

Supply Chains in the Indo-Pacific

More resilient and more robust through Japan-India cooperation

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There are plenty of factors disturbing Supply Chains

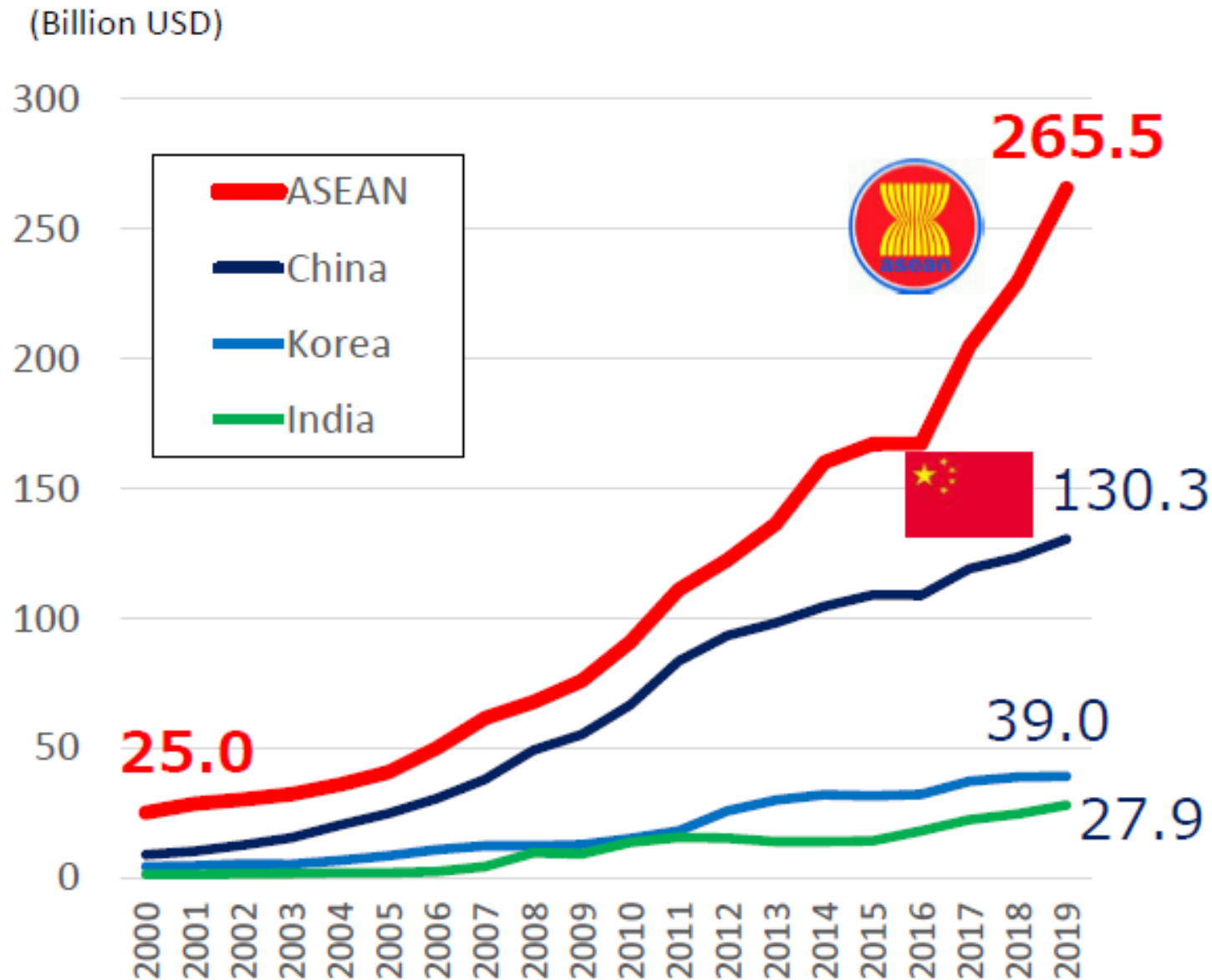


- **Pandemics**
- **Trade wars**
- **Sustainability problems**
- **Societal problems**
- **Security**

etc

Japan's FDI stocks in Asian countries(2000-2019)

ASEAN is the current hub of Japanese companies' SC



(Source) JETRO from Ministry of Finance of Japan, "International Investment Position"

India : High expectations in the future investment. However, companies are hesitant to move forward.

- India is ranked No.1 in the “Ranking of Middle-term Promising Countries” of the survey conducted by JBIC.
- However, India remains the 63rd place in the Ease of Doing Business. (WORLD BANK)

Risks that Japanese companies see in the investment environment in India:

- Poor Infrastructure (hard and soft)
Poor development of roads and ports, high logistical cost (damages on goods, delay in customs clearance), etc.
- Complicated Administrative Procedure
Slow processes in license acquisition, unclear examination criteria, etc.
- Business practices Different from International Standards
Land expropriation problems, frequent payment delays, etc.

Potential market from Japanese companies' perspective in 2019

1. India
2. China
3. Vietnam
4. Thailand
5. Indonesia

Source ; JBIC

Ease of doing business ranking in 2020

1. New Zealand
2. Singapore
- ⋮
12. Malaysia
- ⋮
21. Thailand
- ⋮
63. India
- ⋮

Source ;Doing Business database ; World Bank

Australia-India-Japan Economic Ministers' Joint Statement on Supply Chain Resilience in September 2020

Recognizing the pressing need for regional cooperation on supply chain resilience in the Indo-Pacific, the economic ministers from Australia, India and Japan shared their intention to work toward the launch of a new initiative to achieve the objective through cooperation.



Australia-India-Japan Economic Ministers' Joint Statement on Supply Chain Resilience

1 September 2020

1. Australia's Minister for Trade, Tourism and Investment, Senator the Honourable Simon Birmingham, India's Minister of Commerce and Industry, His Excellency Piyush Goyal, and Japan's Minister of Economy, Trade and Industry, His Excellency Kajiyama Hiroshi held a ministerial videoconference on September 1, 2020.
2. The Ministers reaffirmed their determination to take a lead in delivering a free, fair, inclusive, non-discriminatory, transparent, predictable and stable trade and investment environment and in keeping their markets open.
3. In light of the COVID-19 crisis and the recent global-scale changes in the economic and technological landscape, the Ministers underscored the necessity and potential to enhance the resiliency of supply chains in the Indo-Pacific region.
4. Recognizing the pressing need for regional cooperation on supply chain resilience in the Indo-Pacific, the Ministers shared their intention to work toward the launch of a new initiative to achieve the objective through cooperation. They instructed their officials to promptly work out the details of the new initiative for its launch later this year. The Ministers noted the important role of business and academia in realizing the objective.
5. The Ministers called for other countries in the region, which share the afore-mentioned views, to participate in the initiative.

(end)