



Confederation of Indian Industry

India Japan

Economic Synergies

APRIL 2024

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INTRODUCTION



The cultural exchange between Japan and India traces back to the 6th century with the introduction of Buddhism to Japan. Formal diplomatic ties were established between Japan and India on April 28, 1952, marked by the signing of a peace treaty, one of Japan's earliest post-World War II agreements.

Since the inception of diplomatic relations, both nations have maintained a warm rapport. India played a crucial role in Japan's post-war recovery by supplying iron ore. The relationship further deepened when Japanese Prime Minister Nobusuke Kishi visited India in 1957, paving the way for Japan to extend yen loans to India in 1958, marking the commencement of Japanese government aid in yen loans to India.

India-Japan relations were elevated to 'Global Partnership' in 2000, 'Strategic and Global Partnership' in 2006, and 'Special Strategic and Global Partnership' in 2014.

During HE Prime Minister Kishida's visit to India in 2022, the two sides agreed on a joint statement on 'Partnership for a Peaceful, Stable and Prosperous Post-COVID World'.

In 2023, the Prime Ministers of the two countries met at the G7 and G20 Summit meetings and HE PM Kishida visited India.

India-Japan relations have flourished over the years encompassing various sectors.

Apart from regular bilateral relations and collaboration in business fields, India and Japan also engage in space cooperation between ISRO and JAXA; environmental cooperation; education, cultural and people-to-people exchanges.

Economy of Japan

Japan, the world's 4th largest economy, has a population of around 124 million. The country's capital Tokyo is its largest city followed by Yokohama.

**GDP of US\$ 4.23 trillion
in 2022**

5th largest exporter and 4th largest importer

**Services dominated economy,
with services accounting for
almost 70% of GDP**

**Key industries in Japan include motor vehicles,
electronics, steel, ships, chemicals, textiles, etc.**



INDIAN ECONOMY

RESILIENT, DYNAMIC AND DIVERSIFIED



US\$ 3.7 trillion economy, 5th largest economy; expected to become the 3rd largest economy in 2027 - IMF

Estimated to grow at the rate of 7.6% during FY 2023-24

Expected to contribute more than 16% to global growth in 2023 - IMF

Highest ever exports at US\$ 776 billion in 2022-23

Median age of 29 years

Foreign exchange reserves at ~US\$ 642.49 billion

Committed fiscal deficit reduction

Hefty increase in government spending on infrastructure; capex target at INR 11.11 trillion (US\$ 134 billion) in FY 2024-25, amounting to 3.4% of GDP

The Indian economy is one of the fastest-growing and most dynamic in the world. It has a population of over 1.4 billion people, a large and diverse market, and a rich cultural heritage.

Share of private consumption in GDP at current prices is more than 60%

Private and government investments strong growth drivers for economic growth; gross investment as % of GDP around 32% in FY 24

A young and skilled workforce

India has the second-largest labor force in the world, with more than half of its population under the age of 25. India also has a strong education system, producing millions of graduates every year in various fields such as engineering, science, medicine, and management.

Largest working age population at 995 million in 2025

A resilient and diversified economy

India has a well-balanced economy, with a mix of agriculture, industry, and services.

Largest producer of milk, pulses, spices, and cotton

2nd largest producer of wheat, rice, fruits, and vegetables

India also has a strong industrial base, with sectors such as textiles, chemicals, pharmaceuticals, automobiles, and information technology.

Rapid growth in vehicles, beverages, machinery & equipment, basic metals, and chemicals in 2022-23

India's services sector is the fastest-growing in the world. In FY 2022-23 services sector expanded by 10%, highest in the last 10 years at least.

Largest exporter of IT services

Largest producer of generic drugs in the world



A huge domestic market

India has a large and growing consumer market, with a rising middle class and increasing disposable income. India has more than 1.2 billion mobile phone users, almost 820 million internet users, and more than 300 million online shoppers.

Rural market of more than 900 million people

A global player

India is an active and influential player in the global arena, with strong diplomatic and strategic ties with many countries. India is also a nuclear power and has one of the world's largest space programmes and achievements such as launching satellites, sending missions to the moon and Mars, and developing indigenous rockets and missiles.

Successful landing of Chandrayaan 3 on the Moon. India became the first country to land on the south pole of the moon.

These are some of the positives of the Indian economy that make it an exciting and promising place to be in.

BY 2047*

Expected to grow
to US\$ 32 trillion
GDP by 2047

Manufacturing
to grow to
US\$ 6.2 trillion

Exports of goods and
services to grow to
US\$ 8 trillion

*CII calculations



INDIA'S RECENT ECONOMIC POLICIES

SETTING A NEW GROWTH FOUNDATION



Corporate tax rate reduced to 15% for new units, 22% for existing units, among the lowest in world

100% FDI under automatic route for most sectors

Business Reform Action Plan (BRAP) for 300+ reforms for state governments

National Single Window System for central and state government approvals

India Industrial Land Bank for land availability

Consolidation of labour laws into four labour codes

Disinvestment of government-owned enterprises

Stable interest rates

Insolvency and Bankruptcy Code introduced

Sovereign Green Bonds

The Government's 'Aatmanirbhar Bharat' (self-reliant India) initiative is a comprehensive set of reforms that aims to boost the domestic economy's productive potential and make it more resilient to shocks.

Retail inflation has moderated within the central bank's target band of 2-6% in recent months, thus further strengthening domestic macroeconomic stability.



INFRASTRUCTURE

BUILDING THE FRAMEWORK

T ransport and logistics on the fast track

NEW POLICIES

Gati Shakti - GIS based technology platform for multimodal connectivity

National Logistics Policy

National Infrastructure Pipeline with about 9000 projects

National Asset Monetisation Pipeline of about US\$ 70 billion over 4 years

National Bank for Financing Infrastructure and Development (NaBFID)

High growth in public expenditure on infrastructure in 3 consecutive budgets

ROADS

2nd largest road network

59% increase in national highways in 9 years

Total length of national highways - 145,240 km in 2022-23

FASTag for toll payments

3 million tonne of garbage used in road construction

AVIATION

450k domestic passengers daily

140 million passengers expected in 2023-24

3rd largest domestic market for seat capacity

1500 aircraft orders expected

Doubling of airports from 74 in 2018 to 148 now

Reduction in indirect tax rates

100% FDI in MRO services

MUMBAI-AHMEDABAD HIGH SPEED RAIL PROJECT

Operational Speed of
320 km/hr

Likely to cover 508 km route
between Mumbai and
Ahmedabad in just 2 hours

Likely to be operational by
June-July 2026

Features an early earthquake
detection system

7 km long undersea tunnel

12 state of the art railway
stations

PORTS

795 million tonne of cargo
handled in 2022-23 in major ports

21,846 vessels handled

Automation underway at
major ports

National Logistics Portal-Marine
and Sagar-Setu app

Gearing up for handling green
hydrogen



MANUFACTURING

ADVANCING TO THE NEXT LEVEL

Production Linked Incentive (PLI) schemes for 14 sectors

Semiconductor mission with an outlay of US\$10 billion

Promotional policies for Micro, Small and Medium Enterprises

11 industrial corridors with 32 projects underway to develop industrial cities with plug-and-play infrastructure

Government e-commerce portal for procurement with 63k Government buyers, 6.2 million suppliers

The Indian manufacturing industry is diversifying into higher value-added production of goods such as auto components, specialty chemicals, engineering goods and electronics.



INNOVATION

NEW HORIZONS FOR GROWTH



**Global Innovation Index – Ranked
40th in 2023 from 81 in 2018**

**3rd largest startup centre with
over 120,000 registered startups**

**180 innovation centres set up by
Fortune 500 companies**

**90k patents filed, 41k patents
granted in 2023**

India's talent resources of millions of new graduates in engineering, computer science and management each year with high technical skills offer immense opportunities for innovation initiatives.



INDIA DIGITAL STACK

India is on the verge of a digital revolution, thanks to its ambitious and visionary India Stack initiative. India Stack is a set of open APIs that enable developers, businesses, and citizens to access various digital services and platforms in a seamless and secure manner.

India Stack aims to create a digital infrastructure that can support the delivery of various public and private services, such as identity verification, payments, e-signatures, data sharing, consent management, and more.

India Stack is not just a technological innovation, but also a social and economic one. It empowers millions of Indians to access digital services that were previously inaccessible or costly. It enables the government to provide better governance and transparency, and to reduce corruption and fraud. It also fosters innovation and entrepreneurship, as it lowers the barriers to entry and creates new opportunities for value creation.

India Stack is a game-changer for India's digital economy, as it is transforming various sectors and industries, such as banking, education, healthcare, agriculture, e-commerce, and more. India Stack is enabling financial inclusion, digital literacy, telemedicine, smart farming, online retail, and more. India Stack can also help India achieve its Sustainable Development Goals (SDGs), such as poverty eradication, gender equality, health and well-being, quality education, and more.

India Stack is a unique and inspiring example of how technology can be leveraged for social good. It is a testament to India's spirit of innovation and collaboration.

It is a vision that can inspire other countries and regions to adopt similar digital solutions for their own development and growth. India Stack is not just a stack of APIs, but a stack of possibilities.



BILATERAL TRADE AND INVESTMENTS

KEY JAPAN - INDIA BILATERAL AGREEMENTS

Inter-Governmental Agreement on S&T Cooperation (1985)

Joint Declaration on Security Cooperation (2008)

India-Japan Comprehensive Economic Partnership (2011)

Memorandum of Defence Cooperation and Exchanges (2014)

Agreement on Cooperation in the Peaceful Uses of Nuclear Energy (2016)

India-Japan Digital Partnership and Startup Hub (2018)

Reciprocal Provision of Supplies and Services (2020)

Memorandum of Cooperation on Steel (2020)

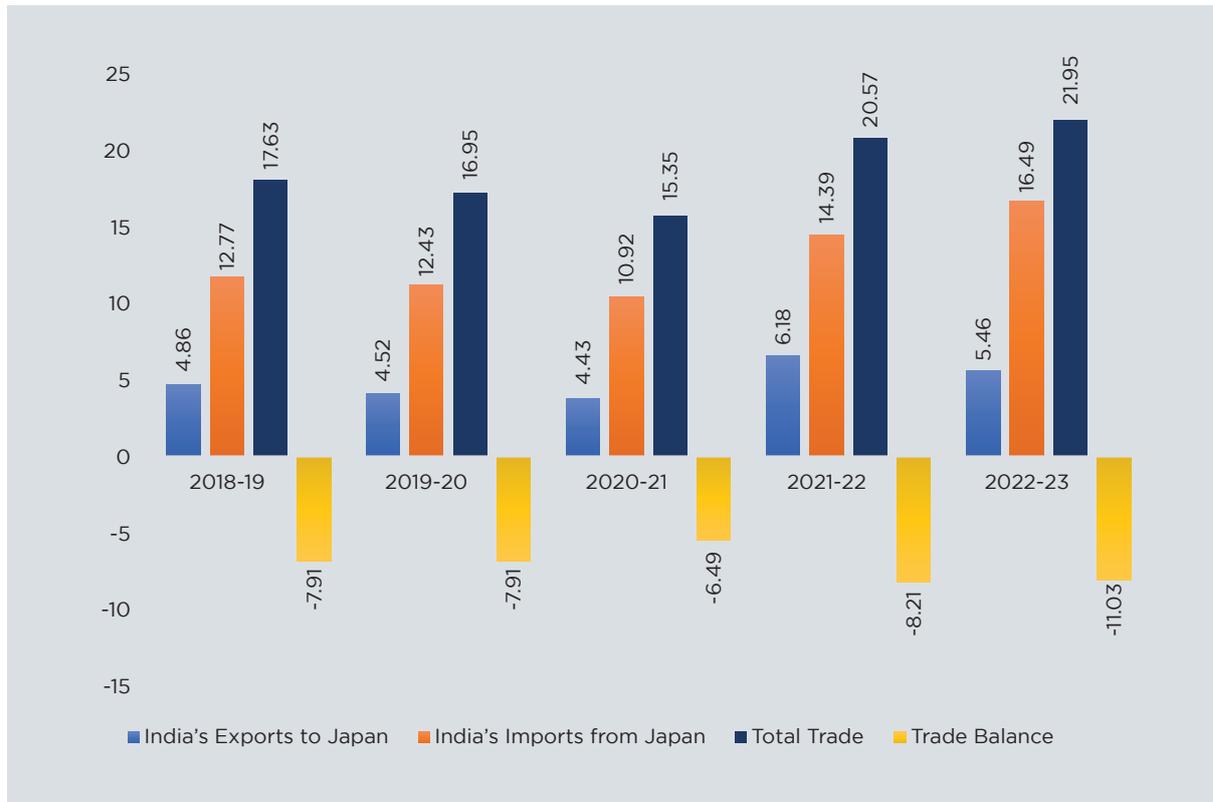
Memorandum of Understanding on Textiles (2021)

Memorandum of Cooperation on India-Japan Industrial Competitiveness Partnership (2021)

India-Japan Clean Energy Partnership (2022)

Memorandum of Cooperation on Semiconductor Supply Chain Partnership (2023)

India-Japan Trade: 2018-19 to 2022-23, US\$ billion



Source: Ministry of Commerce & Industry

Bilateral trade between India and Japan expanded from US\$ 17.63 billion in 2018-19 to around US\$ 22 billion in 2022-23, recording a Compound Annual Growth Rate (CAGR) of around 5.63%.

Indian exports to Japan increased from US\$ 4.86 billion in 2018-19 to US\$ 5.46 billion in 2022-23. During the five-year period between 2018-19 and 2022-23, Indian exports to Japan registered a CAGR of around 3%.

On the other hand, Indian imports from Japan have grown significantly in recent years. Indian imports from Japan increased from US\$ 12.77 billion in 2018-19 to US\$ 16.49 billion in 2022-23, recording a CAGR of more than 6.6%.

India's trade balance with Japan was recorded at (-) US\$ 7.91 billion during 2018-19. However, on account of increasing imports from Japan during 2022-23, India's trade balance was recorded at (-) US\$ 11.03 billion in 2022-23, declining from (-) US\$ 8.21 billion in 2021-22.

India's Top Exports to Japan in 2022-23

HS Code	Commodity	Exported Value, US\$ million
29	Organic chemicals	734.18
03	Fish and crustaceans, molluscs and other aquatic invertebrates.	443.76
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	430.77
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	405.14
71	Natural or cultured pearls, precious or semiprecious stones, precious metals clad with precious metal and articles thereof; imitation jewelry; coin.	351.29
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	331.82
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	322.24
76	Aluminium and articles thereof.	291.59
72	Iron and steel	268.21
38	Miscellaneous chemical products.	244.57

Source: Ministry of Commerce & Industry

The top Indian export item to Japan during FY 2022-23 was organic chemicals (HS 29) with an export value of around US\$ 734 million, followed by fish and crustaceans, etc. (HS 03) with an export value of around US\$ 444 million. Machinery and mechanical appliances (HS 84), vehicles other than railway or tramway (HS 87) and gems & jewellery (HS 71) were the other top exports during the same period.

India's Top Imports from Japan in 2022-23

HS Code	Commodity	Exported Value, US\$ million
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	2864.64
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. elem. or of isotopes.	2152.34
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	1739.62
72	Iron and steel	1390.06
74	Copper and articles thereof.	1284.05
39	Plastic and articles thereof.	1218.56
29	Organic chemicals	876.46
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. and apparatus parts and accessories thereof;	742.65
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	734.22
71	Natural or cultured pearls, precious or semiprecious stones, precious metals clad with precious metal and articles thereof; imitation jewelry; coin.	434.34

Source: Ministry of Commerce & Industry

Machinery & mechanical appliances (HS 84) was the top Indian import item from Japan during FY 2022-23, and recorded an import value of US\$ 2.86 billion. Inorganic chemicals (HS 28), electrical machinery & equipment (HS 85), iron & steel (HS 72), copper & articles thereof (HS 74) were among other top Indian imported items from Japan.

Investments

Cumulative FDI from Japan to India amounted to US\$ 41.48 billion between the period April 2000 and December 2023.

Japan ranks fifth among source countries for FDI to India

Japanese Companies in India

With a progressive FDI policy regime and a business-friendly environment, India has established itself as one of the most preferred investment destinations globally. Japanese companies have a significant presence in India and are mainly concentrated in sectors including automobile, electrical equipment, telecommunications, chemical, financial (insurance) and pharmaceutical sectors.

Major Japanese Projects in India

Significant Japanese investments for implementing the Delhi-Mumbai Industrial Corridor (DMIC) Project

Japanese Industrial Townships (JITs) set up in India, especially in the DMIC. Japan only country with dedicated country-focused industrial townships across India

Japan International Cooperation Agency (JICA) supporting India for the construction of the Mumbai-Ahmedabad High-Speed Rail (MAHSR)/ Bullet Train Project

Significant investments from JICA for development of Phase 1,2,3 & ongoing phase 4 of Delhi Metro

Select Japanese Investments in India

Maruti Suzuki

Toyota Kirloskar Motors

UNIQLO

Mitsubishi Group

Mitsui

Honda

Mizuho Corporate Bank Ltd.

Hitachi

Sony

Panasonic

As there are significant opportunities present across sectors in India, Japan can significantly benefit by stepping up its investments to India.

OPPORTUNITIES IN INDIA



SKILL DEVELOPMENT & MOBILITY

With India entering the demographic window of opportunity, around 1.1 billion people will be in working age group by 2047.

With one of the youngest populations globally and high competitive advantage of youth, India will remain the largest provider of human resources in the world.

India has the requisite talent & skill base to cater to domestic and global needs.

Cooperation areas

Greater exchanges & information sharing on skill requirements

Collaboration on digital apprenticeships

Joint partnerships in creating training infrastructure

Partnerships on skills & language training programmes

Short-term mobility to Japan



DEFENCE AND AEROSPACE

India is the 2nd largest armed force in the world, with a defence market sector of the size of US\$ 11.3 bn

India is the fourth largest military spender in the world.

Defence exports reached an all-time high of US\$ 1.94 bn in FY22-23

Between 2019 and 2023 India accounted for a significant 9.8% of global arms import.

Government of India aims to achieve a turnover of US\$ 25 billion including export of US\$ 5 billion in Aerospace and Defence goods and services by 2025

Cooperation areas

India and Japan can work on defence industrial cooperation with a focus on 'Make in India'

Strengthen maritime cooperation

FDI limits in this sector have been relaxed to 74%, hence encouraging domestic defence production with the participation of overseas firms

Co-development or licensed production in areas of aero-platforms and systems (avionics, aircraft manufacture, radar equipment), advanced ship-building technologies, and submarines

Defence systems and technologies with advanced digital innovations and a focus on big data, artificial intelligence and cyber security

Modernising India's shipyards and defence platforms through the infusion of technology



INFRASTRUCTURE

National Infrastructure Pipeline project counts stands as 9641 covering 54 sub sectors.

India plans to spend US\$ 1.4 trillion on infrastructure through NIP in the next five years

FDI in Construction (Development) and Construction (Infrastructure) activity sectors stood at US\$ 26.54 billion and US\$ 33.52 billion respectively, between April 2000-December 2023.

Cooperation areas

Smart Cities

Industrial Corridors

Transport and logistics

Industrial parks

Industrial townships

Real estate development



RENEWABLE ENERGY

4th largest
producer of RE and
solar power

Best performance in climate
change performance index
2024 among G20 countries

LiFE being promoted for
adoption of
environment-conscious lifestyle

Target of 500 GW
by 2030

1000+ GW
potential

5 million tonnes of
green hydrogen
aim by 2030

World's largest RE
park in Gujarat with
generation capacity
of 30 GW

Cooperation areas

Solar PVs

Equipment manufacturing

Biomass energy

Energy storage

Smart grids

Skill development

Energy management systems



MANUFACTURING

AUTOMOBILE AND SMART MOBILITY

3rd largest automobile market in the world

Current value of Indian Automobile industry is US\$ 222 bn

Automobile market expected to reach US\$ 300 bn by 2026

Largest 2 and 3-wheeler market in the world.

Cooperation areas

Auto components

Batteries

EVs

Parts for EVs

Target to achieve 30% electrification of vehicles by 2030

Major boost in latest Government budget for EVs

Support for Battery Energy Storage systems through viability gap funding

15% import duty for 8000 EV cars imports

Charging stations to be set up



PHARMACEUTICALS

Largest manufacturer and exporter of generic medicines, serving over 200 countries

Largest vaccine producer in the world

Exports 20% of the global generic medicines

Expected to reach US\$ 65 billion by 2024, and US\$ 130 billion by 2030

Cooperation areas

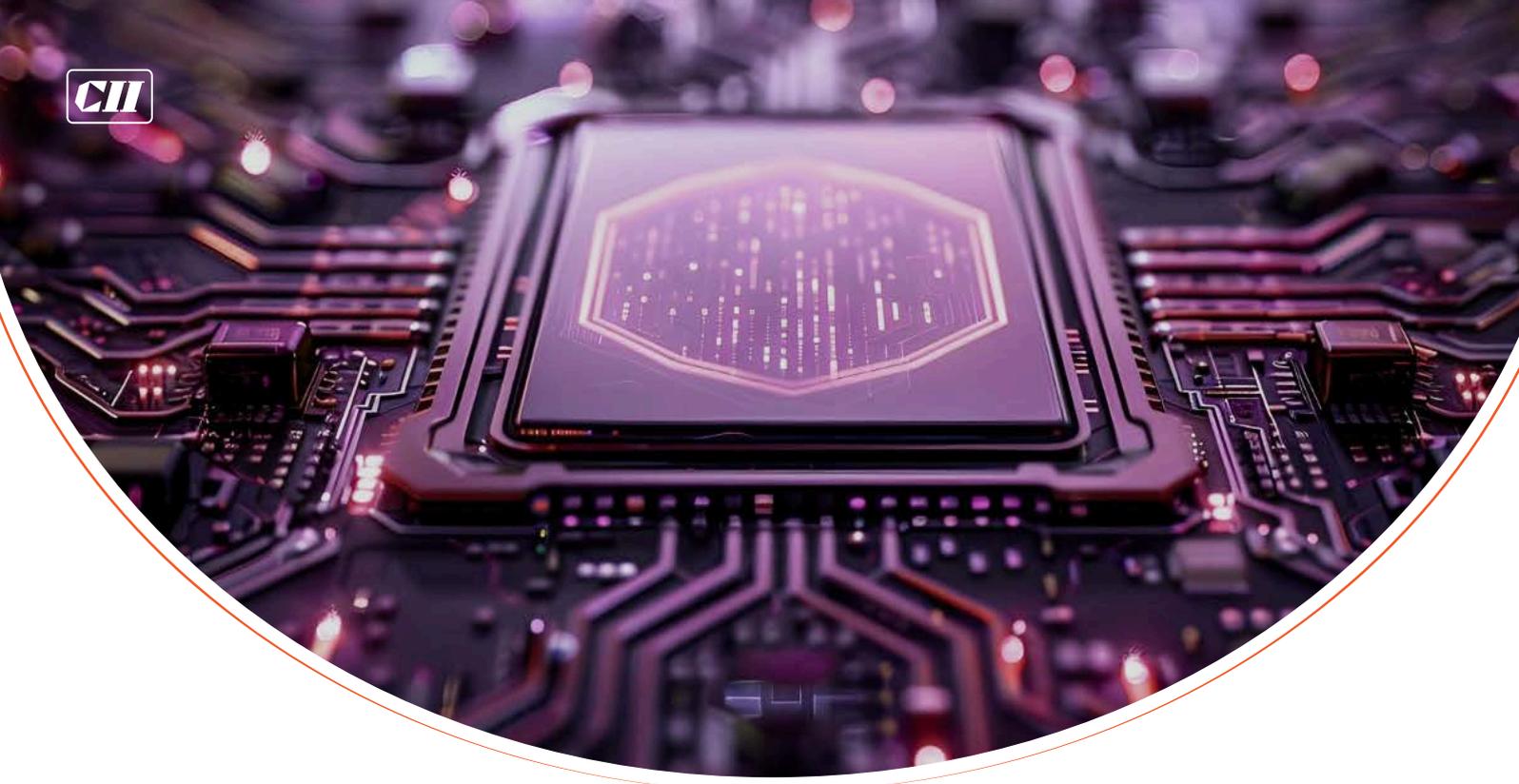
Production of generic medicines

Vaccine Production

R&D

Increased investments in mergers and acquisitions

Focus on Active Pharmaceutical Ingredients (API) leveraging Indian facilities in Japan



ELECTRONICS

Valued at US\$ 155 billion; aims to reach US\$ 300 billion by 2026

2nd largest mobile manufacturer and smart phone market in the world

Wide range of products

Cooperation areas

Manufacturing for exports

R&D

New product development

Skill development & training



SERVICES

RESEARCH AND DEVELOPMENT

In 2022 India's research output was the fourth highest as 1.3 million academic papers were published between 2017 and 2022. Between the same period research output grew by 54%.

Cooperation areas

Infrastructure
Support

Research Parks

Faculty Training and
exchange programs

Student
exchanges

IT AND BPM

India is one of the leading destinations for IT and BPM services with 57% share in global outsourcing. India has the largest market share in global services sourcing industry, third largest and fastest growing hub for technology startups and No.1 in digital skills readiness.

Cooperation areas

IT and BPM
sector

Software
development

Cloud
computing

Data
analytics

Artificial
intelligence

Cybersecurity

Digital
marketing

TOURISM

India is one of the most diverse and attractive tourism destinations in the world, with a rich cultural heritage, natural beauty, wildlife and adventure.

India received over 10 million foreign tourists in 2019, generating US\$ 30 billion in foreign exchange earnings.

Cooperation areas

Hotel
development

Travel
services

Destination
management

Heritage
conservation

Wellness
tourism

Shopping
tourism

RETAIL AND E-COMMERCE

India is Asia's 3rd largest retail market and 4th largest globally and is projected to reach US\$ 2 trillion by 2032.

Indian E-commerce industry is expected to witness a fivefold growth to reach US\$ 300 billion by 2030.

India is set to become second largest e-commerce market by 2034.

Cooperation areas

Knowledge
sharing

Market entry
support

Technology
collaboration

Cross border
E-commerce

Retail
partnerships

Cultural
exchange

GLOBAL CAPABILITY CENTRES (GCC)

As of 2022, there are 1580 GCCs in India with 1.66 million employees. In the first half of 2023, 18 GCCs were established in tier-1 cities such as Mumbai, Pune and Bengaluru.

Bengaluru, Hyderabad, and Chennai have become key Global Capability Centre hubs with Bengaluru and Hyderabad together leading the GCC leasing activity at a cumulative share of 60% from 2020 to 2023.

Opening global capability centres in India is easier due to lower wages, real estate costs and low rental costs.

Office rentals in India are among the lowest in Asia.

The Government offers tax incentives for setting up global capability centres in special economic zones.

Cooperation areas

**Product Development
and Innovation hubs**

**Artificial Intelligence, Machine Learning,
and Natural Language Processing**

Cybersecurity

OPPORTUNITIES IN JAPAN



ICT

The Information & Communication Technology (ICT) sector offers several investment opportunities in high-end, value added services and highly competitive top talent of a global reach.

The Japanese ICT Market is categorized into hardware, software, IT services, and telecommunication services. Enterprises are classified into small and medium enterprises and large enterprises. Industry verticals encompass BFSI, IT & telecom, government, retail and e-commerce, manufacturing, and energy and utilities.

Demand for automation and digitalization **Market size to grow at CAGR 11.25% by 2027** **Availability of skilled labour, know-how and research capabilities**

Robust IT and telecom infrastructure **Large entrepreneur class with new ideas and innovative business models**

Cooperation areas

Data Centers	Telecom Security	Mobile marketing & advertising
Software development	Information Security Services	Smart cities
Submarine Optical Fiber Cable	Digital Health Technologies	Innovation and research activities



ENERGY SECTOR

Japan expects renewable energy to account for 36%-38% of the country's electricity generation mix in FY 2030-31, with the introduction of 1% hydrogen/ammonia, and 20-22% nuclear power - totaling 57-61% of the non-fossil fuel power supply.

90% clean electricity share by 2035 from the expansion of solar, wind and battery storage

High potential for increasing wind capacity to 10 megawatts (MW) by 2030

Third-highest potential for geothermal energy in the world at 23 GW

Cooperation areas

Electric Vehicles, storage systems including batteries, electric vehicle charging infrastructure

Energy Conservation in buildings and industries, energy efficient appliances

Development of Solar Energy including Solar PV cells

Clean Energy, including Green Hydrogen

Greater and cleaner use of LNG

Wind Energy

Emerging fuels including Biofuels, CBG

Strategic Petroleum Reserves and Clean Coal Technology



TOURISM

Estimated number of international travelers to Japan in January 2024 was 2,688,100

Number of Japanese overseas travelers in January 2024 accounted for 838,581, +89.3% compared to January 2023

In 2023, the number of inbound visitors were approx 25.07 million

Goal of attracting 60 million foreign visitors annually by 2030

Unique advantages of history, culture, cuisine, climate, etc.

Spending by visitors totaled a record \$35.9 bn in 2023

Cooperation areas

India and Japan celebrated 2023 as an India-Japan Year of Tourism Exchange to increase people-to-people contact and strengthen cultural connections between both countries

2024 is celebrated as the India-Japan Year of Tourism 2.0 with a theme of "Connecting the Himalayas with Mount Fuji"

Development of specialized tourist products and facilities for Indian travelers

Buddhist Circuit Tourism



LIFE SCIENCES AND PHARMACEUTICALS

Japan is a leading contributor in innovation in the Life Sciences sector, globally.

Japan has one of the largest growing pharmaceutical markets in the world, accounting for about 5% of global share. India is known for being globally competitive in the healthcare market for its generic pharma products, and can help in reducing the country’s healthcare costs.

Two sides can benefit from closer cooperation in the pharma and medical devices sectors.

Exports of pharmaceuticals amounted to US\$ 7.65 billion in 2023 as per International Trade Centre data.

Cooperation areas

R&D investments and start-ups in the biotech and life sciences fields

Research & innovation in emerging technologies such as precision medicine, gene therapy & biological products

Bioinformatics

Stem Cell Research



AGRI-FOOD

Japan's position as a cultural powerhouse is most notably showcased through the widespread popularity of Japanese cuisine worldwide and its strong presence in the global food market.

Japan's exports of agricultural, forestry and fishery products reached a record high in the first half of FY 2023 and increased by 2.9% over the previous year to reach ¥ 1.45 trillion.

Strong demand for Japanese 'Health Foods', with traditional emphasis on rice, fish and seasonal ingredients

The growing organic agricultural market in Japan presents many opportunities, as it is expected to grow further with greater focus and concerns for sustainable development

Cooperation areas

Food Processing, food safety, forestry & fisheries

Participation in the growth and consolidation of smaller, organic producers with strong export potential

Investments in Indo-Japan Agricultural Centre of Excellence for showcasing Japanese technologies

Cooperation in research in areas of new product development, low-cost subsurface drainage and irrigation technology, and sustainable agricultural production



LOGISTICS

Japan's economic prowess in East Asia is closely intertwined with its robust logistics industry.

Japan's status as a manufacturing powerhouse and the demand for storage and distribution necessitates the need for a highly efficient and reliable logistical sector.

The Japan Freight and Logistics Market size is estimated at around US\$ 320 billion in 2024, which is expected to grow to around US\$ 394 billion by 2029, recording a CAGR of 4.22%.

Japan's expertise in advanced logistical systems and India's expanding market opportunities with its vast and extensive array of ports lays a solid ground for enhanced collaboration. Partnering on port operations, management, and development can enhance trade flow and maritime connectivity.

Cooperation areas

Developing multimodal transportation networks that integrate road, rail, air, and sea routes

Sharing expertise in logistics technology, such as track-and-trace systems, digital platforms, and supply chain analytics, can improve efficiency and transparency

Joint efforts to promote sustainable and eco-friendly practices such as alternative fuels, energy efficient transportation modes and waste reduction strategies

Investments in training, skill development and knowledge exchange programmes in areas of logistics management, warehousing and transportation

Collaborating in freight forwarding, logistics consulting, and third-party logistics services can enhance the quality and reliability of logistics services

Joint investments in logistics infrastructure



ANIMATION, VISUAL EFFECTS, GAMING AND COMICS (AVGC)

Japan's animation industry, popularly referred to as 'anime' in the Japanese language has garnered immense popularity worldwide. The total revenue of the anime industry is estimated to have reached a record setting ¥2.93 trillion in 2022. The popularity of 'anime' is also immense in India and has greatly influenced the Indian entertainment industry. There is strong demand and significant growth potential for this segment in India, which has created ample scope for collaboration between the two sides.

Japan's visual effects and gaming sectors are global leaders and are poised for further growth. Japan's global visual effects market size was estimated at US\$ 9.95 billion in 2022, which is expected to reach around US\$ 23 billion in 2031, growing at a CAGR of 11%. The Indian VFX segment has also registered rapid growth on account of strong demand from the entertainment and animation industries. Significant collaboration opportunities between two sides exist particularly in the areas of technology exchange, skill development and training, industry-academia partnerships in R&D, etc.

The Comics industry in Japan, popularly known as Manga, has also grown exponentially with sales of comics reaching an estimated ¥694 billion in 2023. The Indian comics industry is also valued somewhere between US\$100-US\$150 million and is a major industry in India. Exciting opportunities exist for both India and Japan for enhancing creative collaboration and cultural exchange in this field. Digital platforms, merchandise, skill development and training, exchange of content and translated works can be some potential areas of cooperation.



CII ENGAGEMENT WITH JAPAN

CII has been at the forefront of Indian industry's initiatives to deepen ties with businesses in Japan since the 1980s. CII opened an office in the Osaka Chamber of Commerce & Industry in 1995 to facilitate Japan's participation as the Partner Country to the International Engineering & Technology Fair (IETF) 1997 held in New Delhi.

CII endeavours to provide vital inputs for policy formulation and functions as the Secretariat from the Indian side for the India-Japan Business Leaders Forum, working in close coordination with Keidanren, the Japanese secretariat.

CII has forged multi-pronged partnerships with leading industry bodies in Japan, having entered into MoU with 11 organisations, viz., Keidanren, Kankeiren, Osaka Chamber of Commerce & Industry, International Friendship Exchange Council (FEC), Japan External Trade Organisation (JETRO), Union of Japanese Scientists & Engineers (JUSE), Japan Chamber of Commerce and Industry in India (JCCII), Organisation for Small & Medium Enterprise and Regional Innovation (SMRJ), Sasakawa Peace Foundation, Overseas Human Resources and Industry Development Association (HIDA), and Japan International Cooperation Agency (JICA).

In partnership with these bodies, CII engages with industry and people of Japan by organising business delegation visits, trade fairs, conferences and seminars in both countries. For the 70th Anniversary of the Indo-Japanese diplomatic relations in 2022, CII conducted wide-ranging events and engagements.

During Hon'ble Prime Minister of Japan, Mr Kishida Fumio's state visit to India in March 2022, CII in association with JETRO and Keidanren organised the India Japan Economic Forum with the support of DPIIT and METI. The India Japan Economic Forum was attended by both Prime Ministers, as well as ministers, government officials, and senior industry members from India and Japan.

CII organized a CEOs Delegation to Japan in December 2022 towards achievement of Japan's 5 trillion-yen investment target in India. New business opportunities in various sectors such as Technology, Green energy, Digital transformation, Start-ups, Cybersecurity, Automotives, and Healthcare, among others, were highlighted.

In a milestone event for CII, H.E. Mr Satoshi Suzuki, Ambassador of Japan to India held a ceremony to celebrate the conferral of the Foreign Minister's Commendation FY2021 upon CII in recognition of the industry body's contribution to strengthening economic relations between Japan and India.

Further, in collaboration with Sasakawa Peace Foundation, CII has been organising visits of Indian Members of Parliament to Japan since 2004. The purpose is to strengthen the political, diplomatic and business relationship between the two countries.

Notably, the CII Institute of Quality has pioneered a strong quality movement in India in partnership with leading Japanese quality institutions. CII has also facilitated the engagement of renowned Japanese management experts for enhancing the competitiveness of Indian manufacturing sector.

The Champions for Societal Manufacturing project, led by CII with support from Japan International Cooperation Agency (JICA), has helped enhance the managerial competencies for manufacturing in India. CII has been appointed as a Sending Organisation by the Ministry of Skill Development & Entrepreneurship, Government of India, to support the implementation of the Technical Intern Training Programme.



Confederation of Indian Industry

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Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Livelihood, Globalisation, Building Trust' has prioritized 6 action themes that will catalyze the journey of the country towards the vision of India@100.

With 65 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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