



Gateway

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President's Message



I am happy to reach out to you after crossing half of the current calendar year which has been a mixed bag.

Mr. M. Karunanidhi, the former Chief Minister of Tamil Nadu passed away on 7th August 2018. The Nation paid its homage to him and leaders from all walks of life came to pay their respects. The Late

N. Krishnaswami who founded IJCCI and the former Chief Minister were born on the same day and same year.

In the last few weeks, the southern State of Kerala has seen unprecedented floods and this State is now reeling and needs all the support from Government and Corporates to recover. Just like the Tsunami in Tamil Nadu, the people of Kerala have shone in their spirit in the way they came together to tide over the difficult period, irrespective of religion, caste or creed. The other States in India also suffered through excess rains. I guess the only saving grace is the Cauvery water, that has now been released.

The GDP grew in the last financial year by 7.4% and for the April to June quarter of 2018-19, it is expected to have grown by 7.7%. The current quarter also promises to be good. This bodes well as the next two quarters may slow down due to the possible onset of elections. It is heartening to note that the rural growth consumption was mainly responsible for this upward trend of GDP.

We are happy that GST continues to settle down and with the Government's sensitivity to Industry reactions.

Internationally, due to potential trade wars between the US & China on one hand and the US & Europe on the other hand along with oil prices hardening, the global trade seems to be heading for difficult times. However, I hope that when I write to you next, some of these issues will settle down.

I am sure all of you had an excellent 72nd Indian Independence Day!

Regards,

N. Kumar

IJCCI Condoles the demise of

Dr. M. Karunanidhi, former Chief Minister of Tamilnadu

Joined politics at the age of 14, worked as the screen play writer for Tamil films, propagated the ideals of Dravidian Movement, entered the Tamilnadu Assembly at the age of 33. Dr. Karunanidhi became Chief Minister of Tamilnadu in 1969. He was Chief Minister of Tamilnadu for 5 times, died at 94 years, on 7th August. A historic see off was made by people from different parts of the country.



Mr. Atal Bihari Vajpayee, former Prime Minister of India

Former Prime Minister of India (in 1996 and 1999) Mr. Atal Bihari Vajpayee, 93 years passed away in New Delhi on 16th August. His birthday, 25th December, declared as the Good Governance Day by the present Narendra Modi government. He was awarded India's highest civilian honor Bharat Ratna in 2015.



IJCCI records its deep condolences.

Consul-General Mr. Kojiro Uchiyama with IJCCI team at a dinner hosted by him on 9th August.



Students of IJCCI Language School, part of learning Japanese culture, learnt the usage of Chopsticks “hashi de taberu” session by Ms.Kana Hamada at the Language school on 11th August



Mr. Ramkumar, Bonsai expert chaired a session with the Bonsai Chapter members



Japan to lure more foreign workers

Prime Minister Mr. Shinzo Abe is putting in motion a plan to allow more foreign workers into Japan from April 2019, an action plan in the government's basic economic and fiscal policy to create a new residency status for foreign workers is envisaged. It is believed that there will be revision of immigration laws to establish a new residency status and other steps to make it easier for foreigners to live in Japan. Mr. Abe instructed the ministers to consider establishing a new administrative system for foreigners in Japan. The measures are expected to include enhancing Japanese language education and offering counselling services in foreign languages. The government is planning to add the restaurant and manufacturing industries to the list of fields to open to foreign workers and five industries - construction, shipbuilding, lodging, agriculture and nursing care are currently under consideration.

Japan to assist Rail safety in India

On 14th August, the Japan International Cooperation Agency, JICA and India's Ministry of Railways signed a safety cooperation agreement in New Delhi. Under the agreement, JICA will send experts to India and invite Indian engineers to Japan, where they will learn about welding and car maintenance. JICA will also aim to support India's body in charge of railway safety. India plans to begin service of a high-speed rail system based on Japan's *Shinkansen* bullet train technology in 2023.

The Asia-Africa Growth Corridor - the Development Initiative that has the potential of strengthening Indo-Japanese relationship

The Asia Africa Growth Corridor (AAGC) is a recent Indo-Japanese initiative that has the potential to be a watershed moment in the bilateral relationship of India and Japan. Conceived in the Joint statement issued during the Indo-Japan Annual Summit of November 2016, the AAGC proves to be an ambitious bilateral development cooperation initiative that can bring plethora of economic benefits to both India and Japan.

The African continent has had a special emphasis on the bilateral cooperation of both India and Japan since the India-Japan Dialogue on Africa since 2010. The AAGC will act as an important component in the conceptualization of the India Japan Vision 2025 for Indo-Pacific region. The AAGC also plays an integral role in furthering India's development cooperation with Africa & Act East Policy and Japan's Free and Open Indo-Pacific Strategy & Expanded Partnership for Quality Infrastructure.

The AAGC is based on the corridor model of development. This model of development is based on strengthening infrastructural bases of an economy to make it more suitable for trade and investment. The AAGC intends to utilize the similarity in development priorities between Asia and Africa which is further strengthened by historical cooperation between the two continents. The AAGC is based on four main pillars namely; development and cooperation projects, quality infrastructure and institutional connectivity, capacity and skill enhancement and people-people partnerships. The AAGC will thus be instrumental in creating new production channels, expanding and deepening the existing value chains, ensure economic and technical cooperation for enhancing capabilities, facilitate a greater flow of peoples between the two continents and achieve sustainable growth over the longer term.

The AAGC will be different to its counterpart corridor like development initiatives due to the fact that the AAGC will be utilizing on the decades long cooperation that India and Japan have with Africa. This cooperation has made India one of the leading partners in Africa's capacity building, infrastructure and energy sector. Similarly, Japan's involvement with Africa stems from its strong Official Development Assistance in the region. Also, Japan's low cost of capital and expertise in technology has the potential to fund development activities and also transfer technology to the African region.

The AAGC is a collaborative effort and a research support unit (RSU) comprising of the Research and Information System Delhi, Economic Research Institute for ASEAN and East Asia Jakarta Indonesia and Institute of

Developing Economies -Japan's External Trade Organization Chiba Japan has been established in New Delhi. The RSU will be responsible for the conduct of the Asia Africa Growth study for the period 2017-2018.

How can the AAGC benefit Indian and Japanese Businesses

The AAGC has the potential to play an important role in improving the trade and investment connectiveness of both Asia and Africa. The AAGC is focused on ensuring that the projects under its ambit are aligned along with the development priorities of the participating countries and also placing people at the center of the decision-making process.

Building Infrastructure for Trade Facilitation

Trade Facilitation plays a crucial role in improving trade and investment connectedness. The presence of trade barriers acts as an impediment to the success of any initiative to obtain the benefits of international trade. Trade facilitation in the form of establishment of trade infrastructure, simplification of customs border and administrative procedures relating to import and export of goods can play an important role in improving access to international trade. The economies in Asia and Africa have varying degrees of trade facilitation, the AAGC intends to bring forth the combined technical experience of both India and Japan in improving the trade facilitation of the Asian and African region. The introduction and the usage of the SWIFT facility which provides for a single window interface for clearance of goods by India and the Japanese trade facilitation procedures which are at par with global practices are intended to be shared under the aegis of the AAGC.

Investment in Development Projects

The AAGC is intended to give priority to development projects in health, pharmaceuticals, agriculture and agro-processing, disaster management and skill enhancement. Particularly in the health sector, the combined expertise of both India and Japan can play an important role in the mitigation of various public health challenges. The AAGC intends to place the expertise of India in generic pharmaceutical industry and Japan's expertise in measures targeting prevention, pandemic control and mitigation to respond to various public health challenges in Asia and Africa.

Collaboration in Green Investment

The AAGC is also aligned with the United Nations' Agenda 2030 which states that green projects are to receive priority funding and implementation. The AAGC envisages joint collaborative effort between India and Japan in areas such as disaster risk

information and climate services, data and statistical analysis, risk informed urban development, capacity development, climate change mitigation and adaptation, knowledge management and information sharing.

Conclusion

The AAGC has the potential of being an important factor in the strengthening of India and Japan's bilateral relationship. With development projects and collaboration on expertise being at the heart of the initiative, the AAGC has every potential to bring development and economic prosperity to the Asian and African region.

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Japan-India Defence Ministerial dialogue

The Defense Minister of Japan Mr. Itsunori Onodera visited India and held talks with the Defence Minister of India Smt Nirmala Sitharaman on 20th August. The Ministers exchanged views and ideas in a constructive and forward-looking manner. The Ministers shared the recognition that it is important for the two countries to further strengthen defence and security cooperation under the "Japan-India Special Strategic and Global Partnership" that aligns Japan's "Free and Open Indo-Pacific Strategy" with India's "Act East Policy" to work together in achieving common objectives. The Ministers recognized that the peace and stability of the Indian Ocean and the Pacific Ocean are crucial for ensuring the peace and prosperity of the Indo-Pacific region, and had a frank exchange of views on the current security situation in the Indo-Pacific region, including developments in the Korean Peninsula. The Ministers noted the regular interactions at all levels of their two defence establishments, and underlined their intention to seek more concrete and effective ground, maritime, and air cooperation and shared the views that they would promote cooperation and exchanges in the area of Institutionalised Dialogue and Mutual Visits ; Exchanges between the Japan Ground Self-Defense Force and the Indian Army ; Exchanges between the Japan Maritime Self-Defense Force and the Indian Navy; Exchanges between the Japan Air Self-Defense Force and the Indian Air Force ; Education and Research Exchanges and Cooperation in Defence Equipment and Technology. Minister Sitharaman briefed Minister Onodera on the setting up of two Defence Industry Corridors in India and invited participation of Japanese enterprises.

Bottle of Japanese whisky sells for record \$343,000

A bottle of rare Japanese whisky sold at a world-record price on 17th August, the third record shattered this year for a single malt from the country. The 50-year-old Yamazaki first edition went for 2.695 million Hong Kong dollars (\$343,000), including the buyer's premium, at a Bonhams auction in Hong Kong. The buyer chose to remain anonymous and said to have placed the bid by phone from Asia. The previous record for a bottle of Japanese whisky was set in May, when an Expression of Karuizawa 1960, 52-year-old the Dragon fetched HK\$2.45 million at Bonhams in Hong Kong. In January, a Yamazaki single malt aged 50 years sold for HK\$2.337 million at a Sotheby's auction in Hong Kong. "The Yamazaki 50-year-old is a very rare and special whisky, and I am expecting a lot of interest from collectors," Daniel Lam, Bonhams' head of fine wine and whisky in Hong Kong, had said in a statement prior to the auction.

Japan posts steepest pay growth in 21 years

Overall pay for workers in Japan in June posted the steepest growth in over 21 years in real terms, as bonuses increased on upbeat corporate earnings, according to the labor ministry. The price-adjusted real wage index was up 2.8 pct year on year, rising the most since it jumped 6.2 pct in January 1997, months before a financial crisis gripped Japan. The average pay in nominal terms increased 3.6 pct to 448,919 yen, marking the biggest rise also in 21 years and 5 months. Special pay including bonuses surged 7.0 pct to 183,308 yen. According to Keidanren, the average of summer bonuses agreed by major companies shot up 8.62 pct from the previous year to 953,905 yen, the highest level since the survey started in 1959.

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