



Gateway

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President's Message



Dear Friends,

We are in difficult times - India's border relationship is in a very tense stage - Internationally, the meeting between President Trump and Kim Jong-un of North Korea did not yield results - the relationship between the

US and USSR is at an all time low - Brexit is keeping Europe in turmoil as is France with its yellow shirt issues.

It is in these difficult times that the sane voice of industry globally must prevail. It is therefore happy to note that business in India is on an even keel. Recently, the acting Finance Minister presented the Budget with no great changes except some benefits to the common man. The GST is slowly finding its level. However, we understand that this change is a big advantage to Pan-India business.

Now, turning to India, our elections are around the corner and till they are over, unfortunately, major policy decisions cannot be taken. I would therefore appeal to all our Members to be patient for the next couple of months and continue with their normal activities so that either the International tensions or the domestic tensions do not affect us in a major way.

Turning to the Chamber, activities are going on at a slower pace. However, we had a successful Ikebana exhibition and I thank the Consul General and his wife for finding the time to participate and inaugurate it. Normal activities continue and Indo-Japan relationship continues to grow.

As I close this letter, I once again request our Members to be supportive to the country and the Government as we face its tensed times. JAI HIND !

N. Kumar

Tamilnadu Global Investors Meet - 23, 24 January 2019



Union Defence Minister Ms. Nirmala Sitharaman with Tamil Nadu Chief Minister Mr. K. Palaniswami, releasing a book. Ambassador of Japan to India Mr. K. Hiramatsu (1st from left).

- Tamilnadu announces Aerospace, Defence Industrial Policy; keen to replicate its success in building a strong automotive base for development of Aerospace and Defence Industrial Parks with attractive incentives.
- Tamilnadu plans to take the lead role in the manufacture of electric cars.
- TN government has signed 304 Memoranda of Understanding (MoUs) and agreements entailing investments to the tune of over 3,00,431 crore.
- 12,360 Memoranda were signed in the MSME sector.
- All Nippon Airways will expand its operations in India by launching a direct flight from Chennai to Narita airport from October.

New Year get-together on 10th January at Madras Club



Mr. N. Kumar, President IJCCI and Council Members with Consul-General of Japan Mr. Kojiro Uchiyama, Madame Uchiyama, senior officials of the Consulate, JETRO, JCCIC and other well wishers of IJCCI.

Ikebana Exhibition - Ohara School style by Ms. Cherry Venkatesan & Ms. Nita Reddy at IJCCI was conducted on 19th & 20th January.

Consul-General Mr. Kojiro Uchiyama & Ms. Karen Janette Uchiyama inaugurated the event.



India economic growth

Economic momentum is expected to remain steady in FY 2019. Strong government spending should support growth, a possible sustained lull in oil prices, although weak public finances and global trade protectionism could weigh on prospects. The GDP is expected to be at 7.3% in FY 2019. In terms of industrial sectors, production growth improved in December due to stronger growth in manufacturing output, which represents approximately 80% of total industrial production in India. It is expected that the industrial production would be up by 5.9% this year. The Ministry of Commerce and Industry has identified 12 champion sectors and dedicated funds to help achieve their true potential. These are information technology & information technology-enabled services, tourism and hospitality, medical value travel, transport and logistics, accounting and finance, audio visual, legal, communication, construction and engineering, education, environmental services, and financial services.

The Cumulative value of exports for the period April-January 2018-19 was US \$ 271.80 Billion (Rs. 18,98,358.83 Crore) as against US \$ 248.18 Billion (Rs. 15,98,311.63 Crore) during the period April-January 2017-18, registering a positive growth of 9.52 per cent in Dollar terms (18.77 per cent in Rupee terms). Non-petroleum and Non Gems and Jewellery exports in January 2019 were US \$ 19.90 Billion, as compared to US \$ 18.40 Billion in January 2018, exhibiting a positive growth of 8.17 per cent. Non-petroleum and Non Gems and Jewellery exports in April-January 2018-19 were US \$ 197.56 Billion, as compared to US \$ 183.05 Billion for the corresponding period in 2017-18, an increase of 7.92 per cent. According to IMF "India will continue to be the world's fastest growing major economy. India's growth was estimated to be 7.3 per cent for the current fiscal year and forecast to rise to 7.7 per cent in 2020-21. India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease".

Rental Sisters of Japan

In Japan, 'Hikikomori' is a term used to describe the young people who withdraw from the society by staying in their houses for months. The word hikikomori means 'withdrawal' or 'pulling in'.

Tamaki Saito, a renowned professor and a psychiatrist considers hikikomori as a social condition rather than a psychological disorder. The average age range of a hikikomori is between 15 and 32. The reasons behind this social condition are still undefined. The reasons vary from being bullied, poor grades, loss of communication with the family and societal pressures. Most of the recovered hikikomori confess that they lock themselves in a room and play video games all night long. The Japanese government has estimated that more than half a million of the youth population is affected by this condition. It is also becoming an issue in countries like the US, UK, Italy and South Korea, observes Professor Saito.

In Japan there are always two sides that oppose one another. It is both modern and traditional, bustling and very lonely. Restaurants and bars are always full, but if you pay close attention, most are packed with customers eating alone. And in the streets, no matter the hour, you find exhausted office employees.

According to a social worker in Japan, "an increasing number of families have only one son and they put all their hopes and dreams, few of them have male role models since their fathers work day and night, persistent gender roles continue to ascribe much, if not all, the economic responsibilities to the

household's patriarch etc. Yet another explanation could be found in the country's cultural shift from a collective-minded society to a more individualistic one, especially amongst the younger generations who are seeking ways to express their originality. In Japan, where uniformity is still prized, and reputations and outward appearances are paramount, rebellion comes in muted forms, like hikikomori. The longer the hikikomori remain apart from society, the more aware they become of their social failure, and they lose whatever self-esteem and confidence they had, and the prospect of leaving home becomes even more terrifying. Locking themselves in their room makes them feel 'safe'."

Self-help groups have become a key way of drawing hikikomori into the wider society. 'New Start' is an organization which provides "rental sisters" to coax the hikikomori out of their bedrooms and help them face the real world. These are women who don't have any formal medical qualifications and the families pay them a hundred thousand Yen a month for weekly hour long visits. At the parents' request, at a cost of about \$8,000 USD per year women like Ayako regularly contact the recluse, starting with letters. The process takes months as he goes through the motion of opening them, writing back, chatting on phone, talking through the door, before finally allowing the social worker in. The Rental Sisters go through a lot of risk and contribute tremendously in providing a new lease of life to the victims.

- Jennifer Johnson



Two rare oarfish, giant deep-sea serpents long believed by locals to be a harbinger of earthquakes and tsunamis have been caught off the Japanese island of Okinawa. Fishermen were stunned to find a pair of the silvery fish -- the bigger one measuring four metres -- alive in their nets, the number of sightings of the mysterious creature in Japanese waters continues to rise. The fish, caught off Okinawa's southwest Toya port on January 28, both subsequently died.

"I was quite shocked when I saw them at the port. I had only ever heard stories about this fish, they looked mysterious and beautiful, looked like real dragons", observes an official of Yomitan Fisheries Cooperative Association

More than 12 elusive oarfish -- known in Japanese as "Ryugu no tsukai" or the "Messenger from the Sea God's Palace" -- have washed up on shores in Japan over the past year. Oarfish live between 200 and 1,000 metres below the surface of the Pacific and the Indian Oceans and have serpentine bodies with red fins that

give them a dragon-like appearance. Japanese folklore has it that they move to shallower seas before underwater earthquakes, possibly due to electromagnetic changes that occur with tectonic activity. Media reported that a spate of sightings preceded the 2011 earthquake and tsunami that left about 18,500 dead or missing in northeast Japan, strengthening the myth. The recent oarfish discoveries have sparked renewed debate on social media about impending doom, although scientists dispute such claims.

Japan GDP Q4 2018 : Economy returns to growth but remains hampered by weak Asian demand

The economy rebounded in the last quarter of 2018, after a series of natural disasters and weak investment caused a contraction in the third quarter. GDP expanded 1.4% in Q4 in seasonally-adjusted annualized terms (SAAR), sharply contrasting the revised 2.6% (SAAR) decline registered in Q3 (previously reported: -2.5% SAAR) and matching analysts' expectations. However, economic activity was flat when compared to the same quarter of the previous year, following paltry 0.1% year-on-year growth in Q3. This puts economic growth for the full year 2018 at 0.7%, a marked deceleration from 2017's solid 1.9%.

The economy was largely supported by domestic consumption expenditures in the quarter, while investment spending somewhat recovered from its sharp slump in Q3. On the other hand, the external sector's performance was feeble, dragged down by weak demand for tech products and a regional slowdown in Asia—primarily driven by China.

Looking at the details, private consumption recovered from Q3's 0.8% contraction (SAAR) to post 2.4% growth in Q4, while simultaneously government consumption growth accelerated to 3.2% (Q3: +0.9% SAAR). Fixed investment growth rebounded to a solid 6.1% in Q4, however this was not enough to offset the larger 8.4% contraction registered in the previous quarter. Indeed, despite a strong recovery in business investment—as companies ramped up efforts to automate production in order to overcome labor shortages—and an acceleration of investment growth in the residential sector, a sixth consecutive quarter of decline in public investment spending weighed on the print. Lastly, turning to the external sector, exports failed to make up for Q3's 5.6% contraction, growing just 3.7% in Q4 amid tepid regional demand, while conversely import growth surged to 11.3% (Q3: -2.6% SAAR).

Looking ahead, Nomura analysts expect that the weak external environment will continue to weigh on growth going forward, although they see domestic demand as resilient. “We have lowered our overall outlook primarily to factor in slowdowns in external demand and in real capex. We do not anticipate a large fall in overall domestic demand. We expect the income climate for households to remain favorable, with both hiring and employment likely to remain on an upward trajectory owing to structural labor shortages. We also expect government policy to lend support to domestic demand. The government has been looking at relatively aggressive measures to mitigate the impact of the consumption tax hike scheduled for October 2019. This includes public works designed to prevent or mitigate damage from natural disasters and make the nation less vulnerable, and these are likely to boost real public investment.”

The median GDP forecast among BoJ members is 0.9% for FY 2019 and 1.0% for FY 2020. FocusEconomics Consensus Forecast panelists see GDP expanding 1.0% in calendar year 2019, which is unchanged from last month's projection. In 2020, the panel sees the economy growing 0.6%.

(Focus Economics)

Significant increase in Greater Tokyo inflow

In 2018 the greater Tokyo region (Tokyo, Saitama, Chiba and Kanagawa prefectures) recorded the 23rd consecutive year of net population growth with a net inflow of 139,868 residents (135,600 of whom were Japanese citizens). This is a 16.8% increase from the net inflow seen in 2017 and the second year in a row to record an expansion in the growth rate. Over half of the net inflow were those aged between 20 and 24. The Tokyo metropolitan area saw a net inflow of 79,844 (82,774 if only Japanese citizens are counted), up 30.6% from 2017. A total of 8 of Japan's 47 prefectures saw a net inflow in 2018. These prefectures were Tokyo, Saitama, Kanagawa, Chiba, Aichi, Fukuoka, Osaka and Shiga. The prefecture with the biggest net outflow was Ibaraki with 7,744. The Nagoya region (Aichi, Gifu and Mie prefectures) saw a net outflow of 7,376 persons, while the Osaka region (Osaka, Hyogo, Kyoto and Nara prefectures) saw a net outflow of 9,438 persons. Both regions recorded the 6th consecutive year of decline. Nagano Prefecture reported a net inflow for the second year in a row with 230 persons. This is due primarily to new hires of foreign workers in the region's ski resort towns, particularly in Hakuba. Hakuba saw a 2.2% increase in population, putting it in top spot in the prefecture. Nagano Prefecture has 31,141 foreign residents as of 2018, up 8.9% from 2017. If foreign residents are not included in calculations, Nagano saw a net outflow of 3,603 persons in 2018.

Data: Statistics Bureau, Ministry of Internal Affairs and Communications, January 31, 2019.