

Remarks of H.E. Ambassador Sibi George at Yomiuri Symposium
India Business: Now & Future
September 18, 2024

Greetings,

Tatsuo Yasunaga-san, Chairman of Board of Mitsui,

Toshihiro Suzuki-san, President of Suzuki Motor Corporation,

Shoichi Oikawa-san, Chairman of Board of Yomiuri Shimbun Group,

Toshikazu Yamaguchi-san, President of Yomiuri Shimbun Group,

Akitoshi Muraoka-san, President of Yomiuri Shimbun

Shigeru Kitamura-san, Chairman of Yomiuri International Economic Society,

Distinguished Guests,

Ladies & Gentlemen,

It is my distinct pleasure to join you today. First I would like to begin by expressing my gratitude to the Yomiuri International Economic Society (YIES) for organizing this symposium on the important theme 'India Business: Now & Future'. I recall last year YIES had organized another symposium focusing on 'India-Japan Relations: The Way Forward' inviting deepening of dialogue on the political partnership between India & Japan. This year I am happy to note we are engaging on a sister-pillar of our partnership, our Business to Business connect & economic engagements. This is a timely symposium as today the world is acknowledging the significant economic opportunities that India presents, and Japan, as our Special Strategic & Global Partner is working with us to explore future avenues to further strengthen our economic & business connect. My personal message to this gathering is that we need a Quantum Leap, not incremental growth but a Quantum Leap, in our relationship.

Ladies & Gentlemen, first allow me to zoom out to the big picture. Today, as we discuss the immense business opportunities that lie ahead, we are not just talking about private sector investments; we are talking about shaping the future of our economies, our people, and the world. India & Japan share common values of democracy, peace, mutual respect, and a vision for a free, open, safe, secure, peaceful, prosperous and stable Indo-Pacific, which is a necessary pre-condition for peace and stability of the world.

Our two nations have enjoyed a long-standing civilizational & spiritual connect, that has deepened & broadened into our modern day Special Strategic & Global Partnership, entered into a decade ago by Prime Minister Mr. Narendra Modi & former Prime Minister Late Mr. Shinzo Abe, and nurtured under the current leadership of Prime Minister Fumio Kishida. This year we are celebrating the Tenth anniversary of this memorable journey. I believe our special G2G relationship has facilitated a vibrant B-B co-operation, a strong people-people connect, and an all-encompassing strategic partnership.

Ladies & Gentlemen, India is at a defining moment in its development journey — a period that our Prime Minister Mr. Narendra Modi, has aptly termed "Amrit Kaal," which spans from 2022 to 2047, with 2047 marking the 100th year of India's independence. Amrit Kaal is not just a timeframe; it is a vision for transforming India into a fully developed, inclusive, and self-reliant nation.

India has distinguished itself as a powerhouse among the global economies, demonstrating remarkable GDP growth-rate of over 8%, even after COVID. With median age of just 28 years among our 1.4 billion citizens, our young, skilled workforce is a foundation for innovation and entrepreneurship, significantly enhancing our status as the world's third-largest startup ecosystem, with 112 unicorns valued collectively at \$350 billion.

Over the last 10 years, we have on average built eight new airports every year, about one and a half to two new metros in new cities every year. We build today 28 kilometers of highway every day. We lay railway tracks of eight kilometers also every day. If you look at our education and skills, the institutions, educational institutions have doubled in the last 10 years.

As a vibrant market, India is committed to facilitating business through progressive economic reforms and significant infrastructure enhancements, which provide an extremely favorable climate for international investment. Our commitment to innovation, ease of doing business, promoting ease of living, ensuring 'Make in

India', building rapid infrastructure, cutting edge technology and skilled workforce, for digital delivery and inclusive growth, are today transforming the landscape in India.

In this journey, Japan is not just a partner but a pivotal collaborator. Your technological prowess combined with India's vast market and innovation ecosystem creates a powerful synergy. Together, we can redefine global standards in various industries and create solutions that benefit not only our nations but the entire world. Japanese companies have already been an integral part of India's growth, contributing through projects like the Delhi Metro, Delhi-Mumbai Industrial Corridor and the ongoing Mumbai-Ahmedabad High-Speed Rail.

In the last two years, I have traveled extensively in Japan, visited the 47 prefectures, met with Governors, Mayors of important cities, Speakers of Legislative assemblies, Chambers of commerce, Media houses and Universities. I can say with conviction that the sentiment towards India is overwhelmingly positive across Japan. Today, we must build on this positive sentiment. For example, there are 1500 Japanese companies in India, we need to increase this to 15,000. In this we need a Quantum Leap.

The Economic partnership is an important part of our co-operation. India and Japan have set an investment target of Yen 5 trillion by 2027. We are happy to note that more than 3.5 trillion investment from this target has already been achieved. At the end of last month, Hon'ble Speaker of the House of Representatives of Japan, Mr Fukushima Nukaga led a delegation comprised of Japanese Members of Parliament and business leaders representing major Japanese companies on a 5-day visit to India. The visit was focused on ways to strengthen modern domains of engagements such as semiconductors, EV, green and clean energy, and nurturing a Next Gen workforce in different sectors including through the popularization of Japanese language in India. Apart from this, we recently had the visits of our Railway Minister, Chief Minister of the state of Rajasthan which hosts the Neemrana Joint Industrial Township (JIT) and Minister of State of Commerce all within less than 3 weeks.

Ladies & Gentlemen, one of the cornerstones of India's economic strategy is the Production-Linked Incentive (PLI) scheme, committing \$33 billion across 14 sectors to enhance local manufacturing and ensure global competitiveness. Opportunities in

technology, renewable energy, semiconductors, healthcare, and manufacturing are ripe for mutual investment. The blend of India's demographic assets and Japan's technological expertise is an ideal formula for groundbreaking advancements.

For instance, the PLI scheme for auto components has ensured that India has already achieved 70% localization, significantly enhancing India's self-reliance in the automotive sector. We are also the largest manufacturers of three wheelers and tractors in the world. The total automobile industry in India has the potential of 300 billion USD by 2030. In the realm of electronics, India has set its sights on becoming a global leader. The PLI scheme for electronics manufacturing, which includes smartphones, IT hardware, and electronic components, has already attracted significant investments. For example, the latest iPhones, are being produced by Apple in India. Japanese companies have a unique opportunity here. Japan's expertise in precision manufacturing and high-quality production can perfectly align with India's PLI initiatives. Utilizing this scheme, Japanese companies can manufacture in India for India and the world.

We are also fostering a culture of innovation through initiatives like Digital India, Startup India and Skill India, aiming to promote sustainable growth and entrepreneurial ventures. We warmly invite Japanese firms to engage with these programs and contribute to a shared and prosperous future.

I would also like to mention that Small and Medium Enterprises (SMEs) play an important role in the Japan's economy. We would like to invite the Japanese big companies as well as SMEs in Japan to come to India. With a specific focus on the Small and Medium enterprises, we have started an SME cell at the Embassy to facilitate companies that are interested in investing in India. Embassy also organizes regular events focusing on investments in India, where details regarding regulations in India, market environment and opportunities in specific sectors are discussed in detail. I urge each one of you to participate in these events for a greater understanding of the Indian economy.

Another area of immense potential is semiconductors. The global semiconductor supply chain has been under significant strain, and India is stepping up to become a key

player in this domain. India's Semiconductor Mission is a flagship initiative by Government of India aimed at creating a semiconductor manufacturing ecosystem. As per current estimates, by 2030 there are 85-100 billion USD worth opportunities in semiconductor value chain in India.

Ladies & Gentlemen, sustainability is at the heart of India's growth strategy. India is on course to achieve its decarbonization commitments. We already have an installed capacity of 199.5 GW of Renewable energy and our target is to reach 500GW soon. Hon'ble Prime Minister Shri Narendra Modi launched the installation of Rooftop Solar for 10 million households in just this year. India has also set significant targets for production of green hydrogen and green ammonia. The National Green Hydrogen Mission launched by Prime Minister incentivizes manufacturing of electrolyzers and development of green hydrogen hubs in India.

As we look to the future, we must explore new areas of cooperation, particularly in advanced manufacturing, robotics, artificial intelligence, and sustainable technologies. Several major companies in Japan and abroad have already set up their Global Capability Centers in India, where they are undertaking cutting edge research in product development and innovation. 1,600 global capability centers across India generate exports of more than \$100 billion every year.

Indian skilled workforce has the potential to significantly contribute to the Japanese industry and economy. Government of India under the leadership of Hon'ble Prime Minister Shri Narendra Modi is committed to skilling 10 million youth over the next few years. In the recent visit of Hon'ble Speaker of Japan to India and meeting with Hon'ble Prime Minister Mr. Narendra Modi, a target of welcoming 50,000 Indian workers to Japan in the next five years has been finalized.

The India-Japan Industrial Competitiveness Partnership (IJICP) plays a crucial role in strengthening the economic ties between the two nations by fostering collaboration in key sectors such as manufacturing, infrastructure, technology, and innovation. Launched as a strategic initiative, IJICP is designed to enhance industrial competitiveness through the exchange of best practices, investment in cutting-edge technologies, and capacity building. By focusing on areas like digital transformation,

renewable energy, semiconductors and manufacturing cutting across sectors, IJICP aims to create sustainable economic growth and improve both countries' positioning in global value chains. Through IJICP, India and Japan are setting a foundation for long-term industrial cooperation that supports innovation, economic resilience, and shared development objectives.

Other important co-operation initiatives include the Digital Partnership, the Clean Energy Partnership and the co-operation to popularize Japanese language in India. We are also working together to increase the number of Indian students and professionals in Japan. We are also marking the year 2024 as India-Japan Year of Tourism and as a part of this celebration, we are celebrating September as India Month in Japan.

The Government of India is committed to supporting Japanese companies and investors at every step through improving the Ease of doing business further. Together, we can achieve the ambitious goals set for this Amrit Kaal and create a legacy of prosperity, innovation, and sustainability for future generations.

I thank each one of you for coming today to discuss this significant aspect of the India-Japan Special Strategic and Global Partnership. I look forward to the panel discussions that will follow.

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