

**2014**

# MACRAMÉ CONSULTANTS



Macrame Consultants Pvt. Ltd.

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# Democracy, Development & Demand

New Government has been regularly taking initiatives to upgrade the current economic situation in the country which can be well notified by the visits of PM Modi in neighboring countries like, Australia, US, China, Japan. Also, up gradation and regularization of the policies are in force.

India is a developing country which has the market where world's demand can be absorbed because of its huge population being majorly young. Mr. Modi since the days came into power, trying to make India a country of developments, manufacturers, service provider and a clean place to live. In attaining these objectives meetings and agendas defined within the government and also with neighboring governments.

- Special Strategic Partnership agreement signed between India and Japan.
- India- Australia pact ink on nuclear deal.
- Germany and India agreed to prepare a road map for cooperation in skill development, solid waste management and cleaning of rivers
- The government decided to prepare a high level panel headed by Finance Secretary Arvind Mayaram to make it easier for NRIs to invest in the country
- India-Vietnam ink 7 pacts named Freedom of navigation.
- China promised for \$20 billion investment in India.
- Japan pledged to invest \$35 billion in India over the next 5 years to finance infrastructure projects and building of smart cities.



*(PM Narendra Modi and Japan's Prime Minister Shinzo Abe shake hands before their talks at the state guest house in Tokyo September 1, 2014)*

Above are just highlights, the list is no short. Our government's vision and their initiations are building a new dawn in the history of India.

Though a lot is coming from the PM's desk but still a lot more things are there that needs attention. Subject of total privatization of defence is one such which is still in a mess of meeting the requisitions of governance people's thoughts.

We hope the things started will show the results soon and India will emerge as a global power.

## **14<sup>th</sup> INDIA-TAIWAN JOINT BUSINESS COUNCILS MEETING, 2014**

To accelerate and increase the bilateral trade between India and Taiwan, 14<sup>th</sup> India-Taiwan Business Council Meeting, 2014 was organized at FICCI in New Delhi. Eminent specialist including chairman from the Chinese International Economic Cooperation Association (CIECA) attended the program and detailed the facts and cases on to the prevailing situation and matters to put on focus for future growth. The agenda for the meet stressed on to increase trade and investment between the two countries. Make in India concept was also a point of mark to all the people of house.



We too believe in improving the current scenario and regularly working in building your vision.

# JAPAN

India-Japan relations are becoming strong with each year. Japan currently stands at 4<sup>th</sup> position in terms of total FDI equity inflows in India with US \$15.97 billion. These stats are expected to grow more with the initiative been taken by the new government. Japan pledged to invest \$35 billion in India over the next 5 years to finance infrastructure projects and building of smart cities.

Top sectors that attracted Japanese equity FDI inflows:

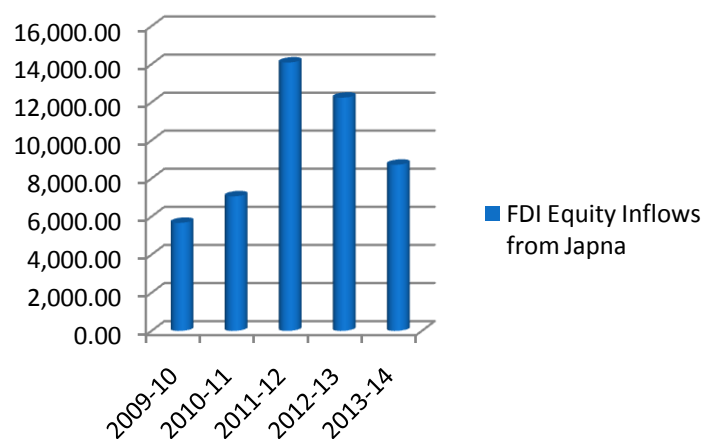
- Drugs & Pharmaceuticals (28%)
- Automobile Industry (16%)
- Services Sector (15%)
- Metallurgical Industries (9%)
- Electrical Equipment (4%)

Share of Top sectors attracting FDI Equity Inflows from Japan (from April 2000 to February 2014)

Rank	Sector	Amount of FDI Equity Inflows	%age of FDI equity inflows from Japan
1	Drugs & Pharmaceuticals	21,688.81	27.56%
2	Automobile Industry	12,389.49	15.82%
3	Service Sector	12,666.78	15.33%
4	Metallurgical Industries	6,498.95	8.75%
5	Electrical Equipment	3,112.51	4.30%

It is seen from the above that highest FDI equity Inflows have been in the Drugs & Pharmaceuticals, which accounts about 28% of the FDI inflows from Japan.

## FDI Equity Inflows from Japna



Various agreements are also signed between the two nations for making easy and cooperative trade and social terms like

- Comprehensive Economic Partnership Agreement (CEPA)
- Bilateral Swap Arrangement (BSA)
- Memorandum of Cooperation on Production and Export of Rare Earths

With the PM Mr. Narendra Modi's initiatives a large set of fruitful arrangements are likely to come. India to grow and a Japan is expected a key role in its overall development.