



FEDERATION OF INDIAN CHAMBERS
OF COMMERCE & INDUSTRY

WELCOME RECEPTION IN HONOUR OF
FICCI - CEO DELEGATION

GINZA CRESTON HOTEL
TOKYO - JAPAN

WEDNESDAY, 27th MARCH 2024
15:30 - 17:00

HOSTED BY



INDIAN COMMERCE AND INDUSTRY ASSOCIATION OF JAPAN

**REPORT ON MEETING OF
FICCI CEO DELEGATION & ICIJ**

on

27th MARCH 2024

at

**Ginza Creston Hotel,
Tokyo.**

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INTRODUCTION

The Meeting of CEO Delegation from FICCI (Federation of Indian Chambers of Commerce and Industry) and Members of ICIJ (Indian Commerce and Industry Association Japan) was held on Wednesday, 27th of March 2024 from 15:30 to 17:00 at Ginza Creston Hotel, Tokyo, Japan.

The Delegation was warmly received by ICIJ Directors and escorted to the Meeting.

The Meeting commenced at 15:30 with Opening Remarks by Mr. Ryuko Hira, Chairman of ICIJ.

Apart from Leading Industrialists from India and Members of ICIJ, also present in the meeting were successful Businessmen and a representative from the Embassy of India.

Fruits and Cake were served to the participants of the meeting accompanied with Indian Tea.

The Meeting between the FICCI CEO Delegation and ICIJ was indeed an important event that set the context for future collaboration between ICIJ and FICCI.

REMARKS BY SPEAKERS:

Ryuko Hira (Chairman, ICIJ)

Mr. Ryuko Hira opened the session by extending a warm welcome to all attendees, expressing gratitude for their participation. He dwelled on the significance of the event in fostering closer economic ties between India and Japan, highlighting the immense potential for collaboration and mutual benefit.

Mr. Hira remarked that 10 Million Indians graduate every year thereby creating a great challenge of providing 10 Million new jobs. He noted that this is where, Japan has a great role to play.

Mr. Hira highlighted how the low interest rates in Japan, have posed challenges for financial cooperation and elaborated on the Japanese stance of not enabling individual fixed deposits to flow into India, attributing it to the perceived lack of adoption of global accounting and credit rating standards in the Indian banking sector.

The Indian stance, on the other hand, was that there could be potential abuse of deregulated foreign currency deposits by global "hot money" inflows. He emphasized the risk of such inflows disrupting orderly financial markets in India, echoing concerns about maintaining stability and integrity.

Mr. Hira proposed collaboration between FICCI and ICIJ, to work together jointly alongside the finance ministries of both countries, to address these challenges. He expressed optimism about the possibility of finding solutions that balanced the interests of both nations while promoting transparency and stability in financial cooperation.

In conclusion, Mr. Hira expressed his desire to work with FICCI to liberalize India-Japan cooperation in financial markets, highlighting the importance of collaboration in unlocking the full potential of economic exchanges between the two countries.

Shailesh Pathak (Secretary General, FICCI)

Mr. Pathak provided insights into the current state of economic relations between India and Japan, highlighting recent developments and areas of potential collaboration. He underscored the need for proactive engagement and concerted efforts to deepen bilateral ties and unlock new opportunities for trade and investment.

Mr. Pathak delved into the historical context of FICCI's establishment, noting that it was set up to represent Indian interests on the suggestion of Mahatma Gandhi. Mr. Pathak emphasized FICCI's role as a key institution advocating for Indian economic interests both domestically and internationally.

Looking towards the future, Mr. Pathak painted a picture of rapid transformation in India, predicting that the next 10 years would witness more significant changes than the country had experienced in the past 50 years. He highlighted India's leadership in digital payments, showcasing the country's technological advancement and its potential to revolutionize financial transactions.

Urbanization emerged as a focal point in Mr. Pathak's address, as he identified it as a great opportunity for India's development. Drawing inspiration from Japanese cities like Tokyo and Kobe, he stressed the importance for India to learn Urban Planning.

Rohit Relan (Co-chair of IPCC)

Mr. Relan elaborated on the role of the India-Japan Economic Cooperation Committee (IPCC) in facilitating dialogue and cooperation between the two countries. He emphasized the importance of leveraging the platform provided by IPCC to identify synergies, address challenges, and implement joint initiatives that promote inclusive and sustainable economic development.

Highlighting the regulatory landscape, Mr. Relan mentioned that financial markets in both countries are closely monitored and have undergone deregulation.

He emphasized that the Indian government's aim is to create a fair and conducive regulatory environment for markets to thrive within the country.

Mr. Relan observed a growing confidence among investors, suggesting that the measures taken by the government to regulate markets were positively impacting investor sentiment. This sentiment, he implied, was contributing to an increase in the confidence level among investors, thereby bolstering investment in the Indian market.

Looking ahead, Mr. Relan emphasized the importance of the next decade in the growth trajectory of both India and Japan. He urged the Japanese counterparts not to miss out on the opportunities presented during this crucial period. Additionally, he encouraged them to expedite their decision-making processes to keep pace with the rapidly evolving economic landscape.

Suresh Lakhavat (First Secretary, Commerce, Embassy of India)

Mr. Suresh Lakhavat, serving as the First Secretary of Commerce at the Embassy of India, addressed the issue of double tax avoidance and its complexities.

He acknowledged that resolving the issue of double tax avoidance cannot be achieved instantly, attributing this challenge to the nuanced nature of the matter, which involves perceptions that require time to resolve.

Mr. Lakhavat emphasized the Indian government's commitment to undertaking reforms aimed at enhancing the ease of doing business within the country. These reforms, he suggested, are geared towards streamlining bureaucratic processes, reducing regulatory hurdles, and fostering a more conducive environment for businesses to operate.

In summary, Mr. Suresh Lakhavat's contribution to the discussion shed light on the complexities surrounding double tax avoidance and emphasized the ongoing efforts of the Indian government to enact reforms aimed at facilitating a more business-friendly environment.

Ajay Singh (Director, Mitsui OSK Lines)

Mr. Ajay Singh, reflected on his experiences as a businessperson in Japan and highlighted the importance of trust in Japanese business culture.

Mr. Singh began by expressing how his visit to Japan provided him with a unique perspective, emphasizing the trustworthiness he observed among the Japanese people. He underscored the pivotal role of trust in Japanese business dealings, suggesting that it serves as a necessity for successful partnerships and collaborations.

Addressing the current state of India-Japan business relations, Mr. Singh remarked that while government-to-government relations between the two countries are excellent, the same level of rapport is yet to be achieved in business interactions. He attributed this disparity to differences in business styles between India and Japan.

Mr. Singh delineated the distinctions between Indian and Japanese business approaches, characterizing India as a young, ambitious nation with an aggressive and dynamic business ethos. In contrast, he portrayed Japan as a country where processes may appear slower and risk aversion more pronounced. However, he emphasized that the slow pace is only apparent and building trust is paramount for the Japanese, and once established, it forms the foundation for long-term, relationship-based growth strategies pursued by Japanese companies.

Nikhil Singh Khosla (Director of Sales, Boeing)

Mr. Nikhil Singh Khosla, spoke about the potential for India to emerge as a preferred tourist destination for Japanese travelers, highlighting the evolving perceptions about India and the importance of trust-building in bilateral relations.

Mr. Khosla began by emphasizing India's growing appeal as a tourist destination, particularly for Japanese visitors. Addressing the transformation in how Indians are perceived internationally, Khosla highlighted the transition from being predominantly viewed as blue-collar workers to being recognized as talented professionals across various domains. He attributed this change to India's economic growth and advancements in fields such as technology, medicine, and finance.

Mr. Khosla stressed the importance of trust-building in fostering stronger bilateral relations between India and Japan. He suggested that trust can be cultivated through consistent actions and genuine gestures, sometimes without expecting immediate returns. Drawing on an example from the aviation sector, he mentioned Boeing's significant involvement in manufacturing processes in Japan, illustrating how trust can facilitate mutually beneficial partnerships.

Veereshkumar Veerappan (Internal Auditor, ICIJ)

Mr. Veerappan, representing a Japanese law firm, shared perspectives on the potential for collaboration between Indian and Japanese legal sectors, highlighting recent developments and opportunities for mutual benefit.

Veerappan commenced by disclosing his affiliation with a Japanese law firm and provided insight into the evolving landscape of legal services between India and Japan. He referenced a significant announcement made by the Bar Council of India, signaling the opening of the legal market to foreign lawyers post the general elections in India, a move that could potentially pave the way for increased collaboration between legal professionals from both nations.

Drawing a comparison with Japan's approach to Indian lawyers, Veerappan noted that Indian lawyers are permitted to register and practice law in Japan, highlighting a precedent for bilateral cooperation in the legal domain. He expressed hope that the opening of India's legal market would further strengthen ties between the two countries by facilitating legal collaboration and knowledge exchange.

Veerappan emphasized a key distinction between Japanese law firms and their counterparts in other countries, noting that Japanese firms are not inclined to compete directly with Indian law firms. Instead, he suggested a more cooperative approach, indicating opportunities for synergistic partnerships and mutual growth.

Pradeep Kumar Jain (Managing Partner, Singhanian & Company)

Mr. Pradeep Kumar Jain initiated his discourse by acknowledging the occasional tensions that arise between businesses and government entities, emphasizing his unique perspective gained from serving in both sectors. He underscored the importance of cooperation and dialogue between the two, emphasizing their complementary roles in driving economic progress.

Transitioning to India's economic landscape, Jain outlined a significant shift from a saving-based economy to a consumption based economy. He noted this transformation as a pivotal moment in India's economic trajectory, signaling opportunities for innovation and growth across various sectors.

Mr. Jain illustrated the potential impact of proactive reforms by referencing a specific instance involving international arbitration. He recounted a meeting with Sachin Pilot, then Law Minister of India, in 2013, during which he proposed implementing fixed fees for international arbitration to expedite proceedings and discourage unnecessary delays. Mr. Jain highlighted the swift implementation of this suggestion, with the reforms enacted within two years, yielding tangible positive outcomes.

Furthermore, Mr. Jain emphasized India's vast potential, attributing it to the sheer size of its population. He underscored the significance of leveraging this demographic dividend to drive economic expansion and prosperity.

Sanjay Kukreja (Managing Director, ChryCapital Advisors)

Mr. Kukreja initiated his address by outlining the complementary nature of India and Japan's economic profiles. He noted Japan's abundance of capital juxtaposed with India's abundant labor force, highlighting the potential for mutually beneficial partnerships.

Drawing attention to India's financial markets, Kukreja emphasized the significant opportunities they present for investors. He mentioned the equity, debt, and bond markets as areas ripe for investment, underscoring their attractiveness for both domestic and international investors.

Highlighting the transformative role of the IT sector, Mr. Kukreja positioned it as a key driver of India's economic growth. He emphasized the sector's ability to spur innovation, create employment opportunities, and contribute to overall economic development.

In terms of building trust between India and Japan, Mr. Kukreja emphasized the importance of engaging in constructive conversations with the right stakeholders. He suggested that through open dialogue and transparent communication, trust could be cultivated.

Ullas Kamat (Founder, UK & Co.)

Mr. Kamat commenced his address by reflecting on India's evolution following the liberalization of its economy in 1991. He mentioned how this pivotal moment has spurred significant changes in India's economic landscape, fostering an environment conducive to growth and innovation.

Shifting focus to business dynamics, Kamat proposed that the next wave of growth would stem from the marriage between small and medium-sized enterprises (SMEs), highlighting the importance of fostering synergistic relationships within the business ecosystem.

Highlighting Karnataka's economic prowess, Mr. Kamat outlined the state's impressive growth trajectory, positioning it as a key driver of India's overall economic development. He cited Karnataka's rapid pace of growth as evidence of India's potential on the global stage.

Mr. Kamat lauded the world-class infrastructure of Terminal 2 at Bangalore Airport. He highlighted the substantial aircraft orders placed by Air India and Indigo, suggesting the manufacturers' reliance on India.

Concluding his address, Mr. Kamat emphasized the imperative for businesses to prioritize value creation for customers. He reiterated the potential for growth within the SME sector and advocated for fostering an ecosystem that nurtures and supports small and medium enterprises.

Harshvendra Soin (President – Asia Pacific & Japan, Tech Mahindra)

Mr. Harshvendra Soin, representing Tech Mahindra, commenced his speech by expressing gratitude for the longstanding business relationship between Tech Mahindra and Japan, spanning over 40 years. He underscored the significance of this enduring partnership and Tech Mahindra's dedicated focus on Japan as a key region for its operations.

Mr. Soin proceeded to highlight India's remarkable progress in the digital domain, emphasizing its position as a global leader in technology-driven solutions. Mr. Soin underscored the potential for Japan to leverage India's digital expertise to fuel its own digital transformation journey, thereby unlocking new opportunities for growth and innovation.

Furthermore, Mr. Soin stressed the pivotal role of technology in driving economic progress and competitiveness in today's interconnected world.

In his concluding remarks, Mr. Soin emphasized the importance of not only deploying advanced technological solutions but also investing in human capital development. He emphasized the need to empower individuals with the necessary skills and knowledge to navigate the digital landscape effectively.

Swapam Johri (President-Growth Markets, HCL Tech)

Mr. Swapam Johri emphasized the significance of establishing social connections as a pivotal factor in driving both wealth creation and social progress.

Mr. Johri acknowledged the universal importance of trust in business dealings but noted that Japan's slower pace in developing trust could hinder progress. He lamented that Japan's reluctance to embrace speed and digital advancement might cause it to lag behind in the global arena. He stressed the urgency of accelerating efforts to bridge this gap and catch up with the rapidly evolving digital landscape.

Looking ahead, Mr. Johri expressed optimism that by dissecting the elements of trust and understanding its essence, it would be possible to expedite the establishment of trust-based relationships.

He appealed to existing businessmen in Japan to lend their expertise and support in this endeavor, envisioning a collaborative effort to overcome barriers and foster greater trust and cooperation between India and Japan.

Summary by Sriram V (Vice President, ICIJ)

Mr. Sriram, in his summary of the meeting, highlighted several key takeaways:

Abundant Opportunities: He emphasized the presence of significant opportunities for collaboration and investment between India and Japan across various sectors.

India's Growth Trajectory: Mr. Sriram reported that evidence was highlighted in the meeting showcasing India's promising economic performance and its potential to deliver favorable returns on investments. This demonstrated India's position as a growing and attractive market for investors.

Role of Small and Medium Enterprises (SMEs): Mr. Sriram emphasized the need to focus on empowering and supporting SMEs, which play a crucial yet often overlooked role in driving economic development.

Government-Industry Collaboration: Sriram acknowledged the constructive engagement between the government and industry stakeholders, noting instances where the government has actively solicited feedback from the industry and taken proactive steps to address concerns within a regulatory framework conducive to safety and growth.

Support for Japanese Investors: He stressed the significance of extending support to Japanese investors seeking opportunities in India. This entails creating an enabling environment that facilitates investment and fosters trust between Japanese investors and Indian counterparts.

Investing in Human Capital: Mr. Sriram emphasized the importance of investing in people, both culturally and digitally, to realize the full potential of the India-Japan partnership. He highlighted the need to equip individuals with the necessary skills and knowledge to thrive in a rapidly evolving global landscape, thereby contributing to the realization of shared economic goals.

Mr. Sriram's summary encapsulated the collaborative spirit of the forum and outlined key areas of focus for fostering deeper economic cooperation and mutual prosperity between India and Japan.

CONCLUSION

The program concluded with intentions of FICCI and ICIJ to sign a MoU of Co-operation so as to be able to work jointly in the future. As a gesture of appreciation, Mr. Ryuko Hira presented the Certificate of Honour to Anish Shah (collected by Shailesh Pathak) in recognition of his leadership in leading the FICCI CEO delegation to Japan.

In reciprocation, FICCI also expressed its gratitude by presenting a small token of appreciation during the conclusion of the program.

The Meeting concluded at 17:00 with pleasant exchanges between the Attendees.