Action Agenda for the India-Japan Investment and Trade Promotion and Indo-Pacific Economic Integration

by

H.E. Nirmala Sitharaman
The Minister of State (Independent Charge) for Ministry of Commerce & Industry, India
and

H.E. Yoichi Miyazawa
The Minister of Economy, Trade and Industry, Japan

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1. The Minister of Economy, Trade and Industry (METI) of Japan, H.E. Yoichi Miyazawa, accompanied by the Japanese business delegation, visited India from 28 to 30 April, 2015. The Minister of State (Independent Charge) for Ministry of Commerce & Industry, India, H.E. Nirmala Sitharaman welcomed his visit.

2. The two Ministers welcomed the successful outcome of the “India – Japan Public Private Investment & Trade Promotion Policy Dialogue” and affirmed that the “List of Actions” by the business delegation, will greatly contribute to the realization of “Make in India”. They also reaffirmed to take steps for achieving investment targets which were agreed in “Tokyo Declaration for Japan-India Special Strategic and Global Partnership” (Tokyo Declaration) by the Prime Minister of India, H. E. Narendra Modi, and the Prime Minister of Japan, H. E. Shinzo Abe, on September 1, 2014.

3. The two Ministers share the view that Indo-Pacific economic linkages through cooperation in an inclusive investment and trade regime is essential for the further development and prosperity of not only both the countries but also of the region.

Developing “Japan Industrial Townships”

4. The two Ministers decided to take steps to develop “Japan Industrial Townships” in India especially in Delhi Mumbai Industrial Corridor (DMIC) and Chennai Bengaluru Industrial Corridor (CBIC) regions in order to facilitate Japanese investment to India. In this regard,
they identified the following 11 candidate sites for “Japan Industrial Townships”:

- Areas between the south border and Krishnapatnam Port, Andhra Pradesh
- Tumkur, Karnataka
- Ponneri, Tamil Nadu
- One Hub Chennai, Tamil Nadu
- Sojitz – Motherson, Tamil Nadu
- Jhajjar, Haryana
- Supa, Maharashtra
- Neemrana, Rajasthan
- Ghilot, Rajasthan
- Mandal, Gujarat
- Integrated Industrial Township, Greater Noida

5. The two Ministers affirmed the importance of developing “Japan Industrial Townships” with the assistance of State Governments. Department of Industrial Policy & Promotion (DIPP) and METI will develop the concept of “Japan Industrial Townships” for facilitating investment from Japan to India. The two Ministers expected “Japan Plus” to play a prominent role in coordinating the development of “Japan Industrial Townships” in an integrated manner.

6. Minister Miyazawa expressed his view that all possible tools such as facilitation and coordination by METI and Japan External Trade Organization (JETRO) will be taken, and that JETRO will play a pivotal role in improving investment and trade environment for Japanese enterprises through “Japan Industrial Townships”. Minister Sitharaman welcomed further commitment of METI and JETRO towards enhancing investment and trade between Japan and India.

7. Both Ministers reiterated the intention of the two countries to develop “Japan Industrial Townships” and other industrial townships in India with investment incentives for companies that would not be lower than under the prevailing policy framework such as Special Economic Zone (SEZ), National Investment and Manufacturing Zone (NIMZ), based on Tokyo Declaration. Both Ministers expressed their intention to accelerate the
development of world class infrastructure for “Japan Industrial Townships”.

Improving Business Environment and Developing Infrastructures

8. Both Ministers recognized that adequate availability of skilled labor force along with training in Japanese manufacturing techniques and practices is critically important for the success of “Japan Industrial Townships.” In this regard, minister Miyazawa expressed his intention to initiate “Japan Industrial Township Advance Soft Skills Development Project”, in which Indian workers would be imparted Japanese soft skills in the manufacturing sector. Both ministers welcomed The Overseas Human Resources and Industry Development Association (HIDA)'s support for The Associated Chambers of Commerce & Industry of India (ASSOCHAM) to launch “India Japan Center of Excellence (IJCoE)” in Neemrana, as the first project center.

9. The two Ministers shared their view that the Technical Intern Training Program (TITP) is effective for young workers from various overseas countries to acquire industrial and vocational skills as technical intern trainees at companies in Japan and it can develop human resources in manufacturing sector of foreign countries through transfer of Japanese technology. They recognized the importance of TITP in promoting Japanese Investment to India and emphasized the importance of training of young workers from India through the TITP.

10. The two Ministers reaffirmed that the further improvement of business environment in India will give a fillip to more investments from Japan. They stressed the importance of collaborative steps between the Indian side (Ministry of Commerce and Industry and other relevant ministries, Japan Plus and Core Group, and State Governments) and the Japanese side (Embassy of Japan, METI and other relevant ministries and governmental institutions) for the improvement of business environment.

11. The two Ministers also shared their view that the planned and integrated approach towards building world class infrastructure in industrial corridors in general and in DMIC and CBIC region in particular, is one of the most essential requirements for industrial development of India and for realizing “Make in India”. In this regard, the two Ministers emphasized the need to accelerate the development of high quality infrastructure projects with Japan’s advanced technology and know-how, and shared the intention to accelerate the implementation of DMIC and CBIC projects.

12. The two Ministers welcomed the progress achieved in Delhi-Mumbai Industrial Corridor
Project where four industrial city development projects namely Ahmedabad Dholera Special Investment Region in Gujarat (Activation Area of 22.5 sq.km); Shendra Bidkin Industrial Park in Maharashtra (Phase-1- approximately 8.39 sq. km.); Integrated Industrial Township ‘Vikram Udyogpuri’ near Ujjain, Madhya Pradesh (approximately 1100 acres); and Integrated Industrial Township Greater Noida Limited (approximately 747.5 acres) are moving towards implementation. They acknowledged that there are many opportunities for Japanese companies to participate in the projects of these cities.

13. The two Ministers welcomed progress of the Joint Feasibility Study on Mumbai-Ahmedabad High Speed Railway Project by the two countries. Minister Miyazawa expressed his hope that Japan’s Shinkansen system would be introduced to Mumbai-Ahmedabad route, and reiterated Japan’s readiness to provide financial, technical and operational support to introduce the Shinkansen system for which Minister Sitharaman expressed her appreciation and confirmed to work towards suitably taking the project forward.

14. The two Ministers welcomed the development of cooperation between the two countries in urban railway/ mass transit systems/ metro rail systems, and the Urban Railway Seminars held in Delhi and in Ahmedabad and jointly organized by the Ministry of Commerce and Industry, Ministry of Urban Development, State Government of Gujarat and METI.

15. The two Ministers welcomed the progress of several DMIC Smart Community projects such as the Model Solar Project at Neemrana, Rajasthan, Smart Grid Project at IMT Manesar, Haryana, the Logistics Data Bank Project and the Grid Stabilization Project in the State of Gujarat. The two ministers also shared their view that the steady realization of the DMIC Smart Community projects is vital as a symbol of Japan-India strategic partnership, and directed officials of both country to take all necessary measures through consultation with relevant Ministries/ Departments/ Organisations so that the projects move ahead swiftly, and especially, the Seawater Desalination Project at Dahej. The two Ministries stressed upon the early realization of Model Solar Power Project at Neemrana and directed the officials from both side to complete all activities relating to the signing of Power Purchase Agreement for the 1MW Project with Japanese Companies. They further stressed upon the need of early execution of the Shareholders Agreement (SHA) for the Logistics Data Bank Project.

16. The two Ministers welcomed steady progress of the public-private initiatives aiming at facilitating cooperation among IT & electronics industries of both countries. The two Ministers also shared the view that the two countries can create a win-win situation in the
field of IT /IT es manufacturing field where Japanese manufacturing and Indian software can make synergy. Furthermore, in the new fields of IT such as Internet of Things (IoT) and Big Data, high skilled Indian IT engineers and entrepreneurs can boost Japanese companies' creative business activities and make innovation. In this regards, the two Ministers expected fruitful outcomes from the “seminar” which would be held by JETRO on 30th April. They also decided to promote business and human resource interaction of the two countries in the IT field by consulting with other relevant ministries as a new cooperation framework.

17. The two Ministers affirmed that the proposed Memorandum of Cooperation (MOC) on Industrial Property will contribute to further strengthening of their cooperative relationship in the field of industrial property. The two Ministers confirmed their intention to implement all the measures that are mentioned in the MOC, once signed, in a timely manner.

18. The two Ministers shared the importance of interaction between the two countries which will deepen mutual understanding, enhance technical transfer, boost business collaboration, promote sustainable development and eventually elevate the relation between the two countries to new heights.

19. The two Ministers shared their recognition that cooperation with State Governments of India is essential for promoting investment and trade and developing infrastructure. In this regard, Commerce and Industry Minister of India welcomed METI, Japan’s efforts to enhance strategic cooperation with States in India and boost investment and infrastructure such as those undertaken in Andhra Pradesh, Gujarat, Rajasthan, Maharashtra, Karnataka and Tamil Nadu.

**Exploring Indo-Pacific Economic Integration**

20. The two Ministers confirmed their intention to advance regional value chains in the Indo-Pacific region and shared their view that Japan and India will play an increasingly important role in enhancing investment and trade and improving the business environment in India, including through tax, administrative and financial regulations, in order to boost investment in the region.

21. The two Ministers reaffirmed the commitment of both countries to actively engage in the Regional Comprehensive Economic Partnership (RCEP) negotiations and to make it a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement, which is instrumental for India to become a "global manufacturing and services
hub" and for Japan to revitalize its economy. They shared their intention to accelerate the negotiations towards the conclusion of the RCEP negotiations by the end of 2015.

22. The two ministers reaffirmed the commitment of strengthening and maintaining the rules-based, transparent multilateral trading system as embodied in the WTO. They committed to work together towards the success of the 10th Ministerial Conference and conclusion of the Doha round which will contribute to global economic growth and development. They expressed their commitment to implementation of the Bali Ministerial Decisions and the General Council Decisions of 27 November 2014. They also reaffirmed the importance of resisting protectionism inconsistent with international commitments.

23. The two Ministers share their recognition that the Indian Ocean Rim region has huge economic potential and India can be a gateway from East Asia to this region. In this regard, Minister Miyazawa expressed his view that utilizing India as an export and business hub towards Indian Ocean Rim region can be an important strategy for Japanese companies.

Acting for the future

24. The two Ministers recognized that “India-Japan Public Private Investment Promotion Dialogue” played a key role for promoting investment and trade between both countries and they expressed their intention to hold the dialogue on a yearly basis.

25. The two Ministers expressed their recognition that the economic cooperation between India and Japan have shifted to the phase of action, and they shared the view that it is vitally important to work closely towards further expanding investment and trade to the next stage.

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