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India-Japan: Beginning of a “New Era”

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This editorial is based on the article "New beginnings, old friends" which appeared in Indian Express on 30th May, 2019. The article talks about the India-japan relations.

Why in the News?

In an uncertain world riddled with protectionism and tentative cold war, it is often being argued that personal relationship between India and Japan will augur well for stability in the Asia-pacific region.

Why is Japan important to India?

- **Financial**

- Japan has invested in the \$90 billion Delhi-Mumbai Industrial Corridor (1,483 km high-speed rail and road line) which will see the setting up of new cities, industrial parks, ports and airports.
- It is also backing the Ahmedabad-Mumbai bullet train service and has already released the first tranche of 5,500 crore rupees.
- Japan is the third-largest source of FDI (\$28.160 billion between 2000 and June 2018) investment into India after Mauritius and Singapore.
- In Dedicated Freight Corridor, a project of close to Rs 50,000 crore of which Japanese assistance has been of about Rs 38,000 crore.

- **Defence**

- Japan is the most important partner in Indo-Pacific region. After the joint army (**Dharma Guardian**), navy (**Malabar**) and air force exercises (**SHINYUU Maitri-18**), the two nations are looking to allow their respective naval forces to use each other's facilities.
- Both countries have a rivalry with China and to counter its behaviour in the Indo-Pacific region the two countries formed the Quad.

The areas of concern between India and Japan

- **Trade between the two countries**

Today, India-Japan trade languishes at around \$15 billion, while Japan-China trade is around \$300 billion.

- **Focused on countering China**

Both countries have border and hegemonic issues with China. So their policy stance hinges generally on China, rather than growing comprehensively.

- **Security ties**

- In matters of security realm, Indo-Japanese relationship has remained below potential, and that Japan does not accord due importance to India in its security calculus.

- Japan has offered neither military hardware nor technology to India. There seems to be a difference in perceptions about China;

Japan, while highlighting its own security concerns in the East and South China Seas, is seen to play down the multiple threats that India faces from China.

What should be the focus of India- Japan relationship?

- The Indo-Japan relations is to countering China Influence in Indian Ocean and South China Sea but now countries should go beyond countering China.
- India is the member of SCO and BRICS and Abe promised for the "**new era**" of relations during his China visit.
- After the visit, Japanese leadership has stated that they are looking forward to participating in the Chinese Belt and Road Initiative (BRI) and India is also working to improve the relationship with China as was evident during the Wuhan Summit earlier this year.
- Hence, there is no need to see the Japan-China and India-Japan bilateral relationships in zero-sum frameworks

Bilateral Ties

- Both governments should focus on the boosting trade which is standing at just \$13.61 billion and dipped 6.21% to in 2016-17. This shows that bilateral trade is decreasing.
- There is scope in many areas for the improving trade and fourth industrial revolution can be a landmark in this regard.
- **For instance, defying global protectionism trend, Japan has entered into agreements with EU, viz. EU – Japan Economic Partnership Agreement (EJEP), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which entered into force on February 1st 2019 and January 14th 2019 respectively. This shows that in the growing era of protectionism Japan can be hope for India.**

- At the time of trade war when Trump is regularly attacking India, its relationship with Japan should be focused on the coalition.
- Last year, Japan gave a signal for the reviving of Trans-Pacific Partnership. This can be an opportunity for India in the boosting of its relations with Indo-Pacific countries.
- There are many other areas which are providing opportunities such as Africa continent, although India-Japan presented a joint venture namely Asia-Africa Growth Corridor for the grab the African opportunities.

On security paradigm

- India and Japan are victims of China's influence in their regions have many issues with their securities setup.
- Both countries can be the best partner in their relative field. Although, India and Japan are the members of Quad and India invited Japan in Malabar Naval Exercise these are multi-country level ventures. Both countries should focus on their own security setup in their respective regions.
- India as a significant naval power with a dominant peninsular location astride shipping-lanes plays a major role in ensuring maritime security in the Indian Ocean and its environs.
- Close cooperation with a democratic India, located mid-way along trade-routes connecting East Asia with the Middle East and Africa, would be advantageous to Japan.
- At the same time, a technologically deficient India has much to gain from a relationship with a country like Japan.

Gains from Indian Prime Minister's visit to Japan in 2018

- 32 MoUs, ranging from defence to economic, health to agriculture, and many on infrastructure development were signed
- Currency swap agreement was signed between India and Japan , which will financial fluctuation.
- Both leaders decided to have a 2+2 dialogue mechanism between Defence and Foreign ministers.
- Acquisition and cross-servicing agreement to boost and enhance the strategic depth of bilateral security and defence cooperation.
- Maritime agreement: The two sides decided to deepen their “maritime domain awareness”; they signed a pact between Indian Navy and Japanese maritime self-defence force.

Conclusion

- In a world where protectionism is becoming the new normal and tit-for-tat escalation is on the rise, Japan carves out a different path. As a reluctant globalist turned free trade champion, it is evident that Japan's trade policy agenda will be an important tool to provide economic stability, growth and development in the foreseeable future.
- At a critical juncture when India is leaping to further greatness coinciding with the 75th anniversary of her Independence in 2022, Japan and India have so many potential areas to tap jointly.

Drishti Input:

A strong India-Japan relation is important for peace and in Asia- pacific.
Discuss.