

Check Against Delivery

Speech by H.E. Mr. Sibi George, Ambassador of India to Japan for Seminar on Mergers and Acquisitions held on 12 Dec 2024 at Embassy of India, Tokyo

1. **Mr Shingo Nakamura**, India Country Head, Sr MD Corporate Banking ,Mizuho Bank Ltd
2. **Mr. Toru Yuji**, Vice President of the Global Strategic Advisory Department at Mizuho Bank
3. **Mr. Takao Hosoya**, Former President & CEO of Mizuho Securities India
4. **Mr. Jin Torikoshi**, Joint General Manager of the Corporate Investment Strategy Division at Mizuho Securities
5. **Mr. Kunio Sakaide**, Managing Director of Kroll Associates (S) Pte. Ltd.
6. **Mr. Makoto Araga**, President and Representative Director of Nitto Seiko Co.

Distinguished Guests and Friends of India and Japan. Good Afternoon!

It is my great privilege to welcome you all to the "**India-Japan Connect: Seminar on Mergers and Acquisitions**," organized by the Embassy of India in collaboration with Mizuho Securities. This seminar serves as a testament to the enduring partnership between our two nations and underscores the expanding collaboration in business and economic domains.

Mergers and Acquisitions (M&A) are transformative tools that not only reshape industries but also create meaningful international connections. M&A activities encompass two primary approaches: **Mergers**, where two companies unite to form a new legal entity with shared ownership and operations, and **Acquisitions**, where one company takes control of another, often integrating it as a subsidiary. These strategies are powerful mechanisms to achieve synergies, reduce costs, and establish competitive advantages.

For India and Japan, M&A is a pivotal driver of innovation, market expansion, and stronger economic ties.

Recent statistics highlight India's attractiveness as an M&A destination:

- In 2023, India recorded 1,850 deals, with a total value exceeding USD 75 billion. Out of these, 494 (26.7%) were domestic M&A deals.
- The largest deal in 2023 stood at USD 1.8 billion, and Q1 2024 saw a remarkable increase, with a deal valued at USD 4.5 billion, surpassing the previous year by 2.5 times.
- Notably, in Q1 2024, 31.4% of the 455 deals were domestic, reflecting a rising preference for local collaborations amidst global uncertainties.

Key sectors driving M&A in India include:

1. **Retail and Consumer:** Dominating deal volumes with 289 deals in FY23 and 81 in Q1 2024.
2. **Technology:** Attracting significant attention with 269 deals in FY23 and 49 in Q1 2024.
3. **Healthcare and Pharma:** Demonstrating immense growth, with pharma deal values surging from USD 3.5 million in 2023 to USD 2.2 billion in Q1 2024.

India's growth story is further fueled by favorable macroeconomic indicators:

- The Nifty 50 index rose by 19.42% in 2023 and 13.5% as of July 2024, signaling robust market confidence.
- GDP growth has accelerated from 6.2% in Q2 2023 to 7.8% in Q1 2024, with an optimistic forecast of 7.2% for the rest of 2025.
- A steady rise in the Purchasing Manager's Index, reaching 58.3 in June 2024, reflects improved business conditions.

Today, we are fortunate to have an esteemed panel of experts who will share their insights into various aspects of M&A, particularly within the Indo-Japan context. Discussions will cover critical topics such as **Japanese Companies' Business Expansion in India**, practical strategies for handling **Indo-Japan M&A**, and navigating the complexities of cross-border transactions. Sessions on **Due Diligence** before M&A will be especially insightful for our Japanese friends.

India has witnessed a significant evolution in M&A activities, propelled by globalization, deregulation, and technological advancements. Companies pursue M&A for numerous reasons, including achieving **economies of scale**, diversifying

offerings to mitigate risks, and fostering **innovation**. For instance, Indian pharmaceutical companies frequently partner with biotech startups to access cutting-edge research in fields like **gene therapy**.

This seminar not only aims to explore the practical steps of M&A—from **strategic planning and valuation to integration and post-merger evaluation**—but also highlights its broader significance in strengthening Indo-Japan relations.

A few successful examples of Indo-Japan collaborations include:

- **The joint venture between JSW Steel and JFE Steel**, established in May 2023, to manufacture electrical steel in India. This partnership leverages JFE's technological expertise and JSW's market presence to address the growing demand for electrical steel.
- The **Maruti Suzuki partnership**, a longstanding collaboration that began in 1982. This joint venture has grown to become India's largest automobile manufacturer, dominating the passenger vehicle segment.
- **Tata's collaboration with Tokyo Electron** in semiconductors, which exemplifies the immense potential of blending Indian ingenuity with Japanese technological innovation.

As we embark on today's discussions, let us reaffirm our shared commitment to fostering a robust and dynamic partnership between India and Japan. I encourage you all to make the most of the networking session following this seminar to explore opportunities for collaboration and deepen the bonds between our nations.

Thank you and I look forward to an engaging and enlightening session.
