

Inviting Japanese Investment

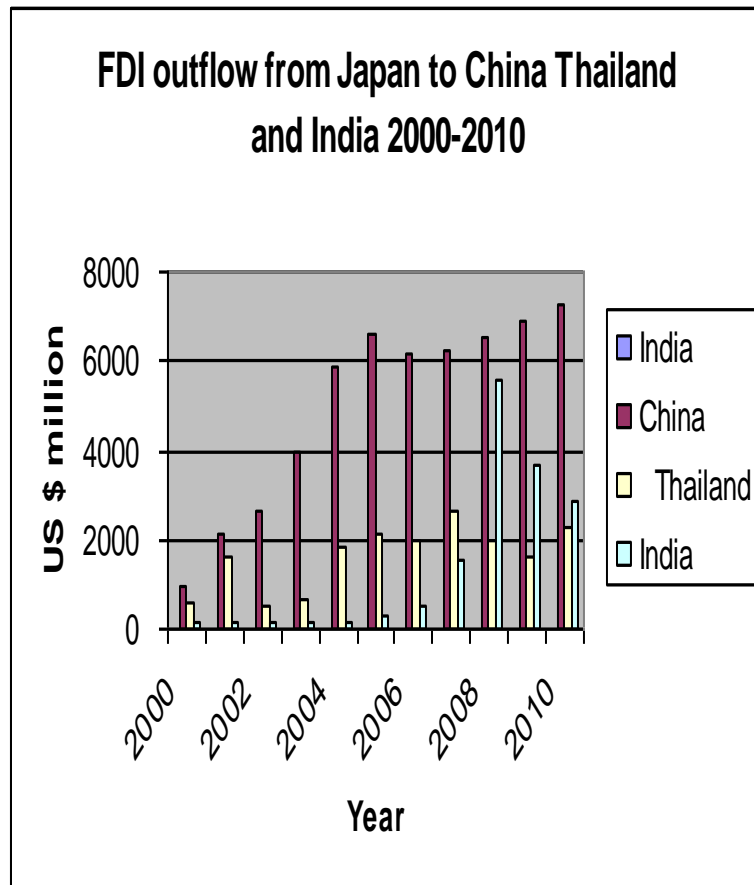
Thoughts for West Bengal

Dr. Srabani Roy Choudhury
School of International studies
Jawaharlal Nehru University
New Delhi

Content

- Position of India from Japan's perspective
- Japanese Investment in India
- Findings of a study done for ICRIER
- Some process suggestions

Comparison of FDI outflow to China, Thailand and India from Japan



- Investment into India spurts from 2006
- 2008 onwards India becomes the second largest recipient.

Top Ten Investing Countries in India

April 2000- April 2011

Rank	Country	% Share in FDI inflow
1	Mauritius	41.56
2	Singapore	9.84
3	U.S.A	7.17
4	U.K.	5.00
5	Netherlands	4.32
6	Japan	4.15
7	Cyprus	3.75
8	Germany	2.30
9	France	1.87
10	UAE	1.44

Source: www.dipp.nic.in/fdi_statistics

Focus Area of Top Sectors Attracting FDI Inflow from Japan 2000 -2007

Rank	Sector	% of FDI inflow from Japan
1	Automobile industry	40.58
2	Electrical equipment	18.36
3	Trading	6.82
4	Services sector	2.74
5	Telecommunication	2.74

Selection of Firms

Name of Firms	Location	Nature of Partnership	Year of Estab in India
YKK	Delhi	Subsidiary	1995
Honda Seil Pvt Ltd	Noida	Joint venture	1995
Sona Koyo Steering	Gurgaon	Technical collaboration/ Joint venture	1985
Satake India engineering Ltd	Delhi	Subsidiary	1999
Kyocera wireless ltd	Bangalore	Subsidiary	2003
Mitsuibushi Chemeical Corporation PTA India	West Bengal	joint-venture	1997
Toyota kriloskar Motor ltd	Bangalore	subsidiary	1999
Eisai pharmaceuticals pvt. ltd	Mumbai	subsidiary	2004

Findings of the Study

Government

- Work at decreasing ambiguity in approvals
- Simplify procedures for granting permission of foreign exchange transfer
- Reduce taxes to enable fair play
- Labour laws (1940) Factory Act (1956) needs amendment
- Create system to police duplication and spurious products

Findings of the Study continued

- Moving certain infrastructure from central government domain to state government domain.
- Progressively increasing power supply in the industrial area
- State partnership is useful and should be encouraged.
- Transportation efficiency , smooth TAG toll gates

Findings of the Study continued

- Pre-post grant of patent (Pharma)
- Pricing by drug controller should factor in quality

Findings of the study

Business Houses

- Strong Influence of Japanese Style Management
- Matching Philosophy and Work Culture
- Driving Quality through Employees

Advantage West Bengal

Strategic Advantage

- Geographically located closer to South East Asia
- Corridor to the Eastern region
- of India
- Late comer advantage

Advantage West Bengal

Further Strength

- Consulate located in Kolkata
- Biggest Japanese green-field investment by MCCPTA
- Historical ties

Identified Best Practices

**Land Acquisition Package,
Haryana**

**Water & Sewerage connection and
Occupancy Permit, Greater Noida**

**Standardization of
Property Documents,
Rajasthan**

E Stamping, New Delhi

**SIR Ordinance,
Gujarat**

**Single Window System for
Industries, Orissa**

**GIS System, Bhubaneshwar
Development Authority**

**Registering, filing & payment of
state V.A.T and CARD, Andhra
Pradesh**

Suggestions

- West Bengal Government
 - Policies to enable smooth entry
 - Clarity in state involvement
 - Attracting SME through transparent systems

Long Term Policy and Competent Administration

Suggestion

- Business Houses
 - Seeking Partner
 - Prepare for a long drawn negotiation
 - Gain trust
 - Prepare to share a large amount of internal data
 - Seek long term relationship

Patience, Trust and Quality

THANK YOU