



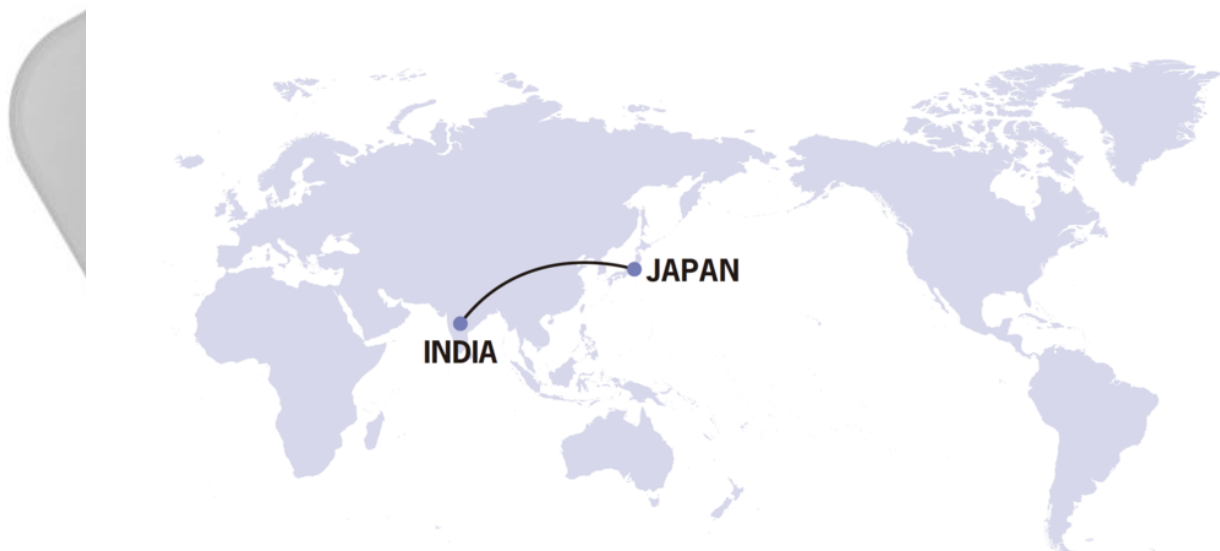
Reimagining India-Japan Strategic Convergence

This editorial is based on “[Renewed focus: On India-Japan ties](#)” which was published in The Hindu on 01/09/2025. The article brings into picture the Indian PM’s Japan visit for the 15th Annual Summit, highlighting a \$68 billion investment target and cooperation in semiconductors, green technology, and economic security, while underscoring the alliance as a stabilizing force amid regional power rivalries.

For Prelims: [India-Japan relation](#), [Malabar](#), [Dharma Guardian](#), [JIMEX](#), [GIFT City](#), [China+1 strategy](#), [Shinkansen technology](#), [Lunar Polar Exploration \(LUPEX\) Mission](#), [US-2 amphibian aircraft](#).

For Mains: Key Areas of Cooperation Between India and Japan, Key Areas of Friction Between India and Japan.

The **Indian Prime Minister’s** recent visit to Japan for the **15th Annual Summit** demonstrated the deepening strategic partnership between the two nations amid global geopolitical turbulence. The leaders signed over a dozen agreements with a “**Next-Gen**” focus, including an ambitious **\$68 billion Japanese investment target in India** and enhanced cooperation in semiconductors, green technology, and economic security. Ultimately, the summit showcased how the [India-Japan relation](#) serves as a **stabilizing force** in an increasingly volatile regional order shaped by great power competition.



What are the Key Areas of Cooperation Between India and Japan?

- **Strategic and Defence Cooperation:** India and Japan have elevated their strategic partnership to counterbalance regional instability, especially amid China’s assertiveness and uncertainty in U.S. policy.
 - Regular military exercises, intelligence sharing, and institutional dialogues reflect deeper

defence convergence.

- The recent Joint Declaration on Security Cooperation, signed in August 2025, is a significant upgrade to their 2008 agreement.
- It provides a comprehensive framework for security cooperation, including increased bilateral and multilateral exercises like [Malabar](#), [Dharma Guardian](#), and [JIMEX](#).
 - The agreement also explores co-development of defense equipment, with the **UNICORN (Unified Complex Radio Antenna) naval mast** being a notable example of co-development between Japan and India.

▪ **Economic Partnership and Investments: India and Japan are deepening economic integration through next-generation investments and SME collaboration.**

- Amid the [China+1 strategy](#), Japan sees India as both a manufacturing hub and a growing market.
- The review of the [Comprehensive Economic Partnership Agreement](#) and the **promotion of GIFT City** aim to boost bilateral trade and financial cooperation.
- Japan has committed **\$68 billion in investments by 2035**, underscoring long-term confidence in India's growth.
- The **Joint Action Plan on Economic Security Cooperation** seeks to strengthen supply chains and ensure economic resilience.
 - Together, these steps mark a transformative phase in India-Japan economic ties.

▪ **Infrastructure and Connectivity: Infrastructure development has long been a key area of cooperation, with Japan providing significant financial and technological support to India's major projects.**

- This collaboration is crucial for enhancing India's economic potential and regional connectivity.
- A flagship example is the [Mumbai-Ahmedabad High-Speed Rail project](#), which uses Japan's "Shinkansen" technology.
- While progress has faced delays, both countries reaffirmed its importance as a symbol of their partnership, agreeing to **introduce the latest E10 series of the Shinkansen in the early 2030s** and work towards its earliest operationalization.

▪ **Clean Energy and Climate Change Initiatives: Both nations are committed to a green transition and are cooperating on a range of clean energy and climate change initiatives to achieve their respective net-zero goals.**

- This partnership leverages Japan's technological prowess and India's growing clean energy market.
- The [India-Japan Clean Energy Partnership](#) and the **Joint Crediting Mechanism** under **Article 6.2 of the Paris Agreement on Climate Change** are key instruments in this area.
- [India's target of 500 GW of renewable energy by 2030](#) provides immense opportunities for Japanese investment and technology in the solar cell and green hydrogen segments.

▪ **Innovation and Human Resource Development: India and Japan are expanding their partnership into cutting-edge fields like artificial intelligence and space exploration, while also promoting people-to-people exchanges to foster a future-oriented relationship.**

- This collaboration taps into India's talent pool and Japan's technological expertise.
- The **Japan-India AI Cooperation Initiative (JAI)** and the [Lunar Polar Exploration \(LUPEX\) Mission](#) are prime examples of this deepening cooperation.
- Under the new **Action Plan for India-Japan Human Resource Exchange**, the countries have set a goal to exchange over 500,000 personnel over the next five years, **including 50,000 skilled workers from India to Japan**, addressing Japan's demographic challenges and fostering technological collaboration.

▪ **Advancing Healthcare: The two nations are cooperating on healthcare innovation, focusing on an aging population and emerging health challenges. This partnership seeks to combine Japan's expertise in medical technology and geriatric care with India's large-scale pharmaceutical manufacturing and digital health infrastructure.**

- A key development is the **Joint Research on Geriatric Medicine and Digital Health Solutions**.
- Furthermore, the partnership includes a MoU on **Wastewater Reuse and Decentralized Wastewater Management**, which supports sustainable public health infrastructure.

- **Cultural and Civilisational Ties:** India-Japan relations draw strength from their shared Buddhist heritage, which forms a deep civilizational bond.
 - Cultural diplomacy continues to reinforce goodwill and trust between the two nations.
 - Initiatives in language education, tourism, and academic exchanges play a vital role in bridging perceptions.
 - A symbolic example was the **Daruma doll gifted to the Indian Prime Minister in 2025**, representing cultural continuity and resilience.
 - **Japan has also expanded its “NIHONGO Partners” program in Indian institutions**, promoting Japanese language education.

What are the Key Areas of Friction Between India and Japan?

- **Persistent Trade Imbalance:** Despite the Comprehensive Economic Partnership Agreement (CEPA), the trade volume between India and Japan has remained relatively stagnant, with a significant and growing trade imbalance in Japan's favor.
 - This is a source of friction as India seeks to expand its export market.
 - In **FY24**, Japan's exports to India stood at **USD 17.69 billion**, while India's exports to Japan amounted to **USD 5.15 billion**, reflecting a significant trade imbalance.
 - This imbalance is **partly due to Japan's stricter non-tariff barriers and import standards**, particularly for Indian agricultural and textile products.
 - The lack of progress in addressing these barriers has prevented Indian businesses from fully utilizing the CEPA.
- **Stalled Infrastructure Projects and Defence Procurements:** The flagship **Mumbai-Ahmedabad High-Speed Rail (MAHSR) project**, a symbol of bilateral cooperation, has faced prolonged delays and cost overruns, highlighting the difficulties of executing large-scale, complex projects in India.
 - Originally set for completion in **2022**, the project is now expected to be completed in phases by **2028**.
 - The primary issues are **slow land acquisition**, particularly in the state of **Maharashtra**, and regulatory complexities.
 - Also, the proposed **US-2 amphibian aircraft deal**, for instance, has been stalled for years due to a lack of a clear framework for technology transfer and pricing disputes.
- **Divergent Strategic Philosophies:** While both nations share concerns about China, their foundational strategic approaches differ, creating a subtle, underlying friction.
 - Japan is a formal ally of the US, whereas India adheres to a policy of strategic autonomy.
 - **Japan's alignment with Western sanctions on Russia** contrasts with India's economic pragmatism, causing policy friction in broader strategic forums.
 - Such divergence exposes vulnerability in coordinated geopolitical messaging and energy solidarity.
- **Competition in Third-Party Markets:** As both countries expand their economic footprint in the Indo-Pacific and Africa, they find themselves in competition for influence and projects. This is particularly evident in their engagement with countries in Southeast Asia and the [Global South](#).
 - **Japan's** established presence and deep financial commitments in countries like **Vietnam** and **Indonesia** sometimes compete with **India's efforts to build its own influence**.
- **Digital Trade & Data Governance Misalignment:** India's protective stance on data localization to an extent diverges from Japan's push on global digital trade norms.
 - This creates friction in aligning bilateral digital economy cooperation and standards under CEPA.
 - For instance, at the **2019 G20 Osaka Summit**, India opted out of **Japan's “Osaka Track” initiative** that calls for ‘Data Free Flow with Trust’, signaling sharp regulatory divergence on data governance.

What Measures can India Adopt to Strengthen its Ties with Japan?

- **Recalibrating Trade Architecture for Balanced Growth:** India should negotiate a **CEPA 2.0** with targeted market-access protocols, especially for agricultural, pharma, and

textile exports.

- A joint “Non-Tariff Barriers Review Committee” could institutionalize dialogue to reduce Japan’s strict standards.
- India must also leverage Japanese investment in value-addition zones that integrate Indian exports into Japanese supply chains.
- Trade promotion councils should focus on niche sectors like processed food, Ayurveda, and renewable tech.
 - This calibrated approach would reduce asymmetry while reinforcing economic complementarity.

- **Co-create Resilient Supply Chains:** India can partner with Japan to establish joint hubs for rare earth processing, semiconductor manufacturing, and green hydrogen production.
 - By embedding Japanese firms into Indian industrial corridors, both sides can create trusted, de-risked supply networks.
 - This will serve as a counterweight to excessive dependence on China while giving Indian industry a global value chain role.
 - Co-branding these initiatives under a "Trusted Economic Corridor" narrative would reinforce strategic complementarity.
 - Such cooperative industrial ecosystems would also foster employment and innovation synergies.
- **Strengthen Maritime and Indo-Pacific Cooperation:** India should expand naval interoperability with Japan beyond exercises into coordinated patrolling, HADR missions, and maritime domain awareness.
 - Leveraging Japan’s technological prowess in surveillance and India’s strategic geography can create a robust Indo-Pacific security architecture.
 - Such collaboration would reassure ASEAN states and balance Chinese assertiveness in contested waters.
 - This would enhance India’s positioning as a net security provider while cementing Japan as a reliable partner.
- **Deepen Digital and Fintech Integration:** India should fast-track the adoption of its UPI model and digital public infrastructure in Japan while jointly co-developing next-gen fintech platforms.
 - By marrying India’s digital scale with Japan’s precision in cybersecurity and hardware, both countries can lead global standards in digital governance.
 - A bilateral Digital Partnership Charter could synchronize data flows, AI ethics, and fintech regulations.
 - This would make the partnership future-oriented rather than merely transactional. It would also serve as a soft-power bridge with wider replicability across Asia.
- **Enhance People-to-People Connectivity:** India can expand structured mobility pathways for skilled professionals, students, and cultural exchanges into Japan.
 - Creating Indo-Japanese cultural centers, language institutes, and innovation fellowships would break socio-cultural barriers.
 - Stronger labor mobility agreements could address Japan’s demographic needs while opening opportunities for Indian youth. Such people-centric diplomacy fosters durable societal goodwill beyond statecraft. Human connectivity would thus become the bedrock of long-term strategic trust.
- **Promote Sustainable Development Diplomacy:** India should align with Japan on climate-smart infrastructure, resilient urbanization, and green finance.
 - Joint projects in smart cities, renewable grids, and water management can position both countries as sustainability leaders in Asia.
 - Embedding ESG principles into bilateral investments would attract global capital and credibility.
 - This would elevate the partnership from bilateral cooperation to regional norm-setting. Framing it as "Green Strategic Convergence" could anchor it diplomatically in global climate narratives.
- **Leverage Multilateral Synergy Platforms:** India can use forums like Quad, SCO, and G20 as complementary arenas to align with Japan on global governance.
 - Instead of compartmentalizing, India should synchronize positions where possible to reinforce diplomatic solidarity.
 - Co-championing reform of multilateral institutions like WTO and UNSC would signal joint leadership.

- This multilateral synergy would reduce divergence and amplify both nations' collective voice. Such diplomacy projects partnership strength onto the global stage.
- **Expand Defense Industrial Co-Production:** India should shift from procurement to co-design and co-manufacturing of defense platforms with Japan.
 - By jointly developing UAVs, naval systems, and advanced electronics, both nations can nurture strategic autonomy.
 - This reduces dependency on Western suppliers while embedding trust in sensitive domains.

Conclusion:

India-Japan relations today embody a strategic convergence rooted in shared values, economic complementarity, and **common concerns about the evolving Indo-Pacific order**. As India rises as a global growth engine and Japan recalibrates its role as a proactive stakeholder, their partnership is poised to shape regional stability and global governance. Reflecting this spirit, **India's External Affairs Minister, S. Jaishankar**, has aptly described **Japan as a "natural partner"** in India's development, transformation, and collective pursuit of **peace, prosperity, and stability** in the Indo-Pacific.

Drishti Mains Question:

Discuss the role of India-Japan relations in shaping the emerging Indo-Pacific security architecture. How do their divergent strategic philosophies act as both a challenge and an opportunity?

UPSC Civil Services Examination, Previous Year Question (PYQ)

Mains:

Quadrilateral Security Dialogue (Quad) is transforming itself into a trade bloc from a military alliance, in present times Discuss. (2020).