

# Stronger ties could be powerful tool in effort to fend off climate change

**Working together to think 'big,' 'deep' could bear enormous fruit for both nations**

India and Japan would make a formidable, complementary team in the battle against global warming, though the former needs to focus its attention in the right areas and the latter should bolster facilitation. This was the crux of a panel discussion titled "Roadmap in pursuit of India - Japan Collaborative Business Opportunities and Challenges."

The participants included Rajendra Pachauri, chairman of the United Nations affiliated Intergovernmental Panel on Climate Change and director general of the Energy and Resources Institute (TERI) in India; Kiyoshi Kurokawa, a professor at Japan's National Graduate Institute for Policy Studies; Takashi Hongo, special advisor and head of environmental finance engineering department at the Japan Bank for International Cooperation; and Ajay Shankar, secretary of the department of industrial policy and promotion, which falls under India's Ministry of Commerce and Industry.

**Moderator:** With climate change upon us, business as usual simply won't cut it. Radical change is called for, which means Japan and India can collaborate on a whole range of issues.

**Pachauri:** I would extend cooperation, of course, in several sectors, but unfortunately because of language barriers there hasn't been too much interaction at the level of educational institutions between Japan and India. Maybe that is an area where we could make a



Discussion participants talked about areas primed for collaboration between Japan and India, such as the public transportation sector. Both nations would stand to benefit from reducing the sector's warming emissions and developing more energy-efficient transportation technologies.

beginning. We have to, to some degree, make our research-and-development efforts more results-oriented. That is something I find very striking about Japan — the best research, the best product development come out of industrial units and the R&D units that are attached to industrial organizations.

Innovations and changes in lifestyles will have to go together. It bothers me, for instance, that every hotel room, particularly in Asia, is freezing cold, except in Japan. Why is it that we can't have proper sensors that can ensure proper temperature control and lighting?

If the country as a whole were to do that through the application of the rating systems that we have

developed, and through policies and regulation, then we could really make a difference. An enormous boom is going to take place in this country, where a large number of people don't have housing today but hopefully will have it in the next 10 years or so. So areas of cooperation between Japan and India are really varied.

**Kurokawa:** Japan is strong in advanced technology and engineering but needs to implement this into a market that needs it. If we consider India's expected growth for the coming five or 10 years, it may be 5-7% or more. Why not invest in satisfying this demand?

Japan recently is concerned about and passionate about its soft power — animation, etc. —

but I think this is wrong. Animation is okay, but the real focus of Japan is the civil engineering and service sector, like the construction of roads, buildings, bridges and water management systems.

We could provide training and systems building, and use any investment as equity finance, so we can share the fruits of this growth.

It is clear Indian strengths lie in thinking big and making something out of it. Japanese strengths lie in thinking narrowly but deeply. So if we collaborate, we can think big and deep, bearing big fruit.

**Moderator:** Technology is the key in a lot of these areas. Are there one or two projects that you see as signature projects that India and Japan could regard as models?

**Pachauri:** I can think of several candidates, but one that I would like to put forward is the development of public transport systems. For instance, the Delhi-Mumbai corridor would be a good start, but we need to go far beyond that.

**Hongo:** In Japan around 20% of carbon dioxide emissions come from the transportation sector. Emissions from transportation in India may be lower, but still close to the share of Japan. So there may be a big opportunity, and at the same time it is necessary to improve energy efficiency in the transportation sector. Mass transit or city transport is the focus area, but we are also eager to support long distance trains like the bullet train, if India would like to have them.

**Moderator:** Can you suggest one or two areas where Indian policies could be altered to make it more

attractive to come and do business?

**Shankar:** We expect a breakthrough in the solar industry in India with the right kind of policy measures, which are being put in place. We already have a very open environment and Japanese companies are looking at India. We need to do a little more facilitation, and this is where the idea of a new city comes in, because land is emerging as a perceived constraint in India.

We would be happy to work with our state governments and with a consortium of Japanese firms, or industry segments, to create industrial parks and townships so that small or midsize enterprises in Japan don't have to find somebody in India who will give them land where they can do business.

**Moderator:** What is your assessment of the direction of the new Japanese government? What policies need to be changed in order to bring about better collaboration between us?

**Kurokawa:** The U.S.-Japan relationship is most important and should be strengthened, but currently we are changing and collaborating with growing partners like India, China and elsewhere. This kind of message — that we are investing and extending collaboration with growing partners — shows we are creating a new paradigm for Japan, and that is powerful.

**Hongo:** We need to show a success story. Companies and financial institutions are going to check the feasibility of these projects, so they'll be looking for a design document or a cash flow projection of a successful project that will convince them they can scale up their investment.



Pachauri, right, called for more interaction between Japanese and Indian educational institutions. He also pointed out that India is set for an enormous boom, meaning there are plenty of opportunities to work together.