



Gateway

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President's Message



Dear Friends,

As the summer season slowly and hopefully winds down soon, we are all looking at a fresh start of a political season in India. The Indo Japan Chamber of Commerce and Industry, Chennai extends its warm wishes to Mr. Narendra Modi as he has started his third

term as Prime Minister, an achievement he shares only with Pandit Jawaharlal Nehru in independent India. We have no doubt that India will see robust all round growth.

Mr. Modi may be leading a coalition government at the Center but all indications are that the current dispensation will be sparing no efforts to continue and fine tune the strong economic policies that have contributed to the country being the fastest growing economy, the forecast of growth pegged at 6.6 percent by the World Bank for the financial year 2024-25. Along with strong economic growth, New Delhi will also be playing a prominent political and diplomatic role in international affairs.

For the last decade or more, India-Japan relations have been on the upswing, bilaterally and multilaterally with the two countries evincing keen interest in pursuing mutually beneficial policies that have wide ranging implications for the Indo Pacific. New Delhi and Tokyo are keeping close watch on the developments in South and East Asia that have a bearing on regional and international affairs even if the two nations may face different templates of pressure, cross border terrorism threats for India and the constant nuclear and missile worries for Japan.

In the midst of the challenges and opportunities, the IJCCI is pleased to welcome the new Consul General of Japan in Chennai, Mr. Takahashi Muneo, a seasoned diplomat from the Ministry of Foreign Affairs. It is the Consul General's first posting in India but he is certainly no newcomer to Asia or the Indo Pacific as he has been on assignments in Southeast Asia, West Asia, Australia and the United States. Mr. Muneo is assured of IJCCI's fullest cooperation as the two nations continue to add depth and width to bilateral relations.

IJCCI continues to be vibrant with a good mix of interactions with visiting delegations from Japan, economic, academic and cultural programs. Japanese Language classes are seeing wider participation from students of city colleges. And with a view to expanding our connections with academic institutions, IJCCI has opened its doors to a limited number of internships to institutions in and around Chennai.

Be involved actively as we grow!

Regards,

T.P. Imbichammad

Mr. Narendra Modi, Prime Minister of India for the third time

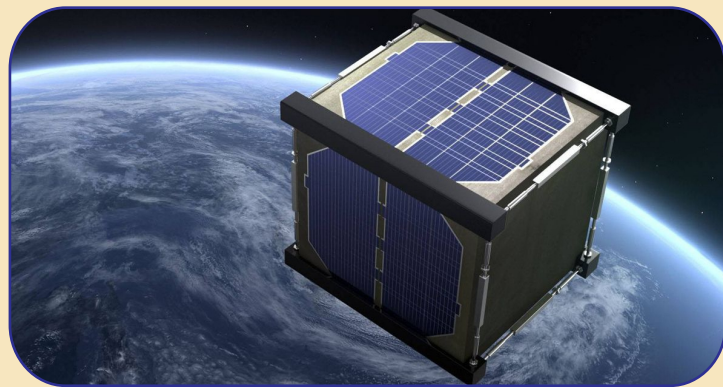


Mr. Narendra Modi, 73 years, is the 15th Prime Minister of India. In June 2024 election BJP won 240 seats in the 543-member house, and with the support of allies under the National Democratic Alliance (NDA) secured 293 seats and formed the Government.



Japan constructs world's 1st wood satellite

Japanese researchers have said that they have successfully constructed the world's first wooden satellite, with the tiny cube-shaped object expected to be sent into space aboard a SpaceX rocket launched from the United States, possibly in September this year. LignoSat is a 10-centimeter cube made from 4 to 5.5 millimeter-thick magnolia wood panels, with a frame partially constructed from aluminum. It has solar panels affixed to some sides and weighs roughly 1 kilogram. It is built based on a traditional Japanese technique that does not



use any screws or adhesive materials, a joint effort by Kyoto University and Sumitomo Forestry Co., spending four years of arduous work at the project. Wooden satellites are seen as better for the environment when burning up upon reentering the Earth's atmosphere at the end of their operation, compared to conventional satellites made of metals, as they can create alumina particles, which may adversely affect weather and communications, according to the team.

Monthly bankruptcies in Japan top 1,000 for 1st time in 11 years

The number of corporate bankruptcies in Japan for May rose 42.9 percent from a year earlier to 1,009, making it the first time in about 11 years that the monthly figure exceeded the 1,000 mark, as many indebted firms struggle to recover after the coronavirus pandemic, a credit research company said. With companies facing rising prices, a labor shortage, and the need to repay debt taken out during the pandemic, the annual figure is on course to exceed 10,000 for the first time since 2013 when it stood at 10,855, according to Tokyo Shoko Research Ltd. In May, 67 of the bankruptcies were companies that took out unsecured, interest-free loans provided as part of the government's measure to help small and medium-sized enterprises stay afloat amid the pandemic. The figure came to the same level as in March when the figure was an all-time high. Bankruptcies attributed to elevated prices stood at 87, the highest number since the onset of the pandemic, the survey showed. A weak yen has also pushed up costs of raw materials and energy, leaving smaller companies in a difficult situation because they cannot sufficiently shift the cost on prices. The number of insolvencies linked to a labor shortage on the back of wage hikes and other reasons have also surged, according to the survey. "A weak yen, inflation and labor shortage, which came at the time when COVID-related support was ending, is weighing on businesses," Tokyo Shoko Research said in its report. "The number of bankruptcies will likely continue to rise," it added, citing that it expects some companies to go bankrupt due to funding difficulties despite posting a profit, as well as a delayed recovery in their business. All 10 industry categories saw an increase in bankruptcies in May, with the service sector logging the largest number at 327 cases, followed by the construction sector at 193 cases. About three quarters of the overall figure were small-scale bankruptcies where the debt was less than 100 million yen (\$637,000).

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Japan boosting seafood exports to Southeast Asia, U.S. as China keeps ban

With China showing no signs of lifting its import ban on Japanese fisheries products, Japan has been diversifying export channels to other markets, most notably Southeast Asia and the United States. Tokyo should further reduce its dependence on the Chinese market for not only seafood but other sectors also to minimize risks associated with trade, analysts say. Indonesia, Malaysia and Canada have also increased scallop imports from Japan. In 2022, China accounted for 51.3 percent of Japan's scallop exports. Taiwan came second at 12.3 percent, the United States third at 8.6 percent and South Korea fourth at 8.3 percent, government data show. Thanks to a Japanese food boom in Thailand, analysts believe Japan will meet the 2024 scallop export target for the Southeast Asian country. We can expect robust growth in seafood exports to Thailand because more and more Thai people come to Japan, propelled partly by a weak yen, and get familiar with Japanese food. Thai people love Japanese food. According to JETRO survey, the number of Japanese restaurants in Thailand rose 1.9-fold to 5,751 from the 2018 level. Japanese companies have also started shipping fresh fisheries products to Colorado, a largely untapped market for Japanese seafood in the United States, using United Airlines direct flight services between Narita airport near Tokyo and Denver, according to farm ministry officials.

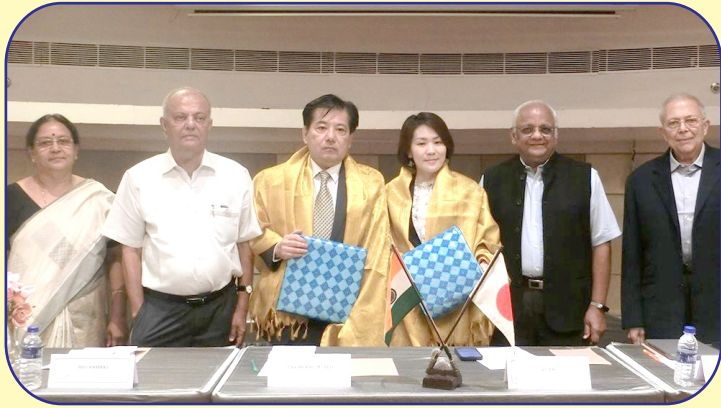
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IJCCI welcomes Mr. Takahashi Muneo and Ms. Takahashi Mitsuyo



A heart-warming Welcome Reception was hosted to the new Consul-General of Japan in Chennai Mr. Takahashi Muneo on 03rd June. “This is an important year for the Japan-India Special Strategic Global Partnership. Building on the cooperation to date, we expect to see further development of bilateral economic relations in the economic field, with cooperation in new areas such as green transformation and the development of the business and investment environment. The number of Japanese visas issued is expected to exceed 30,000 this year, compared to around 600 in 2021, and we can expect



further expansion of economic and human exchange between Japan and south India,” said Mr. Takahashi Muneo. “The cultural ties between India and Japan date back to the 8th Century. The second phase of Indo-Japan relations was marked by Japanese direct investments in India, with the presence of around 1,500 Japanese companies and nearly 5,000 business establishments operating in India. The two-way trade between both countries is over \$50 billion. Chennai has a sizeable number of Japanese firms and a large Japanese community”, said Mr. N. Ravi, Director, Kasturi & Sons Ltd. Mr. N. Kumar Chairman IJCCI and Mr. T.P. Imbichammad President IJCCI welcomed the new Consul-General, assured IJCCI’s continued cooperation and support in strengthening India-Japan relations.

Special Summer Course conducted by IJCCI Language School



Ms. Matengi Suresh, Course Director, presenting the course details. Students receiving the certificate from the Consul-General Mr. Takahashi Muneo. Enthusiastic Student Manas sharing his experience with the audience.

Officials of Kochi Prefectural Govt. called on IJCCI to strengthen economic ties between Kochi and Tamilnadu, on 18th June 2024



India to remain fastest growing major economy in world : World Bank

The World Bank has revised the Indian Gross Domestic Product (GDP) growth rate forecast for the financial year 2024-25 to 6.6 per cent. In an earlier report issued in January 2024, the World Bank forecasted a growth rate of 6.4 per cent. The World Bank also said that India will remain the fastest-growing major economy in the world in 2024-25. For 2025-26, the World Bank has raised the growth forecast to 6.7 per cent from the earlier forecast of 6.5 per cent.

The World Bank has listed a number of factors for its upward revision in the Indian growth rate.

- The growth in the Indian industrial sector, especially manufacturing and construction, was better than expected.
- The service sector is also growing strongly, though the growth rate in the agricultural sector will slow down due to the monsoon.
- Strong public investment in infrastructure and an increase in private capital investment have boosted demand in the economy, leading to higher private consumption.

The World Bank report also said that the GDP per capita growth rate in the Emerging Markets and Developing Economies (EMDEs) is expected to grow by an average of 3 per cent annually during 2024-26. Amongst the EMDEs, India is expected to register solid growth in per capita GDP.

Agency / Organisation	GDP forecast for 2024-25	GDP Forecast for 2025-26
Reserve Bank of India	7%	
World Bank	6.6%	6.7%
International Monetary Fund	6.5%	6.5%
Asian Development Bank	7%	7.2%
Moody's	6.6%	6.2%
Morgan Stanley	6.8%	-
United Nations	6.6% (January to December 2025)	-
OECD	6.2%	6.5%
Fitch Rating	7.0%	-

Film Based on Japanese Actor's Autobiography 'Totto-chan' Wins Award at French International Film Festival

"Totto-Chan: The Little Girl at the Window," directed by Japan's Shinnosuke Yakuwa, received an award at the Annecy International Animation Film Festival in France on 15th June. The Paul Grimault Award, a special award for a feature film, was given to the Japanese work at the day's prize ceremony for the film festival. The Annecy festival is one of the largest animation film festivals in the world and is said to be most prestigious. In her best-selling novel, 90-year-old Japanese actress Tetsuko Kuroyanagi recalls her childhood as she describes small pieces of happiness in her daily life, showing how important it is for children to cherish their distinctive personalities.



Editors : Dr. Sridhar Krishnaswami, Member, IJCCI Governing Council & Ms. Suguna Ramamoorthy, Secretary-General;

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Indo-Japan Chamber of Commerce & Industry (IJCCI), No. 21, Kavignar Barathidasan Road, Teynempet, Chennai - 600 018, Tamilnadu, India.

Phone : 044 - 4855 6140 Email : indo-japan@ijcci.com Web : www.ijcci.com