Gateway
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President's Message

Dear Friends,

War and civil strife continues to take its toll on humanity. The conflict in the Ukraine started in February 2022 which was followed by the devastation of Gaza following a terror attack on Israel on October 7, 2023. And now South Asia has been tormented by the goings on in Bangladesh and closer home has seen the devastating landslides of Wayanad, Kerala that has claimed many lives.

At the Indo Japan Chamber of Commerce and Industry, our hearts go out to all those who have been impacted by these natural disasters and those devastated by decision makers under one pretext or another. In the midst of all this there is the hope in democratic societies that the political leadership will muster the courage to chart a course for a better tomorrow.

India - Japan relations have been growing steadily in an orchestrated manner in a way that countries around the world pay greater attention. The recently concluded QUAD meeting in Japan participated by the Foreign Ministers of India, Japan, Australia and the United States on July 29, 2024 have committed to geographically expand the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA) to the Indian Ocean region and work for early operationalization of the South Asia program. The Information Fusion Centre-Indian Ocean Region (IFC-IOR) in Gurugram, India, is a welcome plan.

On the economic front , Japan's has recovered moderately, although some weakness has been seen. Corporate profits have been at record-high levels; private consumption has been resilient; various surveys indicate that this year's summer bonus payments are likely to exceed those of last year are positive indicators.

India's economy carried forward the momentum built last year into the current financial year, despite a gamut of external challenges. India's inflation continues to be low, stable and moving towards the 4 per cent target. Under the Prime Ministership of Mr. Narendra Modi, GDP grew by 8.2 per cent exceeding 8 per cent mark in three out of four quarters of Financial year 2024.

No doubt our two countries are performing well, but much more remains to be done for a better tomorrow!

Regards,

T.P. Imbichammad

Ehime Prefecture Assembly Delegation in Chennai on 20th August 2024

Leader Mr. Junnosuke Kainou was given a traditional welcome by Mr. TP. Imbichammad, President, IJCCI.

Delegation members : Mr. Kainou Junnosuke; Mr. Takayama Yasuhito; Mr. Kakata Kotaro; Mr. Taichi Yamamoto; Mr. Okada Norihito; Ms. Norimatsu Sachiko; Mr. Kenta Kawamoto interacted with Mr. T. P. Imbichammad; Mr. S. Padmanabhan; Ms. Suguna Ramamoorthy & Ms. Matengi Suresh from IJCCI.

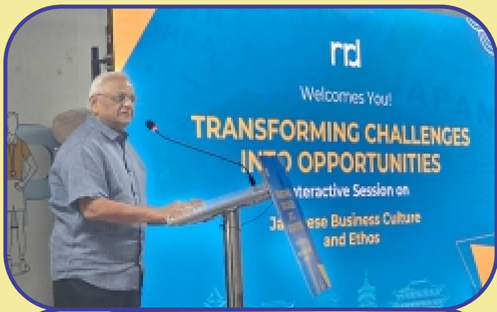
QUAD Ministerial Meet to improve maritime security

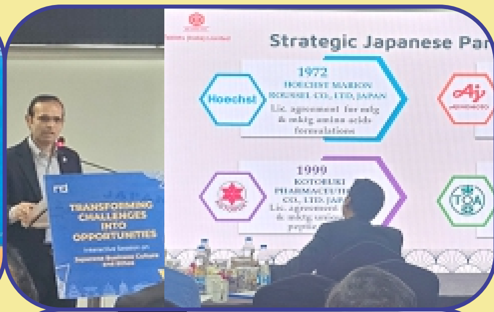
Top diplomats from Japan, the U.S., Australia and India had a joint meeting on July 29, 2024 in Tokyo compiled a set of measures to reinforce maritime safety and cybersecurity and to support other Asia-Pacific countries in improving their defenses during growing tensions in the regional seas.After the meeting, Japanese Foreign Minister Yoko Kamikawa, U.S. Secretary of State Antony Blinken, Australian Foreign Minister Penny Wong and Indian External Affairs Minister Subrahmayam Jaishankar said they were “seriously concerned” about the tensions and expressed “strong opposition” to unilateral changes to the status quo by coercion. They noted “the militarization of disputed features, and coercive and intimidating manoeuvres in the South China Sea” as examples. Several regional governments dispute China's sweeping territorial claims over the South China Sea, which has crucial maritime trade routes and potential energy reserves. Beijing also claims self-governing Taiwan as its territory, to be annexed by force if necessary. At what are known as the Quad talks, the four ministers agreed on a number of initiatives to counter cyber-attacks, ensure maritime security and deal with disinformation. They also announced expanded support for other countries, including in Southeast Asia and Pacific islands, to bolster their abilities in those areas as the Quad seeks to expand its partnerships. The ministers plan to launch a maritime legal dialogue to focus on the international law of the sea. They said they were determined to contribute to maintaining and developing free-and-open maritime order consistent with the U.N. Convention on the Law of the Sea in the Indian and the Pacific Oceans and to enhance cooperation and coordination on it. The four countries are expanding their partnership to include the Indian Ocean to enhance maritime domain awareness, Kamikawa said. Their initiatives included support for installing a secure telecommunications network in Palau and building cybersecurity capacity in the Philippines and India, according to the joint statement. The ministers reaffirmed their commitment to improving the region’s connectivity through the development of resilient infrastructure such as undersea cables. “We are committed to putting our collective resources, our collective strength to work to benefit people across the region that we share,” Blinken told a joint news conference after the talks. “We continue to work with partners to ensure that freedom of navigation, overflight, the unimpeded flow of lawful maritime commerce that these continue to go forward. They are critical to the region’s security. They’re critical to its ongoing prosperity.”Australia’s Wong said the Quad nations were working to achieve “a world in which disputes are managed by rules, by talking, by cooperation, not by force or by power. But most importantly we understand that this does not happen on its own. We have to make this happen.”

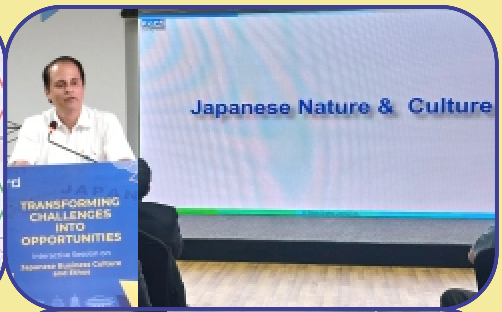
Japan Eyes 2+2 Meeting with Australia, India by Early September to Strengthen Security Ties

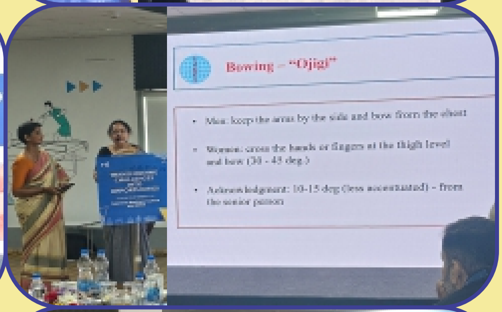
Many defense-related officials in Japan have raised concerns over the feasibility of the Self-Defense Forces shooting down spy balloons flying above the country. A U.S. fighter’s downing of a suspected Chinese spy balloon earlier this month turned the spotlight on similar objects that had been spotted floating above Japan in the past few years. Japan’s Defense Ministry has adopted a position that it will not rule out the possibility of shooting such objects down, saying that airspace intrusions by a foreign balloon will be dealt with accordingly. Many within the defense community, however, have said that it would actually be difficult for Japan to shoot down spy balloons due to the hard-to-obtain permission for the SDF to use weapons and also in terms of skills. Similar flying objects were spotted floating above the Tohoku northeastern Japan region in June 2020 and in September 2021. Defense Minister Yasukazu Hamada revealed that an SDF patrol aircraft had witnessed an unidentified balloon floating above the open sea’s west of the Kyushu south-western Japan region in January last year. The SDF law stipulates that when foreign aircraft intrude into Japanese airspace, the SDF can take measures necessary to make the aircraft land or leave the airspace. The use of force is allowed in cases of legitimate self-defense or emergency evacuation. The Air SDF has been engaging in warning and surveillance activities by scrambling fighter jets, based on the law. In fiscal 2021, the SDF scrambled jets 1,004 times, with the majority of such cases against Chinese and Russian military jets and drones.

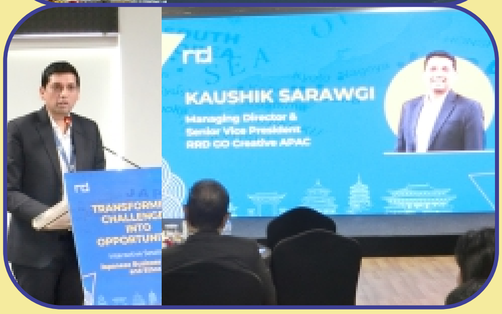
Interaction Session on Japanese Business culture and ethos by IJCCI











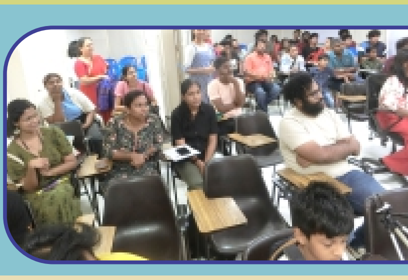
RRD Donnelley: A sensitization programme on Japanese Management Practices, Business Ethos and Etiquettes was conducted by IJCCI on 25th July 2024 for Business Heads of RR Donnelly Group. **Mr. N. Kumar,** Chairman Sanmar Group Corporate Board; **Mr. Bharat Jhaver,** President, Tablets India; **Mr. R. Balakrishnan,** President, Rane Group, **Mr. P.S. Suman,** Managing Partner, PSS Legal Advisors LLP; **Mr. Kaoru Shiraishi,** Director-General, JETRO, Chennai, **Ms. Matengi Suresh** and **Ms. Suguna Ramamoorthy** shared their knowledge at the session.

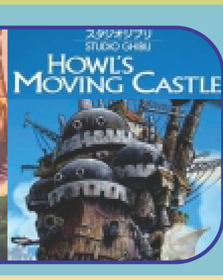
Importance of Japanese language

Dr. P. Rathna, Director, Center for Intl. Relations, B S Abdur Rahman Crescent Inst. of Science & Tech. organised an interaction session for students with Ms. Matengi Suresh, Course Director, IJCCI Language School on 7th August.

Japanese Anime

Japanese Anime on was screened on 28th July at IJCCI Japanese Language School, participated by the students in big number enthusiastically.





Indian economy surpasses expectations

Indian economy has exceeded growth expectations (averaging 8.3% annual growth over this period) despite global uncertainties, driven by strong domestic demand and continuous government efforts toward reforms and capital expenditure.Deloitte projects annual GDP growth to be between 7.0% and 7.2% in fiscal 2024 to 2025 and between 6.7% and 7.3% the following fiscal year as markets adapt to geopolitical uncertainties in their investment and consumption decisions. The global economy is anticipated to rebound synchronously in 2025, as major election uncertainties are resolved, and Western central banks possibly implement rate cuts as inflation concerns subside. India is likely to experience improved capital flows, boosting private investment and exports. Though inflation concerns remain, it is expected to ease in the latter half of the next fiscal year, barring any surprises from rising oil or food prices. The robust growth in fiscal 2023 to 2024 and the continuity of the government at the center after the elections have increased confidence in the domestic economic fundamentals and buoyed India's outlook. It is expected that India would grow between 7.0% and 7.2% in the coming fiscal year (2024 to 2025)

India's dynamic startup ecosystem is set to attract $1 billion in new venture funding in 2024NS

Bessemer Venture Partners, a leading global venture capital and private equity firm, released its flagship "The Rise of SaaS in India 2024" report today, analyzing India's Software-as-a-Service (SaaS) market. The report highlights the burgeoning growth potential of the Indian SaaS industry, driven by the rapid adoption of AI, increasing focus on cyber security, and increasing cloud adoption in the BFSI and Manufacturing industries. As per the report, India's dynamic startup ecosystem is set to attract $1 billion in new venture funding in 2024, which is 25% higher compared to 2023. A significant portion of this investment will be directed towards AI-focused companies, which are offering significant growth opportunities. Indian SaaS unicorns and centaurs have collectively added $5.9 billion in revenue during 2023 alone. Additionally, India's SaaS market is projected to reach $50 billion by 2030, with a possibility of an upward revision given the rapid advancements in AI and its integration into SaaS solutions. The survey findings also reveal that 60% of startups, previously pure SaaS companies, are now evolving into AI-enabled SaaS providers. India is rapidly growing in cybersecurity and the skilled and talented professionals are abundantly available to serve a large domestic as well as global market. (*Deloitte*)

Japan's positive economic turn

Japan posted a 12.68 trillion yen ($87 billion) current account surplus in the first half of 2024, lifted by record returns on foreign investments amid a weak yen and a smaller trade deficit, according to the Finance Ministry. Increased dividends and interest payments amid higher overseas bond yields pushed up Japan's primary income by around 10 percent from a year earlier to 19.20 trillion yen, the highest for any half-year period since 1985.The surplus in the current account balance, one of the widest gauges of international trade, expanded nearly 60 percent in the January-June period. Japan's trade deficit nearly halved to 2.61 trillion yen as exports grew 6.7 percent to 50.61 trillion yen and imports rose 1.1 percent to 53.22 trillion yen. Despite fears of a U.S. recession that have been gripping investors in recent weeks, U.S.-bound auto shipments were robust in June, giving the Japanese economy a boost. A persistently weak yen has become a headache for resource-scarce Japan because it inflates import prices for everything from energy and raw materials to food. But it also boosts the value of investment returns and serves as a positive for inbound tourism as traveling to and shopping in Japan becomes cheaper for foreign visitors. The yen on average traded nearly 13 percent lower against both the dollar and the euro in the first half compared with a year earlier, in reflection of the wide interest rate differential between Japan and major economies. As Japan took in a record 17.78 million foreign visitors in the first half, its travel surplus hit a record 2.6 trillion yen, meaning the amount spent by foreign visitors in Japan exceeded what Japanese spent overseas. The services trade deficit shrank 15.4 percent to 1.75 trillion yen. In June, Japan's current account surplus came to 1.53 trillion yen, rising 0.9 percent from the year before to the second-highest level for the month. Helped by continued export growth, Japan's trade surplus expanded nearly 70 percent to 556.3 billion yen. Exports grew 5.9 percent to 9.17 trillion yen, compared with imports that rose 3.4 percent to 8.61 trillion yen. The country's primary income surplus decreased 12.3 percent to 1.47 trillion yen. (*Kyodo*)

Japan chipmaker Renesas targets India for over 10% of sales

Japanese chipmaker, Renesas Electronics seeks to boost sales in India from less than 5% of the 2022 total to between 10% and 15% by 2030, aiming to meet demand in the fast-growing economy's industrial equipment and tech sectors. The company also plans to increase its staff in India to as many as 1,000 workers by 2025, compared with the roughly 50 people employed there in 2019, says CEO Hidetoshi Shibata. Renesas will offer products that combine microcontroller technology, one of the company's strengths, with analog semiconductors. It will target the growing small and medium-sized business sector, as well as big companies. Renesas' revenue for the year ended December 2023 was 1.46 trillion yen ($9.4 billion), down 2% from the previous year. In 2022, the company announced a partnership with Indian conglomerate Tata Group on chip design and development and opened a joint development center in India.It plans to start operating a chip assembly and testing plant through a joint venture with an Indian company as early as 2026. Overseas competitors like U.S.-based Advanced Micro Devices are also focusing on acquiring talent and expanding their businesses in India. (*Nikkei*)

Japanese 'craft cola' hits the market

Takahide Kobayashi's low tolerance for alcohol led in part to a journey that put his tiny food company in direct competition with the world's biggest beverage companies.He named his product Iyoshi Cola, after his grandfather Ryotaro Ito. Kobayashi uses around 10 spices and citrus fruits, including cinnamon, cloves, cardamom, coriander, kola nuts, lemons and limes including ingredients used in traditional Chinese medicine, such as ginseng, to differentiate his product. His business, which started out with a food truck, has expanded so much that his cola is now sold at some high-end supermarket chains and at a convenience store chain. He has also been working to export his product overseas. Kobayashi says "I hope people will one day be saying: 'Coca, Pepsi and Iyoshi.'

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