambition that we have for our partnership is high, but we believe that we can achieve this.

SME sector in India and Japan plays a vital role in driving economic growth, fostering innovation, and generating employment. SMEs constitute a significant portion of the industrial sector, contributing around 31% to GDP, 35 % of manufacturing Output and providing employment to over 267 million people in India. Likewise, in Japan, there are 3.36 million small and medium-sized enterprises (SMEs) that account for 99.7% of all the established companies and roughly 70% of employed workforce. SMEs both in India and Japan are known for their flexibility, entrepreneurial spirit, and ability to adapt to market changes. SMEs continue to be a backbone of rural and urban economies, supporting larger industries and facilitating inclusive development.

**Friends**, the India-Japan partnership is built on a solid foundation laid by our shared values, shared interests and common aspirations. It is derived from our common aim to ensure a free, open and prosperous Indo-Pacific.

Today, India is one of the fastest-growing major economies, with growth clocking at around 7% year after year. Our inflation is under check, and manufacturing and services sectors have been doing well. In 2024-25, India's overall exports of goods and services is of the value of around \$825 billion, of which merchandise exports alone were about \$437 billion.

India's structural fundamentals remain robust for sustained economic growth. A digitally savvy young working population which is nearly a billion strong underlies our growth and will drive it for decades. With an average age of 29 years, the Indian economy will drive growth in the global economy for the next few decades. Our economic growth is also underpinned by broad-based financial inclusion.

As per the **Survey Report on Overseas Business Expansion of Japanese Manufacturing Companies done by JETRO as well as Overseas**

## Check Against Delivery

**Business Survey by JBIC**, India maintained its position as the topmost promising country over the medium term in the next 3 years.

Today, Japan is the fifth largest investor in India, with cumulative FDI inflows exceeding USD 44 billion since 2000. Around 1500 Japanese companies are operating from around 5200 locations in India. Notably, more than 40% of annual Japanese FDI is directed towards India's manufacturing sector. The key sectors include automobiles, financial and business services, pharmaceuticals, metallurgy, and electrical equipment.

There are 11 Japan Industrial Towns in India, with anchor industries like **Suzuki's Maruti** in Gurgaon and **Toyota & Honda** in Rajasthan, are hubs of advanced Japanese technology and promoting deeper collaboration between Indian suppliers and Japanese companies. As India continues to develop these industrial ecosystems, it enhances its role as a global manufacturing leader — embodying the vision of **'Make in India, Make for the World.'**

Japan has also been one of India's most trusted partners in infrastructure development. From the **Delhi Metro** to the **Mumbai–Ahmedabad High-Speed Rail**, and from **industrial corridors to urban transport systems**—Japanese investments have helped build not just physical infrastructure, but long-term confidence in India's economic trajectory.

In India, today there are around 59 million registered MSMEs employing more than 250 million people. These enterprises generate a significant share of the country's economic output.

Friends, the India–Japan SME Forum that we are launching today will facilitate the expansion of Japanese SMEs to India. The forum will also act, we hope as a vital bridge for innovation, co-creation, and market access, enabling both Indian and Japanese entrepreneurs to scale up globally.

I am happy to note that Japan will be sending SME delegations covering a wide range of sectors to India – this includes AI, Aerospace, Semi Conductors, Advance Manufacturing, Electronics, Education amongst others. The first Mission focussing on Aerospace sector is likely to visit India as early as next month (December 2025). **We hope that these SME delegations from Japan to India will help attract complementary ancillary industries from Japan, enabling them to grow alongside existing anchor industries.**

## **Check Against Delivery**

We recognise that SMEs have unique needs, and we are committed to providing targeted support to ensure that Japanese SMEs can thrive in India. The Government of India is working closely with Japanese companies to facilitate smoother operations, including through our 11 dedicated Japanese Industrial Townships (JITs). My colleagues, my Deputy Madhu Sudan, economic sector colleagues, Debjani and Pramyesh and I are available at the Embassy to help smooth the path in India for all of you. Together, our nations can build sustainable value — not just for our economies, but for Asia and the world.

Thank you.

\*\*\*