The Southern India Mills' Association
Post Box No. 3783, 41 Race Course, Coimbatore - 641 018
Phone: 0422 4225333 | Fax: 0422 4225366
E-mail: info@simamills.org | Web: www.simamills.org

NEWS CLIPPINGS –24-01-2018

Cotton spinners pin hopes on demand uptick to improve margins	Business Standard http://www.business-standard.com/article/markets/cotton-spinners-pin-hopes-on-demand-uptick-to-improve-margins-118012400026_1.html

The cotton yarn industry is pinning its hopes on a fall in raw material (cotton) prices, after having had its margins squeezed in the past couple of quarters owing to dwindling yarn exports and excess spinning capacity.

According to cotton yarn spinners, margins were hit when the price of cotton went up, leading to lower demand from fabric and garment manufacturers, as well as dwindling yarn exports.

Spinners are hoping that margins will improve in the last quarter of the current fiscal year on the back of an uptick in demand and improved yarn exports.

However, in the interim, the industry is also expected to see a bumper crop, which could bring down cotton prices to some extent.“Raw materials have been high whereas the forward integration value chain has seen sluggish demand.

Hence, margins have been squeezed for cotton spinners,” said Jyotiprasad Chiripal, director at Chiripal Group.

Chiripal said margins had fallen 7-10 per cent recently.

According to CRISIL, margins fell to a 20-quarter low in the second quarter of 2017-18.“The second quarter of fiscal 2018 was the least profitable in five years for spinners, or cotton yarn mills. Margins touched 10.3 per cent, compared with a peak of 18.8 per cent in the corresponding quarter of fiscal 2014,” CRISIL stated in its report recently.

According to CRISIL, among other issues, disruptions stemming from the roll-out of the goods and services tax took a toll on margins.“As such, excess spinning capacity in the past two years (2.5 million spindles added over fiscal years 2016 and 2017) anticipation of expiring textiles policies in Maharashtra and Gujarat had affected the pricing flexibility of mills. Further, a decline in yarn exports, induced by reduced sourcing from China (accounting for 36 per cent of India’s exports), also impacted the margins,” CRISIL said.

Spinning units such as those of Chiripal Group and Balkrishna Textiles are hoping that increased arrivals might bring down cotton prices.

Crisil has pointed towards a sharp increase in cotton production, expected at 37.5 million bales, in cotton season (CS) 2017-18 which would be a shot in the arm for spinners in the last two quarters of this fiscal year.

Crisil says it could “thwart further drop in margins … Also, demand normalisation after demonetisation and goods and services tax- or GST-led disruptions would improve utilisation”.

However, the research firm is of the view that the Ebitda (earnings before interest, taxation, depreciation, and amortisation) margin profile is different for large organised players owing to efficient procurement practices as well as benefits accruing from economies of scale.

Rise in cotton prices, dearth of incentives make exports uncompetitive	**Business Standard** http://www.business-standard.com/article/markets/rise-in-cotton-prices-dearth-of-incentives-make-exports-uncompetitive-118011600881_1.html

Cotton yarn, fabric exports see dismal growth of 0.38% year-on-year in dollar terms in December 2017

A sharp 11 per cent rise in cotton prices during the past two months in India has pushed up raw material costs for mills, making export unviable and uncompetitive. International cotton prices are also up by 17 per cent, but 2.7 per cent appreciation in the Indian rupee has nullified all the gains to be had from global cotton prices.

While cotton yarn and cotton fabric exports have seen a dismal growth of 0.38 per cent year-on-year in dollar terms in December 2017, that for man-made yarn and fabrics grew by 6.77 per cent.As per the central government's quick estimates of exports for some of the major commodities for December 2017, cotton yarn, cotton fabrics, cotton made-ups and handloom products, among others grew by 0.38 per cent to stand at $938.57 million, up from $935.05 million in December 2016.On the other hand, man-made yarn, man-made fabrics and made-ups, among others saw a decent growth of 6.77 per cent in December 2017 at $416.91 million, from $390.47 million in the corresponding month last year.According to cotton ginning, spinning and textile mills, the trend is predominantly led by a rise in the commodity prices, which now stand at about Rs 42,000 per candy of 356 kg, (Rs 11,670 per quintal) along with dearth of export incentives. In terms of quintals too, cotton prices have grown by 11 per cent from Rs 10,517 in November 2017 to Rs 11,670 per quintal now."Post Goods and Services Tax (GST) implementation, several important export incentives are not available.

This has led to sluggish demand in the textile value chain for cotton products, leading to marginal growth in both exports and domestic market," said Paritosh Aggarwal, managing director of Suryalakshmi Cotton Mills Ltd.The rise in cotton prices in recent times have made exports of cotton products more challenging by making Indian exporters uncompetitive against other competing exporting nations such as Bangladesh.

With Bangladesh being able to export on free trade basis, India's cotton exports have become even more uncompetitive. Hence, price rise as well as dearth of incentives from government post GST has made exports growth difficult," said Aggarwal.According to Arvind Raichura of Balkrishna Ginning and Pressing Factory, domestic sales and exports in December were also low due to lesser capacity utilisation. "This is owing to festive mood in the latter part of December when capacity utilisation fell. Moreover, with export demand lagging, fabric manufacturing companies reduced demand from spinning and ginning mills," said Raichura.Lack of export incentives have hit the cotton ready-made garments (RMG) the most, with the vertical posting a decline of 8.08 per cent in December 2017 over December 2016. Cotton-based RMG exports stood at $1,336.63 million in December 2017 as against $1,454.17 million in December 2016.The Apparel Export Promotion Council (AEPC) has also been taking up the matter with the government, having made representation for restoration of duty drawback and other incentives that the industry was dependent on for exports.

India's yarn, fabrics, made-ups imports rise 20% in Dec	**Fibre 2 Fashion** http://www.fibre2fashion.com/news/textiles-import-export-news/india-s-yarn-fabrics-made-ups-imports-rise-20-in-dec-240249-newsdetails.htm

India’s imports of yarn, fabrics and made-up articles during December last year rose by 20 per cent over the figure in the same month in 2016, according to the ministry of commerce and industry. Apparel exports, however, dropped 0.3 per cent in April-December 2017 and 8 per cent in December, which is being attributed by some to duty drawback rates revision.

However, total export of textile and apparel rose by 2 per cent between April and December 2017 over the first nine months of 2016-17, a leading south Indian English-language daily reported.

The Confederation of Indian Textile Industry (CITI) sees this as a matter of concern as export data of Bangladesh showed India imported garments worth $111.3 million during July-December 2017 from Bangladesh, which was 66 per cent higher as against the same period of the previous year.

Imports of knitted apparel from Bangladesh were worth $20.6 million in July-December 2016 and rose to $36.5 million between July-December last year.

Cotton prices and yarn prices are going up in the domestic market and the government has reduced the duty drawback rates. After the implementation of the goods and services tax, exporters do not know yet what refund will they get on duties paid on exports.

CITI feels there was a need to impose safeguards such as rules of origin, yarn forward and fabric forward rules on nations like Bangladesh and Sri Lanka that had free trade agreements with India and China. “Garment manufacturers in India have to pay duty on imported fabrics, while Bangladesh can import fabric from China duty-free, convert it into garments, and sell to India duty-free,” CITI chairman Sanjay Jain said in a statement.

Two slabs of GST will affect Bengaluru garment units: SIGA	**Fibre 2 Fashion** http://www.fibre2fashion.com/news/apparel-announcement-news/two-slabs-of-gst-will-affect-bengaluru-garment-units-siga-240247-newsdetails.htm

The South India Garment Association (SIGA) has voiced its concern over the impact of the implementation of 2 slabs of GST on apparel. In a letter to Krishna Byre Gowda, a minister in the Karnataka cabinet and member of the GST Council, SIGA said that the implementation of two slabs of GST on apparel based on transaction value has been adversely affecting the industry.

The chairman (taxation) at SIGA, Anurag Singhla wrote that garments being made in Bengaluru are now costing more as those fall under the Rs 1,000-plus plus transaction value under 12 per cent GST to end customers. The result is that sales have reduced at retail stores for Bengaluru-made garments. Moreover, under-utilisation of actual production capacity has been leading to unemployment, and cheaper garments made in other parts of country are taking over the market. Pointing out that Bengaluru is the largest manufacturing hub for men’s garment manufacturing which generates employment for the poor, especially women, Singhla wrote, "Such scenario of unemployment especially in the outskirts is not a good sign for the growth of Bengaluru."

Urging the minister to look into the negative impact on the apparel industry, the SIGA official called for a single slab GST which would remove the 'discrimination' based on transaction values. "We suggest that only one slab i.e. 5 per cent be fixed for the garment industry."Singhla also said that the introduction of the e-way bill was discriminatory, and that this would cause a hindrance in the free movement of goods. He pointed out that under the e-way bill system, a consignment up to Rs 50,000 in value and local movement within 10km have been exempted from the e-way bill system, whereas while small businesses have been given some relaxation in their GSTR filings. "This may lead to great confusion," he said.

Textile industry assured of amicable solution to GST issues	Times of India https://timesofindia.indiatimes.com/city/surat/textile-industry-assured-of-amicable-solution-to-gst-issues/articleshow/62626379.cms

Commercial tax commissioner, Gujarat, P D Vaghela has assured the stakeholders in the country's largest man-made fabric (MMF) sector in the city of strongly representing the issues and demands related to Goods and Service Tax (GST) before the central government and the GST Council. Vaghela was on a day's visit to the Diamond City on Tuesday. Vaghela visited power loom units, knitting units, handwork and embroidery units and textile shops in Pandesara, Bamroli, Sachin, Limbayat and Ring Road.

Addressing a meeting of the textile industry stakeholders at Southern Gujarat Chamber of Commerce and Industry (SGCCI), Vaghela said, "I have heard the problems and issues faced by power loom weavers, traders, embroidery unit owners and women doing embroidery handwork. The issues are genuine and the state government will seriously take up the issues with the central government and the GST Council."

"Most of the issues related to GST come under the purview of the GST Council. However, the issues like inter-state e-way bill provision etc will be sorted out by the state government," Vaghela added. Last week, social media was abuzz when CMO tweeted in favour of Surat's diamond industry after the GST Council reduced the GST rate on polished diamonds from 3 per cent to 0.25 per cent. The chief minister had to face criticism on social media when the textile industry people raised questions whether the government did not consider Surat as the textile city.

Federation of Indian Art Silk Weaving Industry (FIASWI) chairman Bharat Gandhi said, "The industry is getting assurances since the day GST was rolled out. I think the visit of Vaghela in the textile and embroidery units indicates that the state government is serious in taking a stand at the GST Council to see that the issues related to the textile sector are addressed amicably." Gandhi said we have put forth three demands, including refund of input tax credit, credit on opening stock and implementation of central government notification on increasing basic customs duty (BCD) on imported fabrics from China.

Leader of power loom weaving sector Ashish Gujarati said, "A single demand of input tax credit will solve 10 other issues pertaining to GST. Vaghela was of the opinion that the state government will have to give a stiff fight at the GST Council to press for the refund demand of the textile sector."

Exporters ask government to speed up key infra projects	My Times Now http://www.mytimesnow.com/news/business/580728/exporters-ask-government-to-speed-up-key-infra-projects

Exporters have asked the government to expedite major infrastructure projects like Sagarmala, Bharatmala and the eastern and western dedicated rail-freight corridors to help improve India's logistics facilities. Citing inefficient freight movement, time taken for movement of trucks and road transportation being the preferred mode of transportation as the root causes of high logistics costs in India, they said high indirect costs of trade caused by undependable transportation and delays contribute to 38-47% of total transportation and logistics costs. India's logistics and transportation costs are pegged at 14.4% of the GDP as against 8% of GDP in China. For exporters, unreliable lead times do not necessarily increase inventory for themselves, according to Federation of Indian Export Organisations (FIEO) and Confederation of Indian Industry (CII).

"But it does increase inventory for their customers or distributors abroad, making them less attractive as a sourcing partner and also their product less competitive," the two industry bodies said in a study on export logistics in India. India's cost to export stood at a $1,332 per container compared with $572 in Indonesia or $525 in Malaysia, as per the study. The commerce department had commissioned the study in April last year to study the status of logistics in India, the constraints it faces and the strategy to address these. The results of the study have come at a time when the newly-set up logistics division in the commerce department has kicked off an ambitious national logistics plan to allow seamless movement of inputs and finished goods across the country.

The study, which focuses on four sectors—auto, textiles, pharma and machinery—said complex customs regulations and non-uniformity in toll charges as regulatory bottlenecks. Due to the high importance of textiles in India's exports and the foreign markets it services, the industry wants establishment of multi-modal infrastructure near textile manufacturing hubs. "Changing fuel price, correlated with freight charges, adds to the volatility in costs for textile industry, which is already subject to wide fluctuations in raw material and labour costs," the study noted.

Indian textile industry at inflection point: Report	Fibre 2 Fashion http://www.fibre2fashion.com/news/textile-news/indian-textile-industry-at-inflection-point-report-240231-newsdetails.htm

The textile and apparel sector of India is at an inflection point where the businesses are expecting good revenues in the coming months, says a recent survey. There is an overall positive sentiment as the economy has started to recover from twin shocks of demonetisation and goods and services tax (GST). The industry is optimistic about the future.

The economy and industry are getting accustomed to recent policy changes, says Business Confidence Index by Wazir Advisors authored by Varun Vaid and Manjulika Poddar. The index is an indicator of what businesses think is going to happen in the near future. The first of its kind biannual survey was carried out on 108 respondents in December 2017.

"More than half the respondents say that the industry's current performance has been worse compared to the last six months. However, almost two-third of the respondents feel that conditions will be better in next six. The industry is expecting increased demand in the backdrop of an easing liquidity crunch," the survey stated.

In general, there is a wait-and-watch sentiment in the industry. Though businesses are expecting good revenues in the coming months given the positive present and expected status of the order books, there is hesitation among businesses when it comes to investment, according to the survey.

Roughly 67 per cent of the respondents view increasing wages as the major constraint to business growth. This is followed by policy issues as 60 per cent view it as a major constraint. Polled equally, competition from cheap imports, low demand, rupee appreciation and rising raw material costs are cited by 47 per cent of the respondents as a key constraint. Unavailability of skilled labour is cited as a major challenge by 40 per cent of the respondents.

"However, both the central and state governments are working towards providing fiscal and non-fiscal incentives to boost growth in the industry. Many state governments are coming up with policies that not only provide direct fiscal benefits to businesses but also indirect support through infrastructure development and availability of plug-and-play systems among others. Even the central government is taking measures to boost investment and tradesuch as revision of GST rates on manmade fibres, rebate of state levies, duty drawback and merchandise exports from India scheme," the survey pointed out.

Irani: India can be one-stop sourcing destination for Asean's textile needs	**Times of India** https://timesofindia.indiatimes.com/india/irani-india-can-be-one-stop-sourcing-destination-for-aseans-textile-needs/articleshow/62626899.cms

India has the potential to become a one-stop sourcing destination for brands and retailers from Asean, said textile minister Smriti Irani at an event on Tuesday. Opportunities exist for textile manufacturers from the 10-nation bloc to invest in India and cater to the domestic market as well as exports, the minister added.

Irani, who was addressing a seminar on 'India-Asean weaving textile relations', said India has strengths in production and exports of almost all kinds of textiles and apparel including all handloom and handicraft products that demonstrate the unique skills of the country's weavers and artisans.

"In the year 2016, India exported textiles and apparel worth $1,203 million to Asean and imported textiles and apparel worth $546 million from Asean," Irani said, adding that this was just a testimonial to the way forward. "With ability to produce a diverse range of products, India has the potential to become the one-stop sourcing destination for brands and retailers of Asean nations," the minister said.

"I am hopeful that this is just one of the many areas where we can participate and leverage our strengths," Irani observed. Earlier during his address, textiles secretary Anant Kumar Singh said India was strong and competitive across the entire value chain starting from raw materials to finished products. He added, "Though India has the unique advantage of having the presence of the entire textile value chain, its most exported items to Asean consisting of cotton fibre, cotton yarn and fabrics have not grown to the desired extent. This makes it evident that we have not been able to explore and leverage the strengths of our textiles industry to the fullest."

Make in India has created consciousness about our textiles, says fashion commentator Narendra Kumar	**The Hindu** http://www.thehindu.com/life-and-style/fashion/make-in-india-has-created-consciousness-about-our-textiles-narendra-kumar/article22490465.ece

Ahead of the NIFT's international conference, seasoned fashion commentator Narendra Kumar talks about how fashion is becoming our cultural ambassador on the global stage

Even as we see a sustained shift in focus of fashion designers towards a more responsible attitude towards the fashion environment in the country, a lot needs to be done to stitch concepts like sustainability and value of indigenous crafts in the mindset of emerging designers. Keeping this in mind, National Institute of Fashion Technology is holding a three-day international conference in New Delhi on 'Rediscovering Culture: Transforming Fashion' where seasoned designer and fashion commentator Narendra Kumar will share his vision on how technology is playing a vital role in identifying craftspersons from across the country. An alumnus of NIFT, Kumar, who is the creative director of Amazon India, says, "This is a first big step in identifying a way to address the changing climate of fashion by creating an inclusive and self sustainable environment."

Excerpts:

On rediscovering culture through fashion

Every state of fashion goes through a cycle. In late 1990s, the government run textile emporiums were there but the onslaught of brands took away that novelty. Everybody wanted a global feel as they felt wearing international clothes would make them global citizens. But things are changing slowly as India is becoming a larger, stable economy. There is a growing sense of confidence within the country about Indianness, which marries the contemporary global aspirations and what India means. It is not about rediscovering; it is a journey which every culture goes through.

On the idea of sustainability in fashion

It has lot of implications. The good thing is that there are a number of local textiles which are suddenly getting lot of visibility. It is also creating sustainability for Indian crafts and Indian craftspersons; there is a large sector in India that does this. Even international brands Zara are also looking at creating sustainable stuff. If you see trends in fashion over the past few years, lot of younger Indian designers are emerging and they are working with indigenous textiles and are showcasing their work abroad. And they are being recognised for that. All this is significant as designers are reorienting themselves and not looking at everything being driven by Western brands.

On the impact of Make in India campaign

Make in India has played a big role in giving us bigger visibility. It has created consciousness about our textiles. There is also a sociological dimension. We are now proud of our heritage. It is part of our evolution that we are confident about carrying our roots to the global stage. Earlier, it was carried through the medium of dance. Today our heritage is being conveyed through fashion. Fashion is a big conveyor of sensibilities across the globe.

On the conference's focus on craftspersons

We are creating so much due to a multitude of crafts available across the country. They suit our body types. A special online store on handicrafts has been created which will work with designers to create new age products. So it is not just talk; you can actually see it happen.

Technology will help take innovations to remote regions. Our skilled artisans are not technologically savvy so we need interventions. Technology will enable them to take their crafts to new markets. NIFT students are working with those working in handicrafts.

On the role of NIFT

It has evolved in many ways and has contributed to the industry. Every brand has NIFT students working at different levels. At one point, the government was thinking of shutting it down as it had become elitist but today it has become a place which contributes to such a large extent towards the Indian economy. Like the craze for the IITs, IIMs in 1990s, today NIFT is the go to place because lifestyle sector has become much more important than it was 20 years ago.

However, it needs to create more entrepreneurs. This is a challenge for the future. It needs to make necessary changes in its curriculum. Where it stands out is that it is not running for profit but providing a platform for students to excel but I think they need deeper integration.

New dimension

Harmeet Bajaj, former professor and founder of fashion communication course at NIFT, who was in conversation with NIFT faculty, at a curtain raiser to NIFT's upcoming International Conference, says the mega event will be one of its kind. would be one of its kind.

On the relevance of upcoming international conference, Harmeet says: "With the change in government policies over time, today we have access to all leading fashion brands in the world. Everything is available almost at our doorstep. A lot of brands are manufactured in India, exported, branded and brought back for consumption here." Bajaj says for years we have been a manufacturing nation. "But now with trained designers we are in the process of creating brands. It is essential we go back to our culture and establish an identity which is unique. The process has started with designers like Manish Arora, Sabyasachi Mukherjee and Rahul Mishra. Their creations compete in the international market but have an Indian accent, reflective of our culture."

On the metamorphosis of NIFT and fresh challenges it faces, she says: "Fashion industry has grown exponentially over the last 30 years. This has necessitated training of people for the diverse job requirements in the industry. Today NIFT is the leader in offering courses that cater to the fast changing industry. Design across various genres, merchandising, marketing, communication and technology are blended to create the wholesome professional for the industry. The challenge lies in catering to some of the centres where availability of good faculty is difficult."

On fashion students being encouraged to make use of traditional embroideries and craft techniques, Harmeet says it needs to be done as an essential prerequisite. "Embroideries and craft techniques is our history, our culture that defined luxury. almost 5000 years ago. Even today it inspires leading designers all over the world. It should be an integral part of any design course. Its application should be not only at couture level but also at the fast fashion level. That's what international brands come to us for."

On the yardstick of selecting an institute which provides a platform for budding designers to get a foothold in fashion, she says: "We need to look at the following alumni and their profile in the industry, infrastructure-physical and faculty, industry relations and opportunities for experiential learning for students and collaborations."

On the monopoly of designers in India over every fashion week, Harmeet says: "Yes presently the councils and associations managing fashion weeks are biased towards the senior designers. There is limited opportunity for young designers. However organisations like Woolmark are offering international platforms. Design competitions could offer opportunities to the younger designers.”

Exporters seek decisive fiscal steps to give fillip to exports	**Tribuneindia** http://www.tribuneindia.com/news/business/exporters-seek-decisive-fiscal-steps-to-give-fillip-to-exports/533131.html

The engineering exporters from the northern region hope that the Union Budget will entail decisive fiscal steps to boost the exports that have been hit after the demonetisation and GST.

The engineering exports from the region are dominated by the SMEs. Across the country, 40% of engineering exports come from the MSME sector. The engineering industry comprises hand tools, agriculture equipment, auto parts, casting and forgings, cycle parts and textile equipment etc. The total turnover of engineering exports from the region is around Rs 25,000-Rs 30,000 crore. The industry, which is already grappling with high steel prices, has the following demands:

Faster GST refund

“The exporters need special attention, especially after the implementation of GST. A significant portion of the exporters’ working capital is waiting for refund from the Centre. This is one of the factors which are affecting the competitive edge of exports. So, the government should evolve a mechanism so that the exporters’ refunds can be expedited,” said SC Ralhan, a hand tool exporter from Ludhiana.

Freight subsidy

The exporters have to spend a significant amount on transportation of goods — first to import the raw material and then to export the finished goods. Being a land-locked state, they have to bear huge transportation charges which are being absorbed in the export pricing, leading to losing out business as compared to their competitors. “The Centre should consider providing transport/freight subsidy and enable the exporters from the hinterland to compete with their counterparts in the coastal states and other countries,” said Ashwani Kohli, senior vice-president, Punjab Chamber of Small Exporters.

Curb rising steel prices

Upkar Singh Ahuja, president, Chamber of Industrial and Commercial Undertaking, said the daily increase in the prices of steel is hitting the MSME units manufacturing auto parts, bicycles and its parts, sewing machines, electrical machinery, textile machinery, fasteners, hand tools and other products. Industries are cutting down their production due to uncertainty in steel prices. He said the steel prices have seen an increase of 35% during the past one year.

The chamber is planning to take a delegation to meet Union Finance Minister, Steel Minister and Secretary, Steels, for intervention into the matter. The industry demands that since the export of prime steel doesn't add additional value, it should be discouraged and banned. The chamber apprehends that this will keep the prices in control.

Impetus to marketing

According to the Federation of Indian Exporters, the government should give impetus to marketing through tax deductions. Many countries have become extremely aggressive to push their exports. "Unfortunately, we have very meagre allocation for Market Access Initiative (MAI) Scheme which supports export marketing," said a senior official in the FIEO. The FIEO has proposed the creation of an Export Development Fund to the tune of at least 0.5% of total exports to support export marketing. Alternatively, the government may provide 100% tax deduction on the expenditure incurred by the exporters for overseas marketing. Such a move will help showcasing the Indian products overseas.

Japanese investment jumps to USD 4,709 million in FY17	**Money Control** http://www.moneycontrol.com/news/business/japanese-investment-jumps-to-usd-4709-million-in-fy17-2489789.html

The FDI inflow from the island nation was at USD 84.74 million in the fiscal 2006-07, the report titled 'India Japan Roadmap Towards Realising Vision 2025' said.

The FDI inflow from the island nation was at USD 84.74 million in the fiscal 2006-07, the report titled 'India Japan Roadmap Towards Realising Vision 2025' said.

Japanese investments into India have risen manifold in the last ten years to reach USD 4,709 million in FY2017, says a Ficci report.

The FDI inflow from the island nation was at USD 84.74 million in the fiscal 2006-07, the report titled 'India Japan Roadmap Towards Realising Vision 2025' said.

The report was released here today in the presence of Japanese ambassador to India Kenji Hiramatsu, India-Japan Business Cooperation Committee (IJBCC) Chairman Onkar S Kanwar, Ficci Secretary General Sanjaya Baru and other delegates from both the sides.

Hiramatsu said the growth potential lies with the sectors like textile, infrastructure and medical in India.

"There are about 1,309 Japanese companies in India and number is growing steadily. It will grow in the years to come," the ambassador told PTI on the sidelines of the event.

He further said that he would like to congratulate the Indian government for "reforming the Indian economy (with legislation) like GST but we need to have more improvement of infrastructure".

However, situations are improving and more and more companies are interested in doing business in this country because of the improvements and there is a lot more to come in the future, he added.

Talking about the Japanese investment in the future, Kanwar said the amount is expected to double by the year 2025.