

1 | Foreword

■ Towards a Sustainable and Vibrant Business Relationship between Japan and India

- In 2022, Japan and India celebrate the 70th anniversary of the establishment of diplomatic relations. In March 2022 Prime Minister Kishida paid an official visit to India and met with Prime Minister Modi. The two leaders agreed to set a target of JPY 5 trillion in public and private investment and financing from Japan to India over the next five years
- Even so far Japanese investment in India has been active, particularly in the manufacturing industry, including automotives. Japanese companies have also contributed substantially towards attaining Prime Minister Modi's stated goals "Make in India" and "Atmanirbhar Bharat"
- In order to further expand future investment, it is essential to facilitate communication between Japan and India and to deepen a common understanding of Japanese companies' perspectives on the business environment in India
- In the form of this set of proposals for improving the business environment, the endeavor of Japan Chamber of Commerce and Industry in India remains as always to promote future-oriented discussions and dialogue with relevant authorities in India

2 | Outline

- Proposed measures to further expand investment in India by Japanese companies
 - Japan ranks fifth after Mauritius, Singapore, the U.S., and the Netherlands in terms of cumulative inward FDI in India since 2000.
 - While Japanese companies already have a sizable presence in India, it is not surprising that they have an even larger presence in other Asian countries. Even Japanese companies doing business in other emerging economies, such as Southeast Asia, often struggle with India's unique business environment and challenges.
 - In recent years however, Japanese investment into India has been diversifying, including investment in new areas such as the service industry and start-ups. In order to fully leverage the potential for increased investment in India by Japanese companies and for Japan to contribute to the development and advancement of Indian industry, we believe it is essential to further improve the business environment in India.