

Trade relation between India and Japan:

In the recent past, the **India Japan relationship** has transformed to a partnership of great substance and purpose. ... **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 friendship between India and Japan has a long history rooted in spiritual affinity and strong cultural and civilization ties dating back to the visit of Indian monk Bodhisena in 752 AD. In contemporary times, prominent Indians associated with Japan were Swami Vivekananda, Nobel laureate Rabindranath Tagore, entrepreneur JRD Tata, freedom fighter Netaji Subhash Chandra Bose and Judge Radha Binod Pal. Post 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.

2. 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 to Tokyo the same year and President Rajendra Prasad's visit in 1958. Japan started providing yen loans to India in 1958. The visit of their Highnesses, the then Japanese Crown Prince Akihito and Crown Princess Michiko in 1960 elevated the relations to a new level. 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.

3. The visit to India of the Japanese Prime Minister Yoshiro Mori in 2000 led to a significant and qualitative shift in India-Japan relations with the establishment of the 'Global Partnership' between the two sides. The transformation of our ties with Japan were provided further fillip by the decision to have Annual Summits between the Prime Ministers commencing 2006 when both sides established 'Strategic and Global Partnership'. India's rapidly growing economy and the new economic opportunities created have caught the attention of the Japanese corporate sector, which is a driving force behind closer bilateral relations.

4. The year 2013 was a monumental year that saw the first ever visit of then Emperor Akihito and Empress Michiko (30 November-6 December 2013) to India. Within a couple of months after the landmark visit of the Imperial Couple, PM Abe paid an official visit to India in January 2014 during which he was the Chief Guest at the Republic Day celebrations (first ever Japanese PM to be honoured so). PM Narendra Modi's official visit to Japan in August/September 2014 for the Annual Summit meeting (his first bilateral visit outside India's neighbourhood) upgraded bilateral relations to 'Special Strategic and Global Partnership'. The India-Japan Annual Summits are being held regularly.

5. Prime Minister Shri Narendra Modi's visit, for the 13th Annual Summit, to Japan on 28-29 October 2018 provided further impetus to bilateral ties, building upon the momentum created by his visits to Japan in 2014 and 2016 as well as the visits of PM Abe to India in 2015 and 2017. During the Summit, both PMs outlined the shared vision for the future India-Japan relations. In a special gesture, our PM was hosted by PM Abe for a private dinner at his ancestral home in Yamanashi, the first such reception to be extended to a foreign leader. Japan's announcement of joining the International Solar Alliance (ISA), Exchange of Notes concerning the provision of seven Yen loan projects including the Project for the Construction of MAHSR (total loan provision of up to 316.458 billion yen), Currency Swap Agreement of US\$ 75 billion, India-Japan Digital Partnership and Implementing Arrangement for deeper cooperation between Japan Maritime Self-Defence Force and Indian Navy, MOC on Healthcare, Food Processing Sector were among the 32 MoUs/Agreements signed during the

Annual Summit. During the visit, 57 Japanese companies announced to make investments in India worth US\$ 2.5 billion and 15 Indian companies announced to make investments in Japan.

6. PM Shri Narendra Modi visited Japan on 27-29 June 2019 to participate in G20 Summit held in Osaka. On the sidelines, he held a bilateral meeting with PM Abe and discussed broad range of topics of mutual interest, such as Japan's assistance to India for the coalition on disaster resilience infrastructure, fugitive economic offenders and anti-corruption measures, and infrastructure works of Japanese companies in the North East. PM Abe and PM Modi also met on the sidelines of G7 Summit in Biarritz (August 2019), and Eastern Economic Forum in Vladivostok (5 September 2019). PM Modi and PM Abe also met on 4 November 2019 in Bangkok during their visit to Bangkok to attend ASEAN-related summit meetings. They exchanged views regarding measures for strengthening Japan-India relations, including defense cooperation, bilateral cooperation in third countries, and collaboration on investment promotion.

7. Apart from the Annual Summits, the annual Foreign Minister level Strategic Dialogue, Defense Ministers Meeting, NSA-level Dialogue, Ministerial level 2+2 and FOC Consultations and other bilateral dialogue mechanisms ensure regular high level and functional engagements. Foreign Affairs Minister of Japan, Mr. Motegi Toshimitsu, and Minister of Defense of Japan, Mr. Kono Taro, visited India for the first India-Japan 2+2 Foreign and Defence Ministerial Meeting on 30 November 2019 in New Delhi. During his visit to Japan for the G20 Foreign Minister's Meeting in Nagoya during November 22-23, 2019, EAM met the Foreign Affairs Minister of Japan. Earlier, Bilateral Strategic Dialogue led by Foreign Ministers was held on 29 June 2019 on the sidelines of G20 Summit in Osaka, and Defense Ministerial Meeting was held on 2-3 September 2019 in Tokyo. India-Japan Foreign Ministers' meeting was also held on 26th September 2019 on the sidelines of 74th Session of the United Nations General Assembly. Mr. Shigeru Kitamura, Secretary General of National Security Secretariat (NSS) of Japan visited India in November 2019 and called on PM Modi and held discussions with EAM and NSA. On 7 November 2019, MoS for External Affairs Shri V Muraleedharan met Nakatania Shinichi, Parliamentary Vice Minister for External Affairs of Japan on the sidelines of IORA in Abu Dhabi. Lok Sabha Speaker Shri Om Birla attended the 6th Parliamentary Speakers' Summit of G20 countries in Tokyo.

8. Other MEA led-bilateral dialogues: The Act East Forum, established in 2017, aims to provide a platform for India-Japan collaboration under the rubric of India's "Act East Policy" and Japan's "Free and Open Indo-Pacific Vision". At the Second meeting of the Act East forum on 8 October 2018, both sides agreed to focus on expanding of Japanese language in North East, training of caregivers under TITP, capacity building in area of bamboo value chain development and Disaster Management. The inaugural India-Japan Space Dialogue was held in Delhi on 8 March 2019 for enhancing bilateral cooperation in outer space and information exchange on the respective space policies. Both sides also held consultations on civil nuclear cooperation in March and September 2018. Dr. Harsh Vardhan, Minister for Health and Family Welfare and Science, Technology and Earth Sciences, visited Tokyo from 17-18 October 2019 for bilateral meetings before going to attend the G 20 Health Ministers Meeting in Okayama from 19-20 October. He had a bilateral meeting on 17 October with Koichi Hagiuda, MEXT Minister of Japan and discussed various bilateral issues in the S&T and Health sectors.

9. Hon'ble President of India, Shri Ram Nath Kovind visited Japan from October 21-23, 2019 to attend the Enthronement Ceremony of the Emperor of Japan, His Majesty Naruhito. During his visit, Hon'ble President attended various ceremonies related to the Emperor's enthronement and also a banquet hosted by Prime Minister Abe. Defense Relations

10. India-Japan Defense and Security partnership has evolved over the years and today forms an integral pillar of the bilateral ties. Our exchanges have strengthened due to growing convergence on strategic matters; and its significance is growing from the common outlook on

issues of peace, security and stability of the Indo-Pacific Region. The Tri-Service Exchanges between Japan and India have been institutionalized completing the triad. Coast Guards have regular annual exchanges since 2006.

11. The year 2019 has been an eventful year for bilateral defence and security cooperation with the highlights being the visit of Mr Nobuaki Miyama, Commissioner ATLA who attended the Aero India 2019 held at Bengaluru from 22-24 February 2019 and India-Japan Defence Industry Business Forum which was held on the sidelines of Aero India 2019 at Bengaluru on 23 February 2019. The event was also attended by Lt Gen Hirohide Inoue, Commander Air Development and Test Command. The General also called on CAS, IAF at AFS Station Yelahanka on 20 February on the sidelines of his visit and discussed the topics of mutual interest. Staff talks between the three services were also concluded in the current year starting with 5th Army to Army Staff Talks from 7-9 February 2019 at New Delhi followed by 3rd Air to Air Staff Talks from 27-29 May and 8th Navy to Navy Staff Talks from 9-11 July 2019 both held at Tokyo. DG Rajendra Singh, PTM, TM, DG ICG participated in the 18th ICG-JCG High Level Meeting held in Tokyo on 22 January 2019. The event also coincided with the visit of ICGS Shaunak to Japan for joint exercise with JCG which was held at Yokohama on 23 January 2019. The year was also significant in the commencement of negotiations for the Japan-India Acquisition and Cross-Servicing Agreement (ASCA). The year 2019 saw the conduct of five Passage exercises, one Joint exercise between IN-JMSDF Ships and one joint Air ASW exercise between IN P8I and P-3C aircraft and the participation of the Indian Navy in the Mine Counter Measures/Explosive Disposal Ordinance Exercise (MINEX/EODEX) 2JA 2019. Malabar 2019 was conducted off Western Kyushu in the Sea of Japan in September 2019. INS Sahyadri and INS Kiltan participated in the exercise. This year Malabar exercise was also significant as for the first time IN P8I aircraft was deployed to Japan to participate in the exercise. INS Sahyadri and Kiltan visited Yokosuka port from 14-17 October 2019. The ships visit to Yokosuka was planned for JMSDF Fleet Review which was scheduled to be held on 14 October 2019. However due the impact of Super Typhoon 'Hagibis', which made land fall on 12 October 2019, JMSDF Fleet Review was cancelled at the last moment. Besides these exercises numerous SMEE were conducted between the services. From 15 to 25 October, JASDF conducted Japan-India bilateral exercise Shinyu Maitri 19 in India. This is the 2nd time for JASDF to conduct the bilateral exercise with IAF. The bilateral exercise between Indian Army (IA) and Japan Ground Self Defence Force (JGSDF), 'Dharma Guardian' was conducted at CIJW School, Vairengte from 19 October-02 November 2019. This was the 2nd time for JGSDF to conduct the bilateral exercise with IA. The exercise was also significant as Gen Goro Yuasa, Chief of Staff, JGSDF visited India in Oct 19 to witness the closing ceremony of "Dharma Guardian 2019". Gen Bipin Rawat, Chief of Army Staff visited Japan on an official visit from 03-07 December 2019.

Economic and Commercial relations

12. Japan is regarded as a key partner in India's economic transformation. In the recent past, the India Japan relationship has transformed to a partnership of great substance and purpose. Japan's interest in India is increasing due to a variety of reasons including India's large and growing market and its resources, especially the human resources. 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. 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, manufactures of metals, etc.

13. Investment and ODA Cumulatively, since 2000 till September 2019 the investments to India have been around US\$ 32.058 billion (Japan ranks third now among the major investors). Japanese FDI into India has mainly been in automobile, electrical equipment, telecommunications, chemical, financial (insurance) and pharmaceutical sectors. 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 number of Japanese companies registered in India increased 5.0 percent in 2018 compared to 2017 with number reaching to 1,441 as of October 2018, according to the latest joint survey by the Embassy of Japan in India and the Japan External Trade Organization (JETRO). Similarly, number of Indian companies working in Japan is also increasing with number now crossing more than 100. Japan has been extending bilateral loan and grant assistance to India since 1958 and is the largest bilateral donor for 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. The Mumbai-Ahmedabad High Speed Rail, the Western Dedicated Freight Corridor (DFC), the Delhi-Mumbai Industrial Corridor with twelve industrial townships, the Chennai-Bengaluru Industrial Corridor (CBIC) are all mega projects on the anvil which will transform India in the next decade. Japan's ODA Commitment in FY 2018-19 was at historic highest amount of JPY 522.405 billion. The Union Minister of Finance and Corporate Affairs, Nirmala Sitharaman participated in the G20 Meeting of Finance Ministers and Central Bank Governors on 7-8 June in Fukuoka and addressed the Session on Development Finance and Global Economy. At the Ministerial Symposium on International Taxation on Globally Fair, Sustainable and Modern International Taxation System, she spoke on the ongoing efforts of Indian Government to counter tax avoidance and evasion.

14. India-Japan Digital Partnership (IJDP) and Start-up Hub: In view of synergies and complementarities between the two nations, "India-Japan Digital Partnership" (I-JDP) 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". During Minister Seko's visit to India in May 2018, both sides signed Joint Statement on Japan-India Startup Initiative setting up the first Startup Hub in Bangalore by JETRO to identify selected Indian start-ups for Japanese market and for potential Japanese investors. Thereafter, Startup-India (under Invest India) and Japan Innovation Network (JIN) have signed a MoU on innovation collaboration with a focus on SDGs (Sustainable Development Goals) connecting two start-up eco-systems in June 2018. At the 5 th meeting of the JWG on ICT in India on 7 August 2018, both sides discussed cooperation in the field of cyber security, 5G telecommunication infrastructure, and human resource development in ICT sector in third countries. Along with JWG, a "Disaster Prevention ICT Workshop" was also held. Union Minister of Commerce and Industry Mr. Piyush Goyal attended the G20 Ministerial Meeting on Trade and Digital Economy on 8-9 June 2019 in Tsukuba and participated in discussions relating to increasing trade and cooperation to harness the potential of digital economy. On the sidelines, he held a bilateral meeting with METI Minister Hiroshige Seko on India-Japan bilateral cooperation in trade and investment. India and Japan are jointly launching a fund-of-funds of \$187 million (Rs 1,298 crore) to invest in technology startups in India. US\$150 million of the targeted corpus will be raised from Japanese investors and the remaining will be raised from Indian investors. Reliance Nippon Life Asset Management Ltd (RNAM) will manage the fund. Four Japanese investors- Mizuho Bank, Development Bank of Japan, Nippon Life and Suzuki have already signed letters of intent. The fund aims to invest in more than 200 Indian companies focused on emerging areas

such as Internet of Things (IoT), Artificial Intelligence (AI), Machine Learning (ML), fin-tech, healthcare, consumer, education, robotics, automation and business-to-business (B2B) software. MeitY Startup Hub & JETRO signed a partnership agreement to strengthen the Indian & Japanese tech startup ecosystem on 20 January 2020. Under which MeitY Startup Hub aims to support Japanese tech-startups in India by providing a soft landing sector-specific tech. incubation platforms for 6 months free of cost. NASSCOM after the success of its start-up delegation in Sept 2019 has now decided to bring start-up delegation to Japan two times a year to organize Live Pitching Event at the Embassy of India. The next edition will be held in March 2020. In last event 26 startup participated out of which three already got significant investment while many other are discussing business partnership with Japanese investors/ companies.

15. 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.

16. 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.

17. Healthcare: In view of the similarities and synergies between the goals and objectives 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. Both sides have subsequently concluded a MoC to formalize cooperation under the overall MoC in the field of Healthcare, which includes establishing a high-level consultative mechanism on the lines of HSR cooperation to build robust health care partnership. 1st Joint Committee Meeting between India and Japan was held on 18 October 2019 under the MOC which was co-chaired by Dr. IZUMI Hiroto, Special Advisor to the Prime Minister (Japan) and Dr. Harsh Vardhan, Hon'ble Minister of Health and Family Welfare (India). During the visit of PM Modi to Japan in October 2018, MOC between Kanagawa Prefecture and Ministry of AYUSH was signed to promote Ayurveda. In pursuance to that AYUSH Seminars with the theme of "Healthy Aging with Ayurveda" were organized in collaboration with MoAYUSH, Kanagawa Prefecture, Kobe City, and Tokyo in the first week of December 2019.

18. Bilateral S&T cooperation was formalized through an Inter-Governmental Agreement signed in 1985. Recent initiatives include establishment of three India-Japan Joint Laboratories in the area of ICT (AI, IoT and Big Data); Initiation of DST-JSPS Fellowship Programme for the young researchers; MoU for second phase of Indian Beam Line at KEK Tsukuba for advanced materials research Setting up the DBT-AIST Advanced International Laboratory for Advanced Biomedicine (DAILAB) at Tsukuba, Japan and Six SISTERS (Satellite International Institutes for Special Training Education and Research) for drug development and therapeutic diseases in India. Around 570 Indian students & researchers have visited Japan under the SAKURA Science programme and HOPE meetings. ISRO and JAXA signed an MoU on 11 November 2016 to pursue future cooperative activities in the use and exploration of outer space exclusively for peaceful purposes. ISRO and JAXA scientists are exploring the possibility of cooperation in realizing a joint satellite mission to explore moon, feasibility study for which is planned to be completed by the end of year 2019. Latest meeting of India-Japan Science Council was held in Tokyo on 1 March 2019. Council approved joint projects, joint seminars

and identified speaker for the Raman Mizushima Lecture. Institutional exchanges are growing in R&D in emerging technologies such as AI (in last one year MoU between IIT-Bombay and NEC; IIT-Hyderabad and RIKEN-AIP have been concluded).

19. 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.

20. 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.

Japan-India Trade (Yen: billion)													
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Trade from India to Japan	544	348	499	543	559	690	739	589	509	619	585	586	363
Trade from Japan to India	819	591	792	882	845	839	861	981	889	1,044	1,236	1,197	807

Bilateral Treaties and Agreements

- Treaty of Peace (1952)
- Agreement for Air Service (1956)
- Cultural Agreement (1957)
- Agreement of Commerce (1958)
- Convention for the Avoidance of Double Taxation (1960)
- Agreement on Cooperation in the field of Science and Technology (1985)
- Japan-India Comprehensive Economic Partnership Agreement (2011)
- Agreement between the Government of Japan and the Government of the Republic of India Concerning the Transfer of Defence Equipment and Technology (2015)
- Agreement between the Government of Japan and the Government of the Republic of India Concerning Security Measures for the Protection of Classified Military Information (2015)
- Agreement between Japan and the Republic of India on Social Security (2016)
- Agreement between the Government of Japan and the Government of the Republic of India for Cooperation in the Peaceful Uses of Nuclear Energy (2017)
- 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 (2021)