

# India- Japan ties

July 14, 2022

## **Manifest Pedagogy:**

The friendship between India and Japan has a long history rooted in spiritual affinity and strong cultural and civilizational ties. India has very strong relations with Japan ranging from trade, technology, defense, development assistance. At the same time the two countries have not realized the full potential of the relations. Japan and India are two strong democratic forces in Asia that are looking for additional ways to cooperate and thrive. They must work in this direction to resolve the existing issues and enhance economic cooperation in the coming times.

**In News**– The Japanese Prime Minister Abe Shinzo was recently assassinated. He played a major role in strengthening India-Japan relations.

**Placing it in Syllabus**– International relations.

## **Static Dimensions:**

- History of India- Japan relations

## **Current Dimensions:**

- 14th India-Japan Annual Summit
- India Japan Relations
- Challenges
- Way Forward

## **Content**

### **History-**

- Exchange between Japan and India is said to have begun in the **6th century** when Buddhism was introduced to Japan.
  - The visit of Indian monk Bodhisena in 752 AD

- Indian culture, filtered through Buddhism, has had a great impact on Japanese culture, and this is the source of the Japanese people's sense of closeness to India.
- Ancient records from Nalanda University indicate scholars and pupils from Japan who studied at Nalanda University, with special reference to Tenjiku Tokubei.
- After World War II, in 1949, Indian Prime Minister Jawaharlal Nehru donated an Indian elephant to the Ueno Zoo in Tokyo.
  - This brought a ray of light into the lives of the Japanese people who still had not recovered from defeat in the war.
  - Japan and India signed a peace treaty and established diplomatic relations on 28th April, 1952.
  - This treaty was one of the first peace treaties Japan signed after World War II.
- India and Japan established diplomatic relations on 28 April 1952
  - In the first decade after Diplomatic ties were established, several high-level exchanges took place, including Japanese Prime Minister Nobusuke Kishi's visit to India in 1957, Prime Minister Nehru's return visit
- Ever since the establishment of diplomatic relations, the two countries have enjoyed cordial relations.
  - In the post World War II period, India's iron ore helped a great deal Japan's recovery from the devastation.
  - Following Japanese Prime Minister Nobusuke Kishi's visit to India in 1957, Japan started providing yen loans to India in 1958, as the first yen loan aid extended by Japanese government.

The 14th Japan India Summit was held recently. Some of the outcomes of the summit are as follows:-

- Japan will invest Rs 3.2 lakh crores in the next five years in India.
  - 7 JICA (Japan International Cooperation Agency) loans for projects in connectivity, water supply and sewerage, horticulture, healthcare, and biodiversity conservation in various States.
  - An MoU has been signed to introduce **Johkasou technology** in India by Japanese companies for decentralized wastewater treatment. It is used in areas where sewage infrastructure has not yet been developed.
- **Sustainable Development Initiative for the North Eastern Region** of India: It has been launched with an eye on India's infrastructure development in the Northeast as well as an initiative for strengthening bamboo value chain
- Japan is looking forward to attracting more highly skilled Indian IT professionals to contribute to the Japanese ICT sector.
- **Clean Energy Partnership**: It was launched for cooperation in areas such as electric vehicles, storage systems including batteries, electric vehicle charging infrastructure, development of solar energy; hydrogen; ammonia
- The Indian PM confirmed India's participation in the Expo 2025 Osaka, Kansai, Japan, as an opportunity to further strengthen and broaden trade, investment and people-to-people links between the two countries
- The agreement to conclude a **Bilateral Swap Arrangement of USD 75 billion**, the launching of a comprehensive **Japan-India Digital Partnership**, and other cooperation and initiatives.
- The Japanese Prime Minister invited PM Modi for the QUAD Summit Meeting in Tokyo.

- Talked about the serious invasion of Russia into Ukraine and sought a peaceful solution on the basis of international law.
- India informed Japan about the situation in Ladakh, about the attempts of amassing troops and India's talks with China over border-related issues.
- On Afghanistan, the PMs expressed their intention to collaborate closely to realize peace and stability in Afghanistan

## India- Japan relations-

### Cultural-

- Various cultural events took place both in Japan and in India to promote mutual understanding between the two countries, under the theme of "Resurgent Japan, Vibrant India: New Perspectives, New Exchanges."
- During the visit of Prime Minister Modi to Japan in November 2016, the two Prime Ministers declared the year 2017 the Year of Japan-India Friendly Exchanges to further enhance people-to-people exchanges between Japan and India.
- The year 2017 also marked the 60th anniversary since the Cultural Agreement came into force in 1957. Various commemorating events took place in both countries.

### Economic-

- The volume of trade between the two countries has increased. India was the 18th largest trading partner for Japan, and Japan was the 12th largest trading partner for India in 2020.
  - Japan's bilateral trade with India totaled US\$ **17.63 billion in FY 2018-19**. Exports from Japan to India during this period were **US\$ 12.77 billion and imports were US\$ 4.86 billion**.
  - The bilateral trade between India and Japan for FY

2019-20 (April – December) totaled to US\$ 11.87 billion. India's exports from Japan amounted to US\$ 3.94 billion while India's import from Japan amounted to US\$ 7.93 billion.

- Direct investment from Japan to India has increased, and Japan was the 4th largest investor for India in FY2020.
  - The Japanese private-sector's interest in India is rising, and, currently, about 1,455 Japanese companies have branches in India.
  - During FY 2015-16 and FY 2016-17, Japanese FDI into India increased from US\$ 2.61 billion to **US\$ 4.7 billion respectively**. Japanese FDI during FY 2018-19 was US\$ 2.96 billion. The amount of FDI for FY 2019-20 (April – November) has reached 3.99 billion
- The India-Japan **Comprehensive Economic Partnership Agreement (CEPA)** that came into force in August 2011 is the most comprehensive of all such agreements concluded by India and covers not only trade in goods but also Services
  - Movement of Natural Persons, Investments, Intellectual Property Rights, Custom Procedures and other trade related issues.
  - The CEPA envisages abolition of tariffs over 94% of items traded between India and Japan over a period of 10 years
- The Japanese ODA supports India's efforts for accelerated economic development particularly in priority areas like power, transportation, environmental projects and projects related to basic human needs.
  - **India has been the largest recipient** of Japanese ODA Loan for the past decades
  - The **Ahmedabad-Mumbai High Speed Rail, the Western Dedicated Freight Corridor (DFC), the Delhi-Mumbai Industrial Corridor with twelve new industrial townships, the Chennai-Bengaluru Industrial Corridor (CBIC)** are all megaprojects on the anvil

which will transform India in the next decade. **Delhi Metro** project has also been realized with Japanese assistance.

- **India's primary exports** to Japan have been petroleum products, chemicals, elements, compounds, non-metallic mineral ware, fish & fish preparations, metalliferous ores & scrap, clothing & accessories, iron & steel products, textile yarn, fabrics and machinery etc.
- **India's primary imports** from Japan are machinery, electrical machinery, iron and steel products, plastic materials, non-ferrous metals, parts of motor vehicles, organic chemicals, manufacturers of metals, etc.
- Japan continues to cooperate in supporting strategic connectivity linking South Asia to Southeast Asia through the synergy between "Act East" policy and "Partnership for Quality Infrastructure."

### **Strategic cooperation-**

- Agreement of cooperation between India and Japan was signed in 2015 for peaceful use of Nuclear Energy.
- Japan will supply nuclear reactors, fuel and technology to India. India is not a signatory to the non-Proliferation Treaty (NPT), and is the only non-signatory to receive an exemption from Japan.

### **Security-**

- In October 2008, the Joint Declaration on Security Cooperation between Japan and India" was issued.
  - There are also various frameworks of security and defense dialogue between Japan and India including Foreign and Defense Ministerial Meeting ("2+2" meeting), annual Defense Ministerial Dialogue and Coast Guard-to-Coast Guard dialogue.
  - In November 2019, the first "2+2" meeting was held in New Delhi.
- Their commitment to promoting peace, security and

prosperity in the Indo-Pacific region.

- On September 9th 2020, the Agreement between the Government of Japan and the Government of the Republic of India Concerning Reciprocal Provision of Supplies and Services between the Self-Defense Forces of Japan and the Indian Armed Forces (so-called “Acquisition and Cross-Servicing Agreement” or ACSA) was signed. ACSA came into force on July 11th, 2021
- India and Japan defense forces organize a series of bilateral exercises namely, **JIMEX, SHINYUU Maitri, and Dharma Guardian.**
- Both countries also participate in the **Malabar exercise** with the USA.

### **Development-**

- **Sister-State and Sister-City Cooperation:** There are growing links between Japan’s Prefectures and States in India. As of now 7 Indian states (currently active 6 MoUs) and 3 cities/regions in India have partnered with the Prefectures and Cities of Japan through MoUs to cooperate under diverse sectors.
- **Healthcare:** In view of the similarities and synergies between the goals and objectives of India’s AYUSHMAN Bharat Programme and Japan’s AHWIN, both sides had been consulting with each other to identify projects to build the narrative of AHWIN for AYUSHMAN Bharat.
- **Skill Development:** Under the MoC signed in 2016 to train 30,000 shop floor leaders, Japanese companies have established 12 Japan India Institute of Manufacturing (JIM) in India and 4 Japanese Endowed Courses (JEC) in Indian Engineering Colleges.
  - Following the signing of MoC on Technical Intern Training Programme (TITP), NSDC completed the first round of accreditation of 23 Sending Organizations in March 2018 that are recognized by Japan for accepting interns under TITP.

- As of March 2019, 31 TITP interns arrived in Japan including the first batch of Indian nurses as elderly care-workers to Japan
- **Disaster Risk Reduction:** Following the 2017 MoC in the field of Disaster Risk Reduction, the Cabinet Office of Japan and Ministry of Home Affairs of India jointly organized a series of workshops to exchange information on policy and measures on disaster risk reduction, and to enhance cooperation between Japan and India.
  - The first workshop was held in March 2018 in New Delhi; the second in October 2018 in Tokyo and the third workshop on 18 March 2019 in New Delhi.

### **International arena-**

- **UNSC Reforms:** Both nations resolve to continue to work closely together for early reform of the UNSC to reflect the contemporary realities of the 21st century.
- **Rules-based multilateral trading system:** India-Japan has always reaffirmed their commitment to upholding and strengthening the rules-based multilateral trading system, with the World Trade Organization (WTO) at its core.
- India-Japan are constituent members of the G-4 grouping.
- India, Japan, and Australia formally created the Supply Chain Resilience Initiative (SCRI) to oppose China's supply chain dominance in the Indo-Pacific region.

### **Diaspora-**

- Indian Community in Japan: In recent years, there has been a change in the composition of the Indian community with the arrival of a large number of professionals, including IT professionals and engineers working for Indian and Japanese firms as well as professionals in management, finance, education, and S&T research. Approximately 38,000 Indians live in Japan

### **Technology-**



- Bilateral S&T cooperation was formalized through an Inter-Governmental Agreement signed in 1985.
- **India-Japan Digital Partnership (IJDP)** was launched during the visit of PM Modi to Japan in October 2018 furthering existing areas of cooperation as well as new initiatives within the scope of cooperation in S&T/ICT, focusing more on “**Digital ICT Technologies**”
- Recent initiatives include the establishment of three India-Japan Joint Laboratories in the area of ICT (AI, IoT and Big Data); Initiation of the DST-JSPS Fellowship Programme for young researchers.
- India-Japan Digital Partnership” with a view to enhancing the digital economy through promotion of joint projects in the area of IoT (internet of Things), AI (Artificial Intelligence) and other emerging technologies.
- **Space** agencies of the two countries ISRO and JAXA focused on global navigation satellite system, space situational awareness (SSA), space security, space-related norms and **Surveillance and Maritime Domain Awareness (MDA)** of the ocean waters.
- Japan and India had committed to build High-Speed Railway in India by introducing Japan’s **Shinkansen System**, which is the flagship project of Japan-India relations.
- Japan is looking forward to attracting more highly skilled Indian IT professionals to contribute to the Japanese ICT sector.
- **Clean Energy Partnership:**
  - It was launched for cooperation in areas such as electric vehicles, storage systems including batteries, electric vehicle charging infrastructure, development of solar energy; hydrogen; ammonia; etc.
  - The objective is to encourage manufacturing in

India, creation of resilient and trustworthy supply chains in these areas as well as fostering collaboration in R&D (Research and Development).

- It will be implemented through the existing mechanism of Energy Dialogue.

### Challenges in India- Japan relations-

- In spite of CEPA India Japan trade it has not produced the anticipated results. In 2011-12, the total volume of bilateral trade was \$18.43 billion, but it declined to \$13.48 billion during 2016-17.
- The two sides have also been unable to collaborate in the defense sector in spite of huge potential
- Both have diverging interest with respect to E-commerce rules (Osaka track) Regional Comprehensive Economic Partnership.
- Both countries do not have a specific China policy. India needs to strengthen its naval power vis-à-vis China and hasten its pending projects in the Indian Ocean.
- Balancing between Quad and Brics: India is a member of groups like the BRICS, which brings together Brazil, Russia, India, China, and South Africa.
  - In addition, though New Delhi has not joined the China-led Belt and Road Initiative (BRI), it is a member of the AIIB (Asian Infrastructure Investment Bank). So India has to do a balancing act between Quad and BRICS.

### Way forward-

- Technologically deficient India has much to gain from a relationship with a country like Japan.
- It is clear that the government has set India-Japan ties on an accelerated geopolitical course that will be a major factor in its dealings with the rest of the world, especially China, at a time when the U.S. is perceived

to be retreating from the region.

- The strategic partnership needs stronger economic ties. While Japan is India's largest donor and the third largest provider of FDI, bilateral trade has not steadily increased since 2013.
  - Today, India-Japan trade languishes at around \$15 billion, a quarter of trade with China while Japan China trade is around \$300 billion.
- The two countries have decided to boost defense ties given the escalating tension in the region in the wake of the nuclear test by North Korea and China's growing assertiveness in the South China Sea.
- There are many other areas which are providing opportunities such as the African continent, although India-Japan presented a joint venture namely **Asia-Africa Growth Corridor** to grab the African opportunities.
- Both countries need to work on trade, defense and regional issues. A strong Indo- Japan will arrest the inconsistency being witnessed in the region thus contributing to peace and prosperity in the region and the world

### **Mould your thoughts:**

1. The relation between India and Japan, while strengthening, have remained well below their potential despite the countries' complementary economic strengths. Critically analyze.

### **Approach to the answer-**

- Introduce with Japan and India's potential for economic relationship and highlight the complementarities
- Discuss other areas of relationship
- Challenges that are stopping the relations from reaching full potential
- Areas to work upon
- Way forward and conclusion