

India-Japan Chemicals and Petrochemicals Forum

- **Indo-Japan relationship – a history**
- **Japanese investments in India**
- **Bilateral trade**
- **India-Japan trade : Chemicals and Petrochemicals**
- **Indian Chemical & Petrochemical sector**
- **Opportunities in India**



INDO-JAPAN RELATIONSHIP LONG-STANDING & VERY SPECIAL



- **Cultural exchange dates back to the 6th century – introduction of Buddhism into Japan**
- **Diplomatic relations established in 1952 – post WW2 reconstruction in Japan greatly aided by iron ore from India**
- **First yen loan by Japan, was to India in 1958**
- **Japan-India annual summit meetings from 2005**
- **December 2006, relationship elevated to Global and Strategic Partnership**
- **India-Japan Comprehensive Economic Partnership Agreement (CEPA) from 2011**

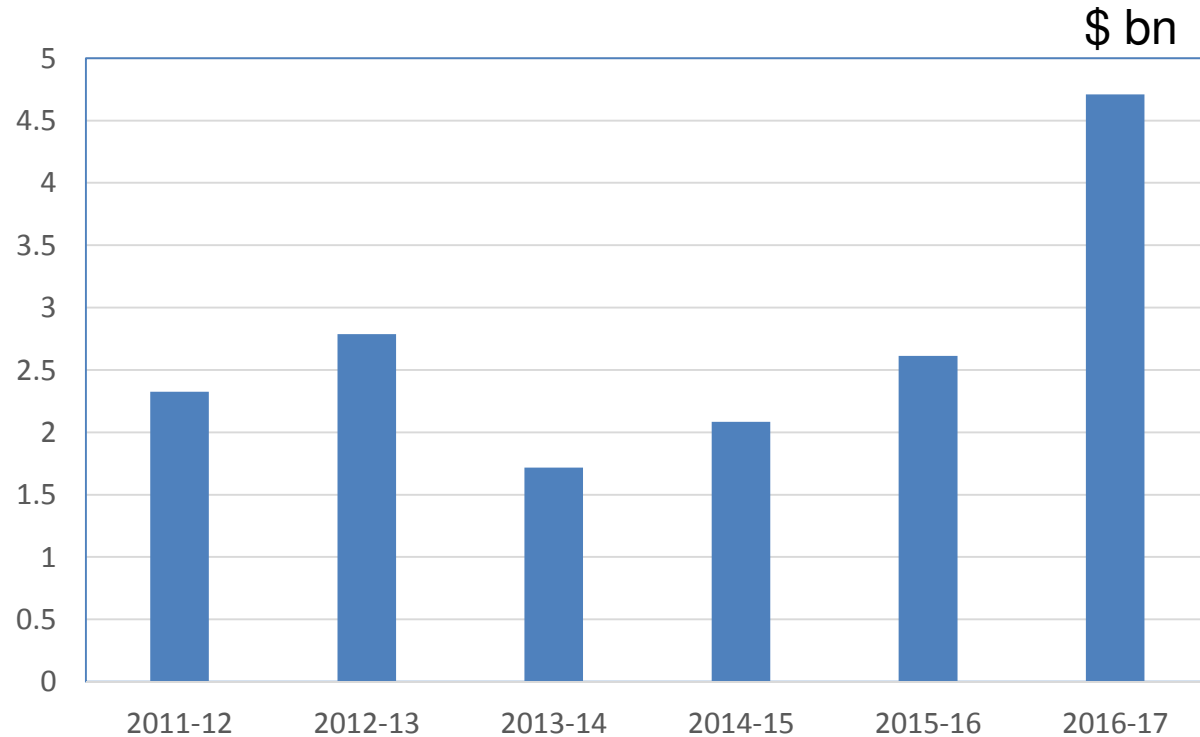


INDO-JAPAN RELATIONSHIP LONG-STANDING & VERY SPECIAL



- **September 2014, upgraded to Special Strategic and Global Partnership – stated goal of doubling, by 2019, Japan’s investment in India and the number of Japanese companies in India**
- **December 2015, Japan and India Vision 2025 announced**
- **Greater cooperation and coordination in security**
- **Japanese industrial townships to be established around DMIC and CBIC**
- **Shinkansen (Bullet Train) project launched**
- **India – the largest recipient of Official Development Assistance (ODA) from Japan**

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Japan – India’s 3rd largest source of FDI

Between April 2000 & December 2015, Japanese FDI in India around \$25bn, nearly 8% of India’s total FDI in the period

■ Japanese FDI in India

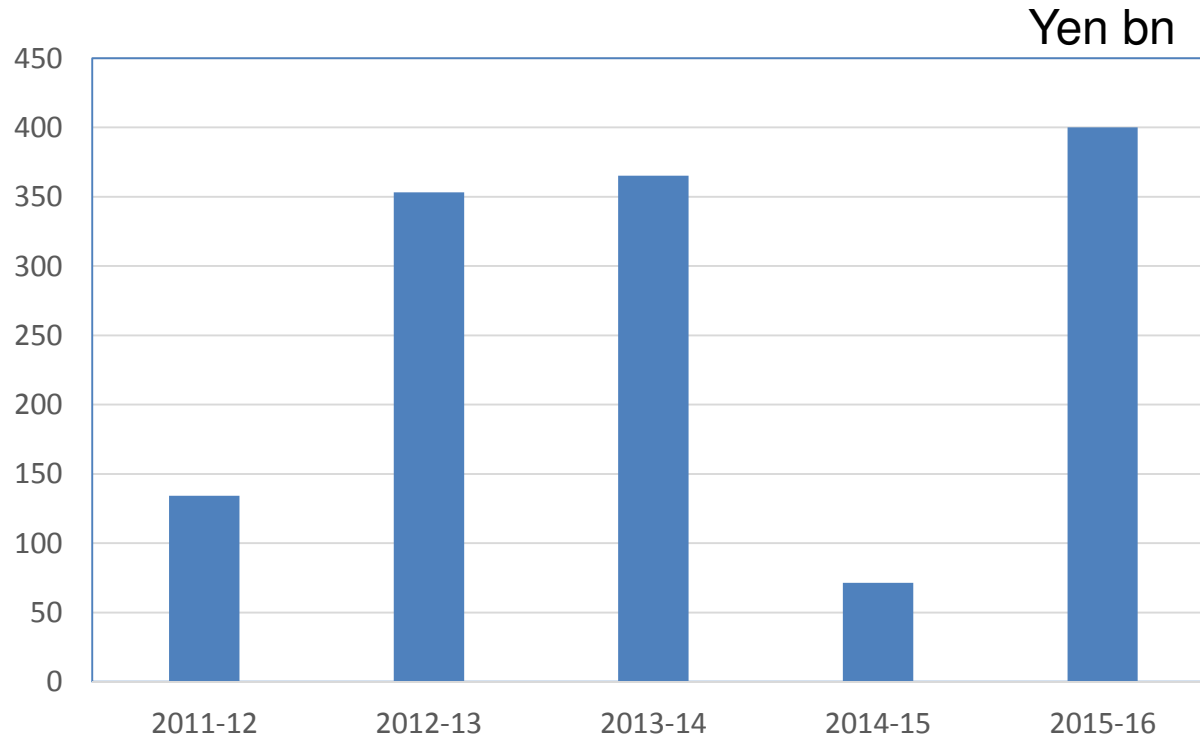
India rated the most attractive investment destination, by Japanese manufacturing companies, in survey conducted by Japan Bank for International Cooperation

1305 Japanese companies registered in India, as of October 2016

Sectors of investment : Automobiles, telecom, chemicals, pharma, etc



JAPANESE OFFICIAL DEVELOPMENT ASSISTANCE (ODA)



Japan – largest bilateral donor to India

■ Japanese ODA to India

Areas of assistance : Power, transportation, environment, projects related to basic human needs



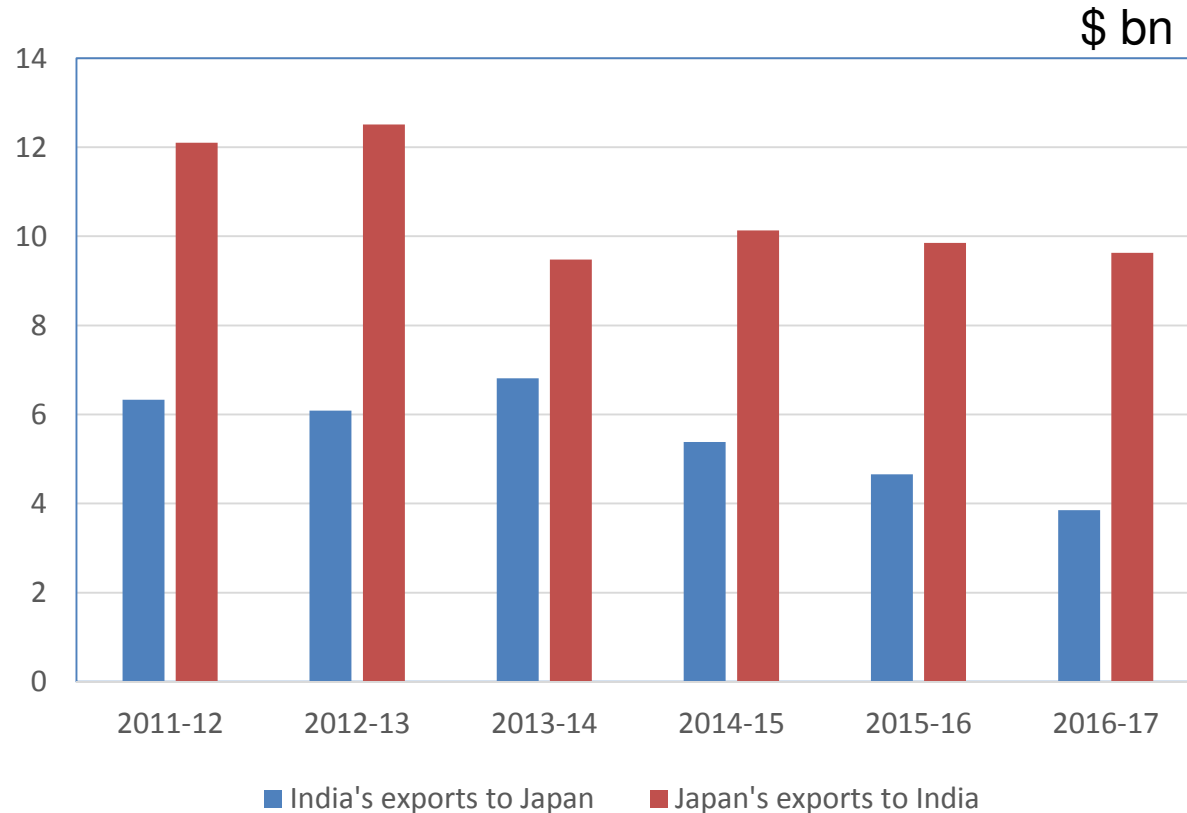
SPECIFIC PROJECTS AND INDUSTRIAL CORRIDORS



- **Delhi Mumbai Industrial Corridor (DMIC)- Implementation in progress.**
 - flagship project of Indo-Japanese cooperation.
 - \$90bn investment, initially
 - Industrial infrastructure development & creation of new smart cities across six Indian States
 - 24 industrial regions, 8 smart cities, 2 international airports, 5 power projects, 2 MRTS, 2 logistical hubs over 1500km
 - Master planning by world class intl. consultants. EPC contracts for approx Rs. 3200 crore awarded in Dholera (GJ), Shendra (MH), Vikram Udyogpuri (MP) & G. Noida.
 - DMICDC has commissioned a 5MW Model Solar Power Project at Neemrana, RJ
 - Approval obtained for Greenfield Intl Airport at Dholera(GJ) at Kotkasim(Rajasthan).
- **High speed rail corridor(Bullet Train)**
 - Mumbai – Ahmedabad
 - Rs. 1.10 lakh crore (around \$15bn)



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1.39% of India's total exports, to Japan

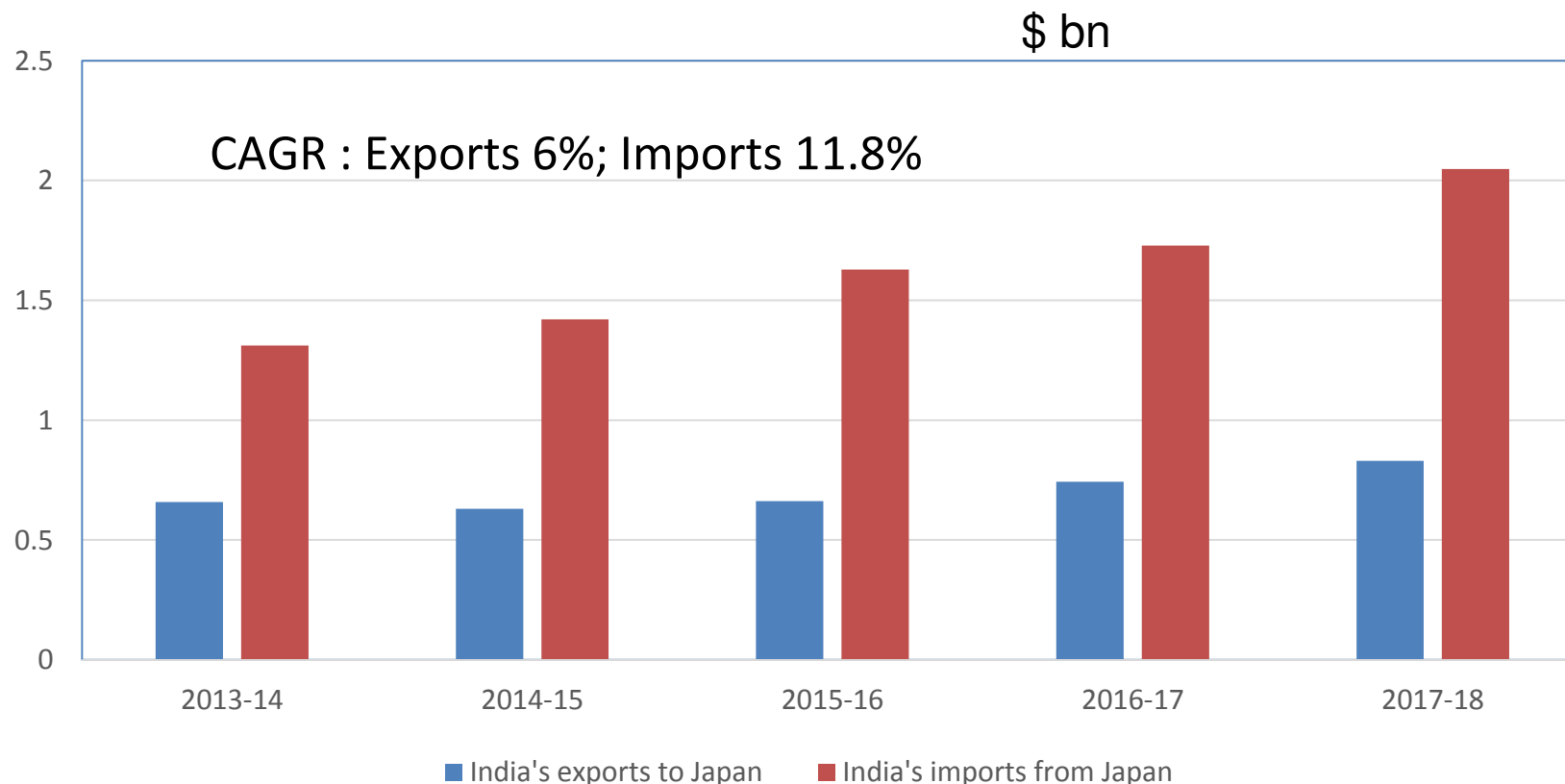
2.53% of India's total imports, from Japan

Bilateral trade doubled between 2005 and 2012; but slowed down thereafter

India's primary exports to Japan : Petroleum products, metalliferous ores & scrap, clothing, iron & steel products, textile yarn/fabrics, machinery etc

Japan's primary exports to India : Chemicals, plastics, machinery etc

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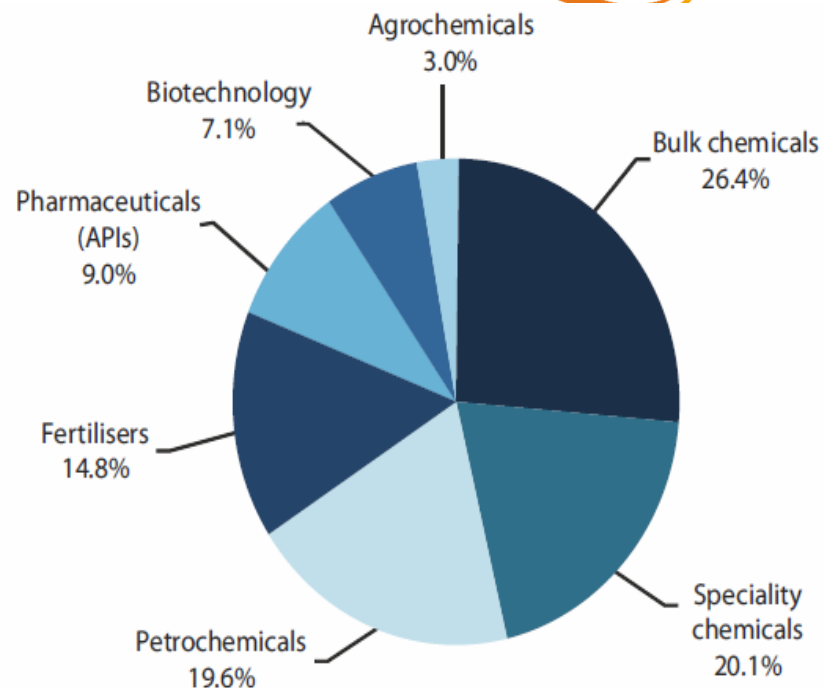


India's primary exports to Japan : Cyanuric acid, Caprolactum, Salts of nucleic acids, Pyridine derivatives, PET, Carbon black

Japan's primary exports to India : PVC, VCM, Caustic Soda, Super-absorbent polymer, MDI, PE

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- **Highly diversified**
 - over 80,000 products
 - Employs 2 mn people
 - Main hubs Gujarat & Maharashtra
- **Market size**
 - \$155bn in 2016 – 3.4% of global chemical industry
 - Around 7% of manufacturing sector
- **Annual Growth rates**
 - Bulk Chemicals 5%
 - Speciality chemicals 12.5%
 - Petrochemicals 11%
 - Fertilizers 3%
 - Pharma (APIs) 6.8%
 - Biotech 23%
 - Agrochem 7.5%



Global Chemical Industry : \$4.5 trillion in 2016, expected to grow at 5.5% till 2020

Indian chemical sector – potential to grow to \$384bn by 2025

Indian petrochemical sector – potential to grow to \$60bn by 2025

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- One of the world's fastest growing economies
- Potential to increase GDP growth to 8 to 10%
- Favourable demographics – world's largest youth population by 2020
- Huge domestic market : rising incomes, 129 mn urban consumers
- Produce closer to market
- Significant improvements in infrastructure – ports, roads, airports, railways, telecom
- Improving ranking on Ease of Doing Business



Make in India rather than Export to India