

# **FDI SYNOPSIS ON JAPAN**

(as on 31.10.2009)

- **Cumulative FDI inflows during 1991-2009 (up to October):**
  - **FDI equity Inflows is US\$ 124.2 billion**, including amount on account of acquisition of existing shares (upto 1999), RBI's- NRI Schemes, stock swapped & advance pending for issue of shares.
  
- **Share of Japan with FDI inflows:**
  - **Japan ranks 6<sup>TH</sup>**
  - **Percentage share with total FDI inflows is 3.55%.**
  - **Total FDI Inflows from Japan are US\$ 4.4billion.**
  
- **Sectors attracted FDI inflows for Japan:**
  - **Top sectors attracting FDI inflows (from April 2000 to October 2009) are:**
    - Automobile Industry (31%)
    - Electrical Equipments (14%)
    - Telecommunications (9%)
    - Trading (8%) and
    - Services Sector (7%)
  
- **Technical collaborations:**
  - Since 1991, total **technical collaborations** are **8,080 Nos.**
  - Of these, **Japan** has been granted **879 technical collaborations.**
  - **Share of Japan with total is 10.88%.**
  - Top five sectors attracting **technology transfer** from **Japan** are:
    - Transportation Industry (262 nos.)
    - Electrical equipment (including software & electronics (198 nos.)
    - Chemicals (other than fertilizers) (77 nos.)
    - Misc. mechanical & engineering (53 nos.) and
    - Industrial Machinery (48 nos.)
  
- **Top inflows received during April 2000 to October 2009 from Japan through foreign companies are:**
  - Matsushita Electric Works Ltd
  - Suzuki Motor Co. Ltd.,
  - Ntt Docomo Inc
  - Panasonic Electric Works Co Ltd.
  - Matsushita Electrical
  - Yamaha Motor Co. Ltd

- Sanyo Electric Co.Ltd
- Suzuki Motor Corp.
- Yamaha Motor Co Ltd
- Daikin Industries Ltd.

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## **BRIEF NOTE ON FOREIGN COLLABORATION WITH JAPAN**

An analysis of the foreign collaborations and foreign direct investment (FDI) approved by the Government after the announcement of new industrial policy since August 1991 shows that FC investment from **Japan** has risen substantially.

2 **Cumulative FDI inflows** received during **1991-2009 (up to October)** is **5,390.0 (US\$ 124.2) billion**. Out of this, **FDI inflows from Japan (Ranks 6<sup>th</sup>)** is **Rs. 191.28 (US\$ 4.4) billion**, which is **3.55%** of the cumulative inflows received from FIPB/SIA, RBI's automatic routes & acquisition of existing shares (from the year 2000 onwards) during August 1991 to October 2009. However, this amount does not include inflows received through acquisition route prior to April 2000. Further, the inflows data on Sector specific in respect of **Japan** is available only for the period April 2000 to October 2009. The amount of FDI inflows project specific in respect of all Countries is not centrally maintained prior to April 2000.

3. The year-wise FDI inflows received from **Japan** companies since 1991 are given below:

### **3.1. FINANCIAL YEAR-WISE INFLOWS OF FOREIGN DIRECT INVESTMENT:**

<b><i>Financial Year (April-March)</i></b>	<i>(Amount in million)</i>			
	<i>From Japan</i>		<i>From all Countries</i>	
	<i>In Rupees</i>	<i>In US\$</i>	<i>In Rupees</i>	<i>In US\$</i>
<b>August 1991- March 2000</b>	<b>33,137.9</b>	<b>897.68</b>	<b>606,048.64</b>	<b>16,699.55</b>
<b>2000-01</b>	9,766.38	223.66	126,451.93	2,907.52
<b>2001-02</b>	8,087.84	177.68	193,608.25	4,221.89
<b>2002-03</b>	19,709.63	411.87	149,322.85	3,133.85
<b>2003-04</b>	3,604.46	78.36	121,173.55	2,634.21
<b>2004-05</b>	5,751.89	126.24	171,378.73	3,758.94
<b>2005-06</b>	9,250.69	208.29	246,127.37	5,545.94
<b>2006-07</b>	3,824.73	84.74	706,300.62	15,726.19
<b>2007-08</b>	33,364.15	815.20	986,643.94	24,580.95
<b>2008-09</b>	18,885.60	404.80	1,230,248.80	27,330.82
<b>2009-10 (Apr-Oct.)</b>	45,901.51	950.24	852,730.34	17,644.24
<b>Total (1991-2009)</b>	<b>191,284.78</b>	<b>4,378.75</b>	<b>5,390,035.02</b>	<b>124,184.10</b>

### **3.2. SECTOR-WISE DISTRIBUTION OF FDI INFLOWS:**

On perusal of the sector-wise distribution of **FDI inflows** received from **Japan** from 01.04.2000 to 30.09.2009 shows that the highest inflows have been in the Automobile Industry which accounts for over 31% of FDI inflows from **Japan**. Electrical Equipments with about 14% is in the second place and Telecommunications with over 9% is in the third place.

### 3.2.1. SHARE OF TOP SECTORS ATTRACTING FDI INFLOWS FROM JAPAN

(from April 2000 to October 2009) :

(Amount in million)

Ranks	Sector	Amount of FDI inflows		%age with FDI inflows from Japan
		In Rupees	In US\$	
1	Automobile Industry	50,673.41	1,101.64	31.36
2	Electrical Equipments	22,276.27	511.17	13.79
3	Telecommunications	15,192.57	310.79	9.40
4	Trading	12,636.75	288.30	7.82
5	Services Sector	11,586.71	251.98	7.17
<b>Total of above</b>		<b>112,365.71</b>	<b>2,463.88</b>	<b>69.54</b>

- Note:** (i) Amount includes the inflows received through FIPB /SIA route, acquisition of existing shares & RBI's automatic route only.  
(ii) The amount of FDI inflows in respect of the Country & Sector specific data is not provided by RBI, Mumbai prior to April 2000.

4. As far as **technology transfer** is concerned, total numbers of **879 technical collaborations** have been approved for **Japan**, which accounts for **10.88%** of the total collaborations approved, during August 1991 to September 2009. The highest technical collaboration has been in the Transportation Industry followed by Electrical Equipments (including computer software & electronics) and Chemicals (other than fertilizer).

#### 4.1. FINANCIAL YEAR-WISE TECHNICAL COLLABORATIONS APPROVED WITH JAPAN:

(No. of Approvals)

Financial Year (April-March)	No. of Technical Collaborations Approved			
	With Japan		With all Countries	
	Total	technical	Total	technical
August 1991 to March 2000	1142	648	16926	6308
2000-01	113	51	2140	411
2001-02	107	30	2340	281
2002-03	123	42	2049	293
2003-04	106	44	1927	299
2004-05	55	17	1249	90
2005-06	39	14	508	83
2006-07	21	10	287	81
2007-08	26	13	374	116
2008-09	25	9	448	98
2009-10 (Apr-Sept.)	4	1	105	20
<b>Total (1991-2009)</b>	<b>1,761</b>	<b>879</b>	<b>28,353</b>	<b>8,080</b>

**4.2. SHARE OF TOP FIVE SECTORS ATTRACTING TECHNOLOGY TRANSFER FROM JAPAN** (from August 1991 to September 2009):

<b>Ranks</b>	<b>Sector</b>	<b>No. of technical Collaboration approved</b>	<b>%age with technical collaborations approved for Japan</b>
1.	<b>Transportation Industry</b>	262	29.81
2.	<b>Electrical equipment (including software &amp; electronics)</b>	198	22.53
3.	<b>Chemicals (other than fertilizers)</b>	77	8.76
4.	<b>Misc. mechanical &amp; engineering</b>	53	6.03
5.	<b>Industrial Machinery</b>	48	5.46

**5. DETAILS OF TOP 25 FDI INFLOWS RECEIVED FROM JAPAN THROUGH INDIAN COMPANIES** (from April 2000 to October 2009):

( Amount in million)

Sl. No	Name Of Indian Company	Country	Name Of Foreign Collaborator	RBI Region	Item of Manufacture	Amount of FDI	
						(In Rs)	(In US\$)
1	Anchor Electricals Pvt Ltd	Acquisition of Share	Matsushita Electric Works Ltd	REGION NOT INDICATED	ELECTRICAL PRODUCTS.	14,408.34	341.85
2	Maruti Udyog Ltd	Acquisition of Share	Suzuki Motor Co. Ltd.,	NEW DELHI		10,000.00	208.33
3	Tata Teleservices	Acquisition of Share	Ntt Docomo Inc	REGION NOT INDICATED	TELECOMMUNICATION SERVICES	5,677.47	110.83
4	Tata Teleservices	Acquisition of Share	Ntt Docomo Inc	REGION NOT INDICATED	TELECOMMUNICATIONS SERVICES	4,651.36	92.91
5	Anchor Electricals Pvt. Ltd.	Acquisition of Share	Panasonic Electric Works Co Ltd.	REGION NOT INDICATED	MANUFACTURING & MARKETING OF ELECTRICAL	4,609.01	98.65
6	Anchor Electricals	Japan	Matsushita Electrical	MUMBAI	WHOLESALE TRADE IN ELECTRICAL MACHINERY AND EQUIPMENT	4,256.70	104.28
7	Escort Yamaha Motor Ltd.	Japan		NEW DELHI		4,000.00	88.89
8	Maruti Udyog Ltd.	Acquisition of Share	Suzuki Motor Co. Ltd.,	NEW DELHI		3,989.60	83.12
9	Suzuki Motorcycle India Pvt. Ltd.	Japan	Suzuki Motor Corp.	NEW DELHI	MANUFACTURING OF MOTORCYCLES & SCOOTERS & PARTS	3,485.10	72.95
10	Suzuki Motorcycle India Pvt. Ltd.	Japan	Suzuki Motor Corpn.	NEW DELHI	MANUFACTURE OF MOTORCYCLES & SCOOTERS & PARTS (INCLUDES 3 WHEELERS)	3,485.10	72.10
11	Yamaha Motor India Pvt Ltd	Japan		NEW DELHI	AUTOMOBILE	3,000.00	65.22
12	Yamaha Motor India Pvt Ltd	Japan	Yamaha Motor Co. Ltd	NEW DELHI	MOTOR CARS AND OTHER MOTOR VEHICALS	3,000.00	75.93
13	Sanyo Bpl Pvt Ltd	Japan	Sanyo Eleccric	BANGALORE	PARTS AND ACCESSORIES NEC OF	2,269.00	51.02

Sl. No	Name Of Indian Company	Country	Name Of Foreign Collaborator	RBI Region	Item of Manufacture	Amount of FDI	
						(In Rs)	(In US\$)
			Co.Ltd		APPARATUS FOR RADIO BROADCASTIN TV TRANSMISSION ,RADAR.		
14	Suzuki Powertrain India Ltd.	Japan	Suzuki Motor Corp.	NEW DELHI	MANUFACTURE OF MACHINE TOOLS, THIER PARTS & ACCESSORIES	2,254.00	46.63
15	Yamaha Motor Escorts Ltd.,	Japan		NEW DELHI		2,152.00	47.82
16	India Yamaha Motors P Ltd	Japan	Yamaha Motor Co Ltd	NEW DELHI	MANUFACTURE OF CHILDRENS'S BICYLCLES,TRICYCLES INCLUDING PERAMBULATORS	2,070.00	42.65
17	Samvardhana Motherson Finance Ltd	Japan	Sojitz Corporation	NEW DELHI	BUSINESS AND MANAGEMENT CONSULTANCY ACTIVITIES	2,060.56	42.46
18	Telco Constructions Equipments Co.	Acquisition of Share	Hitachi Constructions Machinery Co.Ltd.,	REGION NOT INDICATED	MFG/SALE CONSTRUCTION EQUIPMENT/EARCH MOVING MACHINERY.	2,043.02	44.84
19	Yamaha Motor India Sales Pvt Ltd	Japan	Yamaha Motor Co Ltd	NEW DELHI	TRADING	1,900.00	44.35
20	Yamaha Motor India Sales Pvt Ltd	Japan	Yamaha Motor Co. Ltd	NEW DELHI	SOFTWARE SUPPLY SERVICES.	1,500.00	38.10
21	India Yamaha Motors P. Ltd.	Japan	Yamaha Motors Co.	NEW DELHI	MANUFACTURE OF CHILDREN'S BICYCLES, TRICYCLES INCLUDING PERAMBULATORS	1,499.90	37.17
22	Suzuki Power Train India Ltd	Japan	Suzuki Motor Corporation	NEW DELHI	MACHINE TOOLS, THEIR PARTS	1,421.00	36.03
23	Suzuki Powertrain India Ltd.	Japan	Suzuki Motor Corp.	NEW DELHI	MANUFACTURE OF MACHINE TOOLS, THIER PARTS & ACCESSORIES	1,400.00	28.96
24	Suzuki Motorcycle India Pvt. Ltd.	Japan	Suzuki Motor Corp.	NEW DELHI	MANUFACTURING OF MOTORCYCLES & SCOOTERS & PARTS	1,330.00	27.84
25	Daikin Airconditioning India (P) Ltd.	Japan	Daikin Industries Ltd.	NEW DELHI	WHOLESALE TRADE IN ELECTRONIC EQUIPMENT & ACCESSORIES	1,320.00	26.37
Grand Total Rs Million						87,782.15	1,929.30

