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Japan to soon resolve chemical issue in Indian shrimp

PTI

New Delhi, 12 September 2013: Indian shrimp exporters would soon be able to enhance their shipments to Japan as the later has agreed to resolve the issue pertaining to the chemical used as feed and preservative for the marine product by end of the year.

The matter was raised by Commerce and Industry Anand Sharma during his meeting with Japan Minister of Economy, Trade and Industry Toshimitsu Motegi here yesterday.

"Japan has agreed to resolve the issues facing Indian marine exporters regarding the level of Ethoxyquin in shrimps by the year end," on official statement said.

Sharma has conveyed the Japanese Minister that Indian products meet the standards of sensitive markets like the EU.

Sharma has asked Motegi, who is leading a business delegation, to expedite the matter within a specific time frame.

"We have received the request. The concerned agencies are engaged with the same. They have been asked to look into a solution by year end," the statement quoting Motegi said.

Shrimp exports to Japan, one of the major buyer countries of the seafood, has been severely hit after the Japanese authorities said they detected ethoxyquin in the shrimps, an antioxidant used as a preservative and also used in shrimp feed.

Japan, which has lowered the acceptable level of ethoxyquin in shrimps, had rejected several Indian consignments of the seafood.

Odisha and West Bengal are the major shrimp exporters. In 2012-13, export of frozen shrimp has declined by 11 per cent in quantity terms and 22 per cent in dollar terms mainly due to the ethoxyquin issue.

Prime Minister Manmohan Singh too had raised the issue in light of the fact that the move has severely affected the marine export from India.

Further, the statement said India and Japan has yesterday charted out a roadmap to boost investment.

"Japan has shown tremendous interest that will lead not only to foreign investment flows, but also bring in a culture of quality and high-end management practices in Indian industry along with creation and strengthening supply chains," Sharma said.

Bilateral trade between the two countries was USD 18.51 billion in 2012-13. Besides, India has received USD 14.75 billion FDI from Japan between April 2000 and June 2013. The Japanese investment accounts for 7 per cent of India's total FDI.

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Way to go for Indian exports in trade with Japan

Kirtika Suneja, Financial Express

New Delhi, 2 December 2013: With trade between India and Japan at \$18.51 billion, Tokyo accounts for a 2.34% share in India's global trade with petroleum products, oil meals, marine products, gems and jewellery and iron ore being the principal commodities of export to Japan while machinery, iron & steel, electronic goods, transport equipment and project goods are the major items that India imports.

Though a Comprehensive Economic Partnership Agreement (CEPA) was signed between India and Japan in 2011, the pact has led to imports from Japan increasing at a faster rate than exports from India. In 2012-13, India's exports to Japan were \$6.10 billion while the imports stood at \$12.41 billion, leaving a trade deficit of \$6.31 billion.

The agreement covers goods, services, rules of origin, movement of natural persons, telecom, financial services, investment, IPRs, government procurement, sanitary and phytosanitary measures, customs procedures and cooperation in other areas and the two sides have set a bilateral trade target of \$25 billion by 2014.

Significantly, the presence of Japanese companies in India has increased from 555 sites in 2008 to 1,422 sites in 2011 and is expected to reach 2,500 sites by 2015. Japan has partnered India in several high-key, high-value, high-priority projects like the Western Dedicated Freight Corridor Project and the Delhi-Mumbai Industrial Corridor (DMIC) Project.

From April 2005 to March 2013, the cumulative Indian investments into Japan are around \$371.46 million. On the other hand, according to JETRO, Japanese investments in India are around \$15.93 billion, inclusive of foreign direct investment as well as portfolio investment and M&A.

In September this year, the DMIC trust cleared six projects with a proposed investment of R1.1 lakh crore.

This includes an integrated industrial township at Greater Noida, an integrated multi-modal logistics hub in Haryana and a new rail line from Bhimnath to Dholera. The DMIC project, valued at \$90 billion, seeks to create mega industrial infrastructure along the Delhi-Mumbai Rail Freight Corridor. Japan is giving financial and technical aid for the project, which will cover seven states totaling 1,483 km. It has committed an investment of \$4.5 billion.

The first phase of the two investment regions (Dholera in Gujarat and Shendra-Bidkin in Maharashtra) will be launched in this financial year.

Both the governments have now decided to jointly develop infrastructure in the Chennai-Bengaluru-Chitradurga Industrial Corridor which will pass through the three southern states of Karnataka, Andhra Pradesh and Tamil Nadu.

Also, the two sides plan to establish a Japanese Electronics Manufacturing Township with Japanese assistance in India with a world class infrastructure. Besides, a Japan Help Desk has been set up in the

Department of Electronics and Information Technology (DeitY) which will facilitate Japanese companies to invest in electronics sector in India.

“There are huge opportunities for investment in sectors like infrastructure including investments in DMIC region, power, metals, renewable energy, manufacturing, automobiles and auto parts, agro processing and food processing, electronics hardware manufacturing (EHM) and creative industries,” said commerce and industry minister Anand Sharma recently.

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FTAs propel engineering exports to Japan, S Korea

Financial Express

Kolkata, 28 December 2013: Free trade agreements (FTAs) have proved to be beneficial for India, with engineering exports to Japan and South Korea showing a rising curve. Singapore, however, was an exception during the April-November period this fiscal, according to an analysis by the engineering exporters' body, EEPC India.

Apart from ASEAN, India has operational FTAs with important trading partners like Japan and South Korea. Engineering exports to Japan grew 17% during the April-November period of the current fiscal to \$568 million from \$485 million.

Shipments of engineering goods to South Korea witnessed a jump of over 13% to \$739 million during the period.

EEPC chairman Anupam Shah said an exception was seen in the case of Singapore, a country with which India has significant bilateral trade, including those of engineering goods. Exports of engineering goods to Singapore in the April-November period saw a 2.11% drop to \$1,995 million from \$ 1,997 million during the same period a year ago.

A similar trend was seen in trade with neighbouring countries like Bangladesh, Sri Lanka and Nepal, with which India enjoys a liberalised trading regime. Engineering despatches to Sri Lanka went up by 18.57% to \$ 1,342 million for the period under review from \$1,132 million during the same period a year ago. Likewise, shipments to Nepal were up 20.84% to \$ 577 million from \$ 477 million.

On the other hand, western countries such as the US and Germany did not account for much of India's engineering exports, even though the base of trading volume is quite large, Shah said.

He said though shipments to the US dropped 9.19% to \$3,909 million during April-November from \$ 4,305 million, the country continues to be India's largest trading destination. The same is true of Germany, where consignments fell by about 6% though overall shipments were above \$1,300 million. "The signs of recovery in some key western countries, such as the US, are hazy. Month on month, there was a drop of over 14% in overall engineering exports in November this year, Shah said.

He said Iran and Kenya were two countries competing to remain in the top 25 as far as India's engineering exports are concerned. The top 25 countries contribute over 72% of India's engineering exports.

India's basket of exports of engineering goods is quite big and it includes high-tech items like nuclear reactor parts, aerospace parts, automobile and bicycle parts, steel and iron products, non-ferrous metals, transport equipment and others.

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India, Japan may tie up for Myanmar transport corridor

Huma Siddiqui, Financial Express

New Delhi, 22 January 2014: India and Japan are likely to say yes for joint development of the Kaldan multi-modal transit transport facility project that aims to connect Kolkata with the Sittwe port in Myanmar and then link Sittwe to Mizoram via river and road transport.

Diplomatic sources told FE that India considers the project of strategic importance, which will help it counter the growing Chinese influence in the neighbouring country. Japan is considered an ideal ally with its global influence and has a strong presence in Myanmar. Sources said the issue of joint development of the transport corridor is expected to feature in the talks between the two countries next week during the visit of Japanese PM Shinzo Abe. India has already opened a channel with Japan to realise its 'Look East Policy' that aims to strengthen India's trade and economic ties with Southeast Asian countries. India is keen to involve Japanese agencies and companies in the construction and funding activities for the project. Avenues for forging joint ventures could also be explored between companies in both the countries. Japan is already targeting the development of connectivity infrastructure in countries such as Myanmar in order to give a boost to regional communications and trade. A consortium of Japanese firms — Mitsubishi Corporation, Marubeni and Sumitomo — is already developing the Thilawa special economic zone in Myanmar under a joint venture model with local companies.

The Kaldan project will not only reduce the distance between Northeast and mainland India, it will also reduce its reliance on the Siliguri chicken neck and help reduce price of goods as well as time for transportation. This will improve connectivity between Indian ports on the eastern seaboard and Sittwe. The project is being piloted and funded by the ministry of external affairs. The preliminary feasibility studies were carried out by Rail India Technical and Economic Services (RITES). Construction work on Sittwe port and the jetty in Paletwa as well as dredging work will be executed by the Inland Waterways Authority of India (IWAI) at a cost of Rs600 crore. The objective of the project is to provide an access route to the land-locked Northeastern region of India. The growing power of China in the nations bordering the Northeast, especially in the development of infrastructure and in enhancing connectivity, offers a challenge to India.

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