



# Opportunities for India

A key phrase that drives Japan's ambitious reconstruction plan for its disaster-affected northeastern region is "open to the world". The creation of a model region would require massive foreign participation, infusion of foreign workers, knowledge sharing and foreign investments over the next decade.

The reconstruction plan is centered around the concept of special zones – areas where 'extraordinary measures' such as financial benefits, tax breaks and relaxed labour laws will be extended. Planners are banking on an economic boom triggered by the massive spending that is planned to get the region back on its feet.

The national reconstruction panel has drawn up a plan to invest \$290 billion to revitalise the economy and make the Tohoku region a model for the future. Out of this, \$243 billion will be spent over the next five years alone. Japan is banking on friendly nations such as India to provide not just investment but also highly skilled workers and expertise in the fields of information technology and pharmaceuticals.

"Some people in the outside world fear that Japan will become inwards after the disaster but that is not the case. We will use the support, investment and technology from outside to become a stronger country. We expect 10 years for a full recovery. For the first five years, it will be an intensive reconstruction period. We

As Japanese reconstruction requires foreign workers, there is a big demand for Indian skilled workers in IT and pharma sectors

will put in human resources and money extensively during these five years," says Yoshio Ando of the reconstruction council in Tokyo.

A key part of the plan to redevelop the disaster-hit areas is to infuse foreign workers with high-level skills in the special zones, especially from countries such as India where talent is freely available. "We need foreigners with excellent skills, especially in the area of management, renewable energy, medicine and pharmaceuticals," another member of the recon-

struction panel says.

There are areas that Indian companies could also find interesting. Fukushima, for instance, used to be the primary producer of pharmaceuticals-related machinery before the disaster. Senior government officers in Tokyo also say that Japan is looking forward to IT-related investment from Indian companies that would go a long way in the reconstruction process as IT hubs are planned in the reconstruction zones.

Business analysts also feel that the

drop in energy supply could also move some business towards India with its huge domestic market and reasonable cost of labour. "India is not only a good market with the richer class growing very fast but is also a good production site for export to other Asian countries," says Tadashi Saito, director of the political and social affairs bureau at Keidanren, Japan's largest business federation. Saito says that the main potential is in the automobiles industry but electronics are also a safe bet for the future. In the Miyaki prefecture, automobiles manufacturer Toyota plans to make hybrid cars after the disaster, opening up the demand for electronic parts. "We are ready to make efforts to communicate to Indians that Japan is a very attractive place to work," Ando says.

What will help things is the Japan-India Comprehensive Economic Partnership Agreement that came into force this August. According to the agreement, tariffs will be abolished on almost 97 per cent of exports from India to Japan and about 90 per cent of exports from Japan to India over the next ten years.

"This agreement sets up a framework that will help to create and improve business environments for companies in India and Japan, with the participation of both the governments, the private sector, and relevant organisations," said Tadashi Okamura, chairman of the Japan Chamber of Commerce and Industry, at a function in New Delhi recently.



## No plans to cut aid to India

JAPAN has no plans to cut its developmental aid to India despite the massive setback its economy has suffered from the twin tragedy of the earthquake and tsunami in March, a senior government official has said.

For the past several years, India has been the largest recipient of Japanese Official Development Assistance (ODA) with a slew of projects including the Yamuna Action plan and the Dedicated Freight Corridor being executed with Tokyo's assistance. With the twin tragedies giving a \$216 billion jolt to the Japanese economy, there was speculation that the aftershocks could be felt in the Indian ODA projects, 11 of which are currently under operation.

However, Shikata Noriyuki, deputy cabinet secretary of the Japanese government, has said that Japan's assis-

Despite tragedy, Japan remains primary developmental contributor. Japanese-aided projects such as Yamuna Action Plan are on course

tance to India would continue and the resolve to participate in India's economic development has increased, given New Delhi's support in the aftermath of the twin disasters.

"We will continue our overseas aid to developing countries. We have a keen interest in participating in India's economic development, and this is all the more so after the support of the Indian government we got after the disaster," Noriyuki says, adding that India extended water, emergency supplies and blankets immediately after the disaster. "We understand that the first-ever overseas dispatch of the National

Disaster Relief Team (NDRF) was to Japan," he says.

At present, Japan has committed over \$2.6 billion to Indian developmental projects. The focus of these are promotion of economic growth, reduction of poverty, expansion of human resources development and co-operation in the fields of environment, climate change and energy.

Japan is especially keen to share its expertise in land transport systems with India as part of its project for a dedicated Mumbai-Delhi freight corridor. Japan has already committed a \$2 billion loan for the western corridor.

"We have been actively participating in the freight corridor project. These major rail road systems and basic infrastructure for further economic development is something we are very interested in. With our own experience in Japan of the post-war era, we are of the view that these are some of the essential infrastructure needed for development," says Noriyuki.

The largest ODA projects for the current financial year are the the Yamuna Action Plan Project (IIL) pegged at \$417 million that seeks to rehabilitate and improve the existing sewerage system in the national capital region. A \$300 million project to improve the Bihar national highway is also under execution. It will broaden roads and construct bypasses of the arterial roads passing through the state.

## 'Canon's first 15 years in India have been quite gratifying'

Canon India has evolved into a market leader in digital cameras and digital copiers segments. How has the journey been so far?

Canon is celebrating its fifteenth anniversary in India in 2012. The journey of first 15 years has been quite gratifying as we have emerged as a leading and well-known complete digital imaging company. First 10 years were the years of infancy when we added new product categories, established our partners network, put systems and processes in place. By the time we completed 10 years, we were a Rs 510 cr company. As we prepare to celebrate the fifteenth year, we are all set to cross revenues of Rs 2,300 crore. The journey of last five years has been phenomenal with over 40 per cent annual growth in revenues. Last five years of Canon's journey was focused on scale, speed and scope what we sometimes refer to our '3S' drive. In printing, copying, digitisation & document services, Canon has evolved new benchmarks and taken a market leadership. In the photography area, Canon is one of the most aspirational brands for amateurs and professionals. One of our priority focus has been in building a winning culture of performance, passion and pride. These '3P's have made Canon one of the top 20 best employers in India as per Aon Hewitt study in 2011. The other vital part of our journey was to collaborate with industry players and government in co-creating a growing ecosystem for the industry. Canon took active interest in CII and MATI affairs too as managing business environment is an important focus area too. Overall, it has been a journey of learnings, laurels and leadership.

Share with us your views about Canon India's business portfolio and the prospective growth areas for the company in 2012.

Canon is broadly present in five industry verticals, namely photography, IT peripherals, office automation, commercial printing and production printing. Customers know us as a company that represents 10 product categories such as digital cameras, digital SLR & lenses, inkjet printers, laser printers, copier multifunctional devices, faxes, projectors, wide-format printers, cable ID printers and production digital presses.

When we look at Canon's market segments, it essentially has four kinds of customers. These are households, enterprises & SMEs, government and commercial printing companies. Past five years of economic development in India opened enormous business opportunities for us. Although we see a moderation of economic growth impacting Indian industry somewhat in 2012, yet our growth momentum is expected to continue in 2012 too as basic demand drivers will turn out well. As of now, merely 12 million Indian households use digital cameras. This means that household penetration level of digital cameras in India is just 5 per cent. Developed markets such as the US, Europe and Japan have over 70 per cent HH penetration. We expect digicam industry to grow at 40 per cent in 2012 to reach 45 million units. Besides this, government is rolling out a large number of projects which deploy technology. The proposed e-Governance bill which will mandate all government services to be available online will help increase PC penetration impacting our business too. Almost 20 per cent of Canon business is expected to be



DR. ALOK BHARADWAJ  
Senior Vice President, Canon India

in government space. The other demand drivers in enterprise segment are also expected to help. With cloud computing propositions, more Indian SMEs will adopt technology and that is always a good news for Canon. Large enterprises are also looking at making operations more efficient. Canon offers document management services in this space which is growing at 33 per cent. As Canon's business is quite diversified, we get advantage of multiple demand pockets. We expect to reach revenues of Rs 2,300 crore in 2012.

From a user perspective, how are Canon's latest technologies changing people's lifestyle both at workplace and at home?

India is basically a youth market. More than 54 per cent population is under 25 years, and we expect average age by 2020 to be 29 years. New technology adoption, increasing incomes, fragmentation of joint families, dual-income households and high aspirations are few of the attributes India's newgen youth is exhibiting. With over 100 million Internet browsers and social networkers, there is an increasing trend in capturing and sharing images. Fun, entertainment and celebrations are key to new lifestyle and Canon's new low-light technology combined with intuitive technology in digital cameras is a new rage. New techie Indian is also upgrading fast and appreciates good quality gadgets a lot better than previous generation. Hence DSLR is showing an extraordinary interest from this segment. That category is growing at 100 per cent a year. Canon has launched a photo community portal called 'canonedge' to engage the customers of this generation through photo contests and photo tours. At the work place, the big compelling desire of CIOs is productivity. Canon's new proposition of document services using technology of hardware and solutions offers the benefits of cost, control, confidentiality, convenience and collaborations. We call it Canon's 5C edge for the B2B customers.

Tell us about the latest Canon products launched in India?

Canon has a range of 170 products in India across 10 product categories. We launched 100 new products in 2011. In other words, we have a churn rate of over 60 per cent. This happens only in companies which are highly innovative and continue to introduce new technologies to make life and work more interesting for our customers.

## Japan sees a fresh start with India

On the 60th anniversary of diplomatic relations with India, Japan aims to break away from stereotypes

JAPAN'S spirit of a 'fresh start' after the disastrous earthquake is reflected not only in the government offices of Tokyo but also its embassies and missions across the world. As diplomatic relations between India and Japan turn 60 years old in 2012, a series of events and exchanges have been planned throughout the year in India.

The theme, interestingly, is the same buzzword that does the round in Tokyo – a resurgent Japan and a vibrant India. The fresh start not only talks of a restructuring of bilateral economic ties but also an opportunity to break away from stereotypes that are prevalent in both the countries.

"For example, India's images in Japan could be limited to the country where Buddhism originated and came to Japan 1,500 years ago, or as the country where curries and yoga are popular. Japan's image in India may be confined to the country with the latest technology and its diligent people," says the theme statement of the 60th anniversary celebrations.

On the anvil in coming months is a series of business delegation exchanges, cultural programmes for children, musical performances, exchanges of arts groups, film screenings and a Japan festival in the capital. "The theme envisages Japan, making a fresh start after the earthquake, and

India, with its growing dynamism and increasing presence in the international community, to refocus on the growth of their relations in a fresh perspective," officials say.

"In commemorating the 60th anniversary, we hope to share with our Indian friends the various cultural aspects of Japan – both traditional and modern – especially more of contemporary Japanese culture. This would be in the shape of many Japanese cultural events to be presented in New Delhi in 2012," Akitaka Saiki, ambassador of Japan to India, said.

More than 30 events have been planned in New Delhi alone, which

include contemporary dance performances, an India-Japan dialogue involving intellectuals, an Origami workshop, a fashion exhibition and an animation symposium. A kite-making workshop, photo exhibition and regular screenings of Japanese movies is also planned in the coming months.

"This occasion would also be an opportunity for us to showcase the best of modern Japanese technology that can be made available to Indian consumers. There is a variety of hi-tech Japanese products that can be useful in the Indian context, which we would like to exhibit through some of the events," Saiki said.



An 'Incredible India' festival in Tokyo.