

India – Japan Relations

Background

The friendship between India and Japan has a long history rooted in spiritual affinity and strong cultural and civilizational ties. The modern nation states have carried on the positive legacy of the old association which has been strengthened by shared values of belief in democracy, individual freedom and the rule of law. Over the years, the two countries have built upon these values and created a partnership based on both principle and pragmatism. Today, India is the largest democracy in Asia and Japan the most prosperous.

India's earliest documented direct contact with Japan was with the Todaiji Temple in Nara, where the consecration or eye-opening of the towering statue of lord Buddha was performed by an Indian monk, Bodhisena, in 752 AD. Among other Indians closely associated with Japan were the Hindu leader Swami Vivekananda, Nobel laureate Rabindranath Tagore, entrepreneur JRD Tata, freedom fighter Netaji Subhash Chandra Bose and Judge Radha Binod Pal. The Japan-India Association was set up in 1903, and is today the oldest international friendship body in Japan.

Throughout the various phases of history since civilizational contacts between India and Japan began some 1400 years ago, the two countries have never been adversaries. Bilateral ties have been singularly free of any kind of dispute – ideological, cultural or territorial. The relationship is unique and one of mutual respect manifested in generous gestures and sentiments, and of standing by each other at times of need. Post the Second World War, India did not attend the San Francisco Conference, but decided to conclude a separate peace treaty with Japan in 1952 after its sovereignty was fully restored, marking a defining moment in the bilateral relations and setting the tone for the future. The sole dissenting voice of Judge Radha Binod Pal at the War Crimes Tribunal struck a deep chord among the Japanese public that continues to reverberate to this day.

In the first decade after diplomatic ties were established, relations between the two countries were upbeat. Several high level exchanges took place, including Japanese Prime Minister Nobusuke Kishi's visit to India in 1957, Prime Minister Nehru's return visit to Tokyo the same year (with a gift of two elephants) and President Rajendra Prasad's visit in 1958. The visit of their Highnesses, the then Japanese Crown Prince Akihito and Crown Princess Michiko in 1960 took the relations to a new level.

The momentum of bilateral ties, however, was not quite sustained as per expectations in the following decades. This is evidenced by the fact that after Prime Minister Hayato Ikeda's visit to India in 1961, the next Prime Ministerial visit was by Yasuhiro Nakasone in 1984. When Prime Minister Rajiv Gandhi visited Tokyo in 1988, it was after a gap of 30 years since the last high-level visit from India. But a transformational development in the economic history of India was Suzuki Motor Corporation's path-breaking investment in India in the early 1980s that revolutionized the automobile sector, bringing in advanced technology and management ethics to India. Japanese Official Development Assistance (ODA) also continued to flow helping to supplement the work of the Indian government and helping to plug the gaps in economic development. A test of the reliability of Japan as a friend was witnessed in 1991, when Japan was among the few countries that bailed India out of the balance of payment crisis.

The beginning of the 21st Century witnessed a dramatic transformation in bilateral ties. Guided by the strategic vision of Prime Minister Yoshiro Mori, the leadership of the two countries, cutting across party lines, recognised the merit of substantive bilateral engagement. Recognition of the mutual advantage in enhancing and widening the ambit of the bilateral relationship has driven India-Japan ties in the past decade and a half. During Prime Minister Mori's path-breaking visit to India in 2000, the Japan-India Global Partnership in the 21st Century was launched providing the much-needed impetus for the trajectory of relations to soar to new heights.

The Global Partnership formed the foundation for the strengthening ties in diverse fields, including identifying strategic convergences. The joint statement signed by Prime Ministers Manmohan Singh and Shinzo Abe in 2006 added a new dimension to factor in new challenges as they emerged, and the relationship was upgraded to a Global and Strategic Partnership with the provision of annual Prime Ministerial Summits. India is the only country with which Japan has such annual summit meetings alternating between Delhi and Tokyo.

Thanks to the elevation of relations and the annual summit mechanism, there has been unprecedented progress in the bilateral economic and strategic engagement in recent years resulting in cooperation in a vast swathe of fields including defence and security, and the conclusion of a Comprehensive Economic Partnership Agreement (CEPA) in 2011.

In the economic sphere, the complementarities between the two countries are particularly striking. (i) Japan's ageing population (23% above 65 years) and India's youthful dynamism (over 50% below 25 years); (ii) India's rich natural and human resources and Japan's advanced technology; (iii) India's prowess in services and Japan's excellence in manufacturing; and (iv) Japan's surplus capital for investments and India's large and growing markets thanks to the burgeoning middle class.

Japanese ODA, for long the backbone of the bilateral relationship, still continues to provide long-term loans for India's infrastructural development. If soon New Delhi will boast of having the largest metro network in the world, it will be due to Japanese assistance which helped to conceptualise and execute the prestigious Delhi Metro Project. The Western Dedicated Freight Corridor (DFC), the Delhi-Mumbai Industrial Corridor with eight new industrial townships, the Chennai-Bengaluru Industrial Corridor (CBIC) are all mega projects on the anvil which will transform India in the next decade.

Political

Prime Minister Dr. Manmohan Singh visited Japan from 27-30 May 2013 for the 7th Annual Summit and held talks with PM Abe. Both the leaders extensively discussed bilateral, regional and global issues of common interest which enhanced and strengthened the Strategic and Global Partnership between the two countries. A Joint Statement titled, "Strengthening the Strategic and Global Partnership between Japan and India beyond the 60th Anniversary of Diplomatic Relations" was signed.

Prime Minister Shinzo Abe paid an official visit to India for the 8th Annual Summit with Prime Minister from 25-27 January 2014 and as the Chief Guest at the Republic Day parade in New Delhi. Following their restricted meeting and delegation level talks, both the

Prime Ministers signed a Joint Statement sharing their vision on intensifying the India-Japan Strategic and Global Partnership.

Emperor Akihito and Empress Michiko were on a week-long visit to India from 30 November – 6 December 2013. Their official engagements in Delhi included visits to Raj Ghat, Jawaharlal Nehru University, India International Centre, Lodhi Gardens; calls by Vice-President, Prime Minister and Leader of Opposition, Lok Sabha. President Shri Pranab Mukherjee hosted a banquet in their honour. In Chennai, Their Majesties visited Kalakshetra Foundation, Guindy National Park and Spastic Society of Tamil Nadu. Governor of Tamil Nadu hosted a lunch in their honour.

Foreign Secretary Smt. Sujatha Singh visited Tokyo from 23-27 April 2014 and held consultations with Vice Foreign Minister Akitaka Saiki on bilateral, regional and international issues. Foreign Secretary's visit to Japan focused on the implementation of ideas and projects decided at the Annual Summits and maintain the momentum of the India-Japan Strategic and Global Partnership.

Under the Parliamentary exchanges programme between India and Japan, the Sasakawa Peace Foundation (SPF), in collaboration with the Confederation of Indian Industry (CII), has been organizing the visit of Members of Parliament since 2004. Under this exchange, so far, 10 Parliamentary delegations have visited Japan between 2004 and 2013. The India-Japan Forum of Parliamentarians (IJFP) was established by FICCI in 2005. Under this programme, two Parliamentary delegations have visited Japan so far between 2005 and 2011. The Ministry of Parliamentary Affairs sent a goodwill delegation of Parliamentarians to Japan from 26 January – 2 February 2011. Smt. Meira Kumar, Speaker, Lok Sabha, accompanied by a delegation of MPs visited Japan from 2-6 October 2011 at the joint invitation of the leaders of the Japanese Diet.

Economic and Commercial Cooperation

Economic relations between India and Japan have vast potential for growth, given the obvious complementarities that exist between the two Asian economies. Japan's interest in India is increasing due to variety of reasons including India's huge and growing market and its resources, especially the human resources. The signing of the historic India-Japan Comprehensive Economic Partnership Agreement (CEPA) and its implementation from August 2011 is expected to further accelerate growth of trade, economic and commercial relations between the two countries.

In FY 2013-14, Japan-India bilateral trade reached \$16.31 billion, which is 11.89% lower than \$18.51 billion in the previous fiscal year. The fall in the total trade is mainly due to reduction in Japanese exports by 23.53%. However, India's exports have risen by 4.36% in 2013-14. The share of the India-Japan bilateral trade has been hovering around 1 per cent of Japan's total foreign trade, while it was in the range of 2.2 to 2.5 per cent of India's total trade in the last couple of years.

India's primary exports to Japan have been petroleum products, chemicals, non-metallic minerals, fish and fish products, metalliferrous ores and scrap, animal feeds, iron and steel products, clothing and accessories, textile and fabrics and machinery etc. India's primary imports from Japan are machinery, iron and steel products, electrical machinery, transport equipment, plastic materials, metal products, etc.

Japanese FDI into India grew exponentially from US\$ 139 million in 2004 to all time high of \$5551 million in 2008 due to mega deals particularly acquisition of Ranbaxy by Daichi Sankyo. Subsequent years have seen decreasing trend in Japanese FDI to India in line with overall FDI to India. However, in 2012, Japan's FDI into India increased by 19.8% over 2011 to reach \$2786 million, although it accounted for only 2.3 per cent of Japan's overall FDI outflow in 2012. In 2013 the FDI declined by 22.64% which is 1.6% of the total FDI outflow from Japan. Japanese FDI into India has mainly been in automobile, electrical equipment, telecommunications, chemical and pharmaceutical sectors.

Japanese companies have made an investment of \$15.359 billion in India between April 2000 and December 2013. This accounted for 7% of total FDI inflow into India and made Japan the 4th largest investor in India. Japanese automakers are moving to bolster Indian production bases. Japanese heavy electrical machinery manufacturers and trading houses are also eyeing demand stemming from India's efforts to improve its underdeveloped power infrastructure.

Japan has been extending bilateral loan and grant assistance to India since 1958. Japan is the largest bilateral donor to India. 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.

Science & Technology and Cultural Cooperation

The Science & Technology Cooperation Agreement between India and Japan was signed on 29th November 1985 with Ministry of Foreign Affairs Japan and Department of Science & Technology, India as nodal agencies on behalf of two governments. The cooperation picked up its momentum after establishment of India-Japan Science Council (IJSC) in the year 1993 and so far 17 annual meetings of IJSC have taken place. The IJSC activities include collaborative research projects sessions, academic seminars, exploratory visits by scientists from both countries and Raman-Mizushima lecture series. Under the collaborative projects, 6 priority themes for research in the basic sciences were identified. Another important cooperation under the new science and technology initiative between JST and DST is a theme based activity. The initial theme was information and communication technologies (ICT) under which several projects were supported during 2006-2012. The current theme for JST-DST collaboration is on biomedical research. Under the S&T cooperative agreement between two countries, MEXT and DST have signed Implementation Arrangement on 25 January 2014 during the visit of Prime Minister Shinzo Abe to India.

A cultural agreement was signed between India and Japan on 29 October 1956, which came into effect on 24 May 1957. In 1951, India established a scholarship system for young Japanese scholars to study in India. Prime Minister Rajiv Gandhi attended the April 1988 opening ceremony of the Festival of India. The year 2012 marked the 60th anniversary of establishment of diplomatic relations between India and Japan. India Cultural Centre in Tokyo was formally inaugurated during the visit of ICCR President on 25 September 2009. The Centre offers classes on Yoga, Tabla, Bharatanatyam, Odissi, Sambalpuri, Bollywood dances and Hindi and Bengali languages.

Indian Community

The arrival of Indians in Japan for business and commercial interests began in the 1870s at the two major open ports of Yokohama and Kobe. More Indians entered Japan during World War I when Japanese products were sought to fill gaps in demand that war-torn Europe could not meet. Following the great Kanto Earthquake in 1923, most of the Indians in Yokohama relocated to the Kansai region (Osaka-Kobe) and the city hosted the largest migrant Indian population in Japan. Yokohama authorities offered special incentives to the Indian community after World War II to revive their old base in Kanto. The old Indian community in Japan focused on trading in textiles, commodities and electronics. With close linkages to India as well as connections in Hong Kong and Shanghai, they became major players in trading activities across Asia. A newer segment of the community is engaged in gems and jewelry. The Indian community established the Indian Merchants Association in Yokohama (IMAY) in 1929. In recent years, there has been a change in the composition of the Indian community with the arrival of a large number of professionals. These include IT professionals and engineers working for Indian and Japanese firms as well as professionals in management, finance, education, and S&T research who are engaged with multinational as well as Indian and Japanese organisations. The Nishikasai area in Tokyo is emerging as a “mini-India”. The community is engaged in a range of cultural and social activities. This maintains their links with the motherland and also promotes contacts with their Japanese neighbours. Their growing numbers has prompted the opening of two Indian schools in Tokyo and one in Yokohama. The community is actively engaged in events organized by the Embassy. The Indian community lives harmoniously with its neighbours and has developed relations with local governments to become valuable members of the Japanese community.

Useful Resources

For more information and latest updates please visit

Embassy of India, Tokyo website:

<http://www.indembassy-tokyo.gov.in/>

Embassy of India, Tokyo Facebook page:

<https://www.facebook.com/embassyofindiatokyo>

India Global- AIR FM Gold Program featuring India and Japan Relations:

<http://www.youtube.com/watch?v= 3Cm56gl7i0>

July 2014