



Gateway

Volume 1 Issue 2

June-July 2015

President's Message



Dear Friends,

My warm greetings to all of you.

IJCCI Centre of Excellence is picking up momentum. You have in your hands the second issue of our Newsletter as also a copy of the Resource Paper.

Committees have been constituted to activate various Cells: Manufacturing & Engineering; IT & Electronics; Infrastructure; Legal & Corporate Affairs. Our Think Tank is coming out with the first White Paper, a quarterly publication from our Centre of Excellence. And, the kingpin of all the activities, the Centre for Japanese Studies, the nucleus of a Research Body on Japan for promoting and co-ordinating our future activities on Indo-Japan educational, cultural and economic activities, will be inaugurated soon.

The aim of IJCCI, as all members are aware is to further our one and only aim of strengthening Indo-Japan cooperation in every possible way and I seek your support in making IJCCI a very useful and vibrant bilateral Chamber.

I have a special request to make to all our members. All these activities involve a lot of resources not only in number of members but also in terms of financial resources. Each issue of Newsletter costs over Rs.15,000 besides the cost of other publications. I would therefore appeal to all the members to contribute liberally to the coffers of IJCCI and strengthen its financial muscle.

I am confident that I would receive full support from every one of you in this noble cause of building our Chamber.

With warm regards,

N Kumar

Inauguration of IJCCI Centre of Excellence



On 15th May 2015, an event was organised by IJCCI to inaugurate the IJCCI Centre of Excellence. Hon'ble Mr. Seiji Baba, Consul General of Japan in Chennai, was the Chief Guest. Dr. Pon Kothandaraman, former Vice Chancellor – Madras University, and Mr. B.S. Raghavan, former Chief Secretary – West Bengal-Tripura, were the Guests of Honour.



During the event, *Gateway*, the bi-monthly newsletter of IJCCI, and a Resource Paper on Japan were released by Mr. Seiji Baba.



A cross-section of the audience at the function.



Know JETRO

JETRO (Japan External Trade Organisation), a Japanese Government organisation promoting trade and investment, offers a host of services for doing business with Japan. Foreign companies planning to start business in Japan will be provided free consultation services, market entry information and assistance to identify a business partner in Japan by JETRO.

Under the Invest Japan Business Support Center, (IBSC), JETRO offers office space with minimum required infrastructure to run the office such as desk, chair, telephone, fax and broadband connection. It also provides common facilities such as conference rooms, multipurpose hall and business library. These services can be used for up to 50 days without any fee, giving adequate time for foreign companies to establish their own office setup in Japan.

IBSCs are conveniently located near major government offices in Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka. IBSCs can be accessed at <https://www.jetro.go.jp/en/invest>.

JETRO Chennai provides free consultation facilities for Indian businessmen to establish office in Japan. Mr. Hidehiro Ishiura, Director-General, heads the Chennai JETRO Office.

JETRO invites you to SUWA Area Industrial Messe 2015

A high precision industrial technology exhibition will be conducted in Nagano Prefecture during October 15-17, 2015. Suwa region in Nagano Prefecture is known for supply of computer and electronic components, optical devices, medical devices, automotive parts, semiconductor processing equipment, environmental

equipment, etc. There are over 2000 SME manufacturers and distributors located in this region.

JETRO is extending invitation to international businessmen interested in visiting the exhibition. JETRO will also help organise one-to-one business meetings between the participants and the Japanese companies besides organising visits to companies in Suwa region. Business houses keen to establish business links with the Japanese companies through this exhibition can contact Mr. Veera Babu Veerla (INC@jetro.go.jp, Tel: 044-3927-0100) of Chennai JETRO office for guidance. Visit <http://www.suwamesse.jp> for more details.

India-Japan Macroeconomic and Development Indicators – A Comparison

Japan, in spite of being bereft of much natural resources and dependent on imports, has a global portfolio of exports and has evolved into a global powerhouse in electronics, naval, automotive and robotics to mention a few. The famed Japanese manufacturing processes have been transported globally. Japan needs India today as much as India needs Japan.

Recent trends are refreshing to hear: Comprehensive Indo-Japan co-operation agreements have been signed in Infrastructure, Bullet Trains, Industrial Corridors, Defense, etc. Japan has committed USD 40 billion over the next 5 years subject to caveats where India has to deliver on her promises. All this augurs well for the relationship between the two great nations, subject to India keeping her end of the bargain and Japan ensuring a sustained flow of resources and knowhow. The key once again lies in friendship and mutual respect for each other in the sincerest of terms.

Indicators (2013 Figures)	Japan	India
Surface Area (sq.km)	0.37 Million	3.2 Million
Land Description	Archipelago	Peninsula
Population	127.3 Million	1.2+ Billion
Population Growth (%)	0%	1%
Population Density	349/sq.km	421/sq.km
GDP	4.9 Trillion	1.9 Trillion
GDP Growth	2%	7%
Per Capita Income (PPP Method)	USD 37,550	USD 5,350
Inflation	-1%	6%
Exports (% of GDP)	16%	25%
Imports (% of GDP)	19%	28%
Cash Surplus / Deficit	–	-4%
<u>Sectorwise GDP Contribution</u>		
[a] Agriculture (% of GDP)	1%	18%
[b] Industry (% of GDP)	26%	31%
[c] Services (% of GDP)	73%	51%
Poverty headcount (% of Pop.)	0	22%
Governance	Constit. Monarchy	Parliamentary System
Major Religions	Shinto, Buddhism	Hinduism, Islam, Christianity, Jainism, Sikhism, Zoroastrianism, Buddhism
Adapted from: data.worldbank.org		



The legend of the Samurai

History

The Samurai, the famous warrior class of ancient Japan, went on to become the ruling military elite, thus occupying one of the highest status in society. They were fierce warriors who served a master from the nobility or shogunate. They lived and died by a strict way of life called the **Bushido**. The philosophy of Bushido integrated the best elements of Confucianism and Zen Buddhism. Trained from a young age, they observed strict rules of engagement in any battle and were loyal to their

masters. For the Samurai death was preferable to dis-honour and it was not uncommon for a disgraced Samurai to take his own life through a process of ritual suicide that was called **Seppuku**. Sometimes a Samurai was ex-communicated and he had to live his life as a nomad without a master. Such a Samurai was called **Ronin**. They practised and mastered the martial arts and their choice of weapons were swords known as Katanas Daggers and Bows. The legend of the Samurai is immortalised by the virtues of courage, loyalty, discipline

and the pursuit of an honourable life. It is perhaps reasonable to say that the romance of the Samurai was exported to the world by the famous Director-Actor pair of Akira Kurosawa and Toshiro Mifune. Although, a historical vignette today, the life of Samurai and the lessons one can learn from them are to this day a guide to a virtuous life. Samurai gear today is a much sought after museum collection. One of the best collections in the world is housed in the Ann and Gabriel Barbier Mueller Museum in Dallas, Texas, USA.

Please do see http://samurai-collection.org/mac/index_web.html

Culture

Japan's summer is famous for its heat, humidity and rain. The season roughly lasts from June to August. When the rain ends (by mid-July), this country lights up with the summer festivals. Two of the more significant festivals are Hanabi and Obon.

Hanabi or the fireworks festival is held in the summer months in various parts of Japan. Each area has it on a different day. The famous Hanabi Taikai or firework displays are in Tokyo's Sumidagawa River on the last Saturday of July, Miyajima and Nagaoka in early August. Fireworks were traditionally lit to ward off evil spirits and bad luck.

Obon (or Bon), a festival of more gravity and a time for family reunions, is believed to be the time when the ancestral spirits return to this world and visit their dear ones. Families return to their native places during the Obon week and get ready to receive the spirits of their ancestors by visiting family graves. The house is cleaned and flowers and special food are offered at the Buddhist Altar (Butsudan) within the house. Beautiful lanterns or *Chochin* are lit at the Altars. On the first day of Bon, *Mukae Bon*, the spirits are welcomed home. On the last day, *Okuri Bon*, the spirits are guided back to the graves. Both days see beautiful lanterns or fires lit at the entrance of houses to guide the spirits, with the custom of *Toro Nagashi*, where lanterns are set afloat on the river, signifying the send-off to the spirits. The *Bon Odori* or folk dance associated with the festival is a magnificent and lively sight! Bon is observed in mid-July and mid-August.



Goods and Services Tax (GST)

The Central Government is pushing hard to meet the deadline of 1st April, 2016 for the rollout of Goods and Services Tax (GST). GST is undoubtedly the most significant tax reform that India is carrying out. It has the potential to push India's GDP growth by a few notches. Here is what you need to know about the game-changing proposal.

Proposed structure of GST

GST, also known as VAT in some jurisdictions like the UK, is a single unified tax on goods and services administered by the Federal Government in most countries.

The GST proposed to be implemented in India is a dual GST in that every supply of goods and services would be subject to State GST (SGST) and Central GST (CGST). Interstate supply of goods and services would be subject to Integrated GST (IGST)

which is the sum of SGST and CGST rate.

The broad contours of the GST proposed to be implemented are:

Central Government would levy CGST which would subsume Central Excise Duty, Additional Excise Duties, Excise Duty levied (Medicinal and Toiletries Preparation), Service Tax, Additional Customs Duty, commonly CVD, Special Additional Duty of Customs – SAD and Surcharges and Cess.

State Governments would levy SGST which would subsume VAT / Sales Tax, Entertainment Tax (unless it is levied by the local bodies), Luxury Tax, Taxes on lottery, betting and gambling, State Cess and Surcharges in so far as they relate to supply of goods and services and Entry Tax not in lieu of Octroi.

Levies not subsumed in GST are Tax on Alcoholic Beverages, State Excise Duties, Tax on Petroleum Products like

Crude, Motor Spirit (including ATF), HSD and Natural Gas – as at present Central and State levies would continue. Petroleum Products would be subsumed later as may be decided by the GST Council. The levy of SGST, CGST would be concurrent on the same tax base and would therefore be not cascading.

Customs duty would continue to be levied as at present. Imports would be subject to IGST. CGST and SGST rate of tax is not yet decided.

The GST credit setoff mechanism is proposed as follows:

SGST and CGST can be set off only against the respective levy and cross utilisation of CGST and SGST would not be allowed except in the case of inter-State supply of goods and services.

IGST Credit may be used to set off against IGST, CGST and SGST in that order.

(Continued in the next issue)

Exhibition on Indian Buddhist Art

Mr. Rajnath Singh, Hon'ble Minister for Home Affairs of India and Mr. Kosaburo Nishime, Hon'ble State Minister of Internal Affairs and Communications of Japan inaugurated the exhibition on Indian Buddhist Art on 16th March, 2015 at Tokyo National Museum.



Mr. Rajnath Singh, Minister for Home Affairs of India, studying a display at the exhibition on Indian Buddhist Art, with the Indian Ambassador looking on.

International Yoga Day in Tokyo

As the Hon'ble Prime Minister of India, Mr. Narendra Modi started the International Day of Yoga in New Delhi on 21st June, 2015, India's Ambassador to Japan, Ms. Deepa Wadhwa flagged off the event in Japan.

Global Investors Meet in Chennai in September

The Tamil Nadu Govt is organising a Global Investors Meet on September 9 & 10, 2015.

Seven countries including Japan are participating in the Meet.

IJCCI is very appreciative of the Govt's efforts towards getting Japanese investments into the State.

In recent days, Tamil Nadu has been attracting a number of Japanese companies. With the dynamic efforts of the Hon'ble Chief Minister, Dr. J. Jayalalitha, the planned Global Investors Meet in September is expected to spur Tamil Nadu's economy to great heights. It is a good opportunity for Japanese businessmen to explore and exploit Tamil Nadu's investment potential.

Visit www.tamilnadugim.com for details.

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