



Gateway

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President's Message



Dear Friends,
We are close to bringing 2023 to an end and ushering in a New Year with the fond hope things are going to be better for the world, India and our families. And all indications are that economically the coming year is going to be better than the previous ones with

projected upward growth rates in the developed and developing worlds. And hopefully this will impact the less fortunate who have had to struggle against all odds.

As you all know, the economy of India is registering steady growth with the first quarter fiscal 2023-24 growing at 7.8 percent, close to the Reserve Bank of India's estimate of 8.1 percent. The optimism that has been generated for the future must be tempered with some careful planning keeping in mind the many vagaries that may come along including on the natural front by way of monsoons. But there is no reason to doubt the resilience of performance given the long term plannings at the center and state levels. Without a doubt India's space program has caught the attention of the world with the success of the Chandrayan 3 this August; and the Solar launch is also performing as expected. And all indications are that the Indian Space Research Organisation (ISRO) is not going to stop with the Moon and the Sun and that future forays to study other planets are very much on the anvil together with the ambitious program of having Indian astronauts in a space station and perhaps even on the moon soon!

Since the time of the close of the G 20 Summit, India and Japan have been continuing their bilateral discussions on a range of issues with a continued conviction that closer ties between the two Asian nations will have an impact on the Indo Pacific and the world at large. Working on matters pertaining to defence has become of critical importance and significance given the aggressive posturing of adversaries. Both New Delhi and Tokyo will have to work more closely bilaterally and within the QUAD to ensure peace and stability in the vast region.

As we step into the festival and holiday seasons, there is deep anguish in all of us to the happenings in Israel and Gaza where terrorist attack on the Jewish state on October 7 has unleashed a human catastrophe in the Gaza that is threatening to spiral out of control. The onus is on all to make sure that peace and stability returns at the earliest in a critical part of the world.

My Best Wishes for the Holiday Season.

Regards,
T.P. Imbichammad

The 18th G20 Leaders' Summit hosted in New Delhi



The 18th G20 Leaders' Summit hosted in New Delhi in September 2023 bolstered bilateral ties between India and numerous other nations through the signing of business deals, forging defense partnerships, and fostering strong leader-to-leader relationships.

Ryukoku University Economic Professor Dr. Moriki OHARA and his students from Japan in Chennai



Seminar on Relevance of India-Japan Economic Relations to Indo-Pacific on 4th September at Womens' Christian College

Seminar on Japan's Contribution in the Economic Development of India in the Era of Free and Open Indo-Pacific on 9th September at DDGD Vaishnav College

Exhibition of "Hina" Dolls & Screening of Japanese Films



Hon'ble Mr. TAGA Masayuki, Consul-General of Japan, Chennai and **Ms. Nirmala Lakshman**, Chairperson, The Hindu Group of Publications inaugurated the Exhibition at IJCCI permises from 13th to 15th September, 2023.

Webinar on "India-Japan Business Cooperation and Facilitation" jointly by IJCCI and UNIDO-ITPO, Tokyo, Japan on 16th October, 2023



Mr. TAGA Masayuki,
Consul-General of Japan, Chennai



Mr. TP Imbichammad
President, IJCCI



Mr. Nikhilesh Giri
Indian Consul-General for
Osaka-Kobe, Japan



Ms. Fumio Adachi
Head, UNIDO-ITPO, Tokyo



Mr. P.S. Suman
Member, Governing Council, IJCCI

Webinar on "India-Japan Business Facilitation and Foreign Exchange Law in India" jointly by IJCCI and PSS Legal Advisors, LLP on 26th October, 2023



Ms. Suguna Ramamoorthy
Secretary General, IJCCI



Mr. P.S. Suman
Member, Governing Council, IJCCI



Mr. K. Ramesh
Corporate Lawyer, PSS Legal Advisors LLP



Indian economic outlook

After two years of rapid economic growth in 2021 and 2022, the Indian economy has continued to show sustained strong growth during the first half of the 2023 calendar year. The near-term economic outlook is for continued rapid expansion during the second half of 2023 and for 2024, underpinned by strong growth in domestic demand. The acceleration of foreign direct investment inflows into India over the past decade reflects the favourable long-term growth outlook for the Indian economy, helped by a youthful demographic profile and rapidly rising urban household incomes. India's nominal GDP measured in USD terms is forecast to rise from USD 3.5 trillion in 2022 to USD 7.3 trillion by 2030. This rapid pace of economic expansion would result in the size of the Indian GDP exceeding Japanese GDP by 2030, making India the second largest economy in the Asia-Pacific region. By 2022, the size of Indian GDP had already become larger than the GDP of the UK and also France. By 2030, India's GDP is also forecast to surpass Germany.

The long-term outlook for the Indian economy is supported by a number of key growth drivers. An important positive factor for India is its large and fast-growing middle class, which is helping to drive consumer spending. The rapidly growing Indian domestic consumer market as well as its large industrial sector have made India an increasingly important investment destination for a wide range of multinationals in many sectors, including manufacturing, infrastructure and services. The digital transformation of India that is currently underway is expected to accelerate the growth of e-commerce, changing the retail consumer market landscape over the next decade. This is attracting leading global multinationals in technology and e-commerce to the Indian market. By 2030, 1.1 billion Indians will have internet access, more than doubling from the estimated 500 million internet users in 2020. The rapid growth of e-commerce and the shift to 4G and 5G smartphone technology will boost home-grown unicorns like online e-commerce platform Mensa Brands, logistics startup Delhivery and the fast-growing online grocer BigBasket, whose e-sales have surged during the pandemic.

The large increase in FDI inflows to India that has been evident over the past five years is also continuing with strong momentum evident even during the pandemic years of 2020-2022. India's strong FDI inflows have been boosted by large inflows of investments from global technology MNCs such as Google and Facebook that are attracted to India's large, fast-growing domestic consumer market, as well as a strong upturn in foreign direct investment inflows from manufacturing firms. Overall, India is expected to continue to be one of the world's fastest growing economies over the next decade. This will make India one of the most important long-term growth markets for multinationals in a wide range of industries, including manufacturing industries such as autos, electronics and chemicals to services industries such as banking, insurance, asset management, health care and information technology.

(Rajiv Biswas, Asia Pacific Chief Economist, S & P Global Market Intelligence)

Project to train dogs to sniff out diseases

MAEBASHI—Gunma Prefecture is pumping 124 million yen (\$873,000) into a project to train dogs that can sniff out health problems, such as cancer, in humans. The prefectural government plans to extend support to doctors and scientists who engage in such research for three years from fiscal 2023. Although studies on cancer-detection dogs have been carried out around the world, the research has never been put into practical use. Gunma intends to become the first to do so. According to the prefectural government, sickness-detection canines, working like drug-sniffing dogs, can determine whether individuals are ill based on the smell of their exhaled air and urine. The initiative in Gunma Prefecture is part of Governor Ichita Yamamoto's endeavor to realize a "society to live better with pets."

The prefecture is soliciting research proposals from across the nation. Specifically, it wants one study on how dogs can detect cancer and another one on finding symptoms of COVID-19, Parkinson's disease or other diseases. A maximum of 30 million yen will be provided to each project. Buying and nurturing the dogs for the research will be covered by the budget allocation. Researchers will study disease specimens provided by medical institutes. The prefecture expects to train two canines from the Labrador Retriever and other breeds known for their high concentration levels.

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Can mammals thrive in Space ?

World's first experiment that cultured early-stage mammalian embryos under complete microgravity of ISS . Researchers from the University of Yamanashi's Advanced Biotechnology Center, together with the Japan Aerospace Space Agency (JAXA) team sent frozen mouse embryos on board a rocket to the ISS in August 2021. Early-stage embryos were thawed using a special device designed for this purpose and grew them on the station for four days. The study concluded that the embryos cultured under microgravity conditions developed normally into blastocysts, cells that develop into the fetus and placenta. The scientists also confirm that there were no significant changes in condition of the DNA and genes, after they analyzed the blastocysts that were sent back to their laboratories on Earth. In the future, it will be necessary to transplant the blastocysts that were cultured in ISS's microgravity into mice to see if mice can give birth, to confirm that the blastocysts are normal, the study added. Scientists claim that gravity had no significant effect. The study was published online in the scientific journal iScience a few days ago. A group of Japanese scientists believe that it could be possible for humans too to reproduce in space. *(Japan Today)*

Record Sales of Toyota Vehicles

The Toyota group sold an unprecedented 5.6 million vehicles in April-September 2023, putting it on track for its 11.4 million-unit goal for the fiscal year and remaining the world's No. 1 carmaker. The results show that demand for its hybrid and fuel-burning powertrains persists, even as China's BYD, Tesla and others take the lead in the shift to electric. "It's a very good result, much bigger than we expected ; we are in a recovery in the auto market after three years of a pandemic and the chip



shortage", Christopher Richter, senior analyst at CLSA Securities Japan, said of Toyota's higher outlook. For the three months through September, profit was a record ¥1.44 trillion, exceeding analysts' average estimate for ¥1.1 trillion. Net sales rose 24% to ¥11.4 trillion. Toyota's shares are up 50% this year, the fifth-best performer on a Bloomberg Intelligence index of global automakers. China's Li Auto and Tesla are the top two, having both advanced more than 60%. *(The Japan times)*

Japan Plans ¥17 Trillion Stimulus Package, with Big Budgets for Tax Cuts, Space Development

The government and ruling parties have begun discussing how much to spend on an economic stimulus package, with current projections at ¥17 trillion. Prime Minister Fumio Kishida has vowed to implement the tax-cut-centered package in June 2024. The Prime Minister has already announced tax cuts of ¥40,000 per person, and the Cabinet aims to decide on the package in a few days. A revised draft of the economic stimulus package, presented by the government included ¥30,000 in income tax cuts and ¥10,000 in residential tax cuts per person. The draft suggests a cost of some ¥3.5 trillion for the cuts, which are described as direct aid to disposable income. Each low-income household exempt from residential taxes will also receive a ¥70,000 payout. As for space development, the draft includes a 10-year fund for the Japan Aerospace Exploration Agency, with a provision that it be quickly topped up with ¥1 trillion. The fund is intended to help companies and universities develop and commercialize advanced technologies for space.

Japan's Economic snap shot

Japan's real GDP overtook its prepandemic peak - as of second quarter 2023 - after rising a sizable 1.2% compared to the first quarter. A weakening yen supported export growth and helped push imports lower. Also, the sluggish domestic demand is plagued by relatively high inflation. In the near term, economic growth will likely slow down, as external demand wanes and domestic demand struggles to pick up. The Bank of Japan (BOJ) remains committed to its highly accommodative monetary policy stance, suggesting that inflation will continue to run hot. Although wage growth picked up this year, there is little evidence that it will surpass inflation anytime soon. Workers will likely need to wait until next spring's wage negotiations, before seeing their inflation-adjusted wages rise again.

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