

**Joint Statement by**  
**Mr. Toshihiro Nikai,**  
**Minister of Economy, Trade and Industry of Japan, and**  
**Mr. Kamal Nath,**  
**Minister of Commerce and Industry of India**

1. Minister Toshihiro Nikai and Minister Kamal Nath held in-depth discussions on the measures to further strengthen the Japan-India economic relations on June 15, 2006.
  
2. Both Ministers expressed satisfaction on the successful conclusion of the India-Japan Business Summit that was jointly supported by the Ministry of Economy, Trade and Industry of Japan (METI) and the Ministry of Commerce and Industry of India (MCI) and was co-hosted by the Confederation of Indian Industry (CII), India Brand Equity Foundation (IBEF) and the Japan External Trade Organization (JETRO) on June 14th, 2006;

Minister Kamal Nath expressed support to Minister Nikai's initiative towards further economic development and integration in East Asia; and Ministers recalled the Joint Statement issued by the two countries during the visit of Mr. Junichiro Koizumi, Prime Minister of Japan to India in April 2005 outlining common vision of partnership and the eight-fold initiatives for strengthening India-Japan partnership.

In order to work forward, the Ministers decided to adopt an action

plan to promote Japanese investments to India with focus on SMEs and agreed on the bilateral cooperation as global partners.

**Action Plan to promote Japanese investment to India with focus on SMEs**

- 3. The Ministers accepted that both countries have complementarity in all sectors of the economy. While Japan has advantages in terms of capital, technical skills and product development, especially in the manufacturing sector, India has highly qualified and skilled labor force in such sectors as information technology (IT), IT-enabled services and biotechnology.
- 4. It is mutually beneficial to enlarge bilateral trade and Japanese companies' investment into India, especially in the manufacturing sector that creates job opportunities.
- 5. With this shared recognition of the complementary economic relations, both Ministers renewed their commitment to business creation between the two countries. In response to Minister Kamal Nath's request, Minister Nikai has dispatched to India five successive business delegations covering a total of 126 enterprises and 170 members including many SMEs. Minister Kamal Nath welcomed these delegations and exchanged views with the delegations on various issues such as India's investment climate.
- 6. Based on the follow-up reviews on the outcomes of these delegations and the discussions at the Japan-India Policy Dialogue (JIPD), the two Ministers agreed on the following action plan to

strengthen Japan-India economic relations with focus on SMEs' investments into India with the recognition that SMEs often need more support than large-sized companies in terms of information as well as financial and human resources.

**Create an Information Hub for Investors ("Indo New Window")**

7. The Ministers decided to create an information hub for Japanese and Indian investors or "Indo New Window" in cooperation with JETRO and CII. The possibility to form a new official website on information regarding investment and economic partnership between Japan and India will be explored as part of the "Indo New Window".
8. Under this initiative, METI will establish a Trade and Investment Promotion Desk (TIP Desk) in METI. This Desk will provide information useful for Japanese investors about investment policy, climate and opportunities in India. This Desk will also help Japanese investors in addressing various challenges and problems faced by them during the course of making investments in India. On its part, MCI will continue to provide the same functions by enhancing the abilities of its existing TIP Desk or "Japan Cell" within Department of Industrial Policy & Promotion. The Ministers also decided that the TIP Desk in METI would work jointly with "Japan Cell". The Embassies in Tokyo and Delhi will give full support to these activities.
9. JETRO will open a Business Support Center (BSC) as incubators in New Delhi to further support Japanese SMEs that are considering

investment or business expansion in India. SMEs can use one of the Center's five rooms for two months without office rent and receive expert advice and consultation on doing business in India. In line with the opening of this Center, a new Overseas Investment Advisor will be appointed to the New Delhi Center. JETRO will also open an "Overseas Office" in Bangalore by adding manpower and function to its existing facility. Including the other two offices in Delhi and Mumbai, the number of JETRO offices will be three in India.

10. Japan Finance Corporation for Small and Medium Enterprises and CII will, based on the Memorandum of Understanding entered into on May 2nd, 2006, exchange information on each country's business environment that are useful to promote bilateral trade and investment. Japan Finance Corporation for Small and Medium Enterprises will dispatch to JETRO's New Delhi Center its official who will provide information for Japanese SMEs and existing enterprises in India.

#### **Provide Wider Opportunities for Business Matching**

11. The Ministers also agreed to widen opportunities for business and technology matching for Indian and Japanese companies. Towards this, it was decided that the Organization for Small and Medium Enterprises and Regional Innovation (SMRJ) and CII will, based on the Memorandum of Understanding entered into on February 27th, 2006, exchange information regarding business interests expressed by Japanese and Indian enterprises.

12. METI and MCI will give necessary support to seminars to be held in both countries.
13. It was decided to provide appropriate support to trade fairs in India such as IndiaChem 2006 that will be jointly sponsored by the Department of Chemicals and Petrochemicals of India and Federation of Indian Chambers of Commerce and Industry (FICCI) in Mumbai from November 8-10th, 2006 and International Engineering & Technology Fair 2007 that will be held by CII in New Delhi from February 13-16th, 2007.
14. Both Ministers expressed their satisfaction on the One-Village, One-Product Campaign conducted in Madhya Pradesh State. The two Ministries and JETRO will give further support towards successful completion of this campaign.

**Build a Supporting Platform for Better Trade and Investment Climate**

15. The Ministers recognized the need for working towards better trade and investment climate. They also recognized the urgent need for creating and upgrading infrastructure for economic development of India.
16. METI and MCI, in cooperation with related organizations, will explore the possibility to utilize economic cooperation measures for industrial parks and Special Economic Zones (SEZ) that meet the needs of Japanese investors, specifically the SMEs. Indian side will give to Japanese side sufficient information regarding provisions

of the SEZ act.

17. Minister Kamal Nath appreciated the proposal for technical assistance by METI for trade organizations. Under this initiative, METI, in corporation with JETRO, will dispatch experts to industry associations including Automotive Components Manufacturers' Association (ACMA) and PHD Chamber of Commerce and Industry (PHDCCI) for providing necessary technical help to the Indian SMEs.
18. The Ministers agreed to make utmost effort to utilize Official Development Assistance (ODA) to address India's needs with strategic importance for both countries.
19. The Ministers expressed satisfaction on the progress achieved by the Joint Study Group (JSG) in working towards Economic Partnership Agreement (EPA)/ Comprehensive Economic Partnership Agreement (CEPA) in the spirit of the Joint Statement issued by the two Prime Ministers in New Delhi in April 2005.
20. Recognizing that the discussions at the JIPD and the India-Japan Investment Dialogue are fruitful, the Ministers decided to continue the substantial dialogue further with focus on the issues relating to this Action Plan.

#### **Cooperation as global partners**

21. Appreciating the common thinking on global economic issues, the Ministers resolved to cooperate towards further economic

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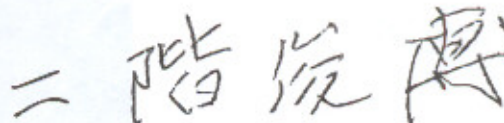
development and integration in East Asia in the spirit of the joint statement issued by the two Prime Ministers in New Delhi in April 2005.

22. The Ministers also decided to recommend joint cooperation in measures towards third countries' markets including dispatching joint investment missions.

23. The Ministers share the view that it is important for global economic development to conclude the Doha Development Agenda (DDA). METI and MCI will further strengthen cooperation towards the conclusion of DDA through deepening the dialogue between the two Ministers.



**Kamal Nath**  
**Minister of Commerce and**  
**Industry**  
**Government of India**



**Toshihiro Nikai,**  
**Minister of Economy, Trade and**  
**Industry**  
**Government of Japan**

**Tokyo, June 15, 2006**