

India – Japan Relations

November 8, 2018

Manifest Pedagogy

The issue of Indo-Japan has to be analysed as part of Act East policy of the present regime, which is a continuation of Look East policy. Active initiatives towards ASEAN, Vietnam, Singapore, Malaysia, APEC must be studied under Act East. Also, comparison of India and East Asian relations with respect to China may be the other angle which could be explored. Moreover, growing protectionism after Trump also aligns India's relations with other important powers. In this context, US role in East Asia and India's response to it could be asked.

We will be covering the bilateral and multilateral issues comprehensively by updating the same articles to avoid multiple readings. One has to refer the updated sections. The updated document will be an add-on in the same link.

In news

Tokyo Summit (13th India-Japan Summit): Modi's visit to Japan

Placing it in syllabus

International relations – Bilateral

Static dimensions

1. India-Japan relationship – Summit diplomacy
2. Strategic co-operation since 1991.

Current dimensions

Increasing strategic co-operation between India and Japan under the new regime

Content

History of the Annual Summit

Manmohan Singh Visited Japan in 2006 during which Indo-Japan Global and Strategic Partnership was signed. It has 5 pillars of cooperation:

1. Political
2. Defence and security
3. CEPA
4. Science and tech initiatives
5. People to people, multilateral and Regional Cooperation

After this visit, **Annual Summit Level Dialogue** was initiated.

It makes the meetings between two countries regular. After the first summit in 2006, Strategic cooperation gets a solid footing which began in 2000 under A.B.Vajpayee government as part of Look East Policy-2.

Recent initiatives under the new regime

1. Indo-Japan Civil Nuclear Agreement
2. Japan's involvement in many infrastructural projects (Industrial and Transport corridors)
3. Japan is the First country to be invited to invest in Andaman and Nicobar Islands. It has made a modest beginning with 15 MW diesel Power Plant.
4. Both countries are cooperating in ASIA-AFRICA growth Corridor which is considered to an alternative to OBOR.
5. Malabar Exercises
6. Formation of QUADRILATERAL
7. 2+2 Dialogue

Initiatives under the recent 13th Annual Summit

Defence

1. The countries announces the start of negotiations on an Acquisition and Cross-servicing Agreement, a logistics-sharing pact that would allow Japanese ships to get fuel and servicing at Indian naval bases. Once signed, Japan's Maritime Self-Defence Force will be able to secure access to Indian naval facilities in the Andaman and Nicobar islands, which are strategically located close to the western Malacca Straits, a choke point for much of Japan and China's trade and fuel imports.
2. A new Foreign and Defence Ministerial Dialogue, termed 2+2, was also announced to supplement an already formidable array of bilateral dialogue mechanisms that include the Annual Defence Ministerial Dialogue, Defence Policy Dialogue and the National Security Advisers Dialogue.

Economy

1. The two countries have agreed to a Bilateral Swap Arrangement that would allow their central banks to exchange local currencies for up to \$75 billion. This is substantially more than the \$30 billion currency swap arrangement announced between China and Japan.
2. 57 Japanese companies have committed to investing 320 billion yen in India, which is expected to create at least 3,000 new jobs.

Importance of the Currency Swap Agreement

1. Currency swap typically involves the exchange of interest and sometimes of principle in one currency for the same in another currency. Interest rates are exchanged at fixed rates through the life of the contract.

2. It was an important measure in improving the confidence in Indian Market.
3. It would enable the availability of agreed amount of capital to India
4. It would also bring down the cost of capital for Indian entities while accessing the foreign capital markets.
5. It would also give a boost to the internationalization of Indian Rupee.

Reasons for increasing cooperation between India and Japan

1. Rise of China as a threat to Japan
2. US is no longer a reliable partner after the coming of Trump
3. India's rising economic status post 1991
4. India's clean record with respect to nuclear proliferation
5. India as a rising regional power
6. Compatibility between the two countries with respect to Demographics- rising skilled professionals in India and falling population in Japan.

Test Yourself: Mould your thoughts

There has been a steep rise in Strategic Cooperation between India and Japan. Do you agree? Substantiate. Also account for such a rise in strategic areas. Also account for such a rise in strategic co-operation.