

Seminar on "Doing Business in Japan"

PHD Chamber jointly with the Japan External Trade Organisation (JETRO) and Department of Industrial Policy and Promotion (DIPP), Government of India organised a Seminar on "Doing Business in Japan" on 8th August, 2007 at PHD House, New Delhi.

The welcome remarks were given by Mr. Yogesh Munjal, Chairman, Japan Desk, PHD Chamber. The Chief Guest of the Seminar was Dr. Ajay Dua, Former Secretary, DIPP, Government of India. Mr. N Noguchi, Director General, JETRO New Delhi and Mr. K K Sinha Senior Development Officer, DIPP, Government of India also addressed the participants during the inaugural session. The technical sessions on Business Environment in Japan, Trends of IT Market in Japan and Business Opportunities : Experience of Indian Companies were addressed by Mr Tatsundo Maki, Chartered Accountant, SCS Global Professionals, Mr Yoshihide Kurihara, Senior Partner, RIS International, Tokyo; Mr S Miyamoto, General Manager, Fujitsu India Ltd; Mr Deepak Rawat, Vice President-Sales, Cades Digitech Pvt. Ltd. and Mr Parminder Bansil, Country Head Japan, Nucleus Software. The Vote of thanks was given by Mr Krishan Kalra, Secretary General, PHD Chamber.

In his inaugural address Dr Ajay Dua, former Secretary, DIPP, Government of India mentioned that an Indo-Japan Comprehensive Economic Partnership Agreement (CEPA), covering Trade, Investments services, etc. was at an advanced stage of negotiations between the two countries. The agreement was designed to facilitate and deepen the economic co-operation between the two countries. Second round of negotiations to finalize the Agreement will take place between the representatives of the two countries in September this year.

Dr Dua also mentioned that by September this year, a major support program for building the Western India Industrial Corridor with the help of Japanese assistance would be rolled out. This would help increase inflow of Japanese investment into India, particularly in sectors like roads, airports, ports, logistics etc. By next year, the Japanese investment in India should touch US\$ 2 billion annually.

Dr Dua stressed that those Indian firms desirous of setting up business ventures or investing in Japan should be aware of the Japanese business practices, cultural mores and administrative procedures. The Japanese businessmen, whose affinity for developing long-term relationship with the business partners and vendors is legendary, comply with contractual obligations in letter and spirit. Yet, penetrating into the highly competitive Japanese markets is difficult. Their stress on quality, just in time delivery, technology excellence, etc. are challenging to any businessmen including from the western countries.

Giving details about the possible difficulties that a business man would face while doing business in Japan, Dr Dua underlined that real estate costs are exorbitant as also the distribution costs. Overseas businessmen would also face difficulties in penetrating the established network, and fulfilling the complex administrative procedures. At the same time, Japan wants to increase the share of its FDI in the GDP to 5 per cent in 2010, from the present level of 2.5 per cent.

The fact that being a developed country the growth rate of Japan was 3 to 3.5% in the last 3 years compared to the world average of 2.7% was a sign of the positive economic growth of Japan. Dr. Dua also stressed on the fact that Japan is a consumer driven economy and a

country where technology keeps evolving. Japan spends 3.5% of its GDP in technology development.

Mr N Noguchi, Director General, JETRO, New Delhi while mentioning about the forthcoming visit of the Japanese Prime Minister to India said that the economic co-operation between the two countries would get a boost since there was an innate desire of both the countries to come closer. He also said that Japan was keenly looking forward to have large scale Indian investments. He also pointed out that Japan's overseas investments are gone up phenomenally since 2003. Of the 600 overseas investments made by Japan since 2003, 145 of them are in the Asian region including in India.

In his welcome address, Mr Yogesh Munjal, Chairman, Japanese Desk, PHD Chamber mentioned that both the economies are highly complementary in terms of factor endowments, capabilities and specialisations. Some Indian companies are already operating in Japan in the sectors of gems & jewellery, marine industry, tourism, IT, and restaurants. Many IT companies are now expanding their businesses in Japan. He also said that Indian investment structure should be diversified to cover sectors like bi-technology, auto components, drugs and pharmaceuticals, etc besides the growing relationship in IT sector. He also mentioned about PHD Chamber conducting Japanese Business Language Proficiency Tests in New Delhi to equip the businessmen and professionals from India for doing business in Japan.

Copies of presentations by the speakers are attached.

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