

Japan-India Strategic Dialogue

**May 24, 2017
Tokyo**

Joint Statement

The Japan-India Strategic Dialogue (track 2) under the co-chairmanship of Mr. Yoshiyuki Kasai, Chairman Emeritus, Central Japan Railway Company, and Mr. Tarun Das, Founding Trustee, Ananta Aspen Centre, and Former Chief Mentor, Confederation of Indian Industry (CII), was held in Tokyo from 23rd -24th May 2017.

The dialogue was initiated in 2006 and is currently in its 11th year. Inaugurated, initially, as a trilateral with USA, Japan and India, this meeting was also attended by Mr. Richard Armitage, former US Deputy Secretary of State, who is the US co-chair of the Trilateral Dialogue.

The Tokyo meeting noted, with deep appreciation, the very positive momentum in the bilateral relations under the joint, dynamic leadership of Prime Minister Shinzo Abe of Japan and Prime Minister Narendra Modi of India. In between the sessions, the delegates met at the Kantei with Prime Minister Shinzo Abe.

The meeting particularly welcomed the positive development in maritime, nuclear and defence cooperation, all of which had been proposed in this dialogue several years ago.

The Dialogue exchanged detailed information on political developments in Japan, India and USA. The meeting noted the political stability in both India and Japan and how this has enabled strong, steady economic reforms and international partnerships between likeminded countries, especially those following a democratic system of governance.

The Dialogue affirmed the importance of India and Japan, two Asian maritime democracies, to maintaining stability and freedom in the Indo-Pacific region. The Dialogue has and continued to find new areas of economic and strategic cooperation between the two countries, cooperation that would also support closer coordination with like-minded countries like the US and Australia.

POLITICS The delegates shared views on political developments in their respective countries. They noted that at a time when many governments were marked by political uncertainty, India and Japan were notable for the stability and continuity being experienced at the highest level. Support for the bilateral relationship, remains nonpartisan in both countries. If anything, support at the political and public level for the relationship was increasing.

ENERGY The Indian delegates noted the Indian government's decision to sanction 7000 MW of new nuclear reactors and the Indian nuclear industry's acceptance of the changes in the country's liability regime. They welcomed the Lower House of the Japanese Diet vote in favour of a bilateral nuclear cooperation agreement and looked forward to its final clearance. The Indian side encouraged Japan to explore ways to further cooperate commercially and technologically with India in the nuclear sphere. The delegates said the two countries should also consider coordination in areas like nuclear safety and disaster response.

The Delegates also restated support for the Paris agreement on climate change and their respective energy commitments under that agreement. They recommended the two governments discuss how to preserve the agreement's overall carbon emission goals in case of other countries failing to abide by their commitments.

In this context, the delegates noted the ambitious renewable energy programmes of both the Modi and Abe governments. The Indian side noted India's recently announced intention to switch to electrically powered vehicular transport, an area that Japan is a leading technology provider.

It was also noted that given the present volatility in energy prices, India and Japan should explore the possibility of coordinating their natural gas purchases with an eye to improved price stability and lower overall prices.

Both delegates agreed on the importance of future business cooperation in third countries to expand clean energy solutions.

SECURITY The delegates appreciated that India and Japan had become close collaborators and partners in designing and building connectivity and infrastructure in South Asia and the Indian Ocean Region. The two sides noted the need to keep in mind the strategic overtones of such collaboration, imperatives that go beyond the purely commercial.

These projects include work in the Bay of Bengal area, the Bangladesh-Bhutan-India-Nepal connectivity project and programmes related to Japan's Partnership for Quality Infrastructure and India's Act East policy. The Indian delegation underlined the importance of close Indo-Japanese dialogue and collaboration in developing infrastructure in strategically important parts of the Indian Ocean like Sri Lanka and the Maldives.

The announcement of Asia- Africa Growth Corridor involving the Indian Ocean littoral African countries was welcomed as evidence of the potential in Indo-Japanese collaboration in third countries.

The delegations stressed the need to carefully examine China's Belt-Road Initiative until the time Beijing is prepared to be more forthcoming with affected countries about its intentions and adheres to the principles governing such projects used by multilateral financial institutions. They noted that the size of the initiative would have important geopolitical implications that necessitated a closer collaboration and discussion between India and Japan.

The delegations expressed concern at China's continued unilateral actions regarding the disputed maritime features in the South China Sea, the Senkaku Islands and, now, the use of the Belt-Road Initiative to undermine India's territorial stance on Kashmir. They deplored Beijing's continued refusal to abide by the Arbitral Tribunal's award on the South China Sea. The delegates appreciated Japan's entry as a permanent member of the Indo-US Malabar naval exercises.

The Japanese delegates noted that North Korea engendered instability in Northeast Asia. Japan was confronted with North Korea's continued development of its nuclear weapons and multiple ballistic missile programme, shooting several missiles into Japan's Exclusive Economic Zones from 2016. Japan was also urging North Korea to not only fully comply with its international obligations and commitments, including under relevant UNSC resolutions, but to address at the earliest the abductions issue.

The Indian delegates noted that India was faced with threats related to Pakistan, including terrorist attacks including those of November 2008 terrorist attack in Mumbai and 2016 terrorist attack in Pathankot as

well as a series of border skirmishes around the Line of Control. India was confronted by Pakistan with a record of violating nonproliferation norms, a willingness to carry out nuclear blackmail and use its nuclear status to provide a cover for carrying out acts of terrorism. The government of India and Japan should have a closer dialogue about these their respective sources of threat including coordinating policies and positions.

The Japanese side pointed out that cyberspace is becoming deeper, darker, and dirtier. Future warfare is a hybrid of conventional and cyber weapons leading to cross-domain warfare among land, sea, sky, outer-space and cyberspace. Making an international alliance, especially among Japan, India and the U.S, was stressed to maintain the free flow of information and democratic governance of cyberspace.

ECONOMICS The delegations agreed that continued growth and continued economic reforms in both India and Japan were important to the long-term prospects of Asia and the global economy.

The Indian side summarized the many economic initiatives that the Modi government was carrying out. These included the rollout of a nationwide Goods and Service Tax, ambitious targets for renewable energy that now incorporate a push for electric cars, a drive to a cashless economy as part of a larger Digital India programme and regulatory changes designed to make it easier for companies to do business in India, especially in the manufacturing sector.

The delegates noted the progress being made in India-Japan economic collaboration. They appreciated the continued increase in the amount of Japanese direct investment and the number of Japanese firms coming to India.

This includes the progress being made in regard to the Delhi-Mumbai Industrial Corridor, the Western Dedicated Freight Corridor and the Chennai-Bangalore Industrial Corridor.

It also includes the Mumbai-Ahmedabad High Speed Rail Project and moves to expand such a programme to other parts of the country as well as encouraging the participation of Indian companies in this endeavor.

The delegates noted that despite a bilateral immigration agreement there continued be minimal person-to-person movement between the two countries. They iterated a need to ease working visa norms and promote Japanese language training in India. The recent agreement between India and Japan on providing vocational and workshop training was welcomed. The delegation urged that this be followed through and expanded, including finding means to involve Japanese firms working in India.

At a time of heightened geopolitical uncertainty in the backdrop of developments in the China and Europe, there is greater reason for India, Japan and the US to not only work together but also to collaborate in third countries given their strong strategic convergence and common political values.

Tarun Das

Co-Chair, India

Yoshiyuki Kasai

Co-Chair, Japan