



Gateway

Volume 7 Issue 2

March - April 2021

President's Message



Dear Friends,

Even as the world continues to reel under the Covid pandemic with many nations caught up in the third or fourth waves of infection that has already taken a toll of three million lives, countries like India and Japan are trying to find ways to come to terms with a killer that seems to

spare no one, the developed or developing, rich or poor. When the Japanese Prime Minister Mr. Yoshihide Suga comes for his summit meeting with his Indian counterpart Mr. Narendra Modi, ways for cooperation on the pandemic will be one of the items in the agenda. Bilateral cooperation on the pandemic aside, members of the Quad - India, Japan, United States and Australia - have already addressed this in their recent virtual meeting as also in Prime Minister Suga's physical summit with President Joseph Biden in Washington on April 16. Democracies of the Quad must also take note of a sobering statistics in the realm of vaccination, it is said that 83 per cent of the jabs have been administered in high and upper middle income countries; and only 0.2 percent of the doses have been made available in low income countries. The exact date - April, May or later - of when Mr. Suga is travelling to New Delhi is not important for India and Japan. There seems to be no pressing contentious issues to deal with other than fine tuning an already positive relationship to mutual benefit. Strategic issues are critical to the two countries as they pertain to the Indo Pacific where both New Delhi and Tokyo have to deal with a belligerent Beijing that is keen on unilateral interpretation of maritime laws and in the process raising genuine concerns on freedom of navigation in international waterways. A vital issue that has strategic, economic and commercial implication has been addressed by India, Japan and collectively in the Quad.

Between India and Japan if there is one sphere that needs to be constantly focused on it is undoubtedly ways to further enhance, in depth and width, economic relations. Japan's Official Development Assistance has undoubtedly supported critical infrastructure projects in India but the accent of New Delhi will be on enhancing foreign direct investments, modern technology as well as Tokyo's assistance in overseas markets access. In all the excitement of the "big ticket" projects Japanese business houses and technologies must also pay sufficient interest to small and medium enterprises in India.

There is a fund of goodwill between India and Japan that goes through several decades and there is little doubt that Mr. Suga's impending visit will only further add to symbolism and substance of the existing relationship.

Regards,

T.P. Imbichammad

Indo-Pacific Quad Summit



Quad Meet: US President Mr. Joe Biden, Japanese Prime Minister Mr. Yoshihide Suga, Australian Prime Minister Mr. Scott Morrison and Indian Prime Minister Mr. Narendra Modi

(Photo Courtesy : NDTV)

On March 12, Joe Biden opened the first Quad Leaders' Summit held virtually, attended by Prime Ministers of Australia, Japan and India.



Foreign Ministers of US, Japan, India and Australia (file photo)

(Photo Courtesy : newsbharati)

In a virtual meeting on February 19 2021, US Secretary of State Mr. Antony Blinken, Japan Foreign Affairs Minister Mr. Toshimitsu Motegi, Minister for External Affairs of India Dr. S. Jaishankar, and Australian Foreign Minister Ms. Marise Payne, emphasized their commitment to upholding a rules-based international order, underpinned by respect for territorial integrity and sovereignty, rule of law, transparency, freedom of navigation in the international seas and peaceful resolution of disputes.

IJCCI Congratulates 'Padma Vibhushan' Mr. Shinzo Abe

Former Prime Minister of Japan, Mr. Shinzo Abe awarded for “exceptional and distinguished service” in the field of public affairs. The Padma Vibhushan is India’s second-highest civilian honor, after the Bharat Ratna, Mr. Shinzo Abe is the second Japanese laureate to receive this honour after former Japanese Defence Minister Mr. Hosei Norota in 2001. Mr. Abe is the architect of the “free and open Indo-Pacific” concept. India was one of the first places where Mr. Abe discussed the new plan in detail. In a speech titled “Confluence of the Two Seas” at the Indian Parliament in August 2007, he said: “The Pacific and the Indian Oceans are now bringing about a dynamic coupling as seas of freedom and of prosperity. A ‘broader Asia’ that broke away geographical boundaries is now beginning to take on a distinct form.” “By Japan and India coming together in this way, this ‘broader Asia’ will evolve into an immense network spanning the entirety of the Pacific Ocean, incorporating the United States of America and Australia,” he said. “Open and transparent, this network will allow people, goods, capital, and knowledge to flow freely.” Mr. Abe also initiated the Quadrilateral Security Dialogue in 2007. Mr. Abe through out his tenure along with Prime Minister Mr. Narendra Modi visualised and framed structural changes that were required to fulfil the vision. The former Japanese leader was highly conscious of India’s traditional influence and India was made a prime partner with Tokyo in developing Africa. In May 2017, Prime Minister Mr. Modi and former Japanese Prime Minister Mr. Abe flagged the Asia-Africa growth corridor. Also, the people of India will gratefully remember Mr. Abe’s contribution to India’s first bullet train from Mumbai to Ahmedabad and the Delhi-Mumbai freight corridor. IJCCI congratulates the truly deserving Mr. Shinzo Abe for being credited with this award.



World's largest Hybrid Renewable Energy Park in Gujarat, India

World's largest Hybrid Renewable Energy Park - 30 GW is coming up in Kutch, Gujarat. The project is in line with the Government of India's vision to install 175 GW of renewable energy capacity by the year 2022 and 450 GW by 2030, is of national importance. The park will have two zones Spread over 72, 600 ha of land, the first will be a 49,600-hectare hybrid park zone, accommodating wind and solar power plants of 24,800 MW capacity; and second will be an exclusive wind power zone spread over 23,000 hectares. The estimated time for the completion of the project is five years. It is important to note that there are a number of ‘no-go-zones’ around the said project, belonging either to the Army or to the BSF. The installation of windmills near the border will act as a boundary. It is said that an 18-km road will be built by the state public works department which will bypass ‘India bridge’ and provide access to the project, also, the existing road that leads from this bridge to Vighakot is being strengthened and widened.

'No singing, eat in silence': How Japanese schools have stayed open despite the pandemic

Elementary, middle and high schools have remained largely open since the end of a months- long, nationwide school closure requested by former Prime Minister Shinzo Abe last year. Amid growing calls for less full classrooms in the wake of the pandemic, the Diet passed legislation recently capping the number of pupils per classroom in public elementary schools at 35. Currently, up to 40 pupils are legally allowed to be in each classroom for second through sixth grades in elementary schools. Given the difficulty of keeping children separated in classrooms, “it can be said that Japanese schools have been holding up just barely, thanks to the great efforts and sacrifice made by teachers and children, such as wearing masks all the time, eating school lunches in silence and keeping everything sanitary,” In a nation where classrooms are this packed, some might expect teachers to resist the idea of going back into school buildings. In fact, what is unfolding in Japan is the exact opposite: throughout this time, the Japan Teachers’ Union (JTU) - the nation’s largest educational union - has made no protest whatsoever against school re-openings. “It hasn’t even occurred to us that we should protest against the resumption of in-person. Being close to kids is what schools are all about. Our basic stance is that schools should remain open as much as possible,” according to a JTU spokesman, adding that the union is more concerned about detrimental effects school closures could have on the mental health and educational progress of children.

(The Japan Times)

IMF projects India’s growth rate to jump to impressive 12.5 per cent in 2021

The IMF on 6th April 2021 projected an impressive 12.5 per cent growth rate for India in 2021, stronger than that of China, the only major economy to have a positive growth rate last year during the COVID-19 pandemic. The Washington-based global financial institution, in its annual World Economic Outlook ahead of the annual Spring meeting with the World Bank, said the Indian economy is expected to grow by 6.9 per cent in 2022. Notably in 2020, India’s economy contracted by a record eight per cent, the International Monetary Fund (IMF) said as it projected an impressive 12.5 per cent growth rate for the country in 2021. The global economy shrank by 4.3 per cent last year, over two-and-a-half times more than during the global financial crisis of 2009. “Once the health crisis is over, policy efforts can focus more on building resilient, inclusive, and greener economies, both to bolster the recovery and to raise potential output, and the priorities should include green infrastructure investment to help mitigate climate change, digital infrastructure investment to boost productive capacity and strengthening social assistance to arrest rising inequality,” according to IMF Chief.

IJCCI Business Facilitation Desk and the United Nations Industrial Development Organisation UNIDO ITPO, Tokyo are jointly facilitating B2B meeting for members in select industries. To start with a small group 20-25 IJCCI member companies will be shortlisted and will be introduced to the Japanese counterparts. Selected IJCCI member companies will be required to give a 3-minute virtual presentation of their products/services in the virtual mode, a day before the B2B virtual meeting. This programme will take off in July 2021 and depending on the interest evinced by the Japanese counterparts the B2B session might go on for 10-15 days. The sectors covered in the first meeting would be :

- Logistics
- IT/electronics
- Agrifood
- Light engineering
- Clean environ which includes Power / water management / waste management
- Packaging industry
- Home Textiles.

Investments, Business and Joint Ventures from Japan for India

A virtual seminar on 'Investing in India: Recent Initiatives' was conducted on 25th March 2021. The webinar was organised with the support of the Indian Consulate General in Osaka, the United Nations Industrial Development Organization-ITPO, Tokyo and Invest India, India's National Investment Promotion and Facilitation Agency. The proceedings were moderated by Mr. P.S. Suman, AK Mysamy & Associates LLP. Ms. Suguna Ramamoorthy, Secretary General, IJCCI, gave the Opening remarks on the deep rooted relationship of Japan and India and how IJCCI could facilitate in bringing the Indian and Japanese businesses closer. The keynote address was delivered by Mr. B. Shyam, Hon'ble Consul General of India, Osaka-Kobe who placed emphasis on the importance of India-Japan trade which is gaining importance in the present situation. He assured the support of the Indian Consulate General in Osaka in strengthening the economic relations between the two countries and asked the businessmen to feel free to get in touch with his office. Ms. Sai Sudha, Senior Assistant Vice-President of Invest India spoke about the special bond between India and Japan, India becoming an economic power house with about \$5 Trillion opportunities by 2025, India's strong resurgence post Covid-19 scenario, India as a destination for Research and Development, India's attractive Tax structure etc.



Mr. B. Shyam



Ms. Suguna Ramamoorthy



Ms. Sai Sudha



Mr. K.K. Balu



Mr. P.S. Suman



Mr. R. Sridhar



Mr. S. Ramanujam



Mr. Yuko Yasunaga

Mr. K.K. Balu, a former judge and now a Senior Legal Advisor at A. K. Mysamy and Associates, LLP made a lucid presentation on Tamil Nadu's Industrial Policy 2021 covering the various schemes and initiatives of the Government of Tamil Nadu. Mr. R. Sridhar, Partner at Grant Thornton Bharat LLP presented the Foreign Direct Investment Policy and Strategies of Investing in India. Mr. S. Ramanujam, Chartered Accountant and Senior Advisor at A. K. Mysamy and Associates, LLP presented the Income Tax Perspective on doing Business in India where he covered Corporate Taxation and interesting situations governing taxation on joint ventures. The Webinar concluded with the closing remarks of Mr. Yuko Yasunaga, Head of UNIDO ITPO Tokyo who showed great interest in establishing stronger ties between India and Japan. The Webinar showcased India as an Investment destination and is expected to provide a major boost to attract Japanese Investments, business from Japan and Joint Ventures for Indian businesses. The IJCCI has leveraged its established and long standing close to 30 years of its relationship with Japan to set up a Japan-India Business Facilitation Desk to connect Japanese businesses to Indian businesses.

Japan extends aid for Andaman infrastructure project to bolster Indo-Pacific partnership

Japan extended grant support and loans to India - 4.016 billion yen grant assistance for a slew of infrastructure tasks together with a mission for the Andaman and Nicobar Islands as a part of New Delhi's Indo-Pacific partnership with Tokyo. "Andaman & Nicobar Islands play a vital position in our shared imaginative and prescient for a free, open and inclusive Indo-Pacific. Cooperation between Japan and India on these essential islands show the dedication in realizing a steady, peaceable and affluent Indo-Pacific", according to a Government of India official. The Mission will allow efficient utilization of renewable power generated from photo voltaic PV, which can finally profit the worldwide neighbourhood in direction of reaching a low carbon or carbon impartial society. The mission will firmly contribute to India's goal to attain 100% renewable power within the Andaman & Nicobar Islands.

Tamil Nadu State sees over twofold jump in investments

Fresh investments into Tamil Nadu more than doubled to over Rs. 1,00,000 crore during the pandemic-hit 2020-21, witnessing the second highest investment outlay, as per a private study. Maharashtra retained the top spot for a second year in a row. Tamil Nadu jumped from the ninth position in 2019-20, when 465 projects worth Rs. 47,833 crore were announced, to second in 2020-21, with 573 projects worth Rs. 1,02,652 crore. Also, Tamil Nadu was ranked 12th among all States in 2018-19, with a 3.67% share of fresh investments into India of Rs. 16.86 lakh crore, the State's share had risen to 4.41% of the total investments. Project investments fell a further 1.23% in 2020-21 as the COVID-19 pandemic hit investments in the first six months of the year followed by a tentative recovery in the second half. However, Tamil Nadu's share of the country's investments more than doubled to 9.6%.

The State began 2020-21 on a strong note, managing to garner a sixth of investments in the first quarter when private investments collapsed amid the lockdown. The State government signed 17 pacts with private investors in May, bolstering its Q1 investment pipeline by Rs. 18,533 crore across sectors. Over the second and third quarters, Tamil Nadu got fresh investments of almost Rs. 61,000 crore, giving it the second and third ranks among States respectively. Some of the major private investments were the Rs. 4,629 crore solar photovoltaic modules project by SunEdison Energy India, a Rs. 2,500 crore lithium-ion batteries project in Tiruvallur by Lucas-TVS and a Rs. 2,300 crore plant being set up by Daimler India Commercial vehicles at Oragadam.

(*"The Hindu"*)

There has been a lot of interest among the Japanese business community in recent times to join hands with their counterparts in India. IJCCI has been dedicatedly organising virtual seminars on potentials of India, and Tamilnadu in particular. Indeed on March 17th a presentation in Japanese language on "The SME sector and Opportunities in Tamilnadu" was made by Secretary-General Ms. Suguna Ramamoorthy for the Kochi Prefecture in Japan with the support of the Indian Consulate General in Osaka, attended by Japanese companies, JETRO, Federation of Small Business Association, Kochi industrial Promotion Centre, Chamber of Commerce and heads of the Prefectural Government's Commerce, Industry and Labour Department.

New Labour Code - Overview and Key Impact Areas

1. Introduction

New labour codes introduced by the government over the past year are significant steps towards the much-needed labour reforms in the country. The 29 existing labour laws have been consolidated under four new codes, with an intent to amalgamate, simplify and rationalise the relevant provisions of the subsumed laws.

While the codes have received the President's assent, the date of implementation is yet to be notified.

i. The Code on Wages, 2019

Amends and consolidates the laws relating to wages and bonus and matters connected therewith or incidental thereto.

ii. Industrial Relations Code, 2020

Consolidates and amends the laws relating to trade unions, conditions of employment in industrial establishments, investigation and settlement of industrial disputes and for all other incidental or related matters.

iii. The Social Security Code, 2020

Seeks to amend and consolidate the laws relating to social security with the goal to extend social security to everyone in organised, unorganised and any other sectors.

iv. Occupational Safety, Health & Working Conditions Code, 2020

Focused on consolidating and amending the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment and for all other incidental or related matters.

2. Key Impact Areas

Code	Applicability
The Code on Wages, 2019	<ul style="list-style-type: none"> • Widened coverage: No wage threshold for employees, definition of employer includes 'contractor' and 'legal representative of deceased employer', etc. • New definition of 'wages': Applicable to all employees in; specified exclusions and conditional inclusions specified, cap on benefits in kind. • Timeline for full and final settlement: Two days from the date of removal/ resignation/ retrenchment/dismissal. • Stringent penal implications: Introduced for non-maintenance of registers and records under the Code of Wages, 2019. • Payment of wages and deductions: Payment vide cheque, online mode; no unauthorized deductions allowed from the wages.
The Social Security Code 2020	<ul style="list-style-type: none"> • Voluntary coverage: Opt in/opt out of social security schemes. • Introduction of new category of employees: Platform workers, gig workers, fixed-term employees, etc. • Increase in quantum of gratuity payment: • New category of employees introduced i.e. 'Fixed term workers' rendering services for less than 5 years; • Working period of 3 years for journalists introduced. • Gratuity payable to the contract labourers as well, in line with eligibility criteria are set out in the Code.
Occupational Safety, Health & Working Conditions Code, 2020	<ul style="list-style-type: none"> • Concept of core and non-core workers: Employment of contract labour in core activities of any establishment is prohibited (with certain exceptions) • Canteen and crèche facility: Mandated for specified establishments. • Special provisions for women: Consent of female employees required for working before 6 am and after 7pm along with other safety measures. • Concept of leave rules and leave encashment introduced. • Free annual health check-ups: Mandated for specified employees of specified establishments.
Industrial Relations Code, 2020	<ul style="list-style-type: none"> • Concept of fixed-term employment: Introduced with benefits not to be less than of a permanent worker. • Conditions for strikes and lockouts prescribed: No strikes and lock outs without giving proper notice in compliance with the norms laid down in the code. • Standing orders: Required in establishments where 300 or more workers are employed. • Retrenchment, lay-off and closure provisions: Not to be applicable if workers are <300; lay-off related provisions will not be applicable if workers are <50. • Grievance redressal committee mandatory: To be set up where 20 or more workers employed, requires proportionate women representation.

3. Key areas of consideration

From employers' and employees' perspectives

- a. Payroll function : Review payroll policy(s) with regard to monthly disbursements, full and final settlement, recoveries, loans and advances, etc.
- b. HR function: Detailed review of the following aspects with regard to the various categories of employees:
 - Terms of employment/engagement
 - Compensation structure
 - Maternity benefit
 - Statutory bonus
 - Retirement/social security benefits (provident fund, gratuity and leave encashment);
 - Working hours, overtime, etc.
- c. Impact on P&L account: To estimate the financial impact both from an employer and employee perspective.
- d. Adoption and adherence of the occupational safety and health standards.

From contract labour perspective

- a. Evaluate restructuring current manpower with fixed-term employment in those industrial establishments where contractual manpower is already engaged.
- b. Revisiting of contractual aspects relating to :
 - Working hours
 - Nature of work for different types of workers/employees engaged.
- c. Policy framework for newer concepts, such as gig workers and platform workers, and obligations as an aggregator considering the applicable provisions under the Labour Codes.
- d. Obligations on establishment to pay contractor before wages payment due dates. Also, obligation towards bonus, gratuity, other benefits due to contract employees where contractor defaults.