



Cherry Blossom in Indian Summer: Ascending India-Japan Partnership

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Indian Prime Minister Dr Manmohan Singh's visit to Japan, 27-30 May 2013, to participate in the 7th Annual Summit between the Prime Ministers of the two countries has acquired significance for varying reasons: a) the continuing global economic downturn and the consequent slow growth in the respective economies of India and Japan; b) rapidly changing geo-political dynamics and the resultant challenging security scenarios in South and East Asian regions; and c) to give shape and fillip to their efforts to maintain peace and security as well as foster responsive global governance.

The protracted recession in Europe and the United States has been weighing down India and Japan with their GDP growth rate hovering around 5 per cent and 1.2 per cent in 2012 respectively. Apart from India easing restrictions on FDI in certain sectors to boost growth and the introduction of 'Abenomics' – the new economic policies announced by Prime Minister Shinzo Abe – in Japan, strengthening economic partnership between the two countries is vital for their growth and development. In this regard, Japan will continue to provide its Official Development Assistance (ODA) to augment India's infrastructural and human resource capabilities. Apart from eight other projects, a loan of 71 billion yen (US\$ 700 million) for the Mumbai Metro Line-III project was signed.

The Delhi-Mumbai Industrial Corridor (DMIC), Japan's flagship infrastructural project in India, and the Western Dedicated Freight Corridor (DFC) have been progressing steadily. A Master Plan for the Chennai-Bengaluru Industrial Corridor (CBIC) is to be commissioned at the end of fiscal year 2014, because both sides acknowledge the importance of development in the Chennai-Bengaluru areas as most Japanese companies are concentrated in Chennai and Bengaluru. Moreover, both India and Japan will co-finance a joint feasibility study of a High Speed Railway (Shinkansen) system on the Mumbai-Ahmedabad route.

India, on its part, has been "relaxing the restrictions on foreign currency borrowings, and given licenses to Japanese banks to open branches in metropolitan areas to enhance private sector investment and domestic growth". Further, both India and Japan agreed to "work closely to bring about predictability and transparency in areas such as tax administration" so as to create conducive atmosphere for economic co-operation and increase the volume of investment, technology and services between them. The Agreement on Social Security signed in November 2012 to accelerate private sector enterprises will be implemented soon.

Both India and Japan are energy dependent, especially upon hydrocarbons. Unpredictability on the supply side, pricing and unfavourable geo-political scenarios necessitate the strengthening of energy co-operation in areas such as renewable energy, energy conservation, Clean Coal Technologies (CCT), apart from issues of transmission and distribution in power sector. Both sides agreed to expand Liquefied Natural Gas (LNG) co-operation through LNG Producer-Consumer Conference. Further, India expressed interest in co-operating with Japan in extraction of natural gas from methane hydrate deposits under the sea.

The long-awaited civil nuclear deal has received a positive thrust as both sides agreed to "accelerate the negotiations of an Agreement for Cooperation in the Peaceful Uses of Nuclear Energy". However, it is likely to make progress only later this year. Moreover, the Joint Statement issued was silent on the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) as a pre-requisite for civil nuclear co-operation is a significant development, as it has been a stumbling block in the negotiations so far. In addition, Japan extended support to India to become a full member in the international export control regimes. These changes may amount to

Japan acknowledging India's non-proliferation credibility, and pave the way for forging a common understanding in shaping the global nuclear order.

It is true that uninterrupted economic growth and development require stable and secure environment. Hence, both the countries recognised the importance of the "freedom of navigation and unimpeded trade based on the principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS)". Japan is the only country with which India has a 2-plus-2 Dialogue between the Foreign and Defence Ministries. Already India and Japan are engaged in bilateral and multilateral exchanges on maritime security operations including counter-piracy, naval exercises, information sharing and joint exercises between the Coast Guards. The decision to establish a Joint Working Group (JWG) to explore modalities for co-operation on the US-2 amphibian aircraft is a significant development, and may progress towards Japan lifting ban on arms sales to India.

Notwithstanding the prevailing volatile security environment due to territorial disputes and nuclear crisis in the East Asian region, both India and Japan "reaffirmed their commitment to support the East Asia Summit (EAS) as a platform to negotiate and resolve politico, economic and strategic issues of concern to maintain peace, stability and prosperity". Both sides acknowledged the importance of other multilateral regional institutions such as ASEAN Regional Forum (ARF), the ASEAN Defence Ministers Meeting Plus (ADMM-Plus) for the same reason. Renewed efforts to stabilise Afghanistan and urging North Korea to honour its international commitments were also issues of common concern for both the partners.

Commensurate with their growing international stature, both countries re-emphasised their "resolve to work towards early reform of the United Nations, including the expansion of the United Nations Security Council in both permanent and non-permanent categories so as to make it more representative, effective, credible and responsive to the needs of its wider membership". It was announced that the First India-Japan Consultation on UN Issues would be held soon. Climate change, sustainable development, low-carbon technologies are some of the other issues on which India and Japan co-operating to bring about responsive global governance.

Prime Minister Dr Manmohan Singh's visit to Japan has given the much needed impetus to the partnership. Japanese Emperor Akihito accorded special privilege by hosting a dinner for

the visiting Indian Prime Minister. Although India's concerns about the entry of pharmaceutical and IT companies, export of marine products to Japan and Japan's difficulties in Indian business environment are yet to be resolved, the India-Japan strategic partnership has come a long way since 2006 to transform into an "almost alliance" . Japanese Prime Minister Mr Shinzo Abe called it the "confluence of the two most deep-rooted democracies".

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