



**Session on
India's Japan Moment: *Leaders Must Capitalize***

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Pushing for greater multi-sector cooperation between New Delhi and Tokyo, senior political representatives identified infrastructure, energy and defence as key areas for partnership between the two countries at an Ananta Aspen Centre session in New Delhi.

Ananta Aspen Centre, a New Delhi based Institution, hosted the program in the backdrop of the Indian Prime Minister's planned visit to Japan. The discussion revolved around ways to strengthen strategic and security cooperation, foster greater business and commercial ties and achieve a ten-fold rise in trade and investment between India and Japan.

The session was attended by **Baijayant Panda**, *Member of Parliament, India*; **Suresh Prabhu**, *Former Union Indian Minister of Industry, Environment and Forests and Power*; **Ambassador Aftab Seth**, *Former Ambassador of India to Japan*. **Tomohiko Taniguchi**, *Special Advisor to the Cabinet of Japanese Prime Minister Shinzo Abe* joined the conversation through a special video link from Tokyo. **Tarun Das**, *Founding Trustee, Ananta Aspen Centre* chaired the discussion.

Hailing the existing ties, Taniguchi underscored the role of India in Japanese Foreign Policy. *"Japan and India can strengthen their relationship in the realms of foreign policy, economy and national security. The two countries should collaborate on development cooperation in African nations. Strengthening the defence architecture and nuclear energy is another area of convergence," Taniguchi said. "This is also Japan's India moment. India holds a special place in Prime Minister Abe's mind, and sky is the limit for the Delhi-Tokyo relationship. India has to be a part of Japan's new narrative in the run-up to the 2020 Tokyo Olympics."*

Reflecting on the bilateral relationship, **Das opined**, *"Indian Prime Minister should visit Japan after the budget. This will give clarity on the economic policy being framed by the new government. India and Japan should be looking at a \$100 billion dollar trade over the next few years."*

Over the years, bilateral economic ties have substantially expanded with increased trade, joint ventures and technical collaborations. The two countries are also engaged in wider issues such as nuclear disarmament, maritime security, UN reforms and other areas of regional and global importance. In order to take the relationship to newer heights, it is imperative to develop new ideas and identify greater prospects for economic, nuclear, defence and security cooperation. *"This is not only a great moment, but also a tectonic shift in India-Japan ties. The clear focus for the two governments is fixing and strengthening the economies. For this, their priority areas are boosting cross border investments and capitalising on free trade and markets. India should reach out more actively to Japanese corporates,"* asserted Panda. *"Currently, Japan is involved in nearly 70 infrastructure projects in India, and has invested 4.5 billion dollars in the Delhi Mumbai Industrial Corridor. Japan has the technology and India needs to build on this opportunity."*

As the Chief Minister of Gujarat, Indian Prime Minister Narendra Modi has actively worked with Japanese government and corporates in areas of business, energy and infrastructure. On several occasions, Modi has indicated his keen interest in strengthening existing connections with the Japanese business community and attracting greater investment in Indian infrastructure. The planned visit to Japan will be Modi's first visit outside South Asia since coming to power.

"India needs to put one trillion dollars in infrastructure, out of which a large part would come from the private sector. We require foreign investments to develop, and should prepare to absorb it. To supplement India's investment needs, the new government should explore creating Special Economic Zones for Japanese companies and transforming them into hubs of infrastructure and manufacturing. Another area of cooperation is energy, especially in renewables and solar," Prabhu said. *"There is a huge convergence between Japan and India. We have a common neighbour, which is also bringing the two nations closer. There are no bilateral contentious issues, and this is a relatively tension-free relationship."*

Bilateral trade between the two countries has nearly tripled in recent years, from \$6.5 billion in 2005-06 to \$18.43 billion in 2011-12. Japanese FDI into India between 2000 and 2012 was \$12.66 billion. At present, Japan is India's largest aid donor and India is the largest recipient of Japanese Official Development Assistance (ODA).

"Energy is a definite focus area. India can benefit from Japanese machines that both save and produce energy. There is also potential in defence and military cooperation between the two countries. Opening up India's North East for Japanese investments will help New Delhi connect with Myanmar, ASEAN and beyond. The number of Japanese companies in India has been growing steadily over the past many years. Encouraging partnerships in the higher education and health sectors--especially in diagnostic equipments—will also prove to be mutually beneficial," said Seth.

Diplomatic relations between India and Japan were established in 1952, and since then, the two nations have come closer. New opportunities to forge closer ties further emerged in the 1990s, with the opening up of the Indian economy, the end of the Cold War and the beginning of India's "Look East" policy.